

# **State and Social Security Policy on Ageing in India:**

**A Study of the Implementation of Indira Gandhi National Old Age Pension Scheme in Undivided Andhra Pradesh**

**A Thesis Submitted to the University of Hyderabad  
for the Degree of**

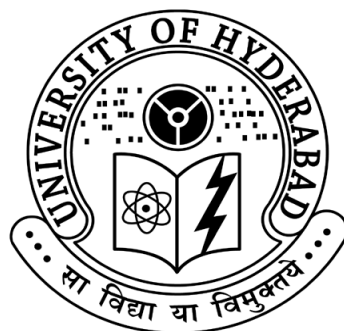
**Doctor of Philosophy**

**In**

**Political Science**

**By**

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### **DECLARATION**

I, **Joseph Alugula**, hereby declare that this thesis entitled “**State and Social Security Policy on Ageing in India: A Study of the Implementation of Indira Gandhi National Old Age Pension Scheme in Undivided Andhra Pradesh**” submitted by me under the guidance and supervision of **Dr. E. Venkatesu** is a bonafide research work which is also free from plagiarism. I also declare that it has not been submitted previously in part or in full to this University or any other University or Institution for the award of any degree or diploma. I hereby agree that my thesis can be deposited in Shodganga/INFLIBNET.

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**Hyderabad**

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**CERTIFICATE**

This is to certify that the thesis entitled “**State and Social Security Policy on Ageing in India: A Study of the Implementation of Indira Gandhi National Old Age Pension Scheme in Undivided Andhra Pradesh**” submitted by **Joseph Alugula** bearing Regd. No: **09SPPH03** in partial fulfilment of the requirements for the award of Doctor of Philosophy in Political Science is a bonafide work carried out by him under my supervision and guidance, and it is a plagiarism free thesis. The Thesis has not been submitted previously in part or in full to this or any other University or Institution for the award of any degree or diploma.

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**Joseph Alugula**

*Dedicated  
To  
My beloved parents*

**James Alugula  
Rose Mary Alugula**

## **Abbreviations and Acronyms**

ACA	: Additional Central Assistance
AD	: Anno Domini
ADPC	: Additional District Programme Coordinator
AIDS	: Acquired Immune Deficiency Syndrome
APO	: Assistant Programme Officer
AR	: Annual Report
ASTRU	: Association of State Road Transport Undertakings
ATP	: Allmänna Tilläggs Pension (Swedish)
BC	: Before Christ
BP	: Blood Pressure
BPL	: Below Poverty Line
BRGF	: Backward Regions Grant Fund
BSP	: Basic State Pension
CBO	: Community Based Organization
CEO	: Chief Executive Officer
CNCA	: China National Committee on Ageing
CPC	: Communist Party of China
CPI	: Consumer Price Index
CVD	: Cardio Vascular Disease
DC	: District Collector
DD	: Demand Draft
DI	: Disability Insurance
DPC	: District Programme Coordinator
DRDA	: District Rural Development Agency
DWCUA	: Development of Women and Children in Urban Areas
EDLI	: Employee's Deposit-Linked Insurance Scheme
EDLI	: Employees Deposit-Linked Insurance Scheme
EPFO	: Employees Provident Fund Organization
EU	: European Union

FDC	: Financial Defined Contribution
FRA	: Federal Retirement Age
GDP	: Gross Domestic Product
GoAP	: Government of Andhra Pradesh
GoI	: Government of India
GP	: Gram Panchayat
HR	: House of Representatives
HDFC	: Housing Development Finance Corporation
HDI	: Human Devotement Index
HIV	: Human Immunodeficiency Virus
HSBC	: Hong Kong and Shanghai Banking Corporation
ICIC I	: Industrial Credit and Investment Corporation of India
ICT	: Information and Communication Technology
ID	: Identity Card
IEC	: Information, Education and Communication
IFA	: Indian Federation on Ageing
IFA	: International Federation of Ageing
IGNDPS	: Indira Gandhi National Disability Pension Scheme
IGNOAPS	: Indira Gandhi National Old Age Pension Scheme
IGNWPS	: Indira Gandhi National Widow Benefit Schemes
ILC	: International Labour Conference
ILO	: International Labour Organization
ISSA	: International Social Security Association
KYC	: Know Your Customer
LIC	: Life Insurance Corporation
LPG	: Liberalization Privatization Globalization
MGNREGA	: Mahatma Gandhi National Rural Employment Guarantee Act
MLA	: Member of the Legislative Assembly
MLE	: Ministry of Labour and Employment
MMP	: Mandatory Minimum Provision



MMU	: Mobile Medical Units
MPDO	: Mandala Parishad Development Officer
MPR	: Monthly Progress Reports
MRD	: Ministry of Rural Development
MS	: Mandala Samakhya
MSJE	: Ministry of Social Justice and Empowerment
NCT	: National Capital Territory
NAC	: National Advisory Committee
NAC	: National Advisory Committee
NAOPS	: National Association of Older Persons
NCD	: Non-Communicable Diseases
NCOP	: National Council for Older Persons
NFBS	: National Family Benefit Scheme
NFBS	: National Family Benefit Scheme
NFBS	: National Family Benefit Scheme
NGO	: Non-Governmental Organization
NIACL	: New India Assurance Co. Ltd.
NIC	: National Informatics Centre
NLM	: National Level Monitors
NMBS	: National Maternity Benefit Scheme
NMBS	: National Maternity Benefit Scheme
NOAPS	: National Old Age Pension Scheme
NPC	: National Planning Commission
NPOP	: National Policy for Older Persons 1999
NPOP	: National Policy on Older Persons
NSAP	: National Social Assistance Programme
NSAP	: National Social Assistance Programme
NSAP-MIS	: National Social Assistance Programme-Management Information
OASI	: Old Age and Survivors Insurance
OBC	: Other Backward Caste

OC	: Open Category
OECD	: Organization for Economic Co-operation and Development
PDA	: Pension Disbursing Authority
PDS	: Public Distributive System
PO	: Programme Officer
PRC	: Performance Review Committee
PRI	: Panchayati Raj Institutions
RBI	: Reserve Bank of India
RSRTC	: Rajasthan State Road Transport Corporation
SBI	: State Bank of India
SC	: Schedule Caste
SCUP	: Senior Citizens Unit Plan
SEK	: Swedish Crown
SERP	: Society for Elimination of Rural Poverty
SERPS	: State Earnings Related Pension Scheme
SHG	: Self Help Group
SPA	: State Pension Age
SSI	: Supplemental Security Income
SSPS	: Social Security Pensions Software
ST	: Schedule Tribe
TV	: Television
UBI	: Union Bank of India
UDHR	: Universal Declaration of Human Rights
UK	: United Kingdom
UNESCO	: United Nations Economic and Social Council
UNFPA	: United Nations Fund for Population Activities
UNO	: United Nations Organization
UNSDHA	: United Nations Office for Social Development and Humanitarian
USA	: United States of America

UT : Union Territory  
VO : Village Organizations  
WHO : World Health Organization

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## Introduction

It has been observed that human beings are facing uncertainties caused by disease, disability, old age and death throughout history. The members of the family and relatives have always felt responsible towards each other and at that level the family had resources to draw upon, this has often been a source of socio-economic security, especially for the aged. In addition, land was an essential form of socio-economic security for those who owned it and also who made their livelihood on farms. Since the ancient times, the established sources of socio-economic security have been: assets, labour, family, and charity.

The idea of 'Public Welfare' was associated almost exclusively with the poor and the destitute elderly who relied upon care provided by the community and mediated by different religious groups during the Middle Ages. The idea of charity as a formal economic arrangement also appeared for the first time with religious organizations called "the church" in Europe. Christian edicts to provide sustenance to the elderly have found parallel in other religions like Islam, Hinduism and Buddhism etc. All of these have community-based provisions for the vulnerable population groups. Widows and orphaned children are also members of these groups. However, colonial linkages have superimposed systems of care originating in the European practices and beliefs, upon the existing indigenous systems of care. The observed differences being that, the former have tended to emphasize institutionalized forms of care (day care, residential care, the provision of hospices, etc.) as opposed to the more communal and voluntary forms of care that pre-existed within the society and culture, enshrined in particular religious values.

As for instance, traditionally, both Hinduism and Islam, have revered old age as part of the life cycle; the provision of alms are viewed as obligatory, and in both cases, specific regions or areas within a country are recognized as 'holy places' where older people (widows in the case of Hindus) commonly reside and are a shared responsibility of the community. For those countries guided by Islamic religious values, *zakat* is a form of

obligatory taxation, which every individual who is able must pay in order to provide for the vulnerable people in society. However, in some secular states like Syria and Lebanon, *zakat* is voluntary (over and above other forms of state-generated taxation) whereas, in others states like Saudi Arabia, Pakistan, it is collected by the religious establishments (Kasturi Sen, 1994:51).

By contrast, charitable institutions run by western organizations have been more associated with the organized church and have displayed a greater degree of involvement with institutionalized forms of care such as in homes for the aged and day care services. In the past, such charitable organizations, which have been involved, were predominantly run by Christian communities. There has been greater emphasis on individual rather than community responsibility to care for the vulnerable groups. This tradition originating in particular beliefs and welfare approach persisted to varying degrees until the end of the Second World War (Kasturi Sen, 1994:51).

### **1. Welfare State and Social Security Policy**

Prior to the 18th century, majority of the people in the world lived and worked on farms, and economic security was provided by the extended family. However, this arrangement changed as Europe underwent the Industrial Revolution. The extended family and the family farm as sources of economic security became less common, farmers turned into industrial workers where retirement became compulsory for the workers after reaching a certain age and once the physical ability of a worker declined. Therefore, companies no longer provided placement for old age people. Now the problem was that when he/she becomes unemployed and a little pension becomes the main source of income for the survival of the retiree and his family, it pushes old age into greater tribulation.

Then, the Great Depression of 1929 triggered a crisis in all the nations and their economic affairs. Following the outbreak of the Great Depression, poverty among the elderly grew dramatically. It was against this backdrop that the social security programs emerged. The Great Depression of 1929 was the third depression of the modern era, following previous economic collapses in the 1840s and again in the 1890s. During the depression of the 1890s, unemployment was widespread, and many workers came to

realize that in an industrialized society the threat to economic security represented by unemployment could strike anyone, even those who are able and willing to work. Protest movements arose largely across Europe (Paul Spicker, 1988:75).

After the Second World War, many European colonies in Asia, Africa and Latin America have become independent nation states and most of the nation states emerged as democratic states. In a democratic state, every citizen has the right to vote and participate in the affairs of the state. Most of the democratic states have turn into welfare states.

The “welfare state” is a state, which benefits its citizens in accordance with a certain set of principles, “from cradle to grave.” Hall writes “The distinguishing characteristic of the welfare state is the assumption by the community, acting through the state and taking up on the responsibility for providing the means where by all its members can reach minimum standards of health, economic security and civilized living and can share according to their capacity in its social and cultural heritage” (Paul Spicker, 1988:75-76).

Another scholar Briggs outlines three ways in which the welfare state affects social relationships: firstly, by guaranteeing individuals and families a minimum income irrespective of the market value of their work, or their property; secondly, by narrowing the extent of insecurity by enabling individuals and families to meet certain ‘social contingences’ (for example sickness, old age and unemployment) which lead otherwise to individuals or family crisis, and thirdly, by ensuring that all citizens, without any distinction of status or class are offered the best standards available in relation to a certain agreed range of social services (Briggs, 1961: 228-30).

Thoenes defines “the welfare state as a form of society characterized by a system of democratic government-sponsored welfare placed on a new footing and offering a guarantee of collective social care to its citizens, concurrently with the maintenance of a capitalist system of production” (Thoenes, 1966:125). According to Marshall “welfare state is a part of complex society allied to a capitalist market economy and a democratic political structure” (Paul Spicker, 1988:77). Jhones defines “the welfare state as a form of society characterized by a system of democratic government which places welfare on a new fooling and offer a guarantee of collective social care to its citizens concurrently with the maintenance of capitalist system of production” (Jhones. P, 1966:125).

The welfare state comprises two types of government spending arrangements: (i) cash benefits to households (transfers, including mandatory income insurance) and (ii) subsidies or direct government provision of human services (such as child care, pre-schooling, education, health care, and old-age care). By broader definitions, the welfare state may also include price regulation (such as rent control and agricultural price support), housing policies, regulation of the work environment, job-security legislation, and environmental policies (Assar Lindbeck, 2006:2). The welfare state is a system in which the government undertakes the main responsibility for providing for the social and economic security of the state's population by means of pensions, social security benefits, free health care, and so forth (Mike Carpenter, 2006:570).

Welfare state helps its citizens at every level by ensuring physical, economic, and social security, through education, shelter, sustenance, health care, pension, unemployment insurance, sick leave due to injury, additional income in some cases, and equal payment through price and wage control. It also provides for public transport, childcare, social amenities such as Public Park and library, and numerous other services. Several issues are compensated by government programs whereas others are compensated by taxes.

Many nations provide some sort of social services or entitlement programs in the contemporary world and these are generally accessible to certain people who fulfil the eligibility criteria. Nevertheless, those people who fulfil the prerequisites are ascertained to benefits as a right. This is generally known as a "Safety Net", which is meant for assisting the most susceptible people.

## **2. Public Policy**

The purpose of the welfare state is to create socio-economic equality or to assure equitable standards to all its citizens. In order to achieve this, it redistributes wealth by heavily taxing the middle and upper classes in order to provide goods and services for those seen as underprivileged. In every society, different vulnerable sections exist, among them aged people are one of the most important and neglected section. Social security is an essential part of the welfare state. The concern for old age social security is deeply influencing the social and economic policy of the developed as well as the developing countries. Some of the political scientists define public policy as:

“Public policies can be defined as proposals translated into blueprints for action by the state, mostly through legislation, for serving the common good or at least the greatest good of the greatest number, to paraphrase a Utilitarian dictum” (Prabhash. J, 2004:403). Thomas R. Dye defines public policy as “Whatever governments choose to do or not to do” (Thomas R. Dye, 1972:1). Harold D. Lasswell and Abraham Kaplan define policy as “a projected program of goal values and practices” (George D. Greenberg et.al, 1977:1541).

B. Guy Peters: “Stated most simply, public policy is the sum of government activities, whether acting directly or through agents, as it has an influence on the life of citizens.” And scholars like Charles L. Cochran and Eloise F. Malone defines: “Public policy consists of political decisions for implementing programs to achieve societal goals” and “Public policy is the outcome of the struggle in government over who gets what” Further they extends “The term public policy always refers to the actions of government and the intentions that determine those actions” (Thomas A. Birkland, 2011:8).

Public policy is basically a course of government action or inaction taken in response to socio-economic problems in the society. There are different types of problems where state intervention is necessary and among them social security for the aged is a very important issue. The concept of social security is that the state should make itself responsible for ensuring a minimum standard of material welfare to all its citizens. The basic social security system aims to help individuals in times of dependency such as childhood, old age, sickness, accident and unemployment. Thus, an ideal system of social security is meant for helping people in need. Some of the scholars define social security as it follows.

### **3. Social Security**

Social security is a human right, Article 22 of the Universal Declaration of Human Rights states: “Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”. Article 25 formulates it in a more precise way as, “Everyone has the right to a standard of living

adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control” (UNO, 1948:5-6). Social security is a social and economic necessity to combat poverty and social exclusion and promote development, equality and equal opportunity (ILO, 2012: V).

The International Labour Organization (ILO) defined social security services as “one that provides the citizens with benefits designed to prevent or cure diseases, or to support them during their inability to earn and to restore them to gainful activity. Some of the contingencies covered in the social security system are: sickness, maternity, occupational risks, invalidity, unemployment, retirement and medical care old age and death” (Irudaya Rajan. S.et.al, 1999:140).

Sir William Beveridge, father of the UK social security system, defined it as a “security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident; to provide for retirement benefit, to provide against loss of support by the death of either person and to meet exceptional expenditure such as those connected with birth, death and marriage” (Irudaya Rajan. S, 2008:12).

According to Pierre Laroque, former president of the national social security fund in France, “social security, although sometimes assimilated into social insurance, is a basically new development. It represents a guarantee by the whole community to all its members of the maintenance of their standard of living or at least tolerable living conditions by means of a redistribution of income based on national solidarity” (Irudaya Rajan. S, 2008:12).

Leal de Araujo (1972) has viewed “social security systems as supplementary mechanisms or economic agents for redistribution of income. Social security schemes may be of four different types in terms of the benefits such as medical care sickness benefits, maternity benefits, unemployment benefits, employment benefits, invalidity benefits, old age benefits, and survivor benefits” (Irudaya Rajan. S, 2008:12).

Social security refers to protecting someone against socially recognized circumstances, which includes; unemployment, old age, poverty, disability, and different kinds of multi-dimensional deprivation. Within a welfare state prototype, it usually refers to services



offered by the country, even though in most situations the state acts in partners with the market and other agencies to make such type of schemes available. It might, in a way, refer to social insurance schemes like 'retirement pensions' or 'disability insurance' where people receive benefits or services in recognition of contributions to an insurance scheme. Nevertheless, with incorporating state retirement-pensions the prime function of social security benefits is to provide a basic standard of living to people vulnerable to socio-economic shocks.

At times, 'social security' is also taken in a broad sense to refer to the continuous access to basic requirements such as; education, food, shelter, clothing, and health-care. Entitlement to 'social security' will be means-tested. In other words, financial support is provided for those people who are unable to cover these basic requirements.

#### **4. Statement of the Problem**

Ageing is a universal phenomenon and a biological process, which occurs naturally to all the living organisms, and human beings are no exception to it. A human baby is born, it grows, attains its infancy, childhood, adolescence, adulthood, reaches old age and ultimately passes away. A person is considered old when he attains certain years of age, gets grey hair, wrinkles on the skin, lose their teeth, eyesight, physical and memory power. Ageing became one of the major challenges in the contemporary world due to moderate improvement in medical care, increasing life expectancy and proportionate increase of the elderly population. The elderly people constitute one of the most vulnerable sections of the society. They are not only physically weak but also economically dependent on others.

Therefore, the issues and problems of the aged people have drawn the attention of international organizations such as the United Nations Organization (UNO) and its aligned organizations like International Labour Organization (ILO), World Health Organization (WHO) and World Bank as well. These organizations have come up with some conventions and guidelines for the member states, regarding social security for the aged people. UNO in its two world conferences; the Vienna International Plan of Action on Ageing in 1982, and the Madrid International Plan of Action on Ageing in 2002, have set precedence on discussing the issue of ageing.

When it comes to the Indian context, the insecurity of old age is worse for those who live in rural India after spending their active lifetime employed in the unorganized sector. The traditional Indian social system has been changing very fast because of the steadily engulfing forces of modernization, urbanization, industrialization, individualism, liberalization, privatization, and globalization, etc. It has drastically affected the rural family structure in general and the age-old Indian joint family system in particular. In the urban fringes, the joint family system has disintegrated largely and therefore, the social and economic significance of this institution has diminished.

Increasing urbanization due to migration and the compulsion of the urban life style have further weakened the family system. Improved education, a concomitant of technological change and economic development is promoting individualism and rational questioning of authority. Nuclear households characterized by individuality, independence, and desire for privacy are gradually replacing the joint family, which emphasizes upon the idea of the family being a unit and demands to respect towards age and authority.

The effects of consumerism and the individualistic attitude of the educated younger generation has necessitated them to drift away from their villages and migrate to urban areas in order to get employment and to live a more comfortable city life, as well as to achieve their future career goals. Moreover, even those who stay back in their villages are leading a life as small tenants and wage labourers in the agriculture sector. In such a situation, the poor and the helpless aged parents are left alone in the villages, where they feel socially and economically helpless. Under these circumstances, parents cannot always count on the financial support from their children and they have to take care of themselves. So they continue to work although at a reduced pace and they are compelled to lead a life of uncertainty and tribulation.

Since the colonial times India has also had realized that the elderly need social security. Some of the important acts such as The Pension Act in 1871 and The Employee's Compensation Act in 1923 were introduced by the British. After independence, India's adoption of the socialist pattern of society led to the introduction of many social security acts, such as the Employee's State Insurance Act, 1948, the Employee's Provident Funds

and the Miscellaneous Provision Act 1952, the Employee's Family Pension Scheme 1971, the Payment of Gratuity Act 1972, the Employee's Deposit-Linked Insurance Scheme (EDLI) 1976; which are important acts for the organized sector during pre-liberalized period in India.

The ageing population in India has been around 6.76% in 1991, 7.5% in 2001 and 8.2% in 2011 with respect to the total population (Irudaya Rajan S, 2008:40-43). It is often been said that the child welfare policy is neglected because children are not voters. By contrast, elders are often vocal and determined to express their will through the ballot box. By the late 1990s, most political parties had included ageing as part of their election manifesto. Thus, the political situation was ripe for a national policy on ageing, and the understanding of the characteristics of India's elders increased.

The organizations of elders such the Indian Federation on Ageing (IFA), which had formerly sought help and small favours from government, began to talk about their rights and initiate an advocacy role. At the same time, the efforts of several NGOs, for example Help Age India, academicians, and senior citizen organizations in general, and Ministry of Social Justice and Empowerment in particular, put pressure on the state to come up with a policy initiatives for the aged at the national level.

However, in the post-1990s, there had been a paradigm shift in the welfare state approach on India's policymaking because of its adoption of liberalization, which has facilitated privatization of many public undertakings, including, social security measures like pension, health insurance, etc., and the state's withdrawal from the traditional welfare pattern has gradually increased.

As a result, social security has become a serious problem even for the organized sector in India. However, interestingly, on the other hand, the government of India has also come up with an umbrella program called the National Social Assistance Programme (NSAP) in 1995, for the vast unorganized sector at the national level. Within this program, there is a scheme called the National Old Age Pension Scheme (NOAP) for senior citizens of India, which aims at providing social security in case of old age for those who have crossed 65 years of age and belong to the Below Poverty Line (BPL) category.

Further, again in 1999 the government of India introduced the National Policy for Older Persons (NPOP). It is a very comprehensive policy framework and provides a context for planning and programmatic action by the government. The government of India on the 19<sup>th</sup> of November 2007 renamed NOAPS as “Indira Gandhi National Old Age Pension Scheme” (IGNOAPS) and hiked the amount from 75 to 200 rupees per month, per beneficiary. There was a hike of Rs.500 per month for a beneficiary from 80 years onwards and the state government’s contribution for over and above to this amount. At present, old age beneficiaries are getting somewhere between 200 to 1000 rupees depending on the state contribution.

As a state response, the IGNOAPS has been introduced to deprivation and insecurities encountered by old people. Firstly, adults in poor households face insecurity of work and income in their quest to lead lives of security and some dignity. Secondly, in India, the old people are generally dependent on their children for support. Their presence in poor families adds to the financial burden and further deprivation of the family. The state of insecurity of the household is further aggravated by more poverty and greater morbidity among the old. Thirdly, there is also inadequate public health care facilities and the increasing cost of private health care facilities for the aged that can throw the household into a major crisis.

The scheme slightly differs from state to state because the state government’s financial contribution to the scheme is different and they are able to modify its method of implementation of the scheme. Andhra Pradesh is one of the states in India, which implements welfare schemes very effectively by using Information and Communication Technology (ICT) and collaborate with banks and the postal department.

Since the earlier studies on NOAPS found that the amount the beneficiaries received under the scheme could gain dignity and self-respect, which raises a question of how a beneficiary could gain the same by getting only a mere amount (Rs.200). Therefore, the focus of this study is to examine whether the scheme (IGNOPS) has helped the aged in enhancing the dignity and self-respect through its implementation at the grass root level (Gram Panchayat).

## 5. Review of Literature

There is a plethora of literature on ageing, especially from the medical aspects, whereas from the social aspects point of view there is a scarcity. As far as policy is concerned, there are quite a few studies in India, which are available, and have been reviewed.

Bhatia's work (1983), *Ageing and Society: A Sociological Study of Retired Public Servants*, includes the public retired servants settled within the Municipal limits of Udaipur city. He has stratified his universe into two groups: gazetted and non-gazetted. It has comprehensively studied the living pattern, economic life, inter-personal relations, and status, influence structure prevailing in the family, health condition, religious behaviour, leisure time activities, and social participation in community affairs.

Bose, A. B. (2006), *Social Security for the Old*, gives a comprehensive account of social security among the aged. It covers demographic projections up to 2050, and compares India with the trends in the developed and developing countries. The book analyses financial security among the formal and informal sector workers, and the extent to which persons on their own would be able to take care of themselves in old age. The health security aspects of people have also been discussed, including the roles played by the public and private sectors, non-governmental organizations, cooperative societies, insurance, and other institutions. Caring arrangements for the old in the family and other forms of care have been analyzed. Finally, the book reviews the national policy on the old, arguing that, the elderly persons are also a resource and not just dependents. It has indicated the areas of action taken by the state, private sector, non-governmental organizations, the family and other institutions of the civil society.

Dandekar, K. (1996), *The Elderly in India*, is a work on the elderly people of India. Based on about 50,000 sample households, she has tried to differentiate the problems pertaining to regional variations between the rural and the urban based old people of India in some specific sectors, like health, financial constraint and the role and function of old age homes. She has also evaluated the efficacy of the existing pension schemes and has suggested some remedial measures to overcome such loopholes. She points out that the old age homes may offer a viable solution to the problems affecting the urban aged. It is particularly poverty, shortage of housing, and often the harsh conflicting situations between the young and the old generations. She argues that since three-fourths of the

aged people of India reside in rural bases, the major thrust of the welfare programs and policies should be directed at providing old age pensions. This, according to her, is not because the rural aged are well integrated with their social milieu and not favourably disposed towards living in old age homes.

Nair, T.K. & Ramana, K. V. (1989), (Eds.), *Ageing and Welfare of the Elderly in India*, covers a wide range of topics and issues relating to the elderly in India. There are ten chapters dealing with issues such as the demographic transition experienced in India, social perspectives on ageing, and the anthropological perspectives which examine transformations in value systems and their impact on the well-being and psychological status of the elderly. There is a wealth of information on older people as well and its impact upon policy as it exists. While, it is evident that the existing pensions for the elderly in most Indian states are wholly inadequate, the government still envisages their improvement through economic expansion and higher output. The indications are that in any policy on the aged there will be a great emphasis placed upon the family and community and the value systems in India. The supporting view being that the elderly are also a resource and should be utilized as such in the community.

Joseph, J. (1991), *Aged in India: Problems and Personality*, conducted a psychological study in terms of problems and personality of the aged in the district of Kottayam, in the state of Kerala. For the purpose of this study, he has considered a person of 60 years of age as “old”. He says that a paltry sum of pension is associated with poor living conditions and suffering. Thus, occupational insecurity, lack of training facilities and shortage of psychiatric and psychological services, etc. are some of the main inadequacies in some of the advanced social system of the world. He has made a comparative survey between the home-living “old” and the institutionalized “old” and has pointed out multiple problems, on physical, mental, economic, religious and at occupational levels. Further, he has also attempted to examine the attitude of the young (in between 20-50 years of age) towards the aged and has studied the personality of the aged in terms of certain selected personality variables. He finds that the young in Kerala do not have a negative attitude towards the old. Their attitude is clearly positive in nature and hence is not discriminatory.

Phoebe, S. Liebing. et.al. (2005). (Eds.), *An Ageing India Perspectives, Prospects and Policies*, examines ageing issues from different perspectives, such as, demographic conditions, social and family relations, economic, health and disability, current interventions, advocacy and policy. It also provides up to date references, explanations of differences and similarities within India's diverse population and the study gives an overview of the development of India's national policy on ageing, providing up to date references and also explanations of differences and similarities within India's diverse population.

Srivastava. (1994), *The Problems of the Aged*, studied a total number of 270 retired government employees. In this study, he considered the age of 55 as a demarcating line for considering a person "aged", and carried out an exploratory study, aiming to gain insights as to how the retired persons of three districts, namely, Gorakhpur, Basti, and Deoria in the state of Uttar Pradesh (U.P), adjust socially, economically, psychologically and culturally with the changing situations. This study pointed out some peculiar problems faced by aged people and further explored the way they perceive their problems and the ways which they adopt to cope when faced with such problematic situations.

Ajith J. D'Souza. (2011), '*Health of the Elderly in Rural Dakshina Kannada*', conducted this study in the rural Dakshina Kannada district of Karnataka state which comprises of five taluks namely; Mangalore taluk, Beltangadi taluk, Sullya taluk, Puttur taluk and Bantval taluk. He used a systematic sampling method and took a proportion of 400 elderly people, comprising both male and female. Although this study found that a majority of the elderly have good health and are free from ailments, some of the common ailments found in the study area are asthma, anaemia, arthritis, cancer, diabetics, dental disorder, gastritis, hypertension, insomnia, spondylitis, and skin rashes. He has also pointed out three prominent types of physical disabilities caused by old age: 1) impaired eyesight. 2) hearing impairment and 3) gait disorder. When ill, it is found that the majority of the respondents consult private practitioners for medical treatment.

Pratibha, Dabas. et.al. (2011), '*Implementation of the Old Age Pension Scheme in Ludhiana District of Punjab*', conducted this study to analyze the implementation of the pension scheme in Ludhiana's rural area in the district of Punjab state with the objectives:

(1) to assess whether the guidelines for identifying the beneficiaries have been followed. (2) To evaluate the extent to which the programme has achieved its aim. (3) To assess the awareness and clarity about the scheme amongst the elderly.

Four villages were chosen randomly for the study along with 711 sample size after assessing for the eligibility for the National Old Age Pension Scheme (NOAPS), 711 sample size were chosen from four villages through random sampling. . The study found that out of the total 711 samples, 478 (67.2%) were availing some form of pension. Two hundred (28.1%) of the eligible elderly were not receiving any pension. Thirty-three (4.7%) of the elderly were receiving pension under NOAPS though not eligible, and 200 eligible elderly were not receiving pension. Through various source of information like relatives and friends (48%), media(42%) and village Sarpanch (10%)majority (95.5%) of the elderly were found to be aware about the scheme, but only one-third (29.5%) were familiar with the procedure to have their names enrolled under the pension scheme.

Alok Kumar. et.al. (2011), '*Assessment of Old Age Pension Scheme in Rural Uttar Pradesh: A Preliminary Analysis*,' conducted this study in 2009 in the northern rural area in Uttar Pradesh, the most populous state, based on 600 aged people of 60+ age group. The result indicated that widow/widower, elderly age 80 and above, SC/ST's elderly with low socio-economic status with bad health were availing the Old Age Pension Scheme more than others. The author is of the view that the main reason behind the poor status of the elderly in India is when at the later stage, they become non-productive and their family members start treating them as a liability and the elderly starts losing the respect in the family, but on the positive note. It is also found that this scheme is supporting the elderly to live life with dignity and respect, enabling the elderly to contribute in the family expenditure and thus command some dignity and respect.

Government of India (2009), '*Evaluation Report on National Old Age Pension Scheme Jammu & Kashmir*,' conducted this study with 186 beneficiaries, along with 139 non-beneficiaries of NOAPS in the state of Jammu & Kashmir. Four districts were selected, two each from Jammu region and Kashmir region: Anantnag, Kupwara, Doda and Rajouri were the districts selected for the in-depth study, evaluating high and low performance based on the information on the key indicators of development. The study found that despite few problems during the process of the implementation of the scheme,



over all, the National Old Age Pension Scheme has achieved its objectives to a greater extent. The study brings out that this scheme has not only been successfully implemented, but has also benefited the beneficiaries by moderating the hardships and difficulties they had to bear before availing this scheme. Not only that, but it has also given them a sense of belonging and some respect in the society. Majority of the beneficiaries conveyed that the scheme made them self-supporting, and helped them to obtain health care.

Devi Prasad & N. Komali Salomi, (2009), '*Implementation of the Old Age Pension Scheme in Visakhapatnam District-A.P: A Study*,' used multi-stage sampling method to assess the implementation of the National Old Age Pension Scheme (NOAPS) in Visakhapatnam District. The study focused to bring out an accurate identification of pensioners, insightfulness of the pensioners about the paying out and handling of funds, and on the new initiative taken, entrusted to a Self Help Groups (SHG) Samakhya to manage old age pension scheme. A cross-section of 185 old age pensioners from 18 villages chosen randomly from 9 Mandals of the district were chosen for the study. This study not only throws light on the dominant role of politics to identify and selecting the beneficiaries, but also gives insights on the approaches used by the officials to enlist the beneficiaries and their judgements and opinions on the activity of the NOAPS in Visakhapatnam district, Andhra Pradesh.

This study found that there were lots of discrepancies on the part of political parties, officials in charge and the neglect on the part of the system like Gram Sabha who were not providing proper supervision. The study also found that adding to the lack of awareness on the part of the pensioners, the officials who were in charge of delivering the amount were directly collecting tips from the pensioners. Many pensioners including common people are not aware that the government is keen on disbursing pensions on the 5<sup>th</sup> of every month.

In the midst of all the dark side of this old age pension scheme story, the study throws light on the positive story and hope on the role played by NGOs, the initiatives of SHG Samakhya who are managing the old age pensions. This SHG was not only found to be practical, efficient, but also gives hope to the beneficiaries that this SHG Samkhya's initiatives could bring down operational costs.

However, none of the above reviewed works gave comparative perspective of the scheme within states in India. Therefore, by identifying this research gap, the present study aimed to compare the implementation of the scheme between most backward and highly developed districts of Andhra Pradesh within the rural areas.

## **6. Significance of the Study**

The Gerontological studies in social sciences, particularly in political science are very few in India. The problems of ageing and its social impact and state policies were unaddressed and almost left untouched in research until the late 1960s. However, after this period, social studies on ageing gradually emerged in various disciplines such as sociology, demography, psychology and anthropology. The elderly have common issues such as physical weakness, economic dependence, being abused inside and outside of the family, psychological and physical loneliness as well. Since the period of old age is vulnerable to diseases, immobility and insecurity, the state has to design welfare policies intending care and assistance to the elderly.

Ageing has become the focus of public policy in India with the introduction of pension schemes for the employees after their retirement from service mainly in the organized sector. State policies of labour, public health facilities and family loss has direct and indirect role to provide help for the elderly. Pension was confined to the employees of the organized sector. 80% of the Indian work force depends on the unorganized sector for their livelihood and are poor or rarely covered by the benefits of pension. This shows that a vast majority of the Indian population are left helpless in their old age. Socio-economic changes in India accompanied by the breakdown of the traditional family system and changes in family values have made the plight of the elderly quite miserable. Against this background, with the global consequences about need for state protection for the elderly and pressure from the civil society organizations and the philanthropists, the government of India introduced the National Old Age Pension Scheme (NOAPS) in 1995. NOAPS is modified into IGNAOPS on the 19<sup>th</sup> of November, 2007. It is a national scheme sponsored by the union government and the state government does implementation cum additional contribution and monitoring activities. The significant contribution lies in

studying the implementation of IGNAOPS from the academic point of view, because it provides pension for 37, 84,862 beneficiaries (on 1<sup>st</sup> July 2012) out of the 59, 21,528 (2001 census) aged population in Andhra Pradesh.

### **7. Research Questions**

- Why ageing becomes a concern for state policy in India?
- Why is social security a need for the unorganized aged in India?
- Has IGNOAPS been fulfilling its objective?
- Does IGNOAPS bring about the dignity and self-respect among beneficiaries in rural areas?

### **8. Hypothesis**

1. Absence of a strong state social security for the unorganized aged in rural India is causing dependency on the family.
2. IGNOAPS has brought about dignity and self-respect in beneficiaries.

### **9. Objectives**

1. To examine the reasons of ageing becoming a state policy concern in contemporary times.
2. To analyze the policy initiatives for the ageing at the global level.
3. To analyze the evolution of state policy on ageing in India.
4. To assess the implementation of IGNOAPS.

### **10. Methodology**

For this research, both qualitative and quantitative techniques have been used. It involves various methods such as historical, analytical, survey, comparative and case study methods based on primary and secondary sources as well as the data, which have collected from the field. The secondary sources of data consist of the Union and the State government reports, such as the Census of India, Sample Survey of India and the annual reports by the Ministry of Rural Development, Ministry of Social Justice and Empowerment, Ministry of Labour and Employment, Ministry of Finance, United Nations Organizations (UNO), World Health Organization (WHO) and International Labour Organization (ILO) reports, unpublished theses, voluntary organizations (NGOs) reports, published thematic books, articles from various journals, newspapers, internet

sources, published and unpublished papers at present in national and international seminars, etc. used in this study.

To collect the primary data from the field, the fieldwork has carried out with the help of a structured as well as an unstructured questionnaire for interviews, group discussions and transect walk etc. Tools have been used to collect data from stakeholders from the field.

- (i) Interviews with government officials (Bureaucracy) in charge of this programme at State, District, Mandal/Block, and Gram Panchayat levels.
- (ii) A survey with structured questionnaire along with some case studies among the beneficiaries of IGNOAPS from Krishna and Mahabub Nagar Districts of Andhra Pradesh.
- (iii) Interviews with non-beneficiaries, political leaders at Gram Panchayat level (especially the Sarpanch), service providers and informal discussions with family members of the beneficiaries, group discussions with beneficiaries have done.

There are 200 samples from both the Districts, 100 respondents from each District and one Mandal from each District. Three-Gram Panchayats from each Mandal total six-Gram Panchayats have studied. Some of the beneficiaries of IGNOAPS have been chosen randomly by using simple random method from the six-Gram Panchayats and its hamlets.

## **11. Chapterization**

The thesis has been organized into four chapters, which are as follows:

### **Introduction**

It starts with a brief historical evolution of social security for the aged, theoretical aspects of welfare state, public policy, and the concept of social security. It also includes the statement of the problem, review of literature, research questions, objectives, hypotheses, methodology, limitations of the study, and the period of the fieldwork.

### **Chapter-I**

#### **The Problem of Ageing: An Overview**

The chapter discusses the issues like demographic scenario and the major problems of the aged such as social, health, psychological, widowhood, economic etc. Ageing in the

Indian context and the changing Indian social structure and institutions and their effect on aged has discussed in this chapter.

## **Chapter-II**

### **Social Security Initiatives for Ageing at the Global Level: An Overview**

The chapter is divided into two parts; first part discusses the social security policy initiatives for the aged by the international organizations such as the UNO and its allied organizations ILO, WHO and also World Bank. The second part discusses the evolution process of social security policies on ageing in the countries like the UK, USA, Sweden and China.

## **Chapter-III**

### **The Evolution of State Social Security Policy for Ageing in India: An Overview**

The chapter mainly focuses on the policy initiatives for the aged by the Government of India from the historical perspective, starting from the ancient, medieval and the modern British colonial periods. It is divided into pre and post liberalization periods; organized and unorganized sectors and contributory and non-contributory schemes. The insurance schemes and some of the Union Ministries incentives for the aged in India have also discussed.

## **Chapter-IV**

### **Implementation of Indira Gandhi National Old Age Pension Scheme: An Analysis of Fieldwork in Undivided Andhra Pradesh**

The chapter is exclusively based on fieldwork. It analyses administrative process of the scheme, socio-economic and personal profile of the respondents, implementation of the scheme, the role of state and family for the protection of aged in the rural areas, and the perceptions of the non-beneficiaries towards the scheme.

## **Conclusion**

The chapter presents a summary and the conclusion of the whole thesis along with some policy suggestions.

## **12. Limitations of the Study**

This study has many limitations. It has been conducted in the state of Andhra Pradesh during the pre-bifurcation of Andhra Pradesh. The analysis and findings are confined only to the united Andhra Pradesh. The sampling size was small and confined to the two

districts of Andhra Pradesh, limitations for generalization, researcher's bias, etc. are prevalent. During the course of fieldwork, most of the respondents assumed that the researcher was a government representative (agent) so they hesitated to disclose certain information regarding their personal & family income and property holdings. In some cases, the researcher could not interview respondents personally due to presence of the family members, other fellow respondents and the neighbours. In the total samples, most of the cases/respondents were unproductive who did not have any personal income because of inability to participate in the production process. The reason, the researcher visited the field during the productive time 10:00 am to 5:00pm was that, during this time, the productive beneficiaries left for work and the unproductive stayed back in the villages. The limitations of the researcher in translating Telugu to English needs to be considered while reading the respondents' words. The researcher sometimes felt that some of the Telugu expressions were difficult to translate into English. In such case, the researcher used expressions, which are close in meaning.

### **13. Time of the Field Study**

The field study was conducted from January to June 2013 among the beneficiaries and from June to December 2013, officials in the Department of Rural Development, Government of Andhra Pradesh at district and state level.

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## **Chapter-I**

### **The Problem of Ageing: An Overview**

This chapter focuses on the problem of ageing, starting with definitions of ageing and the concept of ageing. An attempt has made to discuss the dimensions of ageing like biological, physiological, psychological, social ageing along with the issues like demographic scenario of elderly at global as well as the Indian context. The major problems of ageing such as social, health, psychological, widowhood, economic etc., also discussed. Ageing in the Indian context and the changing Indian social structure and institutions and their effect on old age has discussed in the chapter.

Ageing is a universal phenomenon this biological process occurs naturally to all living organisms; human beings are no exception to it. A human baby is born; it grows, attains its infancy, childhood, adolescence, adulthood, and finally becomes old and ultimately passes away. Each of these stages has unique characteristics and vulnerabilities requiring special attention to ensure the optimum health during each stage. It is an inevitable and irreversible biological process of life. Although the process of ageing is a biological phenomenon, it is also associated with various social factors, cultural values, norms and regulations to a great extent. A person considered as old when he/she attains certain years of age, gets grey hair, wrinkles on the skin, loss of the teeth, eyesight, physical and memory power and has grandchildren and so on. In a traditional society, transfers of status and roles from old to young are clearly marked. The process of changes in roles and responsibilities go on as a cycle in society. So, during the course of life of a human being, one takes up various role-performances depending upon his age, prevailing societal norms and cultural heritage, hence the position and treatment of old age vary from culture to culture.

The number of aged persons is on the increase world over due to the availability of better health care facilities in developed as well as in developing countries. In developing countries, access to modern health care facilities is meager and scanty because of poor economic condition and lack of awareness about desirable healthy life. Nevertheless, contemporary governments have been trying to provide basic medical facilities to all. Improvement in living conditions and rise of the general quality of life and effective measures for birth control could be attributed to this changing phenomenon, particularly



in the developing countries. Aged population in the developing countries is going to outnumber the aged population in the developed countries.

The problems that a person experiences in the course of ageing are multiple in nature. For some, ageing enhances status and enriches life satisfaction, but for many others, it may be difficult and problematic. Getting old has both positive and negative aspects. On the one hand, getting old provides opportunity to relax, enjoy and do things they always wanted to do, but never had the time for when they were younger. It is also noted fact that becoming old is honour or respectable from the socio-cultural point of view. It is true in India, in the case of joint family system. It is still visible in very few places and in some communities in India for example, Marwada community (business community).

An old member of the family heads the joint family; all members follow his advice. All family members subjected to all round development under his able guidance and proper care. The social parameters of recognizing a person as an aged vary across cultures, countries, societies and groups. On the other hand, old age also implies increasing physical, mental and psychological disabilities (Bali, 1999: Introduction). Such disabilities are the result of many factors. With increasing age and decreasing health, the aged person begins to depend physically, psychologically and economically on either the kinship group or the existing social support.

### **I. 1. Gerontology**

The term gerontology meaning the scientific study of ageing has derived from the Greek words “Geronto” or “Geron” meaning “old man” and “logy” meaning “science”. The science of gerontology is concerned with situations and changes related to change in time, with particular reference to different stages. It is also concerned with changes that occur between the attainment of maturity and death of individual. It related to the problems of the aged male and female social group. “Geriatrics” is also a combination of the two Greek words namely “Geron” meaning “old man” and “Latrikos” meaning “medical treatment”. An American Physician Ignaz Naschev coined this term. It deals with the area of medical practice, which is concerned, with the psychological and morbidity problems of the aged. According to Ramasubrahmanyam, geriatrics is a branch of medical science, which has to do with age and its diseases (Visielie, 2005:1).

Gerontology is a multi-dimensional discipline and draws the attention of both physical and social sciences. According to Encyclopaedia Britannica, it is the “science of finitude of life expressed in the three aspects of longevity, ageing and death examined both in evolutionary and individual (Ontogenic) perspective”. Longevity is the span of life of an organism. “Ageing is the sequential or progressive change in an organism that leads to an increased risk of debility, disease and death, where as death is absence of life” (Sahu, 1998:1).

The social aspect of individual ageing is concerned with changes in the circumstances or situations of the individual as a member of the family, community and society. The changes and events, associated, which include age-grading and social attitudes and behaviour of society towards the ageing individual, completion of parental roles, reduced income, restricted activity and mobility, loss of spouse and associates, large increments of free time and relative absence of clearly defined societal expectations (Visielie, 2005:2). Continued participation of aged people in work force and withdrawal from it has become a major interest of social gerontologists. Social gerontologists have been interested in the persistence of earlier roles and role changes, activities and life styles in retirement, and in the conceptualization and meaning of leisure to aged people.

Old age has also been termed as social gerontology, which is concerned with changes in the social characteristics, status and roles of individuals over the second half of the life span, with the nature and process of adjustment, in the ageing individual. It is the biological and psychological processes of ageing as they influence social capacity in later life (Visielie, 2005:3). Social gerontology seeks to discover the role of environment, culture and social change as determinants of ageing and of the behaviour and position of aged people as groups and in aggregate; their impact on social values and institutions, economic, political, and social organization, structure and function.

## **I. 2. Definitions on Ageing**

Different scholars in different contexts have defined the word ageing in various ways. It has measured in many ways according to the academic background of the scholars who have studied them. The concept of old age is not the same throughout the world. Some have regarded ageing as a period of physiological deterioration, others have regarded it as the advancement of years and still others have emphasized that ageing involves a

restriction on cultural roles. A chronological definition is often useless, because people who at 65 or 70 years are more vibrant and “youthful” than many people in their thirties or forties. Other definitions of “old” are equally inadequate for specific individuals (Visielie, 2005:9).

Becker defines ageing in the broadest sense, “as those changes occurring in an individual, as a result of the passage of time”. According to Stieglitz “ageing is a part of living. It begins with conception and terminates with death”. Tibbitts says “ageing may best be defined as the survival of a growing number of people who have completed the traditional adult roles of making a living and childbearing”. Old age is also called “later adulthood” and according to some psychologists begins at the age of fifty-one (Ramnath Rajalakhmi, 1989:125).

Ageing has defined by Jarry and Jarry as “the chronological process of growing physically aged. However, there is also a social dimension in which, chronology is less important than the meaning attached to the process. Different cultural values and social expectations apply according to gender and age group, and therefore there are socially structured variations in the personal experience of ageing” (Jarry and Jarry, 1995: 9-10).

Ageing processes have been defined by Maynard Smith as “those which render individuals more susceptible as they grow aged due to the various factors, intrinsic or extrinsic, which may cause death: recognizing that death may arise from a decline in the individual organisms ability to maintain its intrinsic function in the face of physiological stress from an intrinsic source such as ‘accident’ or disease.” According to Comfort, ageing is “an increasing liability to die, or an increasing loss of vigour, with increasing chronological age, or with the passage of life cycle” (Bond John et al. 1993: 21). The four criteria of ageing proposed by Strehler have been widely accepted:

1. Ageing is universal which means it occurs to all members of the population (unlike disease).
2. Ageing is progressive and a continuous process.
3. Ageing is intrinsic to the organism.
4. Ageing is generative (as opposed to developmental or “maturational” changes) (John Bond et al, 1993:22).

### **I. 3. The Concept of Ageing**

The concept of old age is based on chronological age but its social definition varies from region to region and from country to country based on state policy, the rate of

development and the population explosion. Traditionally, in India, old age begins at sixty, a tradition prevailing since the Vedic period. However, political changes in the different states in India have made a few differences in the definition of the retirement age of the employed population. Accordingly, the minimum age of retirement is 55 years and it goes up to 65 years for certain categories of jobs in certain states. In other countries, particularly in the U.S.A, 65 has perceived and legally considered as the age of retirement. However other than chronological criteria some of the scholars viewed aged in different ways.

Such as in an anthropological study of aged Americans, the author has listed seven emerging problem areas in old age as perceived by their subjects, namely, changes in physical appearance, retirement from activity, lowering of energy levels, changes in intellectual functioning, the possibility of ill health, the need for help and uncertainty about the duration of life (Bhatia, 1983: 11).

In modern industrial societies, the problem of what to do with the elderly has assumed critical importance. Because of recent advances in public health and medicine, life expectancy has greatly increased. Never before has any human society had so many aged people, because never before have so many people lived so long. In this sense, the problems of ageing are recent problems (Atchley, 1978: 4).

In the past, the aged received relatively little attention from writers, poets, philosophers and scientists, because there were so few of them. There was nothing to distinguish the aged as a separate group with distinctive characteristics, rights, roles and needs. Although chronologically aged, the aged were in most ways no different from other age groups. There were sick, weak, disabled, helpless and destitute members in all age categories. Ageing is seen as a period of natural decline.

Perhaps another reason why ageing and the aged have neglected in literature is the stigma associated with old age. Aged individuals are constantly told that their values and beliefs are “old fashioned”. In a society characterized by rapid social and technological change, knowledge and intelligence are also often associated with the young. In the past, increasing age was associated with advance in knowledge and skills. The younger workers have the most current knowledge, and very often become instructors of the old in a reversal of the previous roles (Crandal, 1980:3).

In pre-historical times, the aged were treated very badly and in fact often killed. The rationale for treating the aged poorly or for killing them was that they were economically unproductive. Among the *Eskimos*<sup>1</sup>, the practice of killing or allowing their aged to die was generally found (Crandal, 1980: 54). D. Paul Chowdhry notes that there were tribes who worshipped their elders as gods and others who ate them. At one extreme were the *Issedones*<sup>2</sup> who gilded the heads (skulls) of their aged parents offered sacrifices and eat their flesh. At the other end, the Bactrians who disposed of their old folk by feeding them to flesh eating dogs; or the ancient Sardinians, who hurled their elders from a high cliff and shouted with laughter as they fell on the rock below (Kohli, 1996:1).

The situation has drastically changed now from the times when acquiring food through hard physical labour was the basic problem in the ancient times. Now a days men and women are unique in that they have no instinct, no predetermined ways of dealing with or treating the aged; rather, their treatment of the aged is determined by the culture of their society. The culture of a society is its beliefs, values, skills, language, concepts, symbols, and artefacts. In essence, culture determines the way in which individuals live and behave toward one another. The culture of a society will determine if ageing is to be viewed and treated as a positive achievement or as a repugnant and repulsive stage of existence.

#### **I. 4. Dimensions of Ageing**

Some scholars regard ageing as a period of physiological deterioration, others regard it as simply the advancement of years and still others emphasize that ageing involves a restriction on cultural roles. Ageing can be studied under three dimensions: 1) biological or physiological 2) psychological and 3) social.

##### **I. 4. A. Biological or Physiological Ageing**

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<sup>1</sup> The indigenous (Tribe) peoples who have traditionally inhabited the northern circumpolar region from eastern Siberia, across Alaska, Canada, and Greenland.

<sup>2</sup> An ancient people of Central Asian origin at the end of the trade route leading north-east from “Scythia” (which were located on the Silk Road in Chinese East Turkistan ‘Tarim Basin, Xinjiang’, to the southwest of Lobnor) described by Herodotus. The position of their country has fixed as the Tarym basin by the more precise indications of Ptolemy, who tells how a Syrian merchant penetrated as far as Issedon. They had their wives in common and were accustomed to slay the old people, eat their flesh and make cups of their skulls (Renger, Johannes & Treidler, Hans, 2006 & Encyclopedia of Britannica).

The process of life consists of physical and mental changes characterized by growth and decline. The passage of time for human organisms is related to a large number of specific physical changes such as greying of the hair on the head and body and wrinkling of the skin, teeth decay and decrement in reproductive capacity, immune system response, and cardiovascular functioning. An interesting question about these physical changes is whether they are inevitable natural consequences of growing aged. In fact, research shows that some of the changes we think of as natural are modifiable and preventable. Although some wrinkling of the skin and some loss of arterial elasticity appear to be related to physical ageing process, it is clear that the magnitude of change and speed of deterioration are affected by lifestyle choices and culture (Visielie 2005:12).

Apart from these visual changes, some other changes also occur inside the body, which is not visual. Rao has pointed out that in old age the immunological system, cardiovascular system, digestive system, nervous system, endocrine system, reproductive system, skeletal system, respiratory system and function of kidney deteriorate. Ageing generally comprises those changes that take place in the later part of life when the physical and mental decline becomes more apparent both to the concerned individuals and to the society (Rao, 1994:15-29).

#### **I. 4. B. Psychological Ageing**

Psychological ageing processes include changes in personality, mental functioning and sense of self during adult years. Some of the changes are considered as normal part of adult development, some are the result of physiological changes in the way the brain functions. Psychological dimensions show little change at all in later years as it is in the case of physical ageing, and a large amount of research has explored the complexities of these processes. Psychological ageing consists of a general decline in the mental abilities that accompany old age. Decline in mental abilities does not normally correspond to physical changes. Poplin says, "One of the major problems of ageing persons is the shock of growing old". He further points out that "we are ageing may be the most profound shock we experience in our lifetime". This "shock" of course hardens the remaining life course and the person get aged much faster than the natural process because of this psychological trauma attached to the person (Poplin, 1978:339).

Wechsler states that “psychological capacities may show decline with age, but traits like interpretation and imagination may decline very little over the years” (Wechsler, 1995:275). Some of the psychological changes in respect of an individual’s conception of the self, his ideas about his worth as an individual and as a member of social groups, his feeling about the attitudes and behaviour of others towards him and his general view of life and the world, including his own place therein, play a significant part in the process of psychological ageing.

#### **I. 4. C. Social Ageing**

Every society has its own conception of ageing and age groupings. Through the process of socialization, the society ensures the transmission of social and cultural values from one generation to the next and enables its members to acquire necessary skills, values, norms etc. As the individual moves from one age-grade to the next, he/she acquires new roles in accordance with the prevailing practices. Age related roles, privileges and expectations are defined by the society. Social ageing, as distinct from biological and psychological ageing, thus, refers to the stage in the life span of the individual that regarded as old age by the group (Bhatia, 1983:5).

Muttagi says that it is very difficult to define social ageing, but he professes that social ageing is administratively determined for purposes of social security, retirement from job in the organized sector, or for demographic classification, its consequences on the individual and community (Muttagi, 1997:9).

#### **I. 5. The Global Demographic Scenario of Ageing Population**

Modern technological advances in medical sciences, improvement in living conditions and public health facilities have prevented epidemics and brought general diseases under control. These developments have facilitated to increase the life expectancy of people all over the world. Population of ageing is an obvious consequence of the process of demographic transition. The developed regions of the world have already experienced its consequences, while the developing world is facing a similar scene.

**Table - 1**

**Global Demographic Scenario of Aged Population - (1995 - 2150)**

S.N	Year	Aged Population (Millions) 60+	(%) of Aged Population 60+
1	1995	5.687	9.7
2	2000	6.091	9.9
3	2025	8.039	14.6
4	2050	9.367	20.7
5	2075	10.066	24.8
6	2100	10.414	27.7
7	2125	10.614	29.2
8	2150	10.806	30.5

Source: (Irudaya Rajan.S, et al 2005:11)

According to the United Nations Organization, the global elderly population aged 60 and over was 5.687 million in 1995, comprising 9.7% of the total population. Continuing improvement in mortality and reduction in fertility has begun to have effects on the age structure. By the year 2000, the number of elderly reached 6.091 million, forming 9.9% of the total world population (table-1). In the year 2025, the elderly population is expected to be 14.6% of the world's total population. This is expected to rise to 10.806 million which comprising 30.5% of the total world population by 2050 (Table-1).

The rapid decline in fertility and the lowering of mortality rates in recent years have led to a dramatic rise in the number and proportion of the elderly in the population of the developed and developing countries. Until the early 1980s, developing countries perceived that population ageing was an issue that concerned developed countries only. But as a consequence of rapid decline in fertility, and a parallel trend of increasing life expectancy, the developing countries have become increasingly aware of a range of problems regarding ageing (Raju Siva 2002:1).

**I. 5. The Indian Demographic Scenario of Ageing Population**

The Indian population has begun a process of ageing due to recent decline in fertility and India sustained improvement in survival. "According to the 1991 Census, 78% of elderly people in India resided in rural areas. Women comprise a slightly higher proportion to men, due to higher female life expectancy at birth" (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:335).



**Table - 2**  
**Indian Demographic Scenario of Aged Population - (1951-2051)**

S.N	Year	Aged Population (Millions) 60+	(%) of Aged Population 60+
1	1951	19	5.1
2	1961	25	5.6
3	1971	33	6.0
4	1981	43	6.49
5	1991	57	6.76
6	2001	77	7.5
7	2011	96	8.2
8	2021	133	9.9
9	2031	179	11.9
10	2041	236	14.5
11	2051	301	17.3

Source: (Irudaya Rajan S, 2008:40-43)

The elderly population (aged 60 and above) increased from 12.06 million in 1901 to 19.16 million in 1951, an increase of about 67%, reaching 32.70 million by 1971. During 1971-81, the increase in the aged population was about 32% as against the increase of 24.7% recorded for the total population during this period. During the decade 1981-1991, the old age population increased by 13.5 million with a decadal growth rate of 31%. The proportion of population aged 60 years and more was 5.1% in 1951, 6.4 % in 1981, and it is 7.5% of the total population of the country by the year 2001 (table-2).

Today, the steady and sustained growth of the elderly is posing a challenge to countries all over the globe. Rapidly increasing number of aged people represents a social phenomenon without historical precedence and one that is altering the previously held stereotype notion about elderly people. The developed nations are already experiencing the process of population ageing, and many developing countries are in the process of experiencing similar changes in their age structure resulting in the elderly becoming an increasingly larger proportion of each nation's total population.

However, India expected to continue to age at a constantly increasing rate and will face a serious problem in the upcoming years. Ageing of the population has many profound social and economic implications, affecting every type of social relationship, costs of social security and health care, education, labour force, migration and perhaps even the stability of the family as an institution.

### **I. I. the Problems and Issues of Ageing**

There are numerous problems and issues associated with ageing in general across the globe. Quite common among them are social, health, psychological, widowhood, economic etc. problems, which are quite common across the globe are as follows.

#### **I. I. 1. Social Problems**

The problem of old age is becoming a social problem. A problem is considered social when difficulties met by a group of people (a) result from the functioning, organization or structure of society (b) may endanger society at large (c) and can be solved through social policies and political initiative (Mishra, 1987). The problems of old age have emerged as a social one, to some extent, owing to the rising proportion of the aged people in the population, but to a large extent, owing to the declining status and roles of the aged people in the industrial society of the world.

In pre-industrial society, aged people used to get enough opportunities to satisfy their needs. In the societies dominated by agricultural and handicraft economies, they participated in the productive activities as specialists directly or indirectly, depending on their physical health, and financially independent. Until 1900, there was no widespread practice of compulsory retirement at a set age, and people used to continue their occupational activity until they were physically unfit or incapacitated (Mishra, 1987:2). The knowledge and experience of the aged people lose significance in the proper functioning of society. Owing to the rapid advances in industrial technology for the expansion of productivity through high-energy system, in the twentieth century, the American society restricted the participation of aged employees in the labour market. With the emergence of the nuclear family system in the present society, the roles played by them in the family during the joint family system of the pre- industrial society have transferred to various institutions (Visielie, 2005:16).

Thus, the environment of the present industrial society is not conducive to the aged people to get fulfilment of their physical and socio- psychological needs. Since they have to depend on their own capacity and resources, they exposed to the vulnerability of the ageing process. So ageing has become a complex and challenging proposition for individuals to face it at a personal level. The spreading practice of compulsory retirement from services at a fixed age has also affected a growing group of aged in terms of loss of income, activity, social interaction, social status, etc (Mishra, 1987).

In a changing society, ageing becomes more problematic because it becomes very difficult for the aged to depart from the traditional values and norms and adapt to modern values and norms. In this condition, their attitudes toward new functions of society, in terms of acceptance or rejection of the new values and norms reflect their reactions to the situation in which they placed and become relevant to their adjustment. Owing to the increasing importance of achieved rather than ascribed properties in the present society, factors like socio- economic and health status determine the capability of aged people to lead a satisfying life. There seems to be a wide agreement among gerontologists as cited by Streis and Thomson that the two situational factors, i.e., socio-economic status and health status are the basic and very significant variables regarding the adjustment in the later years of life.

#### **I. I. 2. Health Problems of Ageing**

There is a multiplicity of diseases, which are normal among the elderly and a majority of the old are often ill with chronic diseases. The health problems like blood pressure, heart attack, paralysis, diabetes, cancer, ulcer, piles, kidney problems, asthma, tuberculosis (TB), prolonged cough, sneezing, allergies, backache, jaundice, liver problem, tooth problem. Moreover, skin rash, tiredness, irritability, joint pains, hoarseness of voice, acidity or indigestion, gastric, difficulty in urination, lack of appetite, fever, excessive sweating, weight loss, impairment hearing, changes vision (sight), anxious or nervous feeling, feeling depressed are quite commonly found among old age people (Siva Raju, 2002:296).

Health problems normally increase as the age increases. Elderly people are more likely to have major health concerns than the rest of the population. In a developing country, elderly health takes on an extra dimension as most of the aged have survived several bouts of ill health during periods of mass epidemics and communicable diseases. Interestingly, they have also become immune to the communicable diseases structure. In contrast to general health, where infections are still the leading causes of death, the leading cause of death in old age generally is Cardio Vascular Disease (CVD) (Guha Roy, 1994:114-25). This is a disease emanating from an urban lifestyle.

Malnutrition is also common in this population especially in the rural areas. Elderly people in low socio-economic groups, in urban slums or among those living alone are at a

higher risk of poor dietary intake. It is well known that socio-economic status and health are intimately related. All over the world, the poor of all ages who suffer more disabilities and early deaths, and the very poor suffer the most (Rajagopal Dhar Chakraborti, 2004:276).

### **I. I. 3. Psychological Problems of Ageing**

The common psychological problems that most of the aged people experiences are: feeling of powerlessness, feeling of inferiority, depression, uselessness, isolation and reduced competence. These disabilities, along with social disabilities like widowhood, societal prejudice and segregation add to the frustration of the elderly people. Studies report that conditions of poverty, childlessness, disability, in-law conflicts and changing values were some of the major causes for elder abuse (Jamuna, 1998:1).

### **I. I. 4. Widowhood in Ageing**

Widows and widowers are especially vulnerable to poverty, and majority of them own very little or no assets of their own and not many have an independent source of income, care and neglect in old age. Incidence of widowhood is higher among females than for males in the 60 years above age group. The tradition of women marrying men aged than them by several years, the increasing life expectancy of women, social disapproval of widow remarriage, patrilineal inheritance, and problems of finding employment all render widows more vulnerable than most other groups in society. Single people, particularly women, are more vulnerable in old age as few people are willing to take care of non-linear relatives (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:344).

### **I. I. 5. Economic Problems of Ageing**

Economic factors definitely play a major role in generating care for elderly people. The economic status of the family as well as of the care-receiver, the functional ability status of the care receiver and caregiver are additional factors that appear to contribute to the burden (Jamuna, 1998:1). Economic dependence is one of the major disabilities that very often affect the well-being of aged people. Thus, total dependency is lower and independence higher in rural areas compared to urban areas. This to be expected since most of the aged people in rural areas depends on agriculture and never really retires from work.

Economic problems has manifested in two ways. First, the economic dependence caused by retirement for a person employed in the formal sector. Secondly, for a person in the

rural or urban informal sectors, it may result from their declining ability to work because of decreased physical and mental abilities. Sometimes, aged people also faced with economic disabilities when management responsibilities for matters relating to finances, property or business shifted to their children, pushing the aged person into a new status of economic dependence (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:341).

Some formal sector workers only such as those in the public sector and these in large private sector firms enjoy adequate retirement benefits. Given that most people in the unorganized sector are below the poverty line, retirement and social security benefits are virtually non-existent. Many elderly people are likely to end up in poverty or even destitution (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:342). Old age has generally been outlined by economic problem, poor health, solitariness, rigidity to change, and failing physical and mental power. The aged people are found in them with intolerance, rigid behaviour, and suspicion, when they lose their spouse, friend, job, income or health as they lose these for good. This shift in their psychological make-up makes their living and adjustment more problematic in the society.

## **I. II. Ageing in the Indian Context**

India considered as a sub-continent due to its vast territory, diverse ethnic groups, languages, racial, religion, caste, regional, and cultures. At the macro level, these diversities may not be prominent, but at the micro level, it is clear. Indian population is heterogeneous, and therefore, macro level information as available in the census reports are not helpful for generalization. One finds at the ground level ethno-cultural variations. Occupation, caste composition, class variation, practice of religion and educational status all vary in some way or the other. There are, of course, many similarities among the people. Hence, in the fast changing Indian society, there is an urgent need for understanding the current socio-cultural situations of aged people.

### **I. II. 1. Ageing is an Asset as well as Liable in India**

There are both positive and negative connotations of becoming old. From the point of view of the positive side, especially in the traditional Indian society, old age is linked to wisdom, reverence and the prospects for spiritual growth. It relieves them of familial duties and gives them freedom of action. And now we see on the negative side, it

represents physical and mental downturn, stereotyped as unhappy, bad tempered and unproductive. More often than not they suffer from depression caused by loneliness and hostility. These negative effects probably come from a loss of authority and absence of their earlier meaningful role in social life, marginality in social relationships, material insecurity, and reliance, dwindling inter-generational relationships (Bali, 1999: b).

### **I. III. The Changing Indian Social Structure, Institutions and its Effect on Ageing**

For the past few decades, India has been experiencing a considerable change in its social structure and institutions. Such a change can be seen especially in the family structure, both in the rural and urban environments. We, in this regard, need to look at the traditional Indian society as a functioning unit in order to understand the changes and their implications for aged people. The traditional structure of the society mainly of the Hindu society in India is a patriarchal system based on the institutions of caste and the joint family when talked in a broad manner on it. The economy here is mainly agrarian and in that direction the society is divided into four hierarchical ordered castes and further sub-castes with each sub-caste generally based on a particular occupation.

#### **I. III. 1. The Collapse of Joint Family System in India**

Because of the steadily engulfing forces of modernization, industrialization, individualism, privatization, globalization and other such processes, the traditional Indian social system has been changing very fast. This changing situation has drastically affected, in a significant way, the rural family structure in general and the age-old Indian joint family system in particular. In urban fringes, the joint family system has disintegrated largely and as a result of this, the social and economic significance of the institution has diminished.

In a joint family, we can find that as many as three generations or more live together including all brothers and sisters and their families under one roof. All the members of such families also share common property and income. It shows us how the family is a social as well as an economic unit. The structure of the family is patriarchal and the oldest male member controls all social and economic affairs in and around it. Correspondingly, the senior female member exercises authority in all household affairs and also she influences the general matters as well. Everyone in the family earned his or her share according to his or her capacity and everyone received according to his or her needs (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:337). Hindu tradition dictates that

parents are to be taken care by sons, particularly the eldest of the sons, and the daughters are considered to have become part of their husband's families by virtue of marriage and they are not expected to financially support their parents.

In essence, the joint family forms quite significantly a micro social security system. According to Gangrade the joint family performs the tasks of national insurance, guaranteeing basic subsistence to all: the orphans, the disabled, the aged, the widows as well as the temporarily unemployed. Again, we see that under this social structure the joint family owns land in common and all income goes into a common pool. Economic transactions are made not between individuals but between families. The father's occupation is inherited by the son in the family, and by this the son ensures its continuity. "The society we live in has been divided as per a hierarchical caste system. The system of marriage within sub-caste keeps economic differentiation within castes to its minimum level. Thus, the social institutions such as caste, kinship and the joint family form which is regarded as the basic building blocks of the society" (Gangrade, 1999:36-57). Part of the value system of traditional society is the veneration of elder parents because they are especially held in the greatest regard.

The Hindu scriptures proclaim that *Mathru Devo Bhava, Pithru Devo Bhava* (Mother is God and Father is God). Taking care of parents during their old age is a sacred duty of children and failing to pay back Pithru Rina (filial debt) would have dire consequences in the after-life which is believed by most of them. In fact, we can find that Indian religious literature, including the ones such as the epics, folklore and tradition reflects the value system. Despite the weakening of tradition, the value system of our country persists (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:338).

### **I. III. 2. Impact of Modernization on Ageing**

The impact of modernization and globalization has created a widening gap between the rich and the poor and has amplified the differences as far as accessing to social and economic opportunities and resources available to different groups is concerned. The outcome of the intensification of competition among the groups for societal resources has adversely affected the aged poor people, who are more vulnerable than others in terms of social and economic hardships. The situation like pervasive poverty and inequalities of income, and a very inadequate safety net, pushed a majority of aged people to become

marginalized or even live destitute life. Among the elderly people, the poor have been losing out even the economic development that is taking place in the country as a whole. So it is important that the ageing process and its consequences on society is understood well, so that proper steps can be taken to decrease the negative effects and to develop appropriate policies for the welfare of aged people.

### **I. III. 3. Migration from Rural Areas to Urban Areas in India**

Indian society is undergoing continuous transformation under the impact of modernization, industrialization, urbanization, technological change, western education and globalization. As a result, the traditional values and institutions are in the process of erosion and adaptation, leading to the weakening of intergenerational ties which were once the hallmark of the traditional family. Industrialization has replaced the simple family production units by mass production and the factory (Dandekar, 1996). Economic transactions are now between individuals. Earnings on the basis of employment of individuals give rise to income differences within the family. Push factors such as population pressure and pull factors such as wider economic opportunities and modern communication cause young people to migrate, especially from rural to urban areas (Vijaya Kumar, 1999 & Jamuna, 1998).

Greater urbanization has resulted in the out-migration of the younger generation. So, from rural areas, more and more old parents have opted to live with their sons or daughters in the cities. Because of this, the proportion of aged people in urban areas has increased, with an estimated 27.7% of them living in the cities at present. Also, 90% of aged people work in agriculture or in the urban informal sector consisting of small self-employed entrepreneurs such as street vendors, small repair shops and roadside food stalls and they try to manage a meagre living in the harsh urban environment (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:335).

Considering the fact that workplaces are not always close to home, family togetherness has disrupted and family ties loosened due to distance, differences of economic power create stern disagreements, which cause tensions in the family. Differences in economic power that are not in conformity with ascribed status put the familial authority system and respect for tradition in hazard. The family has been further weakened by increasing urbanization because of migration and the compulsions of the city. Improved education



which is associated with technological change and economic development is promoting individualism and rational questioning of traditional grey authority. We can notice that the joint family is gradually being replaced by nuclear households which are characterized by individuality, independence, and desire for privacy. This emphasizes the family as a unit and demands deference to age and authority and the fact is that both are not compatible with each other.

The consumerism and individualistic attitude of educated younger generation has prompted them to move away from their villages and migrate to urban areas where they can get employment and live a more comfortable city life of their choice and also achieve their future career goals. Moreover, those who do not go away from their villages are leading a life as small tenants and wage laborers in the agriculture sector. In such a situation, the poor and helpless aged parents are left behind alone in the villages, feeling socially helpless and economically insecure. This also causes loneliness to their old parents. In this circumstance, parents have to take care of themselves as they cannot always count on financial support from their children. Even though they manage to do it at a reduced pace and they continue to work and they are compelled to lead a life of uncertainty and tribulation.

The 90% of aged people live and work in the informal sector and 80% of aged people live in rural areas (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:342). However, the aged people who live in the rural areas in developing countries will be in misery primarily for two reasons; (1) economically they are unproductive and (2) their consequential social alienation (Behura & Mohanty, 2005). The rural aged people face one of three prospects when the oldest son migrates to a city from a rural area:

- (i) if other children are still in the village, they can live with them as dependents,
- (ii) if all children have moved away, they can accompany them to the city or
- (iii) They can continue to live in the village alone or with their spouse.

The care aged people get when they live with their children in the village depends on the economic status of the children as well as their own contribution to the family income. The fact is that the majority of aged people in rural areas live in poverty and almost there

is no proper social security from the state, and so the presence of aged people in the family adds to the family's financial burden. Also, the situation could be worse when aged people accompany their children to the city, because the aged person's ability to contribute to income of the family would be diminished in the city environment (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:342).

#### **I. III. 4. Growing of Dual Career Families in Urban Areas**

The increasing occurrence of dual career families is the contemporary development which has put adverse effect on the status of aged people. In the recent past, it is the female participation in the economic activity either as workers or as entrepreneurs that has increased considerably in the urban informal sector, in the middle class formal sector, and also in rural areas. Increased expenditures on education, and health and better food require higher incomes in the rural and informal sectors. When we talk about elderly care, this development has implications. On the one hand, the employed son and daughter-in-law find that their aged parents are of great help in caring for their own children and they have strong emotional bonding with their children. On the other hand, they find that their parents living with them makes it harder due to high costs of housing and health care, which is true both in rural and urban areas (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:339).

“Due to shortage of space in dwellings in urban areas and high rents, migrants prefer to leave their parents in native place. Changing roles and expectations of women, their concepts of privacy and space, desire not to be encumbered by caring responsibilities of aged people for long periods, career ambitions, and employment outside the home implies a considerably reduced time for care giving” (Government of India, 1999)

Care by children cannot be taken for granted anymore and this fact creates problems for aged people when it comes to their physical and health care needs (Bagchi, 1998). Thus Changing factors are undermining the capacity of the family to provide support to the elderly and the weakening of the traditional norms underlying such support (Vijaya Kumar, 1997:3). Thus, it is the dual-career family which poses a difficult problem to aged people because especially the ailing elders need constant care and attention.

Ageing is a serious form of transition in contemporary period. Such transition is from one set of social roles to another, and such roles are difficult. The shift into the new role of 'old' is one of the most complex and complicated among all role transformations in the

course of ageing. Now, elderly people have to cope with the changing family structure, and they have also to cope with the changing role relations within the family (Coleman & Cressy, 1984). In a traditional society which is agriculture-based, children follow their parents' occupation. The expertise and knowledge of each generation were passed on naturally to the next generation which made the aged persons play a useful role in society.

In a modern society, in which improved education, rapid technical change and new forms of organization have often rendered obsolete the knowledge, experience and wisdom of the aged persons, but this is no longer true. The elderly people find that once they retire, their children are not seeking advice from them anymore and society is not of much use for them. This realization makes them experience a feeling of loss of status, worthlessness and loneliness. The growth of nuclear families has also changed role relations because they not only lose authority in the family, but also feel frustrated and depressed after finding themselves unwanted. The problem becomes more critical if the aged person is economically dependent on the children (Nanda et al, 1987:106-16; Rajan et al, 1999; Prakash, 1999).

#### **I. III. 5. The Essence of Social Security Cover to the Aged in the Unorganized Sector**

Economic dependence on children is a major factor in determining the quality of life of the elderly in the context of changing intergenerational relationships. Therefore, it is important that the state must ensure social security and there is a need for a decent old age pension scheme for the rural poor, who work in the agricultural sector. Ninety per cent of the aged persons in India are in the unorganized sector with no social security cover. Thirty per cent of them live below the poverty line and the other thirty three per cent are just over the marginal line (Alok Kumar et al, 2011:366). There is no set age at which people should retire and stop working in the unorganized sector and this is seen both in the urban and rural areas. As long as both men and women are physically able, they continue to work. Although they do not stick to a particular job and the type of work they do may change, they work with diminished capacity (Dandekar, 1996). This situation is true for both men and women.

It is an unfortunate thing that there is very little social security from the state in India at present. The benefits such as pensions and provident funds are only for those who work

in the public sector or for large private companies. However, there is hardly any benefit for most of the elderly people who work in the informal sector. So, the Government of India adopted the National Social Assistance Programme (NSAP) in 1995 to meet the monetary needs of the aged people who had very little or no source of income to meet the basic needs. Under this programme, various schemes such as National Old Age Pension scheme (NOAPS), the National Family Benefit Scheme (NFBS), and the National Maternity Benefit Scheme (NMBS) started. In 1995, the amount of the old age pension was 75 rupees which was contributed from central government per beneficiary every month.

Again, the government of India on 19th November 2007 renamed NOAPS as “Indira Gandhi National Old Age Pension Scheme (IGNOAPS)” with modifications of eligibility criteria of age from 65 to 60 years. The hike of the amount from 75 to 200 rupees per month, per beneficiary and 500 rupees per month for a beneficiary from 80 years onwards and the state governments contribution for over and above to this amount. However its very significant contribution from the state though amount is very little in terms of the requirements of the destitute aged in India.

The above discussed issues and problems of the aged people have drawn the attention of the United Nations Organization (UNO) and its aliened organizations like ILO, WHO and World Bank as well. These are the organizations has come up with some conventions and guidelines to the member states regarding the social security for the aged people. These initiatives has discussed in detailed in the next chapter.

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## **Chapter-II**

### **Social Security Initiatives for Ageing: At the Global Level**

The following chapter focuses on the social security policy initiatives concerning the aged, undertaken by certain international organisations and some countries in the world. The international organisations discussed here are the United Nations (UNO) and its allied organisations namely, International Labour Organisation (ILO) and World Health Organisation (WHO), along with the World Bank. The countries which have been looked at are the United Kingdom (UK), United States of America (USA), Sweden and China. The chapter has been divided into two parts. The first part and the first section deals with the UNO and its two world conferences like the Vienna International Plan of Action on Ageing (1982); and the Madrid International Plan of Action on Ageing (2009). The section also includes a discussion on the recent resolutions undertaken in 2009.

Second section discusses the policy measures undertaken by the ILO in different conferences initiated by it. It mainly emphasized on the older workers recommendation in 1980, International Labour Conference 89th session of ILO in Geneva 2001, Philadelphia declaration and recent programs and meetings by the ILO. In the third section, the role of WHO and its global programs, projects, conferences, and surveys, for the aged people have discussed. Last but not least, the role of World Bank on social security for aged and its key role to privatizing the pension system across the world is critically examined. The second part of the chapter discusses about the state policies and their evolution process on social security for ageing the countries like UK, USA, Sweden and China. To understand the social security policies in India, it is helpful to discuss the situation in some other countries where such mechanism have effectively initiated in different types of political systems.

#### **II. I). Social Security Incentives by International Organizations on Ageing**

During the Post-Second World War period, the growing awareness about ageing and its related issues the particularly disadvantaged situation of aged people in general led to the global attention on ageing, its care and protection. Therefore, international organizations

have come up with different initiations related to social security, policy guidelines and programs concerning ageing at the global level.

### **II. I .1) the United Nations Organization (UNO) Initiatives for Ageing**

Certain Pioneering efforts to address the challenges of ageing began in the 1940s, shortly after the Second World War. The United Nations Organization (UNO) adopted in its first conference in 1945, the Universal Declaration of Human Rights and the Article 22 of the Declaration guarantees the right to social security, (including old age protection) for all citizens of the world (Parduman Singh, 1998:1).

The United Nations Organization took the first initiative for ageing, and it was in 1948 when the government of Argentina submitted a draft declaration on old-age rights to the General Assembly. The draft contained several articles that referred to the rights of older persons with respect to assistance, housing, food, clothing, health care, recreation and work as well as 'stability' and 'respect'. The issues mentioned in the draft, stayed on the UNO agenda without being adopted and two years later the United Nations Organization secretariat produced the report *Welfare of the Aged: Old-Age Rights* (Sergei Zelenev, 2007:2).

Attention to the conditions of the aged population was revisited by the UNO in 1969, when the government of Malta submitted the topic for discussion to the General Assembly. In 1970s, debate on the economic and social consequences of ageing ensued and it was in 1978, that the General Assembly decided to convene the first world assembly which would be devoted to the issues of ageing. It was a step toward framing an international action plan on ageing, which would tackle the needs and demands of aged. It was also meant for analyzing the relationship between the ageing population and economic development (UNO, 1982).

Consequently, in 1982, the first World Assembly on Ageing was held in Vienna which adopted the Vienna International Plan of Action on ageing. Together with legal mandates stemming from the legislative and consultative bodies of the UNO; such as, the General Assembly, the Economic and Social Council (UNESCO) as well as the Commission for Social Development; the recommendations of the plan put the range of issues of the aged, firmly on the international agenda (UNO, 1982).

### *II. I.1. A) Vienna International Plan of Action on Ageing*

The Vienna International Plan of Action on ageing, which was held from 26<sup>th</sup> July to 6<sup>th</sup> August 1982; was the first international instrument for action on the development of aged. Over a thousand delegates attended the Assembly, from a total of 124 member states, international bodies and non-governmental organizations. Fifty-two countries participated in the Assembly and it produced the Vienna International Plan of Action on Ageing. It identified three priority areas: (a) looking for a sustainable form of development in a world with an increasing age of population; (b) the maintenance of good health and well-being of people belonging to an advanced age; and (c) the establishment of an appropriate and supportive environment for the people of all age groups (Kasturi Sen, 1994:45).

It was the purpose of the Vienna plan that it would help governments in framing their policies on ageing. Guiding national and international efforts and strengthening capacities of governments and civil society organizations would enable the governments to deal effectively with demographic ageing. The Vienna Plan addressed various issues in its 62 recommendations for action. Such issues were those of health and nutrition, housing and environment, the protection of elderly consumers, family, social welfare, income security, employment and related areas. It also addressed issues concerning research, data collection and analysis, and education and training.

In the wake of the Vienna plan, which raised awareness on ageing issues around the world, several regional plans of action on ageing were adopted and coordinated by the United Nations Organization's regional commissions. They helped to (a) examine the existing situation in different regions, (b) identify the needs of the regions in order to improve the condition of older persons in forthcoming decades and (c) propose measures and initiatives to aid the governments in this respect. The regional plans made it clear that, taking into account regional and national circumstances; the increase in the share of older persons in the population has a larger economic, social and political consequence that requires attention (Sergei Zelenev, 2007:2).

A number of inter-regional meetings have taken place since the World Assembly in 1982: in Dakar in 1984 to consider the situation of the aged in Africa, and in Kiev in 1985 to review implementation of the international plan of action. In 1986, the UN Economic and

Social Council (UNESCO) reviewed specific achievements since the 1982 meeting. This international meeting called upon member states, multilateral agencies and non-governmental organizations to combine the key elements of the international plan of action. It held with particular recognition that women form the larger proportion of the world's elderly and that special measures need to be undertaken in order to guarantee economic and social security for older women, including the provision of appropriate forms of social support and primary health care.

A global meeting organized under the aegis of the International Federation of Ageing (IFA) and the UN Office for Social Development and Humanitarian Affairs (UNSDHA) in 1990 have produced a series of briefing papers, which examined the needs of older women. The meeting generated a number of important recommendations based upon knowledge of the socio-economic and health status of women in developing countries. It emphasized in particular, the need to recognize the valuable contributions being made by older women to the development process. It recommended for the first time, the need to incorporate older women's economic and social security into national development plans (Kasturi Sen, 1994:47).

The General Assembly, in 1991, adopted the United Nations Organization Principles for Older Persons, for their inclusion in the national development programmes by the policy makers. There are 18 principles which have been grouped under five quality-of-life characteristics highlighting the contributions that older persons make to their societies:

- Independence
- Participation
- Care
- Self-fulfilment
- Dignity

Later, the General Assembly assigned the year 1999, as the International Year of Older Persons 'in recognition of humanity's demographic coming of age and the promise it holds for maturing attitudes and capabilities in social, economic, cultural and spiritual undertakings, not least for global peace and development in the next century'. The theme of the year was named "towards a society for all ages" by the General Assembly. This was in tune with the theme of a "society for all" that had been proposed earlier that year

at the World Summit for Social Development at Copenhagen in 1995 (UNO, Principles). The General Assembly, in its resolution observed that “the concept of a society for all ages has four interconnected dimensions:

- The situation of older persons
- Lifelong individual development
- Multigenerational relationships
- The relationship between the ageing of populations and development”

(UNO, 1999).

### **II. I .1. B. Madrid International Plan of Action on Ageing**

The second world assembly on ageing was a historic event and it was also the twentieth anniversary of the first world assembly in Vienna that took place in Madrid between 8<sup>th</sup> and 12<sup>th</sup> of April, 2002. Reviewing the execution of the commendation made by the first assembly and the Vienna plan was its primary task. Its aim was to formulate a new action plan to address the social, cultural, economic and demographic realities of the 21<sup>st</sup> century, with special emphasis on the requirements of the developing countries (UNO 2008).

The differences in the visions and attitudes of the member states over the policies related to the ageing, was noticeable, which therefore had to be addressed in order to generate consensual viewpoints. The results led to the political declaration of the Madrid international plan of action on ageing. It extended and improved upon the initiatives of the international community in the Vienna plan, and considered new paradigms of ageing and new realities of international cooperation (UNO, 2002).

In order to share ideas and design policy solutions for the world’s ageing population, the representatives of 159 countries gathered at the second world assembly on ageing. Extensive discussions at the Assembly focused on numerous aspects of the changing age distributions that have multiple social consequences. It helped to foster international consensus over the development of priorities. It also found ways to address the challenges and opportunities of demographic ageing. The inter-governmental body at Madrid recognized that, the growth in life expectancy, the decline in fertility rates, the rising median age and the shift towards older populations, all were truly global phenomena necessitating advanced policy responses (UNO, 2002).

The Assembly harped on the necessity to create a “society for all ages”, thereby, talking about bringing in transformations with respect to attitudes, practices and policies in every way. This also marked a shift from the welfare approaches in the 1980s, to a more radical way of handling the issues related to the aged. The focus now was on channelizing the potentials of the aged in a positive way.

The largely convergent views of the international community were intensely highlighted by the documents that the Assembly produced in Madrid. It also contained the political declaration, on the need for rigorous actions with respect ageing. Ageing, was thus not looked upon just as a ‘challenge’, rather, it was seen as a marker of human progress and social achievement (Sergei Zelenev, 2007:1).

Policy making in the United Nations Organization usually takes place on “anniversaries” of major policy documents that are reviewed and appraised on such occasions. It was no exception in the fifth anniversary of the Madrid assembly. Governments recently noted what has been achieved since the adoption of the action plan and political declaration on ageing and it will also focus on issues that remain on the agenda for building a society for all ages. The Madrid International plan of action on ageing is a portrayal of a global consensus on the social dimensions of ageing resulting out of multilateral activities performed by the UNO over several decades.

#### **II. I .1. C. Post-Madrid developments on Ageing**

The General Assembly in its resolution 64/132 of 18<sup>th</sup> December 2009, entitled ‘Follow up to the Second World Assembly on Ageing’, asked the Secretary General to submit a comprehensive report to the Assembly in its 65<sup>th</sup> session on the present status of the social situation, well-being, development and rights of older persons at the national and regional levels. In response to that request, the present report built and expanded on the report (A/65/157) that submitted to the General Assembly (UNO, August 2010:1).

The report consists of six sections. Sections I to IV focus on the social and economic well-being of older persons. The report covers certain essential areas like the demographic of aged, their economic conditions and participation in the workforce, their health issues and social perception and integration of the aged. The report highlights on these areas for a wide variety of the aged in societies and around the world. It also points out the perceptions of the aged about themselves and the changing realities around them.

The report projects trends in ageing with the help of figures and tables. One of the special characteristics of the report is its documentation of the lives and situations of the aged which is mostly absent in data and publications related to ageing (UNO, August 2010:1). Section (V) of the report concentrates on the human rights of older persons. Through illustrations and examples it shows how international human rights have led to the handling of critical issues related to the aged. Finally, section VI offers some concluding remarks. The report is an effort of a joint collaboration between the department of economic and social affairs, United Nations Organization program on ageing, and the office of the high commissioner for human rights, with substantive inputs prepared by Ms. Mary Beth Weinberger (UNO, August 2010:1).

### **II. I. 2. The International Labour Organization (ILO) on Ageing**

The concept of old age, and survivor's protection as an essential ingredient of social security was included in The International Labour Organization (ILO), set up after the First World War in 1919. Before these objectives were formulated and its recommendations adopted by ILO, these were put in practice by introducing old age survivor's pension scheme in European countries. The first country to introduce such legislation was Germany in 1889.

The International Labour Organization (ILO) since its creation in 1919; has actively promoted policies to countries to offer optimum levels of social protection to all members of the society. It is mentioned in the Declaration of Philadelphia and included in the ILO's aims and purposes. This has been considered a basic right of all individuals in the following ILO declarations and in a number of International labour standards.

Furthermore, the right to social security for everyone has been recognized by the Universal Declaration of Human Rights and the international covenant on economic social and cultural rights (ILO, 2010).

In (ILO) 17<sup>th</sup> International Labour Conference (ILC) of the ILO held in 1934, they adopted six conventions relating to old age insurance (industry) of 1934, old age insurance (agriculture) of 1934 etc. The 1944 session of ILC adopted income security for the destitute (Parduman Singh, 1998:1).

In 1952, the ILC in its 35<sup>th</sup> conference adopted the historic minimum standards (social security) convention 102, which includes old age, disability and survivor's benefits. Thus, the ILO has been continuously playing its role in respect of extending and amplifying old age, disability and survivor's protection. It is because of the concern of the ILO, the International Social Security Association (ISSA) and trade unions of various countries in the world (Parduman Singh, 1998:2).

The ILO has long been committed to the issue of older workers and population ageing, specifically extending the international labour standards on older workers in employment, invalidity, old age and survivors' benefits, standards and guidance on retirement policies, the level of pension entitlements, and maintaining the standard of living for pensioners. The most comprehensive instrument on the subject, by far, is the older workers recommendation, 1980 (No.162).

#### *II. I. 2. A. Older Workers Recommendation-(No.162) in 1980*

On the 4<sup>th</sup> of June 1980, the recommendation was adopted at the 66<sup>th</sup> session of the International Labour Conference. The "older workers" here, are defined as all those who are liable to encounter difficulties in employment and occupation. It states, at the outset, that the employment problems of older workers should be dealt with in an overall and well-balanced strategy for full employment, as this will help in directing proper attention to all population groups and confirming that the employment problems are not shifted from one group to another.

In order to promote equality of opportunity and treatment for workers of all ages, it calls on all member states to adopt a national policy. It also takes measures to prevent discrimination against older workers, particularly with regard to access to vocational guidance and placement services. The National policy should further aim to improve the working conditions and environment at all stages of work life and devise measures to aid older workers to continue in employment under satisfactory conditions. It further recommends that measures be taken with a view to ensuring that the transition from working life to retirement is gradual, that retirement is voluntary and that the age qualifying a person for an old-age pension is flexible (ILO, 2002:1).

At the 89<sup>th</sup> ILO Conference in 2001, social security was an item on the agenda. The committee had before it report VI, entitled 'Social Security: Issues, Challenges and



Prospects' prepared by the office which deals with the effects of ageing on social security. The report notes that social security systems must respond to new demographic challenges, such as ageing and changing family structures, with important consequences for the funding of social protection. The committee also adopted a resolution and conclusions related to social security (ILO, 2002:1).

*II. I. 2. B. International Labour Conference, 89th Session, Geneva, 2001*

In many societies, the ageing of the population is a phenomenon, which is having a significant effect on both advance-funded and pay-as-you-go pension systems and on the cost of health care. A direct transfer takes place from contributors to pensioners in a pay-as-you-go pension system and it is transparent. It is similar in case of even advance-funded systems, where financial assets are sold to pay for pensions and purchases by the working generation. Solutions must be sought above all, through measures to increase employment rates, notably for women, older workers, youth and persons with disabilities. Member countries must find ways to achieve higher levels of sustainable economic growth which will lead to additional numbers in productive employment (ILO, 2002:1).

The HIV/AIDS epidemic is having a devastating effect on every aspect of the society in many developing countries, especially in sub-Saharan Africa. Its impact on the financial base of their social security systems is particularly acute, because among the working-age population, the victims are concentrated. Through research and technical assistance by the ILO, this crisis calls for a serious response. The financial viability of pension systems must be guaranteed over the long term to make it sustainable. It is therefore necessary to conduct regular projections and to implement the necessary adjustments. On the assumptions to be used in the evaluation of any reform and on the development of policy options to address any financial imbalance, a social dialogue is essential.

The ILO's activities in social security are focussed around the Declaration of Philadelphia, the decent work concept and relevant ILO social security standards. Majority of the world's people do not avail social security which therefore poses a major challenge and should be paid heed to the upcoming years. In that regard, the conference proposed that:

- (i) A major campaign should be launched, in order to determine the extension of coverage of social security. The ILO should encourage governments to

make the issue of social security of higher priority and technical assistance should be offered in relevant contexts

- (ii) The social partners should be advised by the ILO on the formulation and implementation of a national social security strategy. The examples of best practice should be collected and circulated by the ILO” (ILO, 2002:2).

For future social security research and meetings of experts, “the main areas identified were:

- (i) The extension of coverage of social security.
- (ii) HIV/AIDS and its impact on social security.
- (iii) Governance and administration of social security systems.
- (iv) Equality, with an emphasis on gender and disability.
- (v) Ageing and its impact on social security.
- (vi) Financing of social security.
- (vii) Sharing of good practice

A ‘global campaign on social security and coverage for all’ launched in 2003 builds on efforts already underway in more than 30 countries (ILO, 2008).

The ILO introduced its new social security training program, “Actuarial Methods and Social Security Financing for Non-Specialists” in December 2008. To increase the potentials of governments, employers and trade unions in the field of actuarial methods and the financing of social security protection, this program is part of the ILO’s new training initiative “Quatrain Americas” (ILO, 2008). The ILO declaration on “Social Justice for a Fair Globalization” was held in 2008 (ILO, 2010:145).

On the extension of social security coverage, the ILO convened a tripartite meeting of experts, which was held in Geneva in September, 2009. The meeting thus served to provide both a deep exploration of the ILO’s approach to the extension of social security coverage and a valuable suggestions on the ways in which it can go forward in the immediate and longer-term future (ILO, 2010:1).

### **II. I. 3. The World Health Organization (WHO) on Ageing**

WHO defines active ageing as “the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age” (WHO,

2004:1). The policy framework takes into account the indicators of health through the course of life, aids in the formulation of ageing policies at national and international levels and directs academic research on ageing. It has also influenced the practical application of policies at community level. The framework's conceptual approaches have been adopted by the policy-makers at various levels.

WHO has been interested in the health of older people since 1955, the WHO expert committee on the planning and organization of geriatric services first met held in 1973. The establishment of a WHO global program followed this meeting on the health of the elderly. In 1982, the WHO adopted the theme "Add Life to Years" for World Health Day at the same time as the United Nations Organization first global assembly on ageing. Numerous studies sponsored with the initial focus on developed countries to assess the health and well-being of older populations. The WHO global program maintained that one of the greatest advances in health care had been the recognition that many of the illnesses and disabilities previously considered inevitable in the elderly could now be regarded as remediable (Kasturi Sen, 1994:48).

Since 1985, the WHO has also compiled a number of demographic and health profiles of ageing, in collaboration with national agencies in its member states. In this context, the WHO special program for research on ageing was established in 1985. Its primary aim was to increase collaboration between scientific institutions in developed and developing countries in order to develop databases on the epidemiology of old age and improve understanding of the basis of preventive health care for older people (WHO, 1987).

In addition, the WHO sponsored study of the western pacific region has been extended to the southeast region of WHO (Sri Lanka, Myanmar and Thailand), with the findings being processed. Collaborative studies with the United Nations Fund for Population Activities (UNFPA) also undertaken on ageing, the WHO providing guidance on the health component of major socio-demographic studies. This will complement WHO plans to extend support for longitudinal studies on ageing in developing countries.

Three studies which have undertaken by WHO in the developed countries have implications for the developing world. These are the multinational Monitoring of Trends and Determinants in Cardiovascular Disease (MONICA) project being conducted by the WHO's NCD (Non-Communicable Diseases) division in forty countries including China. The European Risk Factors and Incidence Collaborative Study (ERICA) have produced data on more than 40,000 people including many over 85 year old. The sample in the proposed disability study in China amounts to over 1 million older persons (WHO, 1987).

In some, the work of the WHO on ageing has evolved over a number of different phases. Between 1950 and the early 1970s, the focus was essentially a clinical one, which examined the need for establishment of geriatric medicine as a clinical specialty in the training of medical students. This perspective was broadened following the Alma Ata meeting of 1978, which introduced the notion of incorporating the needs of older people within systems of primary care under the rubric of "Health for All".

The WHO renamed its "Health of the Elderly Program" as "Ageing and Health" in 1995 and it indicated an important change in orientation. The new name adopted a life course perspective rather than compartmentalizing older people; that we are all ageing and by preventing diseases and promoting health throughout the life course is the best way to ensure good health for future cohorts of older people. Conversely, if the life events which the older people have gone through are taken into consideration, the health of those now in older age can only be fully understood. In addition, the program highlighted the importance of

- a) Adopting community-based approaches by taking communities as primary units for interventions
- b) Considering cultural contexts and influences
- c) Acknowledging the importance of gender differences
- d) Strengthening inter-generational links
- e) Understanding ethical issues related to health and well-being in old age (WHO, 2002:54).

In the WHO's work on ageing and health, The "International Year of Older Persons 1999" was a landmark. That year, the World Health Day theme was "Active Ageing Makes the Difference" and the "Global Movement for Active Ageing" was launched by the WHO director-general, Dr. Gro Harlem Brundtland. Dr. Brundtland stated

maintaining health and quality of life across the lifespan will do much towards building fulfilled lives, a harmonious intergenerational community and a dynamic economy. WHO is committed to promoting active ageing as an indispensable component of all development programs (WHO, 2002:54).

To emphasise on the importance of the life course perspective, the name of the WHO program was changed again in 2000 as “Ageing and Life Course”. Refinement of the “Active Ageing” concept has added and translated into all the program activities, including research and training, information dissemination, advocacy and policy development. In addition to the ageing and life course program at the WHO headquarters, each of the six WHO regional offices has its own advisor on ageing who can address specific issues from a regional perspective.

In order to sensitize and educate primary health care workers and build capacity in primary health care centres, the WHO initiated the related age-friendly primary health care project in 2002 to provide for the specific needs of their older users. Despite the important role of such centres in older people’s health and well-being, there are many obstacles to health care that may result in older people not changing behaviours detrimental to health or becoming discouraged from seeking or continuing treatment (WHO, 2004:2).

The project thus provides a set of age-friendly principles for primary health-care centres and training and information materials for primary health-care workers on how to confront such challenges. With the aid of a set of training and information materials, including a protocol for evaluating the impact of the project, implementation of the principles will be piloted in at least four developing countries. After completion the package will be widely circulated to health and social care providers through electronic and other setups.

The world health survey collected information in 71 countries in 2003, on population health status and health services coverage, which included data on older age groups. The information also helped to a better understanding of the determinants of health and causes of morbidity at older ages. A longitudinal study on health and ageing, stemming out of the survey, is being conducted in six countries (WHO, 2004:3).

A series of international conferences on ageing, such as the International Federation on Ageing Sixth Global Conference in Perth, Australia, from 27<sup>th</sup> to 30<sup>th</sup> October, 2002 and Seventh Global Conference in Singapore, from 4<sup>th</sup>-7<sup>th</sup> September, 2004; has been organised. Moreover, the active ageing conceptual approaches with its three pillars of health, participation and security in their respective agendas have been adopted at the XVIII World Congress of Gerontology in Rio de Janeiro, Brazil, from 26-30 June 2005. The WHO has taken an advisory role in international as well as in national research projects on active ageing, such as those sponsored by the European Commission (WHO, 2004:3).

The WHO health action on the ability of older people to maintain their self-sufficiency and autonomy through work, intergenerational support and social pension schemes ultimately determines their capacity to cope with and recover from crises. Similarly, to cope with chronic health conditions and disabilities, subsidized health care and medicines can help older people. To the extent that these conditions place older people at increased risk in emergencies, appropriate health care and social services are important steps towards mitigating the effects of disasters (David Hutton, 2008:27).

The WHO as a division of the UN became more actively involved and the global programme for the health of the elderly was established. It was evident that there were only a handful of health-based studies of the aged in developing countries. Thus, the early 1980s saw a shift in overall emphasis from developed to developing countries and support for a number of major research projects under the aegis of the WHO regions.

#### **II. I. 4. The World Bank on Ageing**

Pension reform is being actively promoted by the World Bank in many countries around the world. The Bank has been involved in pension reform in more than 80 countries and financial support has been provided for reform in more than 60 countries and the demand for such support continues to expand. This experience has significantly contributed towards the growth of knowledge and insights of the Bank staff and stimulated an ongoing process of evaluation and refinement of the policies and priorities that guide the work in this area (Robert Holzmann & Richard Hinz, 2005).

In 1994, the World Bank published a book *Averting the Old Age Crisis*. It focused research and examined the issue of poor people who are uninsured or underinsured, administrative costs in individual account systems and the gender impact of pension reforms and the policy measures that should be considered to avoid gender disparity. The projects are looking at the economic impact of population on health care systems using data from Chile, Mexico, Brazil, Vietnam and Indonesia. There is little attention to projects focusing on more social and cultural issues around ageing.

While seeking to implement welfare-improving schemes in a manner appropriate to the individual country, the primary goals of World Bank pension system is to provide adequate, affordable, sustainable, and robust retirement income:

- An *adequate* system provides benefits to the entire population that are sufficient to prevent old-age poverty on a country-specific absolute level and also providing a reliable means to smooth lifetime consumption for the vast majority of the population.
- An *affordable* system is one that is within the financing capacity of individuals and the society which does not unduly displace other social or economic imperatives nor does it have unsustainable fiscal consequences.
- A *sustainable* system is financially sound and can be maintained under a broad set of reasonable assumptions.
- A *robust* system has the capacity to withstand major shocks, which come from economic, demographic, and political volatility (Robert Holzmann, Csaba Feher, & Hermann von Gersdorff, 2009:20).

World Bank financial support for pension reform from 1984 through 2004 made 204 loans involving 68 countries that had some type of pension component (Robert Holzmann & Richard Hinz, 2005:8). These loans total led 16 per cent of World Bank lending (Robert Holzmann, 2006:11). Analysis of these loans demonstrates the bank's support for a diverse range of pension reforms within the broader, multi-faceted framework. The majority of lending, within the group of multi pillar loans, followed the enactment of a reform rather than coming in the analysis and design phase. The lending related to pension reforms confirms the application of the policy framework set forth in this report.

It indicates that financial support has been provided by the bank for a wide range of pension system designs and that only a small proportion of bank lending has been directed toward reforms characterized by a dominant mandatory second pillar.

Loans during the period 2002-2004 with pension components total 2,775 million dollars since 2002, the bank has published around 50 papers and books on pension issue and has also served as a key channel for the dissemination of the knowledge of pension reform on a national, regional and global basis. It published a report called *Old Age Income Support in the Twenty-First Century: An International Perspective on Pension Systems and Reforms* in May 2005 (Alexandre Sidorenko, 2006:17). In addition to its lending activities, “the World Bank provides technical assistance and analytical support to pension reforms undertaken by its clients and to—for this purpose, relies on internal and external expertise. The vast majority of this support is associated directly with the lending activities of the bank and is, therefore, aligned with the distribution of reforms outlined above. An effort to evaluate the scope and quality of this advice is currently under way within the bank (Robert Holzmann & Richard Hinz, 2005:8).

The World Bank has become one of the major forces privatizing public sector social security systems around the world in the last decade. These systems, particularly in the industrialized nations, have proved to be successful in reducing poverty among the elderly and the disabled. There are no privatized systems that can boast of a comparable track record (Dean Baker, 2001).

The World Bank’s attack on public social security systems has been both direct and indirect. As a part of its indirect attack, the World Bank has vigorously promoted the notion that social security systems, such as the one in the United States, are unsustainable. The World Bank’s role in promoting the privatization of social security systems in the developing world has been far more direct. In addition to offering rhetorical support to the ideological and financial interests who support privatization, the World Bank has also provided loans and technical assistance to nations that have privatized their social security systems. The emphasis of the World Bank in promoting privatized systems is peculiar, since the evidence, including data in World Bank



publications indicates that well-run public sector systems, like the social security system in the United States, are far more efficient than privatized systems (Dean Baker, 2001).

The extra administrative expenses of privatized systems comes from the money that the retirees would otherwise receive, reducing their retirement benefits by as much as one-third, compared with a well-run public social security system. The administrative expenses that are drained out of worker's savings in a privatized system are the fees and commissions of the financial industry, which explains its interest in promoting privatization in the United States and elsewhere. For example, U.S. firms like Merrill Lynch have been some of the big beneficiaries of social security privatization in developing nations such as Chile (Dean Baker, 2001).

The former chief economist at the World Bank, Joseph Stiglitz, attempted alter the Bank's single-minded support for privatized social security systems, co-authoring a paper titled "Rethinking Pension Reform: Ten Myths About Social Security Systems" highlighting that the reasons given for preferring privatized social security systems are not supported by evidence (Dean Baker, 2001).

## **II. II. State Social Security Policies on Ageing in Different Countries**

In the modern period, the German empire was the first country to introduce the welfare programs, which are, relates to social security under the leadership of the "Iron Chancellor" Otto von Bismarck. Welfare programs and old age pensions were created in 1881 and 1889, respectively. Since then, social security programs have mushroomed all over the world (Xavier X. Sala-I-Martin, 1996:280). In this regard, there are some countries where cost of social security is nearly 20% or more of the GDP for the entire aged people invalid and survivor's pension schemes are financed from the general revenues of Canada, Australia, New Zealand, Hong Kong etc. Even developing countries like South Africa also initiated it (Parduman Singh, 1998:4).

There are many nation states from Asia, Africa and lateen America became independent sovereign states from colonial rule in the post- Second World War times. However, many nation states in the modern times considered themselves as welfare states irrespective of

their political ideology is concern. Many countries across the global level has initiated social security policies, among them, UK, USA, Sweden and China are important because of their diverse nature of welfare models and ideological base.

The UK initiated social security measures since the Middle Ages, known as the *Poor Laws*<sup>3</sup> and it continued till 1948. Later, it introduced many acts and amendments till the Pension Act of 2008. Federal government of USA also initiated a number of welfare measures to the aged and it was discussed since the colonial period to contemporary situation regarding acts and its amendments. Sweden is a country, which often tops in the Human Development Report among all the nations of the world. It started pension benefits to its old age citizens since 1770. Then it continued to reform those acts time to time till the Act of 2008. China, a country based on socialism has started introducing social security measures post-Mao's time only. While there is not much to discuss about the historical welfare measures to the old age, the procedure of pension and incurrence discussed.

The UK Welfare State identified three principal elements. These were: 1) an assurance of minimum standards, including a minimum income. 2) Social protection in times of insecurity and 3) the provision of services to the optimum level. This has become identified, in practice, with the "Institutional Model of Welfare", the key elements are

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<sup>3</sup> "In British history, body of laws undertaking to provide relief for the poor, developed in 16<sup>th</sup> century England and maintained, with various changes, until after World War II. The Elizabethan Poor Laws, as codified in 1597–98, were administered through parish overseers, who provided relief for the aged, sick, and infant poor, as well as work for the able-bodied in [workhouses](#). Late in the 18<sup>th</sup> century, this was supplemented by the so-called Speenhamland system of providing allowances to workers who received wages below what was considered a subsistence level. The resulting increase in expenditures on public relief was so great that a new Poor Law was enacted in 1834, based on a harsher philosophy that regarded pauperism among able-bodied workers as a moral failing. The new law provided no relief for the able-bodied poor except employment in the workhouse, with the object of stimulating workers to seek regular employment rather than charity. The growth of humanitarian feeling in the 19<sup>th</sup> century helped to mitigate the harshness of the law in practice, and the phenomenon of industrial unemployment in the 20<sup>th</sup> century showed that poverty was more than a moral problem. The social legislation of the 1930s and 40s replaced the Poor Laws with a comprehensive system of public welfare services." ('Poor Law' *Encyclopaedia of Britannica*)

social protection and the provision of welfare services on the basis of right. In practice, social welfare in the United Kingdom is very different from this ideal. Coverage is extensive, but benefits and services are delivered at a low level (Paul Spicker, 2001).

The United States of America (USA) is known as a “Liberal Welfare” regime, in the sense that it represents individualism, laissez-faire. The Federal system meant that many important functions are held by the states, including public assistance, social care and various health schemes. By comparison with other developed countries, central government has had a limited role in social welfare provision. It was during the Roosevelt administration in the 1930s that the social welfare systems received impetus (Paul Spicker, 2001).

Further, the “War on Poverty” of the 1960s, provided some important benefits (notably, old age pensions and health care for people on low incomes); and engaged the federal government in a number of projects and activities at local level. In practice, the US is pluralistic, rather than liberal. There are extensive private, mutuality and corporate interests in welfare provision and the resulting systems are complex (and expensive) the guiding principle is less one of consistent individualism and “Decentralized Social Altruism” (Paul Spicker, 2001).

Sweden’s welfare state is based on the “Institutional-Redistributive” model. The Swedish model can be seen as an ideal form of “Welfare State” offering institutional care in the sense that it offers universal minima to its citizens. It goes further than the UK model in its commitment to social equality. Sweden has the highest level of expenditure on social protection among the countries in the Organization for Economic Co-operation and Development (OECD), and the lowest proportion of income left to independent households, less than half its national income. The ‘institutional-redistributive’ model combines the principles of comprehensive social provision with egalitarianism (Paul Spicker, 2001).

The Chinese welfare state system is the product of the Communist Party of China (CPC). From the late 1940s to the mid-1960s, the Chinese welfare state emphasized universal welfare schemes and a comparative high level of welfare benefits with respect to social insurance, “Social Security” and social assistance, “Welfare” for the poor and vulnerable

such as the elderly. However, the huge size of China and its variable developmental status across the country especially the differences between the developed west and the latter developing east; along with the disruptions of political stability during the years of the “Great Proletarian Cultural Revolution” led to the growth of a particular kind of welfare state system. For example, a welfare state, which mainly addresses the needs of city dwellers, while leaving the majority of the population, the farming population, out of the reach of the welfare state for the people living in the Chinese countryside the necessity or the prevalence of social security and assistance provisions is unclear. The rural population is still used to planting their own rice and vegetables, and to raise their own livestock. Even though their money at hand makes up only a tiny part of an average income of a city dweller, they make a rather decent living for traditional standards of the Chinese countryside (Nelson W.S Chow & Christian Aspalter, 2003:82).

## **II. II. 1. State Social Security for the Aged in the United Kingdom (UK)**

The United Kingdom is known as the home of all social security programs. UK social security has its roots from the poor laws first passed in 1598 and continued till 1948. The Elizabethan Poor Law of 1601 provided: a) a compulsory poor rate, b) the creation of ‘Overseers’ of relief, c) Provision for setting the poor on work (Paul Spicker, 2010). *The parish*<sup>4</sup> was the basic unit of administration. However, there was no general mechanism through which this could be enforced, and “the Poor Law’s operation was inconsistent between areas. The changes of the industrial revolution led to the development of towns, rapid population growth, and the first experience of modern unemployment and the trade cycle. Gradually, the Poor Laws were much hated, and much of the development of social services in the 20<sup>th</sup> century, including national insurance, pensions, and other means like health care were formulated in order to avoid having to refer to them” (Paul Spicker, 2010).

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<sup>4</sup> A sub-division of a county, which often coinciding with an original ecclesiastical parish and constituting the unit of local government.

In 1670s there was a first organized pension scheme for Royal Navy Officers and the Works men's Compensation Act was introduced in 1897. In 1908, "Old Age Pensions Act" was introduced for general old age pension, paying a non-contributory amount between 10p and 25p (pence) a week, from age 70, on a means-tested basis from 1<sup>st</sup> January. The National Insurance Act was introduced in 1911. In 1925, "Contributory Pensions Act" has organised a contributory state scheme for manual workers and others like widows, orphans and old age, earning up to £250 a year. The pension was 50p a week from age 65. This scheme was not universal in coverage (Antoine Bozio, et.al, 2010:7).

With a view to providing a comprehensive social security service to the citizens, "the Beveridge Report of 1942" headed by Sir. William Beveridge suggested that the state should take the responsibility of providing protection against want, sickness, ignorance, squalor etc (Paul Spicker, 1993). Accordingly, the United Kingdom introduced a system of family allowances, adopted the National Health Service Act, considerably increased the rates of old age pensions under both contributory and non-contributory schemes and liberalized its unemployment benefits.

In 1946, "National Insurance Act" introduced contributory state pension for all. Initially, pensions were £1.30 a week for a single person and £2.10 for a married couple, paid from the age of 65 for men and 60 for women, and it was effective from 1948 onwards (Paul Spicker, 2010). In 1959, "National Insurance Act" introduced a top-up state pension scheme, based on earnings and known as the gratuity pension, covered earnings between £9 and £15 a week. In 1975, "Social Security Pensions Act" set up the "State Earnings Related Pension Scheme" (SERPS) it was introduced in 1978 and the scheme replaced gratuity pensions. Rules for contracting out were also introduced, whereby workers with adequate private provision can give up all or part of the benefits (SERPS). In return, they pay lower national insurance contributions (See ..., 2005).

In 1980, "Social Security Act" was a link between state pension increases and the average earnings broken by Margaret Thatcher's Conservative government, where a basic state pension for a single pensioner was worth of £30 a week. Further, "the Social

Security Act” of 1986 reduced the pension benefits of SERPS, and encouraged individual employees to opt out of SERPS and move into funded personal pension schemes, which explains the dramatic growth in personal pensions since 1986. Under the Social Security Act 1986, employers could no longer make membership of schemes compulsory. In addition, the act established accrued pension rights to deferred pension entitlements for members who left the scheme before retirement. The Budget of 1987 gave employees the right to opt for a personal pension, rather than remain in their employer’s occupational scheme or in SERPS (Antoine Bozio, et.al, 2010:9).

However, in the late eighties, both personal and occupational pensions were subject to two scandals which raised issues about the regulatory framework in which pension policy operate. First, it displayed that the growth in personal pensions in some cases was the result of employees in occupational schemes being persuaded by pensions sales teams to move into inferior personal pensions schemes. Secondly, in the early nineties, it was revealed that the late Robert Maxwell had misappropriated his company’s pension funds. This incident resulted in the Pension Law Review Committee chaired by Professor Roy Goode, which reported in 1993. The Pensions Act of 1995, implemented many of the proposals of the Goode Report, and was designed to improve the security of occupational pension schemes (See ..., 2005).

Continued concerns about demographic trends, meant that pensions policy remained on the political agenda throughout the 1990s. A number of policy reports showed the importance of additional private sector pension provision in some form. The Retirement Income Inquiry (1996) referred to Assured Pensions, Office of Fair Trading (1997), referred to Designated Personal Pensions, Consumers Association (1997), referred to a Personal Retirement Account, and these studies culminated in the Government’s Green Paper (1998) which proposed to introduce Stakeholder Pensions.

Concerns about an impending pensions crisis has resulted in a number of official reports at the beginning of the twenty first-century. The “Pensions Credit Consultation Paper” (November 2000) addressed the disincentive for people to save for their own retirement, in terms of a reduction in state benefits if savings were too high. The “Myner’s Report” (March 2001) investigated the role of pension funds and their advisors in financial markets. The “Sandler Review of Retail Savings” (2002) investigated the performance of

retail savings (unit trusts and with-profits life assurance). The “Pickering Report” (2002) suggested that occupational pension should be less-heavily regulated (See ..., 2005).

The government published a new pensions Green Paper titled “Simplicity, Security and Choice: Working and Saving for Retirement” in December 2002 which suggested that individuals may need to work past the current retirement age of 65. Following the 2002 Green Paper, the UK Government formed an independent Pensions Commission to report on the state of the pension provision in the UK. The Pensions Commission produced an Interim Report in October 2004 (See ..., 2005).

In 2003, the government replaced the minimum income guarantee with pension credit. In 2009-10, a single pensioner was entitled to means-tested benefits of £130 through PC, compared with the full basic state pension entitlement of just over £95 (Antoine Bozio, et.al, 2010:10).

The most recent set of reforms to the state pension system was the Pensions Act of 2007. This made a number of important changes

- a) The state pension age (SPA) is to be increased improving the long-run financial viability of the system.
- b) Entitlement to the full Basic State Pension (BSP) is to be made more extensive in order to reduce the number of pensioners relying on means-tested benefits. This is to be achieved mainly by reducing the number of years of contributions required to gain full entitlement.
- c) The BSP is to be increased in line with average earnings (rather than prices), which will prevent the decline in the value of pensions relative to average earnings.
- d) State Second Pension is set gradually to become a flat-rate benefit, which will, in the very long term, return the state pension system to the flat-rate system suggested by the Beveridge Report (Antoine Bozio, et.al, 2010:11).

The Pensions Act, 2007 announced further raises in the state pension age for both men and women in order to help ensure the financial sustainability of the state pension system in the face of increasing life expectancy. Reforms along with changes in Pensions Act 2007, another legislation in the “Pensions Act of 2008” included the introduction of “automatic enrolment” by employers of most employees into a private pension. Such

policies could be considered to represent the first steps towards some form of mandatory private insurance. (Antoine Bozio, et.al, 2010:10)

### **II. II. 2. State Social Security for the Aged in United States of America (USA)**

USA has very long history of social security system since the British colonial period followed by the American Civil War Pension Scheme, the Alfred Dolge Company Pension, and latter American Federal State Pension in 1930s. Further, it underwent many amendments. Still, the American social security is very important and comprehensive system in contemporary times.

#### **II. II. 2. A. Social Security for the Aged in Colonial America**

When the English-speaking colonists from Europe arrived in the new land (USA), they brought with them the ideas and customs they knew in England, including the “Poor Laws”. The first colonial poor laws were made after those of the Poor Law of 1601. They were given local taxation to support the needy. They differentiated between deserving and undeserving the poor and all other relief responsibility was given to the local self-governments. No public institutions for the poor or standardized eligibility criteria would exist for nearly a century. The local town elders had the authority to decide who was worthy of support and how that support would be provided. As colonial America grew more complex, diverse and mobile, the localized systems of poor relief were strained (Federal Govt. of USA, *Historical Background*, 2010).

#### **II. II. 2. B. Civil War Pensions: America’s First “Social Security” Program**

There was one important precursor, which offered something Americans could recognize as a social security program to one special segment of the American population. Following the Civil War, there were thousands of widows and orphans, and thousands of disabled veterans. In fact, immediately following the Civil War, a much higher proportion of the population were disabled or survivors of deceased breadwinners than at any time in America’s history. This led to the development of a generous pension program, with interesting similarities to later developments in social security. The first national pension program for soldiers was passed in early 1776, prior to the signing of the



Declaration of Independence. Throughout *America's antebellum*<sup>5</sup> period, pensions of limited types were paid to veterans of America's various wars. Nevertheless, it was with the creation of Civil War pensions that a full-fledged pension system was developed in America for the first time (Federal Govt. of USA, *Historical Background*, 2010).

The Civil War Pension program began shortly after the start of the War, with the first legislation in 1862 providing for benefits linked to disabilities 'incurred as a direct consequence of military duty'. Widows and orphans could receive pensions equal in amount to that which would have been payable to their deceased soldier if he had been disabled.

In 1890, the link with service-connected disability was broken, and any disabled Civil War veteran qualified for the benefits. In 1906, old age was made a sufficient qualification for benefits. By 1910, Civil War veterans and their survivors enjoyed a program of disability, survivors and old-age benefits similar in some ways to the later social security programs.

By 1910, over 90% of the remaining Civil War veterans were receiving benefits under this program, although they constituted barely 0.6% of the total U.S. population of that era. Civil War pensions were also an asset that allowed young wives to elderly to inherit the pensions as the widow of a war veteran. Indeed, there were still surviving widows of Civil War veterans receiving Civil War pensions as late as 1999 (Federal Govt. of USA, *Historical Background*, 2010).

In total, military pensions were an important source of economic security in the early years of the nation. In 1893, for example, the 165 million dollars spent on military pensions was the largest single expenditure ever made by the federal government. In 1894, military pensions accounted for 37% of the entire federal budget (Federal

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<sup>5</sup> The origin of word "antebellum" is from Latin phrase "ante" mean before and "bellum" mean war. The antebellum period in American history is generally considered to be the period before the civil war and after the War of 1812, although some historians expand it to all the years from the adoption of the Constitution in 1789 to the beginning of the Civil War.

Government of USA, 2010). Although, America had a “social security” program in the form of Civil War pensions since 1862, the practice was not extended to the general society

### **II. II. 2. C. The Company Pension**

One of the first formal company pension plans for the Alfred Dolge Company, a builder of pianos and organs, introduced industrial workers in 1882. Dolge withheld 1% of each worker’s pay and placed it into a pension fund, to which the company added 6% interest each year. Dolge viewed that providing for older workers as being a business cost like any other, arguing that just as his company had to provide for the depreciation of its machinery, he should also ‘provide for the depreciation of his employees.’ Despite Mr. Dolge’s progressive ideas and his best intentions, the plan proved largely unsuccessful since it required a worker to spend many years in continuous employment with the company, and labour mobility, meant that relatively few workers spend their whole working career with one company. Not only was the Dolge Plan one of the first formal company pension systems in industrial America, it was also one of the first to disappear when the company went out of business a few years later.

In 1900, there were five companies in the United States, including Dolge offering their industrial workers company-sponsored pensions. By 1932, only about 15% of the labour force had any kind of potential employment-related pension. The pensions were often granted or withheld as per the discretion of the employer. Most of these workers would never receive a retirement pension and only about 5% of the elderly were getting retirement pensions in 1932 (Federal Govt. of USA, *Historical Background*, 2010).

### **II. II. 2. D. The March of Coxey’s Army<sup>6</sup>**

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<sup>6</sup> “Jacob Coxey was an unsuccessful Ohio politician and industrialist who, in 1894, called on the unemployed from all over the country to join him in an ‘army’ marching on Washington. Ten of thousands of unemployed workers started marches, but by the time Coxey and his group finally made it to Washington only about 500 hard-core believers remained. Coxey himself was promptly arrested for walking on the grass of the Capitol Building and the protest fizzled out. Coxey later became an advocate of public works as a remedy for unemployment and ran for president as the Farmer-Labor party candidate in

The Great Depression of the 1930s was one of the important factors in the American history. During this period, unemployment was widespread and many Americans realised that in an industrialized society, the threat to economic security represented by unemployment could strike anyone even those able and willing to work. Protest movements arose the most quixotic and notable being, i.e. 'Coxey's Army' (Federal Govt. of USA, 2010).

Although his march failed, Coxey's Army was a forerunner of an issue that rose to prominence, as unemployment insurance became a key element in the future Social Security Act. Ohio continued to play an important role in the development of unemployment insurance, as its state program was one of the two looked upon as models for the new federal program the other being the program in operation in Wisconsin (Federal Govt. of USA, *Historical Background*, 2010).

## **II. II. 2. E. Federal State Old Age Pensions**

In 1932, the Federal Government first made loans, then grants, to states to pay for direct relief and work relief. Following that, special federal emergency relief and public works programs were started. In 1935, President Franklin D. Roosevelt proposed in the Congress an economic security legislation representing the recommendations of a specially created Committee on Economic Security. Then followed the passage of the Social Security Act signed into law on August 14<sup>th</sup> 1935. This law established two social insurance programs on a national scale to help meeting the risks of old age and unemployment; namely, a Federal system of old age benefits for retired workers who had been employed in industry and commerce, and a Federal State system of unemployment insurance. Old age and unemployment as the risks to be covered by social insurance was a natural development, since the Depression had wiped out much of the lifetime savings of the aged and had reduced opportunities for gainful employment (The Social Security Act of 1935 & Federal Govt. of USA, 2009).

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1932 and 1936. Coxey was also an ardent proponent of the free silver monetary policy and an opponent of the gold standard. Perhaps to demonstrate his earnestness on monetary issues he even named his son Legal Tender Coxey" (Federal Govt. of USA, 2010).

The Act also provided Federal grants-in-aid to the states for the means-tested programs of Old Age Assistance and Aid to the Blind, which were replaced by the Supplemental Security Income program that was enacted in 1972. These programs complemented the incomes of persons who were either ineligible for Social Security 'Old Age and Survivors Insurance' (OASI) or whose benefits could not provide a basic living. The intent of federal participation was to motivate the states to adopt such programs. The law established other federal grants to enable states to extend maternal and child health and welfare services. These later grants became the Aid to Families with Dependent Children Program, which was replaced in 1996 with a new block grant program, Temporary Assistance for Needy Families. The Act also provided federal grants to states for public health and vocational rehabilitation services. Provisions for these grants were later removed from the Social Security Act and incorporated into other legislation (Federal Govt. of USA, Social Security, 2010:2).

Even before The Old-Age Insurance Program started functioning fully, certain significant changes were introduced. In 1939, Congress made the old-age insurance system into a family program when it added benefits for dependents of retired workers and surviving dependents of deceased workers. Benefits also first became payable in 1940, instead of 1942 as originally planned. No major changes were made again in the program until the 1950s, when it was broadened to cover many jobs that previously had been excluded, in some cases because experience was needed to work out procedures for reporting the earnings and collecting the taxes of persons in certain occupational groups. The scope of the basic national social insurance system was significantly broadened in 1956 through the addition of Disability Insurance (DI). Benefits were provided for the severely disabled workers aged 50 or older and for adult disabled children of deceased or retired workers (Federal Govt. of USA, Social Security, 2010:2 & Federal Govt. of USA, 2009). In 1958, the Social Security Act was further amended to provide benefits for dependents of disabled workers similar to that of dependents of retired workers. In 1960, the age 50 requirement for disabled worker benefits was removed. The 1967 amendments provided disability benefits for widows and widowers aged 50 or older. The 1972 amendments provided for automatic cost of living increases in benefits tied to increases in the Consumer Price Index (CPI) and created the delayed retirement credit, which increased

benefits for workers who retire after the full Federal Retirement Age (FRA) (Federal Govt. of USA, Social Security, 2010:3).

The 1977 amendments changed the method of benefit calculation to ensure stable earnings replacement rates over time. Earnings included in the calculations, were to be indexed to account for changes in the economy from the time they were earned. The 1983 amendments made coverage compulsory for newly hired Federal civilian employees and for employees of non-profit organizations. State and local governments were prohibited from opting out of the system once they had joined. The amendments also provided for gradual increases in the age of eligibility for full retirement benefits from 65 to 67, beginning with persons born in 1938. For certain higher income beneficiaries, benefits became subject to income tax. Amendments in 1993 increased the amount of benefits subject to taxation.

The 1996 amendments relaxed earnings limits for seniors who have reached the FRA (age 65-67, depending on year of birth). The 1999 amendments reformed certain provisions under the DI Program, specifically to create better incentives and supports for individuals to work. An amendment passed in April 2000 (Public Law 106-182) eliminated the earnings limit for seniors who have reached the FRA, effective for the year 2000 (Federal Govt. of USA, Social Security, 2010:3).

## **II. II. 2. F. Social Security during George W. Bush Period**

In his inaugural address, President George W. Bush announced his intentions to reform Social Security and Medicare. On May 2nd 2001, the president announced the appointment of his Social Security Commission called the “President’s Commission to Strengthen Social Security”. The Commission issued its final report in December 2001 (Federal Govt. of USA, *Historical Background*, 2010).

At the beginning of his second term, President Bush clearly stated that social security reform would be a top priority of his administration. Although the President tried to introduce changes in social security, none were enacted into laws during the President’s second term. There were several relatively minor legislative changes enacted into law during the period 2001-2008. Among these were<sup>7</sup>: (Federal Govt. of USA, 2010).

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<sup>7</sup> P. L. 107-117 (H.R. 3338) was signed into law on January 10, 2002. This law eliminated deemed wage credits for members of the uniformed services for all years after calendar year 2001.

## **II. II. 2. G. Social Security during Obama Period**

On 17<sup>th</sup> February 2009, the President signed, the ‘American Recovery and Reinvestment Act of 2009’ (Public Law 111-5). This law included an additional 1 billion dollars to the Social Security Administration budget, 500 million dollars of which was to be used to replace the National Computer Center, and the information technology costs associated with such centre and \$500 million for processing disability and retirement workloads, including information technology acquisitions and research in support of such activities. The bill also provided a special a one-time economic recovery payment of \$250 to adults who were eligible for benefits from one of the four following federal benefit programs: Social Security, Railroad Retirement, Veterans Disability, and Supplemental Security Income (SSI) (Federal Govt. of USA, *Historical Background*, 2010).

On September 18, 2009, the president signed into law, H.R. 3325, which became Public Law 111-64. This legislation extended through the fiscal year 2010, funding authorization for the Work Incentives Planning and Assistance program and the Protection and Advocacy for Beneficiaries of Social Security program. On December 15<sup>th</sup> 2009, President Obama signed H.R. 4218 the ‘No Social Security Benefits for Prisoners Act of 2009’, which became Public Law 111-115 (Federal Govt. of USA, *Historical Background*, 2010).

## **II. II. 3. State Social Security for the Aged in Sweden**

The old age social security measures in Sweden are most comprehensive and form a well-integrated and organized system. They include among other benefits, a national basic pension, children’s allowances, sickness insurance, maternity benefits, unemployment insurance and industrial injuries insurance. Old age benefits in Sweden are provided on a most liberal scale under the National Basic Pensions (Bhatia, 1983:194).

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P.L. 107-171 (H.R. 2646) the Farm Security and Rural Investment Act of 2002 was signed into law on May 13, 2002.

P.L. 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (H.R. 1), was signed into law on December 8, 2003. The law amends title XVIII of the Social Security Act to provide for a voluntary prescription drug benefit under the Medicare program. This was the largest single expansion of the Medicare system since its creation in 1965 (Federal Govt. of USA, 2010).

Pension benefits in Sweden started in 1770 when the Riksdag (Parliament of Sweden) granted civil servants the right to retire at the age of 70 with the salary they had prior to retirement. Regulated private pension insurance started after a hundred years later when, in 1904 the parliament passed Sweden's first regulatory legislation (Edward Palmer, 2008:7).

In 1913, the first compulsory old age pension insurance was implemented. It was compulsory and fully funded by the government and applied to all the citizens who have crossed 67 years of age and were unable to work. The package of this pension scheme was very low and it was only 11.3% of the earnings of an industrial worker. The 1913 reform was significant because all Swedish citizens were covered by an old-age pension scheme. The Swedish system was the first pension system in the world that covered all citizens, regardless of their occupation (Marten Palme & Ingemar Svensson, 1997:11).

In 1935 and 1946, two major pension reforms were implemented because criticisms from the conservatives and the liberals regarding large, state controlled pension funds, which influenced capital markets, predominantly featured in the political debates preceding the 1935 reform. The Social Democrats wanted to increase the benefit levels without increasing expenditures for the pension system. This debate led to a transfer to a pay-as-you-go system in the 1935 reform. The financing of the system was changed to the employer's contributions, and the levels of the pensions were sufficiently increased. In 1941, the minimum pension was about 29.4% of the earnings of an industrial worker. In the 1946 reform, which was implemented in 1948, the basic pension replaced the old means tested pension (Marten Palme & Ingemar Svensson, 1997:12).

The supplementary pension Allmänna Tilläggs Pension (ATP) was implemented after the 1959 referendum. The two main alternatives in the referendum were a compulsory system which was finally implemented, proposed by the blue-collar trade union and the Social Democratic Party on one hand; and a voluntary system, proposed by the employers' confederation and the conservative and liberal parties on the other. The first people to be affected by the supplementary pension were those born in 1896. The first year when pension was the right income for supplementary pension was recorded in 1960 (sentence not clear). In 1976, the mandatory retirement age was decreased from 67 to 65, and the right to a partial-retirement pension was introduced. In 1990, a gender neutral

survivor's pension replaced the widow's pension (Marten Palme & Ingemar Svensson, 1997:12; Edward Palmer, 2008:7; Karen M. Anderson & Traute Meyer, 2003:41).

According to the Social Services Act of 1982, the elderly have the right to receive public service and help at all stages of life. Those who cannot support themselves on a day to day basis have the right to ask for assistance in case their requirements cannot be fulfilled in any other way. In 1983, the Health and Medical Services Act came into effect, according to which, health care and medical services aim to maintain a good standard of health among the entire population and to provide care on equal terms for all (Gert Alaby, 2005:98; Ake Bergmark, 2006:27).

In 1994, a majority in the Swedish Parliament arrived at an agreement on principles for a new old age pension and approved the proposal for a new system in 1998. The first groups, which were beneficiaries to this new system, were those born in 1938. They were covered by the new system by weight of 0.20 and by 0.80 in the old system. The weight of the new system then increases by 0.05 in every group. So for the group of people born in 1939, the new system was 25%. The people born in 1954 were entirely in the new system. The first pensions, according to the new system, would not be paid until 2001 (Marten Palme & Ingemar Svensson, 1997:12).

In 2000, a full basic retirement pension for single persons was SEK<sup>8</sup> 2928 a month while retired and married couples received SEK 2394 per person month. In 2009, the full guarantee pension amounted to SEK 6,777 per month for a married person and SEK 7,597 for a single one. The income ceilings were SEK 10,959 per month for a single person, which was around a quarter of gross average earnings and SEK 9,713 per month for a married one. For those who do not meet this requirement (usually immigrants), there was a special maintenance allowance; low-income pensioners were also eligible for the pensioners housing supplement that covered 93% of housing costs up to SEK 5,000 per month for a single pensioner (Igor Guardiancich, 2010:2).

Hence, by the year 2025 or thereabouts the cost of pensions under the old rules would have amounted around 36% of the total payroll according to the reports of the Ministry of Health and Social Affairs, Government of Sweden made in 2000. In recent trend, changes

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<sup>8</sup> The currency code of the Sweden or Swedish Krona.



in the structure of insurance for old age have major significance on the private insurance market in Sweden in the present decade. First, as the public mandatory funded or Financial Defined Contribution (FDC) scheme matures, the overall demand for annuities will increase dramatically. This can be expected to lead to pressure to privatize the present government monopoly in annuity provision. Secondly, the conversion of occupational pension schemes to funded FDC will create new demand for retirement products. Finally, the recent consequences led to a launch of a new legislation and it was implemented from 1<sup>st</sup> May 2008, making it the possible way for the private corporate pension companies to enter into Sweden from the countries within the European Union (EU). It is expected that further liberalization will follow into the country with free of capital movement for social security.

#### **II. II. 4. State Social Security for the Aged in China**

The Constitution of the People's Republic of China states that the state shall establish and improve a social security system corresponding to the level of economic development. The Chinese government regards economic development as the most essential aspect for improving people's livelihood and effecting social security. The 1954 Constitution asserts that 'parents have the duty to rear and educate their minor children; and the adult children have the duty to support and assist their parents'. China is portrayed as a superior advantage of the socialism system where a comprehensive old age social insurance was established in the urban areas. Employees of government agencies, state-owned and collective enterprises are covered by pension and health care after they retire. The government takes the sole financial responsibility of financing old age social security (Ling Li, 1999:439).

China had 159.89 million people aged 60 or above by the end of 2008, which is around 12% of its population, according to the Ministry of Human Resources and Social Security (Fang Yang, 2009). China has established several policies concerning social security since 1984. As of 2008, about 219 million people have pensions and about 317 million have basic medical insurance. An additional 124 million have unemployment insurance, 138 million have work injury insurance and 91 million have childbirth insurance (Zhang Xiang, 2009).

The proportion of people receiving pension is calculated relatively to the population of those eligible. Men were eligible for a pension at age 60, although those who worked in more difficult circumstances were eligible at 55. Women in managerial positions were eligible at the age of 55 and other women earlier at 50. The calculations here take all men over 55 and all women over 50 as the relevant population. In 1995, 63% of the older population received pensions, and in 2002, it increased to 69%. Since the proportion might differ systematically across people, a logistic regression was run to get an adjusted estimate of the difference between years (Barry L. Friedman, 2009:12).

China's pension system has three parts: a basic pension system for urban workforce (mostly employees of government and collectively owned enterprises); a civil service pension system for civil servants; and a voluntary rural pension system (Bates Gill, 2006:8). Again, there are different systems and modes of operation of social security scheme in China for the industrial and the agricultural sectors.

*Industrial Sector:* The major schemes effective in the industrial sector are: (1) Old age, Invalidity and Death Pension Scheme, (2) Sickness and Maternity Benefit Scheme, and (3) Work Injury Compensation Scheme. The system is administered by the All China Trade Union Federation, which charges a membership fee. The workers contribute 15-20% of their wages for a range of benefits, which include subsidized housing, medical benefits, insurance benefits, subsidized meals and free education (Sobha B Nair, 1990:14).

*Agricultural Sector:* In the agricultural sector, the emphasis given by the government since the establishment of communes in 1958 and symbolized by the slogan 'Take agriculture as the base and industry as the leading sector'. Every member may have two days leave per month and women members four. Payment during treatment is to be half wages for three months. Apart from these, leave, pensions and subsidies to those unable to work and homes for the aged and nurseries for children are included (Sobha B Nair, 1990:14).

The organizational base of these social security measures is the production team of the Communes. This comprises of the neighbouring 30-40 households on an average, generally inter-related and farming their inherited property. The Chinese have, thus,

retained the content but changed the form of the traditional joint or extended family system. Thus, the characteristics of the Chinese social security system are: (1) Stress on the agricultural sector. (2) Discarding the traditional concept of social security and concentrating on the basic insecurities prevalent in an agricultural country these are natural disasters malnourishment, inadequate medical care and illiteracy. (3) Using labour-intensive cheap techniques with short gestation period and (4) starting from universal coverage with whatsoever modest facilities and building them up gradually, a path which, due to the size of the country and numbers involved, will yield slower and unspectacular growth (Sobha B Nair, 1990:15).

For a long time before 1978, when China adopted the reform and opening-up policies, China had practiced a social security policy corresponding to its planned economic system, providing social security services to its people. Since, a series of reforms have been introduced to change the old social security system practiced under the planned economy, and a basic framework of a social security system has been set up in China corresponding to the market economy system, with the central and local governments sharing specific responsibilities (Govt. of China, 2006).

In China, the China National Committee on Ageing (CNCA) was set up to provide an overview of the social circumstances of older people. This encouraged the collection of data and the provision of localized services for China's ageing population. It aimed at improving access to information for the aged and their families on the health and welfare needs of older people. The establishment of the CNCA was followed by the formation of the more broadly based Gerontological Society of China in 1986, and the China Research Centre on Ageing under the aegis of the CNCA in 1988. Numerous studies on the health and social status of older people have been undertaken, coupled with the formation of regional gerontological societies (Kasturi Sen, 1994:46).

In 1997, the Chinese government unified the basic old-age insurance system for enterprise employees in urban areas across the country by executing a social-pool-plus-personal-accounts scheme. Enterprise employees who had reached retirement age as provided by law i.e. 60 for male employees, 55 for female cadres and 50 for female

workers and who had paid their share of the premiums for 15 years or more shall be entitled to collect a basic old age pension every month after retirement. The basic old-age pension consists of two parts: basic pension and pension from personal account. The monthly sum of the base pension is equivalent to about 20% of an employee's average monthly wage in that area in the previous year. The monthly pension sum from the personal account is 1/120 of the total accumulated sum in the personal account (11% of an employee's wage being deposited every month in the pension section). The state adjusts the level of the basic old-age pension with reference to the price index of living expenses for urban residents and employee's pay increases. In 2003, the monthly basic pension for enterprise retirees covered by the basic old-age insurance scheme was 621 Yuan on average (Govt. of China, 2006).

In 2000, the Chinese government decided to create a national social security fund. Its sources included funds acquired from reducing state shareholding, stock ownership assets, funds from the central budget, funds raised by other means approved by the State Council, and investment returns. The national social security fund is administered by the National Social Security Fund Executive Council, and is operated according to market principles in accordance with the procedures and requirements prescribed by the "Interim Measures for the Management of the Investment of the National Social Security Fund" (Govt. of China, 2006).

The national social security fund provides an important financial reserve for the implementation of old-age insurance and other social security programs. By the end of 2003, it had accumulated over 130 billion Yuan (Government of China, 2006). China's basic old-age pension payment had reached 400 billion Yuan (50 billion U.S. dollars) in 2005, said Liu Yongfu, the then vice minister of Ministry of Labour and Social Security and the amount of basic old-age pension was only 151.2 billion Yuan in 1998 (Ling Zhu, 2005).

China's public pension system does not cover only half of the workforce in the cities, and the coverage in the countryside is 11% of the rural workforce. In addition to the large discrepancy between urban and rural coverage, the overall coverage is noticeably low

whereby, about three out of four Chinese workers have no pension at all (Bates Gill, 2006:8).

In concluding, the above discussed are the initiatives were taken by the international organizations such as UNO and its allied organizations ILO, WHO and also World Bank. United Nations Organization (UNO) and its two world conferences like Vienna International Plan of Action on Ageing in 1982, Madrid International Plan of Action on Ageing in 2002, and the recent resolutions in 2009. The International Labour Organization (ILO) and its conferences like 1) Older workers recommendation 1980, 2) international labour conference 89th session in Geneva, 2001. The World Health Organization (WHO) and its global programs etc. are important achievements by the organizations on ageing.

World Bank and its key role to privatizing the pension system across the world etc. are the main achievements of international organizations in the case of ageing at the global level. These developments have led many countries attention to throw some light on ageing and its related issues, particularly social security as a policy consideration. As a result, some of the countries across the world have formulated policies for the protection of aged particularly UK, USA, Sweden and China.

The countries, which have discussed above, have successfully introduced many acts and reforms related to old age social security policies, while implementation in every country has its own difficulties and vulnerabilities. It is general trend that the post-1990s the world order has changed neo-liberal trends are forcing every nation state to bow to Liberalization Privatization Globalization (LPG) forces in the contemporary world order. As a result, the notion of welfare state has changed its nature, and private sector has taken away the means of production with the sole aim to make profit as much as it can.

Therefore, it results in the corporatization of pension policies, insurance, and health care system in many countries. Corporatization of pensions, insurance, and health care system has taken place in UK, USA, recently from 2008 onwards. Even Sweden has experienced it and China is in some extent away from this trend, but even in china, insurance system is partially given to the private sector. World Bank is strongly promoting privatizing of social security system through funding technical assistance.

However, governments should play a much more active role in the social security policy arenas. Besides the neo-liberal trends, the rapid increasing of the aging population makes it necessary for the government to prepare for a decline in the labour force and a rise in expenditure on social security. Globalization, liberalization, privatization and competition also call for strengthening social safety nets. However many countries in contemporary world has certain kind social security concern towards their aged folks. Such as India also has a long history of social security tradition and initiatives for the aged, which discussed in the next chapter.

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## **Chapter-III**

### **The Evolution of Social Security Policy on Ageing in India: An Overview**

The chapter exclusively focuses on the policy initiatives for the aged by the government of India from the historical perspective, starting from the ancient, medieval and the modern British colonial periods. It divided into pre and post liberalization period and covers organized and unorganized sectors, while focusing on contributory and non-contributory schemes.

In India, the term ‘social security’ is generally used in its broadest sense. It can consist of all types of measures like preventive, promotional and protective. The measures may be statutory, public or private. The term encompasses social insurance, social assistance, social protection, social safety net and other steps involved. There are number of models providing social security to the old age in the unorganized sector. These can classify as:

- Social Assistance (Pensions) Schemes.
- Social Insurance Schemes.

These schemes again can be classified into public and private. Further, these can be divided into contributory and non-contributory schemes.

#### **III. 1. Background of the Social Security Policy Initiatives for Ageing in India**

Several factors govern a democratic country’s public policies. Similarly, in case of India there have been important factors which led to the emergence of a national policy on ageing in the 1990s, one such factor being the developments there taking place at the international level.

Several organisations of the elderly, who often approached the government for help, gradually, started speaking about their rights and claims. In a democratic set up, a large proportion of elderly citizens also indicate a large pool of voters who can determine the political fate of the country and thereby influence the public policies. It is often

mentioned that governments neglect child welfare policies as children are not voters, but in case of the aged the situation is different. This was quite visible in the 1990s when many of the political parties included ageing as a part of their election manifesto. Therefore in the 1999 elections, the Indian Federation on Ageing (IFA) wrote to all political parties and their leaders, demanding clarifications of their positions on ageing issues (Gokhale S. D, 2005:221). Thus, the political pressure mounted for a national policy on ageing.

The Government of India has begun to realize that besides the destitute elderly who need economic support and care, there exists, a large proportion of economically secure and physically fit aged who require emotional and psychological security and community support for their survival. The 1982 World Assembly on ageing influenced the growing understanding by national policymakers by the 'U.N Principles for Older Persons' adopted by the General Assembly in 1991, and by the declaration on Ageing and Global Targets on Ageing for the Year 2001. It was adopted by the General Assembly in 1992. The leader of Indian delegation was Shri. Atal Behari Vajpayee who outlined the progress towards India's national policy on ageing (Gokhale S. D, 2005:221).

Moreover, the international discussions on economic security of older persons in developing countries studied by the World Bank (1994) became the source of national debate in India (Gokhale S. D, 2005:221). It was obvious that the existing programs and schemes of economic security for with respect to the elderly need to be reviewed and that a search for a new system for such provisions may be essential. An urgent need to supplement traditional family support systems also gained greater significance with emphasis on developing supportive services at the local level, rather than at the national or state levels.

It is generally accepted that values are quintessential elements for any kind of welfare policies of any welfare state. India also has a network of values which differs from region to region and state to state all of which inform the formulation of policies at all points in time.

### **III. 2. Ageing and Indian Tradition**

The major factors influencing India's ageing policy are social values and behavioural norms transmitted over generations. According to Indian culture, the family and the self-sustaining village communities are the backbone of the social infrastructure. The debate whether the family system has been withering away is over, and the Indian society has accepted the idea that the modern family in India may change its face and form, but it will persist. Although the old definition of a family as a group of people living under the same roof, eating at the same hearth, and related to each other by blood or law has changed, the basic qualities of family relationships expressed through caring for each other and sharing remain. People may live apart and eat separately, but as long as they feel they belong to a family, the family as a system will be sustained. Consequently, any program in India for the elderly cannot overlook the role of the strong family relationship as a crucial social determinant of ageing policy (Gokhale S. D, 2005:215).

The values in Indian society such as respect for elders, love for and devotion to the family name, and acceptance of the responsibility to transmit culture from one generation to another are cultural factors which influenced the policy for aged. The Indian family is not restricted only to parents and children but extends to persons who would normally be considered distant relatives in western societies. It is defined by a wide range of distinct relations who are all included as part of the integrated Indian family (Gokhale S. D, 2005:215).

The Vedas provides an idea about the life plan of a person; the ancient Hindu scriptures divided life into four stages (Varnashrams):

- 1) Brahmacharya (student life with sexual abstinence)
- 2) Grihastha (married life with righteous living),
- 3) Vanaprastha (retired life, with religious study) and finally
- 4) Sanyasa (renunciation with spiritual practice).

Although, no strict ages were specified, the stages were functionally different and non-overlapping. The onset of the Vanaprastha or retirement stage is meant to coincide with the first son reaching maturity and eager to take over responsibility of family. These sanctions were mainly based on the living conditions of the upper castes. There were no

specific life plans for the woman since she was expected to follow her husband throughout her life (Anitha Kumari Bhat & Raj Dhruvarajan, 2009:337).

### **III. 3. State and Social Security for Ageing during the Ancient Period in India**

The ‘law makers’ of traditional ancient India provided social norms for coping with the subject of ageing. For example, in about 2000 B.C. Manu was the first lawmaker who spoke about the responsibilities of the society towards the old. Similarly, Kautilya spoke about the government’s role in treating the elderly with respect and prescribed various rules for the regulation of guilds, designed to provide collective security for life, prosperity, and freedom from want and misery. In the 8th century A.D, Shukracharya in Sukraniti discussed about sickness, pension, and old age benefits and family pension and maintenance allowances. The original Sanskrit quotations speak of the positive outlook of government and society towards India’s aged in the last 2000 years (Irudaya Rajan, Mishra, & Sarma, 1999: 140 & Gokhale S. D, 2005: 216).

### **III. 4. State and Social Security for Ageing during the Medieval Period in India**

In the medieval period India was under the Muslim rule during which social security measures were not undertaken by the rulers. At this time the religious and charitable institutions played significant roles in catering to the needs of the poor and vulnerable, including the aged. (Varandani. G, 1987:48)

### **III. 5. State and Social Security Policy for Ageing during the British Colonial Period in India**

During the period from the mid-18<sup>th</sup> to the mid-20<sup>th</sup> centuries, the British government was primarily concerned with maintaining law and order, which included the institutionalization of a bureaucracy, composed of both British and Indian civil servants. During the colonial period, the British dealt with social issues through the instruments of institutionalization and legislation. The British government established laws relating to security for old age, such as pensions and provident funds restricted to the formal employment sector (e.g. government) and a system of old age homes maintained by grants. The influences of these practices are found in various new laws enacted since 1950. Some of these earlier laws were retained after independence in 1947.

Four major pieces of legislation were introduced from the 1870s to the 1940s. The Pension Act of 1871 (administered by the Royal Commission on Civil Establishment) set up a pension plan for colonial administrators that were made available to all government employees, including the Indians in the government employment. The British enacted amendments in 1919 and 1935. Today, part XIV, article 309 of the Constitution sets forth recruitment and conditions of service, including compulsory retirement at age 60, which applies both to central and state government pensions. With respect to the latter, state legislatures have the authority to make amendments to any legislation (Gokhale S. D, 2005:217 & Vijaya Kumar .S, 2005:49).

Other social welfare legislations were passed in the 1920s and 1930s. In 1923, a Worker's Compensation Law was passed for government workers; it was also retained after independence. Among others, there was a provision, which allowed the amount of compensation to be recovered by the elderly parent in case of death of a child during the course of employment. Two other laws were related to inheritance issues and reflected the need to create appropriate legislation for both Hindus and Muslims. The Indian succession act allowed the father to succeed to the property of an intestate (without a will) who dies without lineal descendants. In the absence of a father and any lineal descendants, the property would get transferred to the mother. The Shariat act of 1937 allowed property to be distributed among the heirs of the deceased Muslim which could include elders after the payment of funeral expenses, of any payment due for services preceding death and of any amounts for the repayment of debt (Gokhale S. D, 2005:217).

The issue of social security became more significant during the early 1940s. The Adarkar commission report was submitted on August 15<sup>th</sup> 1944, to outline the foundation of a social security scheme, based on several principles, which included; administrative simplicity; flexibility; financial viability; expandability; and compulsory and contributory requirements. The Adarkar commission report laid the basis for the creation of various retirement income schemes and other social welfare programs after independence. In particular, the health insurance scheme proposed by the commission took the form of the Employee's State Insurance Act of 1948, which was thoroughly amended in 1966 (Gokhale S. D, 2005:217).



### **III. 6. Constitutional Safeguards for Ageing in India**

After independence, the Constitution of India has established mandating the well-being of elders as a government responsibility. Article 41, in the Directive Principles of State Policy (DPSP), requires that the State shall within the limits of its economic capacity and development make effective provision for securing the right to public assistance in cases of ‘*Old Age*’, unemployment, sickness, disablement, and other cases of underserved want (Gokhale S. D, 2005:218) . Other constitutional provisions include directions for government’s role, both at the national and state (province) levels, through its various schedules. For example, entry 24 in list III of Schedule VII deals with the welfare of labour, including work conditions, provident funds, worker’s compensation, invalidity (disability), and old-age pensions and maternity benefits. Similarly, item 9 of the State Lists and items 20, 23 and 24 of the Concurrent List relate to old-age pensions, social security, social insurance and economic and social planning. The right to equality guaranteed by the constitution as a fundamental right applies equally to elders (Moneer Alam, 2006:223).

### **III. I. State and Social Security Policies for Ageing during Pre-Liberalization Period in India**

India, in post-independence period adopted “state socialism” or (socialist pattern of society) and “market economy” (mixed economy) as a guiding principle for the development in the country under the umbrella of Nehru’s liberal thinking of development. It favoured democracy as the best political system and a way of governance to achieve the developmental goals with a higher rate of equity and equality. The Nehruvian model of development was a model, which argued for industrial development along with equal focus on agricultural development and social welfare (Shyam Singh, 2010).

Several laws were passed from the 1950s to 1980s to address the needs of the aged which included, the employee’s provident fund and Miscellaneous Provisions Act of 1952. This was a step towards making welfare provisions for the future of industrial workers after retirement or for the benefit of their dependents, in case of early death. The family

pension program, passed in 1971, helped to extend much needed long-term protection for families of industrial employees who die prematurely. Without this program, the accumulations in the provident fund were too meager to render adequate family protection for industrial workers. These provisions benefitted government and industrial employees in the “organized sector” only and the workers in agriculture and small business (“the unorganized sector”) were not covered (Gokhale S. D, 2005:219).

### **Non-Contributory Schemes**

#### **III. I. 1. State and Social Security for Ageing to Organized Sector in India**

An organization, which is registered with the registrar of companies and is subjected to company law is an organized sector. It can be a public sector company or a private sector company. It consists of endeavours which are statistically documented in the budget and other reports. They are also to maintain account as per income tax, sales tax, excise /customs duty, make the employees permanent and also permit them to become member of a labour union to take care of their rights. For example in India, banks, railway, insurance industry, central government employees can be called as organized sectors.

#### **III. I. 2. The Employee’s Compensation Act, 1923**

The act makes provision for payment of compensation to the employees and their dependents in case of injury and accident (including certain occupational diseases) caused by the employment or during the tenure of it and resulting in disablement or death. For the purpose of calculation of compensation under the act, monthly wages has increased from Rs.4000/- to 8000/- by gazette notification dated 31-05-2010. The act has amended in December 2009, which known as Workmen’s Compensation (Amendment) Act, 2009 and it came into force on 18<sup>th</sup> of January 2010 (MLE, *Annual Report* 2010-2011: 54)

Minimum rates of compensation for permanent total disablement and death have been increased from Rs.90,000/- for death and Rs.80,000/- for permanent disablement to Rs.1,40,000/- and Rs.1,20,000/- respectively. The maximum amount for death and

permanent total disablement can go up to Rs.9.14 lakh and Rs.10.97 lakh respectively depending on age and wages of the employees (MLE, *Annual Report* 2010-2011: 54).

### **III. I. 3. The Payment of Gratuity Act, 1972**

The act makes provision for every employee, other than the apprentice; irrespective of his wages to be eligible for receiving gratuity once he has been in continuous service for five years or more. Gratuity is payable at the time of termination of his service (retrenchment) either (i) on superannuation or (ii) on retirement or resignation or (iii) on death or disablement due to accident or disease (Irudaya Rajan, Mishra, & Sarma, 1999: 150). Hence, for every completed year of service or part thereof in excess of six months, the employer pays gratuity to an employee at the rate of fifteen days wages based on the rate of wages last drawn. As per section 4 (3) of the act, the amount of the gratuity payable to an employee shall not exceed Rs.10, 00,000/- (MLE, *Annual Report* 2010-2011: 59).

### **Contributory Schemes**

### **III. I. 4. The Employee's State Insurance Act, 1948**

It is a outstanding measure in the field of social insurance in India. It was aimed to provide certain benefits to employees in case of sickness, maternity and employment injury and for certain related matters. This Act is applied to all perennial factories with the exception of state factories. It is also extended to the whole of India, except the state of Sikkim and applies to all factories other than seasonal factories which are run with power and employ 20 or more persons (Irudaya Rajan, Mishra, & Sarma, 1999: 151). As on 31<sup>st</sup> March 2010, 1.43 crore insured persons and about 5.55 crore beneficiaries are covered under the scheme. The number of factories and establishments covered by the end of the year had gone up to about 406499 (MLE, *Annual Report* 2010-2011: 54).

### **III. I. 5. Employee's Provident Funds and Miscellaneous Provision Act, 1952**

The Act aims at delivering social security and timely monetary assistance to industrial employees and their families when they are in distress and/or unable to meet family and

social obligations and to protect them in old age, disablement, early death of the bread winner and in some other contingencies. The act is in effect from 1st November 1952. The act provides for the institution of compulsory provident funds for employees in factories and other establishments. In 1952, it covered only 6 major industries and was extended to 186 specified industries/classes of establishments up to the end by 31<sup>st</sup> March 2010. The act is operative in the whole of India except the states of Jammu and Kashmir and Sikkim. It is applicable to all factories and other establishments of the notified industry, if they employ 20 or more persons.

The fund is created by the contributions of the employer and employees. The present rate of contributions is a minimum of 10% of the wage of the employee and an equal amount by the employer. However, the employee may contribute over and above the minimum contribution of 8.33 % of the wage, but it is not an obligation of the employer to pay over and above the minimum percentage of contribution. The employees get an interest rate of 12% per annum on their deposits (Irudaya Rajan, Mishra, & Sarma, 1999: 153). The fund is administered by the central board of trustees which is a tripartite body consisting of representatives of employers, employees and persons nominated by the central government. The central government appoints all members. The central provident fund commissioner is the chief executive officer of the employee's provident fund organization and secretary to the board (Irudaya Rajan, Mishra, & Sarma, 1999: 153).

The employee's provident fund organization also provides non-refundable advances to aid the members under various circumstances like; illness, accidents, invalidity and also to meet their family and social obligations. The Employee's Provident Fund Act, 1952 was amended to provide for the employee's family pension scheme, which came into force on 1<sup>st</sup> March, 1971. And the members of the employee's provident fund were also covered by the employee's deposit-linked insurance scheme, 1976 (Irudaya Rajan, Mishra, & Sarma, 1999: 153). As on 31<sup>st</sup> March 2010, there were 615902 establishments and factories covered under the act with a membership of 587.95 lakh under EPF scheme, both in the exempted and un-exempted sectors. The arrears under all the schemes as on 31<sup>st</sup> March 2010 were of the order of Rs.2923.14 crore. With effect from 1<sup>st</sup> June, 2001 an employee on joining the employment in a covered establishment and

getting wages up to Rs.6,500/- is required to become a member of the fund (MLE, *Annual Report 2010-2011*: 57)

### **III. I. 6. The Employee's Family Pension Scheme, 1971**

The Employee's Provident Fund Act 1952 was amended to provide an employee's family pension scheme, which came into force on 1<sup>st</sup> March 1971. The scheme aims to provide for a substantial long-term protection to the family of the employee who dies in service. It is applicable and compulsory to all the employees who became members of the employee's provident fund scheme or any other exempted provident fund scheme existing after 1st March, 1971. The employees, who were already members of the above-mentioned provident fund as on 28<sup>th</sup> February, 1971 were offered the option of joining the family pension scheme within a specified time limit. The members of this scheme get three types of benefits: family pension, life assurance benefits and retirement-cum-withdrawal benefits (Irudaya Rajan, Mishra, & Sarma, 1999: 154).

- a. **Family Pension:** If a member of the scheme dies during service before attaining the age of 60 the pension will be paid to a surviving family member of the employee. However, for this family member to be eligible for the pension, the scheme member should have contributed to the family pension fund. If the member had contributed not less than seven years before his/her death, the beneficiary will get enhanced pension:
  - i. For the period of seven years from the day following the date of death, or
  - ii. Till the date on which the member would have reached the age of 60 years had he/she remained alive, whichever is earlier.

The pension is payable from the date following the death of the member. The amount of enhanced pension is the normal pension plus 20% of the salary of the member.

- b. **Life Assurance Benefit:** If a member of the scheme dies while in service having contributed towards the Family Pension Fund for not less than one year, a lump sum of Rs.5,000 is payable to the member's family as life assurance benefit.

- c. **Retirement-cum-Withdrawal Benefit:** A member is eligible for this benefit either on attaining the age of 60 years or at the end of the membership from the family pension fund before attaining the age of 60 years for reasons other than death. This is subject to the member contributing to the fund for at least one year. In case the member of the family pension fund dies or ceases to be a member before contributing one year to the family pension fund, his/her own share of contribution with interest thereon is refunded.
- d. **Death after Service of Seven Years or More:** In cases where the government servant dies after more than seven years of service, the amount of family pension will be half the salary last drawn or double the amount as described above, whichever is less.
- e. **Death after Retirement:** In cases where the government servant dies after retirement, this enhanced rate is payable for a period of seven years or up to the date on which the government servant would have reached 65 years of age, whichever is shorter. But the amount should be limited to the amount of pension sanctioned at the time of retirement. This pension is payable only to one member of the family in the following order:
- i. Widow or widower, as the case may be.
  - ii. Sons who have not attained the age of 25 years.
  - iii. Unmarried daughters who have not attained the age of 25 years<sup>9</sup>.
  - iv. Son or sons who are mentally or physically crippled or disabled for life.
  - v. Daughter or daughters who are mentally or physically crippled or disabled for life. (Irudaya Rajan, Mishra, & Sarma, 1999: 156)

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<sup>9</sup> An unmarried daughter shall become ineligible for family pension from the date she gets married. Further, it shall be stopped if the son or daughter starts earning his or her livelihood, or attains the age of 25 years, whichever is earlier.

### **III. I. 7. The Employee's Deposit-Linked Insurance Scheme (EDLI), 1976**

Employees Deposit-Linked Insurance Scheme (EDLI), 1976 became applicable to all factories/establishments from 1<sup>st</sup> August, 1976. All the employees who are members of the Employee's Provident Fund Scheme are required to become members of this scheme. Employers are required to pay contributions to the insurance fund at the rate of 0.5% of pay i.e., basic wages, dearness allowance including cash value of food concession and retaining allowance if any. During the year 2009-10, a sum of Rs.423.22 crore comprising of employer's contribution was deposited. During the year 2009-10, 21208 EDLI claims were settled. At the end of 2009-10, the Employees Provident Fund Organization (EPFO) had cumulative investments of Rs.7880.91 crore under this Scheme (MLE, *Annual Report 2010-2011*: 58).

As amendment has been made in the Employee's Deposit Linked Insurance Scheme, 1976 under the Employee's Provident Funds & Miscellaneous Provisions Act, 1952, increases the additional benefit on the death of an employee who is member of the provident fund. It was on the basis of average balance up to Rs.50,000/- and where the average balance exceeds Rs.50,000/-, the amount payable shall be Rs.50,000/- plus 40% of the amount in excess of 50,000/- subject to a ceiling of Rs.1 lakh. A notification in this regard has been issued on 18<sup>th</sup> June, 2010. Earlier, the ceiling of Rs.50,000/- was Rs.35,000/- and Rs.1.lakh was only Rs.60,000/-The scheme is proposed to be further liberalized to extend additional benefits to the members (MLE, *Annual Report 2010-2011*: 58).

### **III. II. State and Social Security Policies for Ageing during Post-Liberalization Period in India**

The 1990s mark the commencement of major policy changes in India. The new economic reforms based on the Liberalization, Privatization and Globalization (LPG) model, aimed at making India one of the fastest growing economies with efficient functioning of the industrial, trade and financial sectors.

The onset of reforms to liberalize the Indian economy in July 1991, brought about major economic transitions; and had a tremendous impact on the economic development of

almost all major sectors of the economy, whose effects over the last decade can hardly be overlooked.

This era of reforms has also contributed a remarkable change in India, as it moves away from the traditional Nehruvian model of development (mixed economy), which started since independence in 1947 such as self-reliance, and socialistic policies of economic development. Which has resulted in the inward looking restrictive form of governance, backwardness and inefficiency of the economy and some other problems led India to adopt LPG model.

### **III. II. a. Liberalization**

Liberalization can be understood the situation of the political economy where the means of production will be in the hands of the market and the economic efficiency is measured in terms of market-defined objectives. Major economic activities are opened for private participation keeping only key issues of welfare and other regulatory mechanism with the state. This opening up of various sectors for private participation and allowing them to manage the business for maximizing the profits will clearly underline the freedom available for the market to have their own labour participation practices and deployment of human resources. Liberalization thus aims at minimizing the labour participation and downsizing the workforce in the industry in the name of removing the dead wood to maximize efficiency.

### **III. II. b. Privatization**

Privatisation in its broader sense indicates the reduced role of the state in policies and a greater participation of the private sector governed by the logic of market in undertaking all economic decisions.

### **III. II. c. Globalization**

Immanuel Wallenstein defines globalization as representation of “the triumph of a capitalist world economy tied together by a global division of labour” (Nayef R.F & Al-Rodhan, 2006:9). It is also “the process by which the world is said to be transformed into a single global system.” It also emphasizes that in current discussion, globalization has three dimensions or manifestations: economic, cultural and political. The economic dimension focuses on the expansion and transformation of capitalism into integrated global economy. The cultural dimension of globalization is the result of mass tourism, increased migration of people between societies, the commercialization of cultural



products and the global spread of an ideology of consumerism, which have the power of replacing or supplementing more localized cultures.

The political dimension can be viewed in relation to the rise of international agencies, including the World Bank, the International Monetary Fund and the World Trade Organization, which regulate the global economy and, therefore, set limits on the freedom of nation states. We have also global institutions related to environment, gender, human rights, health, AIDS, etc. In fact, the process of globalization can be seen as the geographical shifts in domestic economic activity around the world and away from nation state. Thus, the economic perspective relates to the system of manufacture and production, levels of international trade, the extent of international capital flows, and the role of multi-national companies.

Liberalisation has been able to create an all pervasive effect in the economic status of the country. The social security of the population has no exception to this rule. The social security programs available in the country are mainly for the working class, that too in the organized sector in urban India. It was felt in the beginning that economic efficiency is the prime role of liberalization and expected that the distribution of wealth would be rationalized to allow more people to participate in the production process there by not only improving the GDP but also guaranteeing some minimum standard of living.

### **III. II. d. Impact of (LPG) on Social Security in India**

The liberalization in India started showing its effects by: (1) Casualization of employment and increase in the problems of the old. (2) Increase in the unorganized work force. (3) Decrease in the organized employment. (4) Growth in unemployment etc (Madhava Rao. P, 2006).

Despite liberalization of the Indian economy, several welfare programs were initiated in the 1980s and 1990s. India's first priority has been to provide a minimum package of primary health and medical services through the expansion of healthcare infrastructure. It has been an integral part of the overall population, the elderly in rural and tribal areas and urban slums have benefitted from the expansion.

In the area of age-based programs, central government health schemes have been made available to retired national government pensioners. Furthermore, the Government of India aided the Non-Governmental Organizations (NGOs) in running special programs

(e.g., Mobile Medical Units [MMUs]) for providing the health care to the elderly. The 8<sup>th</sup> Five-Year Plan sought to encourage NGOs to provide old-age homes and non-institutional services, such as day-care centres, via grants-in-aid. Beginning in 1983-1984, the Ministry of Welfare started to provide this assistance. The program became very popular with NGOs, and recipient organizations grew gradually. Proposals for setting up new homes and day-care programs continued to be received from various new NGOs, and the grant program was expanded in keeping with the recognition in the Ninth Five-Year Plan that elder services are an integral part of the developmental policies of the nation (Gokhale S. D, 2005: 222).

These grant programs are not evenly distributed among Indian states and union territories or various regions. The NGOs in Andhra Pradesh have been particularly active in developing programs for elders. The majority of GOI-supported old-age homes, day-care centres, and MMUs are found in the southern states of Andhra Pradesh, Karnataka, Maharashtra, and Tamil Nadu (Gokhale S. D, 2005: 223).

### **III. II. e. The 9<sup>th</sup> Five Year Plan**

The Government of India through its tradition of Five-Year Plans and its National Planning Commission (NPC) have tried to introduce welfare schemes directed at making the lives of elders better. The NPC's role has been to prepare those plans and monitor their implementation. The Commission has several advisors on specialized areas; such as education, health, ageing, and development; who function as a 'think tank' for the NPC that operates through a cadre of national bureaucrats.

The NPC prepared an approach to the 9<sup>th</sup> five year plan that stated:

1). Focussing attention on the empowerment of Special Groups (e.g., the aged) economically and socially to help them in participating in national development. This would be accomplished by creating an environment of freedom and dignity to enhance the exercise of their rights and privileges like all citizens, and by passing necessary legislation, consistent with the concept of economic growth with social justice.

2). Efforts would be made to reduce the gap between these groups and the rest of the society, by bringing about both quantitative and qualitative development in their lives; taking advantage of inputs from governmental and non-governmental agencies.

3). A National Policy on Ageing would be created to address four broad areas: pensions, affordable health services, affordable shelter, and other welfare measures. The Policy on Ageing would also look upon the aged as active participants in the developmental process rather than being only beneficiaries.

4). Professionally-trained personnel would be needed to ensure formulation of needs-based policies and programs which will be efficiently executed as per the local needs. Monitoring programs and evaluating them qualitatively would be required.

Legislative activity at both the state and national levels for the very poor elderly also occurred during the middle and late 1990s, accompanied by growing advocacy for a national policy on ageing. State old-age pensions were liberalized, partly due to the rise in the cost of living and external to Indian state. (Gokhale S. D, 2005: 223)

### **Contributory Schemes**

#### **III. II. 1. the Employee's Pension Scheme, 1995**

It was introduced from 16<sup>th</sup> November 1995. With the introduction of the pension scheme, the erstwhile Employee's Family Pension Scheme, 1971 ceased to exist. However, the pensioners who were drawing benefits under the erstwhile Employee's Family Pension Scheme, 1971 continue to draw family pension under the Employee's Pension Scheme, 1995.

Members on attaining the age of 58 years and having rendered minimum ten years contributory service (including the membership period with ceased employee's family pension scheme, 1971) shall qualify for superannuation pension. Those members who serve less than ten years of service shall be eligible for scheme certificate or withdrawal benefit, as the case may be. The Employee's Pension Scheme, 1995 provides the following benefits to the members and their families monthly member pension,

permanent total disablement pension, widow/widower pension, children pension, orphan pension, nominee pension, pension to dependent parents.

The beneficiaries of the ceased Employee's Family Pension Scheme, 1971 continue to get benefits under the new employee's pension scheme, 1995. As on 31<sup>st</sup> March 2010, there were 2232035 members, 675001 spouses, 11546 parents, 566195 children, 16566 orphans and 8663 nominees receiving pension under the scheme. Total amount disbursed among the pensioners during the year was Rs.3120.84 crore through nationalized banks and post offices (MLE, *Annual Report* 2010-2011: 58).

### **III. II. 2. State and Social Security for Ageing in the Unorganized Sector in India**

As per the survey carried out by the National Sample Survey Organization (NSSO) in the year 2004-05, the total employment in both organized and unorganized sector in the country was of the order of 45.9 crore. Out of this, about 2.6 crore were in the organized sector and the rest 43.3 crore in the unorganized sector. Out of 43.3 crore workers in the unorganized sector, 26.9 crore workers were employed in the agriculture sector, 2.6 crore in construction, and the remaining were in manufacturing activities, trade and transport, communication & services. A large number of unorganized workers are home based and are engaged in occupations such as beedi rolling, agarbatti making, papad making, tailoring, and embroidery work (MLE, *Annual Report* 2010-2011: 67).

In India, nearly 90% of the work force is employed in the unorganized sector among them; nearly 40% of the work force is daily wage earners. The workers in the unorganized sector have to suffer a plethora of disadvantages. The wages are relatively lower and there is no job security. Another drawback is that the legal and government provisions do not cover this section of workers. This is because the number of establishments and workers in the unorganized sector is innumerable and it is almost impossible to provide them social security and other benefits. Most of the labourers in the unorganized sector do not have year-round work such as in the agricultural sector and building industry. Even in the small scale industrial units and big commercial

establishments, the employer and employee relation is not continuous because of the labour turnover (Madhava Rao. P: 4).

The unorganized sector has not been defined anywhere scientifically nor was there any serious attempt to define this word or phrase. However, this term was used to speak of availability or non-availability of certain benefits or rights to the working class outside the organized sector. Sometimes, this sector is also termed as informal sector. The unorganized sector refers to those enterprises whose activities or collection of data is not regulated under any legal provision or do not maintain any regular accounts. In the unorganized sector, in addition to the unincorporated proprietorships or partnership enterprises run by cooperative societies, trust, private and limited companies are also being considered.

The National Sample Survey Organization (NSSO), which has been conducting surveys of un-organized enterprises at periodical intervals generally, adopted the following criteria for the identification of un-organized sector:

- 1). In the case of manufacturing industries, the enterprises not covered under the Annual Survey of Industries (ASI) are taken to constitute the un-organized sector.
- 2). In the case of service industries, all enterprises, except those run by the government (central, state and local body) and in the corporate sector were regarded as un-organized (Ajaya Kumar Naik, 2009:2).

The First Indian National Commission on Labour (1966-69) has, however, tried defining this term to some extent for the purpose of their report. It can also be used the same analogy for understanding in this context. The commission opined that the group of workers, who cannot be defined by definition but could be described as those who have not been able to organize in pursuit of a common objective because of constraints such as:

- Casual nature of employment
- Ignorance and illiteracy
- Small size of establishments with low capital investment, persons employed
- Scattered nature of establishment, and

- Superior strength of employer operating singly or in combination.

This definition or analogy of the first National Labour Commission can help to understand what the unorganized sector is. Therefore based on this we can identify the workforce with the above attributions in:

- Agriculture
- Contract labour including construction workers
- Casual labour
- Labour employed in small-scale industry
- Handloom and power loom workers
- Beedi and cigar workers
- Employees in shops and establishments
- Sweepers and scavengers
- Workers in tanneries and
- Tribal labour.
- Other unprotected labour (Ministry of Labour, 2002:597).

Domestic servants and other workers who do not fall under any of the above categories but earn their livelihood by manual work and those self-employed & not the masters of any other employees also form part of these unorganized work forces. The increase in the growth of the labour is disproportionate to the growth of the organised labour in the country and thereby poses significant challenge to social security measures. The growth of the aged population, which is either dependent on the young or unemployed or working for food during the last years of their life, is another challenge to the social security systems in the country. (Madhavarao. P)

Thus in India, as a whole, there is no comprehensive social security system for the unorganized labourers. However, according to their own financial conditions some state governments are providing certain kinds of social security schemes to sections of the unorganized workers. Recently, The Union government also introduced a certain Acts, which are discussed below.

## **Non-Contributory Schemes**

### **III. II. 3. National Social Assistance Programme, 1995**

The government of India introduced National Social Assistance Programme (NSAP) on the 15th of August 1995 to provide for the minimum needs of the poor and destitute, having little or no regular means of subsistence from their own source of income or through financial support from their family members. The Prime Minister in his broadcast to the nation on 28<sup>th</sup> July 1995 had announced that the Programme would come into effect from 15th August 1995. The National Social Assistance Programme (NSAP) was thus included in the central budget of 1995-96. It has three components namely, National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme (NMBS). The NMBS has since been transferred to the Ministry of Health & Family Welfare from 1st April, 2001. (MRD, Annual Report 2010-11:57)

The NSAP aims at providing social assistance benefits to poor households, for the aged, widows, and disabled in case of death of the breadwinner. The intention in providing 100% central assistance is to ensure that social protection to the beneficiaries everywhere in the country is uniformly available without interruption. Accordingly, the central assistance should not interfere in the states' expenditure in this respect and that the states may expand their own coverage of social assistance independently wherever they wish to do so.

The NSAP is a state plan Programme under which Additional Central Assistance (ACA) is extended to the states/UTs to provide benefits in accordance with the norms, guidelines and the conditions laid down by the central government. The NSAP provides opportunities for linking the social assistance package to schemes for poverty alleviation and the provision of basic needs. These schemes can be linked to schemes run by the ministries of social justice & empowerment, women & child development, labour & employment, urban housing and poverty alleviation and to others schemes of Ministry of Rural Development.

### **III. II. 4. National Old Age Pension Scheme (NOAP), 1995**

The National Old Age Pension Scheme for the financially constrained elderly was introduced on 15<sup>th</sup> August of 1995 under the National Social Assistance Programme (NSAP) by the government of India. The following criteria apply to people who want to avail the NOAP:

- a. The age of the applicant should be 65 years or more.
- b. The applicant must be a destitute in the sense that he/she has no regular means of subsistence from his/her own source of income or through financial support from family members or other sources. In order to determine destitution, the criteria, if any, currently in force in the state/union territory government may also be followed. The government of India reserves the right to review these criteria and suggest appropriate revised criteria.
- c. The amount of old age pension was Rs.75/- per month.

The National Old age Pension Scheme was enacted in 1995 as part of the national social assistance program. Designed to assist destitute aged 65 and older on a nationally uniform basis, this program provided a monthly amount of Rs.75/- (about \$2), but with a ceiling on the number of recipients allocated to each state and union territory. Four years later, a food security program (Annapurna) was introduced in 2000. (MRD, NSAP Guide lines 1995:7)

### **III. II. 5. The National Policy on Older Persons 1999**

Earlier efforts towards developing a more comprehensive national policy on ageing delayed for a number of reasons. Most importantly was the federal structure of Indian government. The national policy has been developed by policymakers in consultation with all the states and several age-based advocacy organizations, such as Help Age India and the Indian Federation on Ageing (IFA), both affiliated with larger international entities, as well as Age Concern India and the Centre for Gerontological Studies in Kerala.



The IFA played a major role and made the first effort to frame a national policy by drafting a memorandum to which the Minister of Welfare agreed in principle. Subsequently, the ministry prepared a draft proposal that circulated to all the state governments for their feedback. A revised draft was the basis for inter-ministerial (interagency) discussion before an outline of a policy statement was prepared. In a special session at the first world conference on ageing organized by the IFA in Bombay and Pune, representatives from governments and national NGOs in ageing established a consensus on the main components of the policy.(Gokhale S.D, 2005:223)

Subsequently, many experts from within and outside, including the UN and the International Federation on Ageing were consulted and data from different countries were collected and reviewed. A consultant, Dr. A. B. Bose was nominated by the Ministry of Social Justice and Empowerment to draft the policy statement, and a committee of experts convened to review the first draft. The committee met in Delhi and deliberated on the draft statement for two days. The IFA worked with pensioner's associations, affiliated organizations (e.g., the federation of senior citizen's clubs in Maharashtra) in about 10 states, and submitted a detailed memorandum on this policy statement. (Gokhale S.D, 2005: 224)

The final draft was then discussed at forums in several parts of India in the late 1997 to early 1998, certain forums which were convened by Help Age India, the IFA, and other ageing advocacy groups, and in the national parliament. All political parties took note of this advocacy (Gokhale S.D, 2005: 224). The National Policy on Older Persons (NPOP), comprising the issues such as background of the policy, national policy statement, financial security, health care, nutrition, shelter, education, welfare, protection of life and property, affirmative action, strategies and implementation etc. discussed and it was finally adopted on August 15, 1999.

### **III. II. 6. Annapurna Scheme, 2000**

On 1st April, 2000, a new scheme known as Annapurna was launched. The scheme aimed at providing food security to the senior citizens who are eligible and have

remained uncovered under the NOAPS. Under the Annapurna scheme, 10 k.gs of food grains per month are provided free of cost to the beneficiary. The numbers of persons to benefit from the scheme are, in the first instance, 20% of the persons eligible to receive pension under NOAPS in different states/UTs (MRD, *Guide Lines for Annapurna Scheme* 2000).

### **III. II. 7. Senior Citizen Savings Scheme 2004**

A new savings scheme called “Senior Citizens Savings Scheme” has been notified with effect from 2<sup>nd</sup> August, 2004. The scheme is for the benefit of senior citizens and maturity period of the deposit will be for five years extendable by another three years. Initially, the scheme will be available through designated post offices throughout the country. Under this scheme, citizens of 60 years of age and above are eligible to invest the minimum investment of Rs.1000 and in multiples of Rs.1000 subject to a maximum of Rs.15 lakh. Single or joint account (with spouse only) can be opened.

Citizens who have retired under a voluntary or a special voluntary retirement scheme and have attained the age of 55 years are also eligible, subject to specified conditions. The deposit will carry an interest of 9% per annum. The maturity period of the deposit will be five years, extendable by another three years. Premature withdrawal after a period of one year will be allowed subject to some deductions. The investments in the scheme will be non-tradable and non-transferable. However, nomination facility will be available. Non-resident Indians and Hindu undivided families are not eligible to invest in the scheme (Ministry of Finance, Department of Economic Affairs).

### **III. II. 8. Indira Gandhi National Old Age Pension Scheme 2007**

The government of India on 13<sup>th</sup> November 2007 renamed the National Old Age Pension (NOAPS) as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) with the increase of the amount from Rs.75/- to 200/- and the eligibility criteria for the IGNOAPS is

1. Age of the applicant (male or female) should be 65 years or above.

2. The applicant should be belonging to a household living Below the Poverty Line (BPL). (MRD, *Modification of NOAPS* 2007).

**Table - 3**  
**The Number of Beneficiaries under NOAPS in 1995 & IGNOPS in 2014**

S.N	State/UT	(NOAPS) in 1995	(IGNOPS) in 2014
1	Andhra Pradesh	466000	1136216
2	Bihar	74400	2996472
3	Chhattisgarh	---	644429
4	Goa	2200	13059
5	Gujarat	60100	580706
6	Haryana	37700	258583
7	Himachal Pradesh	11600	98368
8	Jammu & Kashmir	26600	139325
9	Jharkhand	---	993567
10	Karnataka	316200	966595
11	Kerala	44500	449158
12	Madhya Pradesh	489800	1569627
13	Maharashtra	501700	2281101
14	Odisha	83400	1418631
15	Punjab	6300	201039
16	Rajasthan	202000	799636
17	Tamil Nadu	391900	1237809
18	Uttar Pradesh	1337500	4345014
19	Uttarakhand	---	239498
20	West Bengal	353900	1423192
21	Arunachal Pradesh	1700	29290
22	Assam	70100	707927
23	Manipur	3500	56045
24	Meghalaya	3400	77980
25	Mizoram	400	25251
26	Nagaland	2450	44530
27	Sikkim	800	16418
28	Tripura	5300	141510
29	Andaman & Nicobar Islands	600	5924
30	Chandigarh	1300	5111
31	D&N Haveli	300	8058
32	Daman & Diu	200	840
33	NCT Delhi	9000	119403
34	Lakshadweep	100	569
35	Pondicherry	1500	17713
	<b>Total</b>	<b>53,35,600</b>	<b>2,30,48,594</b>

*Source:* Compiled from Unpublished data of Ministry of Rural Development, Government of India, New Delhi.

### **III. II. 9. The Maintenance and Welfare of Parents and Senior Citizens Act, 2007**

It was introduced in 2007, the objective of the act is to provide for the maintenance and welfare of parents and senior citizens guaranteed and recognized under the Constitution and for matters connected to it. The most important provision of the act is to make the maintenance of parents by their family as a legal right. This act has 32 sections and proposes for:

- a) Appropriate techniques and methods to build need-based maintenance to the parents and senior citizens.
- b) Providing better medical facilities to senior citizens.
- c) For institutionalization of a suitable mechanism for protection of life and property of older persons.
- d) Setting up of old age homes in every district.

Considering that the familial environment is the most conducive for the elderly citizens to live a life of security, care and dignity; the legislation attempts to ensure that the maintenance of older persons by family members be considered a right for the parents.

The ministry notes that even after legally providing for maintenance by lineal descendants, the need for old age homes exists for the care and protection of the destitute older persons in case of those who are without any family support or their children may all be settled abroad; or they may not be able to live amicably with their children for any reason. The act, therefore, provides for the setting-up of old age homes at accessible places, by the state governments in a phased manner beginning with at least one in each district or more than one to accommodate in such homes a minimum of 150 destitute beneficiaries.

An increasing number of older persons who are economically self-sufficient are living alone voluntarily or involuntarily. Often these people are found to be victimised by antisocial elements and therefore the need arises to provide them with some kind of protection with respect to their life and property. Under clause 21, the bill envisages to provide for the institutionalization of a suitable mechanism by the state governments for protection of life and property of older persons. The major cause of anxiety in old age is deteriorating health condition coupled with dwindling financial position, making it necessary for a good and affordable health services. Therefore, provisions to provide

better medical facilities to older persons have been incorporated in the legislation (MSJE, 2007-2008:6).

### **III. II. 10. the Unorganized Worker's Social Security Act, 2008**

It was enacted on 31<sup>st</sup> December 2008 and notified in the Gazette of India. The act has come into force with effect from 16<sup>th</sup> May 2009. The Unorganized Workers Social Security Rules, 2009 under the act have been framed and notified and the national social security board has been constituted under the chairmanship of Union Minister for Labour & Employment with a Member Secretary and 34 nominated Members representing the members of parliament, unorganized workers, and employers of unorganized workers, civil society, central ministries and state governments. The national board shall recommend social security schemes viz. (a) Life and disability cover, (b) Health and maternity benefits, (c) Old age protection, (d) Any other benefit as may be determined by the central government for unorganized workers. The act provides formulation of schemes relating to provident fund, employment injury benefits, housing, educational schemes for children, skill up gradation, funeral assistance and old age homes by the state governments. It has provision for adequate representation to persons belonging to the SC/STs, the minorities and women (MLE, *Annual Report* 2010-2011: 68).

### **III. II. 11. National Policy for Senior Citizens 2011**

The Government had constituted a Committee on 28-1-2010 under the Chairpersonship of Smt. Mohini Giri, to inter-alia draft a new national policy on older persons. Other members of the Committee were: (i) Shri. M. M. Sabharwal, President Emeritus, Help age India; (ii) Dr. K. R. Gangadharan, Chairman, Heritage Foundation; (iii) Smt. Shielu Sreenivasan, President, Dignity Foundation; (iv) Representatives of Ministries of Health & Family Welfare, Rural Development, Finance, Home and Women & Child Development; and (v) Principal Secretaries/Secretaries in charge of Welfare of Senior Citizens of Andhra Pradesh, Assam, Delhi, Maharashtra and West Bengal. (vi) Joint Secretary, Ministry of Social Justice & Empowerment as Member Secretary. The Committee submitted the draft National Policy on Senior Citizens 2011 on 30-3-2011

which inter-alia, accords priority to the needs of senior citizens aged 80 years and above, elderly women and the rural poor. Some of the salient policy objectives are:

- To bring forward the concerns of senior citizens, especially older women, and bring them into the national development debate.
- To promote income security, homecare services, old age pension, healthcare insurance schemes, housing and other programmes/ services.
- To promote care of senior citizens within the family and to consider institutional care as a last resort.
- To Work towards an inclusive, barrier-free and age-friendly society.
- To recognize senior citizens as a valuable resource for the country protect their rights and ensure their full participation in society.
- To promote long-term savings instruments and credit activities in both rural and urban areas.
- To encourage employment in income generating activities after superannuation.
- To support organizations that provides counselling, career guidance and training services. etc.
- IGNOAPS must cover all senior citizens living below the poverty line and the rate of monthly pension to be raised to 1000 rupees per month per person and revised at intervals to prevent its deflation due to higher cost of purchasing. The oldest among old must be cover under IGNOAPS. They must provide additional pension in case of disability, loss of adult children and concomitant responsibility for grandchildren and women. This must be review every five years (MSJE, 'National Policy for Senior Citizens 2011').

### **III. III. Life Insurance Schemes for Ageing in India**

Life insurance is a contract providing for payment of a sum of money to the person. Life insurance eliminates the risk of unforeseen contingencies and comes to the timely aid of

the family. Modern life insurance system was introduced in India by certain British companies and was in the hands of the private sector until 1956. It came under the public sector on 19th January 1956 when the Life Insurance (Emergency) Provision Ordinance was promulgated whereby management and control of life insurance business in India was vested in the central government. Life insurance business thus passed from the private to the public sector. (LIC History)

The Life Insurance Corporation (LIC) Act, 1956 conferred the exclusive privilege of doing life insurance business in India on the LIC. The LIC is an autonomous body the primary purpose is to provide protection to a family in the event of premature death of its bread-winner. Life insurance policies also combine the element of savings for old age with family protection. The corporation has been introducing new schemes and policies from time to time according to the needs of the people. We will be look at old age related schemes in this contest. (LIC History)

### **III. III. 1. Senior Citizens Unit Plan (SCUP)**

The Senior Citizens Unit Plan is a scheme which requires a onetime investment depending on one's age and has the benefit of medical treatment for self and spouse at select hospitals on completion of 58 years of age. The SCUP has special arrangements with the New India Assurance Co. Ltd. (NIACL) under an exclusive medical insurance cover whereby the bills from the hospitals in connection with all medical treatment by a person are settled directly by NIAC up to the prescribed limit. People in the age group of 18-54 years can join this scheme. The person may be a resident or non-resident Indian. The person will be entitled for a medical insurance cover of Rs.250,000/- after he/she attains the age of 58 years. This insurance cover is available for both the citizen and his/her spouse. After the age of 61, both of them are eligible for a cover of Rs.500,000/- after adjusting any claims made earlier. The citizen can avail medical treatment in any of the hospitals under this scheme. The trust will call for all details about recent photograph, signature and address of the member and the spouse as soon as the member attains the age of 54 years so as to prepare an identity card cum logbook, for the member and the spouse (UTI, 2008).

There are other life insurance schemes like Jeevan Dhara, Jeevan Akshay, Jeevan Suraksha, Bima Nivesh, Medical Insurance Scheme, Group Medical Insurance Scheme, Varistha Pension Bima Yojana, etc. which emphasize on post-retirement benefits for senior citizens. Even private insurance companies like ICICI Prudential Life, HDFC Standard Life, ING Vysys Life and Aviva Life have also launched their prudential life pension plans.

Finally, the present state policy has come to existence due to increased proportions of aged population and the personal experience of aged people in India. Right from independence, India's adoption of welfare state led to the introduction of many social security acts, which have been discussed above for organized labourer during pre-liberalized period in India. In the post-1990s, there was a paradigm shift in welfare state approach in India's policymaking because of its adoption of liberalization, which has facilitated privatization of many public undertakings including and even social security measures like pension, health insurance, etc. and the state withdrawal from the traditional welfare pattern has gradually increased.

As a result, social security became a serious problem in the organized sector in India. On the other hand, the government of India has formulated a policy called National Social Assistance Programme (NSAP) in 1995 for the unorganized sector. It consists of a scheme called National Old Age Pension Scheme (NOAP) for senior citizens of India which aims at providing social security in case of old age.

Further, with the initiation of several NGOs, academicians, senior citizens organizations and Ministry of Social Justice and Empowerment, again, the Government of India has introduced the National Policy for Older Persons (NPOP) in 1999. One important feature of the NPOP is that it gives autonomy to each state and Union Territory to generate programs that will serve different geographical areas, age groups and needs; depending on their social and cultural background. The government of India on 13<sup>th</sup> September 2007 raised the amount of NOAPS and renamed it as "Indira Gandhi National Old Age Pension Scheme" (IGNOAPS). Hence, the implementation of IGNOAPS at the grass roots level with the fieldwork analysis has been discussed in the next chapter.



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## Chapter-IV

### **Implementation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS): A Field Work Analysis in the Undivided Andhra Pradesh**

The chapter is based on fieldwork pertaining to the implementation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS) in the undivided state of Andhra Pradesh. Data related to the administrative process involved in the implementation of scheme, socio-economic and personal profile of the respondents, the role of family and state for the protection of aged in the rural areas and the perceptions of the non-beneficiaries towards the scheme will be discussed.

The government of Andhra Pradesh introduced the Indiramma *Programme* on 1<sup>st</sup> April, 2006 to develop model villages and towns on the concept of saturation of identified basic infrastructure facilities and welfare measures in a phased manner spread over a period of three years. Sanctioning of pensions to the entire eligible persons is one among the basic amenities identified under the Indiramma programme. The government of Andhra Pradesh bought together all pensions such as old age, weavers, widows and disabled under one umbrella by transferring the widow pensions from the social Welfare Department and disabled pensions from the Disabled Welfare Department to the Rural Development Department from 1<sup>st</sup> April 2006 onwards. The amount of pension was Rs. 75 per month till 2005-06. From the year 2005-06, it was increased to Rs. 100 per month and from 2006-07, to Rs. 200 per month for all the pensioners (Ministry of Rural Development, Government of Andhra Pradesh).

#### **IV. 1. Administrative Process of IGNOAPS**

The administrative mechanism from the Union to Gram Panchayat level of the implementation of IGNOAPS is as follows:

##### **IV. 1. A. Union Level**

The requirement of states under NSAP forms part of the budget estimate of the Union Ministry of Finance and the requirement of Union Territories forms part of the budget estimate of the Ministry of Home Affairs. Central funds are released to the states by the

Ministry of Finance and to the UTs by the Ministry of Home Affairs. The Ministry of Rural Development, in consultation with the Planning Commission (now renamed as Niti Aayog) makes the state-wise allocation of Additional Central Assistance (ACA) (Ministry of Rural Development, NSAP Draft guidelines July 2010, Government of India).

#### **IV. 1. B. State Level**

Andhra Pradesh is one of the states implementing welfare schemes effectively, by using Information and Communication Technology (ICT) and collaborating with banks and the Postal Department. At the state level, the Department of Rural Development, assisted by the Society for Elimination of Rural Poverty (SERP), is the implementing agency. The union/central funds are released to the Ministry of Finance, Government of Andhra Pradesh and channels down to the Ministry of Rural Development Government of Andhra Pradesh. “The Union Government’s contribution to the Old Age Pension Scheme consists of 20 to 25% of the total beneficiaries in Andhra Pradesh.”<sup>10</sup>

The Commissioner of Rural Development is responsible for the release of funds to the districts, based on the allocations made by the state government. The CEO of SERP monitors the pension scheme at the state level. He is responsible for the transfer of the amounts to banks such as “Axis, ICICI, Corporation Bank, HSBC, UBI, SBI and the Department of Post, etc.”<sup>11</sup> at the district level and submits monthly reports to the government on the funds utilised, district-wise number of pensions disbursed, and maintaining the welfare pension’s website. Utilising of administrative expenses on bank commission, print outs, and maintenance of ICT, etc., also falls under his responsibilities.

#### **IV. 1. C. District Level**

The District Collector issues financial approval for the pensions every month. Thereafter, the Project Director, District Rural Development Agency (DRDA), is authorised to administer the pension scheme at the district level. He is responsible for the release of funds to the MPDOs and the entry of new pensioners. He maintains a database, by using

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<sup>10</sup> Assistant Director, to the Social Security Pensions, Department of Rural Development, *Government of Andhra Pradesh*, (SERP Office) Hamada Nagar, Hyderabad; interviewed on 06<sup>th</sup> November 2013.

<sup>11</sup> *ibid.*

the Social Security Pensions Software (SSPS) and updates it on a monthly basis. He also maintains accounts and gets these audited and sends monthly reports to the CEO of SERP.

#### **IV. 1. D. Mandal Level**

The Mandal Parishad Development Officer (MPDO) is the sanctioning authority for pensions for Gram Panchayats. He releases funds to the Panchayat Secretary. He reviews with the Panchayat secretaries the implementation and maintains on a monthly basis, death vacancies and their filling up with eligible beneficiaries with the Panchayat Secretaries. He sends utilisation certificate, acquittance rolls and monthly reports to the DRDA every month. He also maintains accounts and gets these audited every year. He is authorised to redress grievances.

#### **IV. 1. E. Gram Panchayat Level**

The Panchayat Secretary verifies the eligibility criteria in the physical presence of the applicants. Every month, he disburses pensions directly to the pensioners in the village, at a Panchayat office, or in a community hall in every habitation. The Panchayat Secretary sends acquittance rolls, countersigned by Sarpanch or ward member and monthly reports to the MPDO. The Panchayat Secretary also furnishes to the MPDO a list of death vacancies that have occurred, maintains the pension register and updates it every month. He returns the undisbursed amounts to the MPDO by the end of the month.

#### **IV. 2. Justifications for the Study**

Mahabub Nagar and Krishna districts were selected for the field, study based on certain criteria. The Planning Commission and the Ministry of Panchayat Raj, Government of India have identified Mahabub Nagar district as one of the backward districts of Andhra Pradesh. Since minimum needs like education, drinking water, health and sanitation were found to be lacking in this district, these issues had become major concerns that needed the immediate attention of the government. As a result, government of India planned to revive and invest on priority sectors for the development of the district with Backward Regions Grant Fund (BRGF) (Planning Commission of India, 2010:166)

Mahabub Nagar district also contains the highest number of beneficiaries of the scheme, (2,45,244, as on 1<sup>st</sup> July 2012), although those aged 60 years and elderly people are (2,61,626) are lesser than in some other districts of Andhra Pradesh (2001 census). It has the lowest literacy rate (44.4%) among the districts of the state (2001 census). It is ranked 22<sup>nd</sup> (just above Vizianagaram, which is ranked the last) in the Human Development Index (HDI) Report of the Government of Andhra Pradesh (GoAP, 2007:14). It was also found to be having the lowest per- capita income among all the districts of the state (2001 census).

This district has the highest percentage of rural population (90.43%, as per the (2001 census) among other districts of Andhra Pradesh. It is significant because the Department of Rural Development implements this scheme. Ghattu Mandal of this district was chosen for the study as it is backward, dry and barren land, with no irrigation facility and largely depends on rain water for its cultivation needs. Ghattu has the lowest adult literacy rate (only 22%, as per 2001 census). It is due to such indicators that this Mandal was chosen for the study. From this Mandal, Aluru, Ghattu and Macharla major Gram Panchayats were chosen, based on the size of beneficiaries, in order to cover all social groups.

Krishna district is placed 2<sup>nd</sup> in the HDI report (Hyderabad, which is totally urban, occupies the 1<sup>st</sup> position) (GoAP, 2007:14). It is one of the districts with the lowest number of beneficiaries (1, 31,053, as on 1<sup>st</sup> July 2012) as against its total aged population of 3, 32,989 (2001 census). In this district, Vijayawada Urban Mandal has the highest number of beneficiaries and Nandigama Mandal, the second highest number of beneficiaries. It was not chosen because it is a totally upland region and has no proper irrigation facilities. The third highest number of beneficiaries is in Bapula Padu Mandal. The Mandal has both canal irrigated area, as well as some upland area with bore well cultivation. From this Mandal, Kakula Padu, Arugolanu and Ramanna Gudem Gram Panchayats were chosen because these are 100% canal irrigated major Panchayats and cover all social groups.



**Table - 4**  
**Respondents from Different Gram Panchayats**

		District				Total	
		Mahabub Nagar		Krishna			
Name of the Gram Panchayat		No.	(%)	No.	(%)	No.	(%)
	Aluru	60	60	-	-	60	30
	Ghattu	23	23	-	-	23	11.5
	Macharla	17	17	-	-	17	8.5
	Kakula Padu	-	-	56	56	56	28
	Arugolanu	-	-	32	32	32	16
	Ramanna Gudem	-	-	12	12	12	6
	Total	100	100	100	100	200	100

Care was taken to choose an equal number of respondents (100 each) from both the districts. In Mahabub Nagar the distribution of respondents was: 60% from Aluru Gram Panchayat and its hamlets (Bing Doddi Thanda, Valikunta Thanda, and Nalla Ghattu Tanda); 23.0%, from Ghattu Gram Panchayat and 17.0%, from “Macharla” Gram Panchayat and its hamlets (Yellam Doddi, Kotha Palli, and Mallam Palli).

In the case of Krishna District, 56% of the respondents were from Kakula Padu Gram Panchayat and its hamlet (Vaikunta Laximipuram); 32.0%, from Arugolanu Gram Panchayat and 12.0%, from Ramanna Gudem Gram Panchayat.

#### **IV. 3. Personal and Socio-economic Profile of the Respondents**

This section will discuss the personal socio-economic profile of the 200 respondents from the two districts. It will cover issues like gender, age, marital status, caste, religion, educational level, occupation, personal and family income level per month and land holdings. The Table below contains details like gender, age distribution, marital status, caste and religious background of the respondents.

**Table - 5**  
**Personal Profile of the Respondents**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No.	(%)
Gender	Male	44	44	42	42	86	43
	Female	56	56	58	58	114	57
	Total	100	100	100	100	200	100
Age Distribution	Below 60	7	7	2	2	9	4.5
	61 to 70	44	44	39	39	83	41.5
	71 to 80	34	34	38	38	72	36
	Above 80	15	15	21	21	36	18
	Total	100	100	100	100	200	100
Marital Status	Married	40	40	30	30	70	35
	Divorced	1	1	2	2	3	1.5
	Widowed	59	59	68	68	127	63.5
	Total	100	100	100	100	200	100
Caste	SC	16	16	34	34	50	25
	ST	14	14	1	1	15	7.5
	OBC	64	64	35	35	99	49.5
	General	6	6	30	30	36	18
	Total	100	100	100	100	200	100
Religion	Hindu	86	86	52	52	138	69
	Muslim	4	4	0	0	4	2
	Christian	10	10	48	48	58	29
	Total	100	100	100	100	200	100

#### IV.3. A. Gender

It could be seen that a conscious decision was taken by the researcher to have more female respondents than males in both the districts. One reason was that females in the above 60 years age group (especially in poorer families) generally cannot be expected to have independent sources of income.

#### IV.3. B. Age Distribution

In Andhra Pradesh, the scheme envisages that people aged 60 and above alone are eligible for assistance. Since a large number of respondents do not have knowledge about their actual age, the age distribution is based on the respondents' oral statements. From the total respondents, 4.5% are falling underage category; 7% from Mahabub Nagar, and 2% from Krishna district. A respondent who is around 45 years was included in the scheme, based on hereditary grounds. He said, "*Right after my father's demise, it was given to me as my father's hereditary asset.*"<sup>12</sup>

<sup>12</sup>**Name of the respondent:** Mullah Ismael, **Gender:** Male, **Age:** 45+, **Caste:** OBC (Muslim), **Occupation:** Mullah (priest), **Village:** Ghattu, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 11-01-2013.

To some degree, one can understand a king being succeeded by his son, a businessman's 'empire' being inherited by his son, or a politician's son taking over the mantle of the politician later on. However, the old age pension being passed on to the grossly under-aged son or daughter (as a matter of right) suggests a degree of corruption and mismanagement of the pension scheme. This speaks of the misuse of government funds and perhaps depriving a number of genuine claimants of their entitlement. According to the Panchayat Secretary of Ghattu village, *"70% of the beneficiaries of the scheme are underage."* Further, he explained, *"it is happening because of the political leaders, particularly Sarpanches who are pressurising the bureaucracy at the Panchayat level to include even ineligible persons in the scheme."*<sup>13</sup>

Now, this was the situation found in the case of the respondents. In reality, there may be many more instances of ineligible persons drawing old age pensions. It was found that the respondents in both the districts were mostly in the 61-70 and 71-80 age brackets. Those above 80 years of age were lesser in number than those in the other age groups (if we ignore the under-age respondents).

#### **IV.3. C. Marital Status**

The next issue is that of the marital status of the respondents. The first area of concern is that of widowed respondents (59% in Mahabub Nagar and 68% in Krishna district). Widowhood is not merely an issue of not no more having a life partner. In this case, it could also mean that he/her children are not looking after them, which is forcing them to seek refuge in old age pension as the sole means of livelihood. Almost equally unenviable must have been the case of divorced persons (1 in Mahabub Nagar and 2 in Krishna districts). The 40% married respondents in Mahabub Nagar and 30% in Krishna Districts also suggest that their children are either unable or unwilling to look after them.

#### **IV.3. D. Caste**

In Mahabub Nagar District 64% of the respondents are OBCs. Among the rest SC and ST constitute 30%, and very little number of the total respondents are belong to general category.

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<sup>13</sup>Interviewed on 07-01-2013.

### IV.3. E. Religion

The largest number of respondents was found to be Hindus (Mahabub Nagar, 86% and Krishna, 52%). This is understandable since the Hindu population in most parts of the country is generally much more than that of other religious communities. The next ‘position’ was occupied by Christians (Mahabub Nagar, 10% and Krishna, 48%). Surprisingly, the number of Muslim respondents was only 4% in Mahabub Nagar and nil in Krishna districts.

**Table - 6**  
**Socio-Economic Profile of the Respondents**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Educational Level	Illiterate	97	97	72	72	169	84.5
	Primary	3	3	17	17	20	10
	Secondary	0	0	9	9	9	4.5
	Higher	0	0	2	2	2	1
	Total	100	100	100	100	200	100
Occupation	Agriculture	80	80	94	94	174	87
	Non-Agriculture	20	20	6	6	26	13
	Total	100	100	100	100	200	100
Personal Income per Month	No Income	95	95	98	98	193	95.5
	Rs. 500 to 1000	4	4	2	2	6	3
	More than Rs. 1000	1	1	0	0	1	0.5
	Total	100	100	100	100	200	100
Family Income Level per Month	Below Rs. 3000	91	91	89	89	180	90
	Rs. 3001 to 5000	9	9	11	11	20	10
	Total	100	100	100	100	200	100
Land Holding	Landless	31	31	82	82	113	56.5
	Less than 1 Acre	9	9	12	12	21	10.5
	1 to 2	18	18	4	4	22	11
	More than 2 Acre	42	42	2	2	44	22
	Total	100	100	100	100	200	100

### IV.3. F. Educational Level

The awareness level of the elderly people, directly or indirectly, depends on their educational levels. It can be seen that the majority of the respondents (97% from Mahabub Nagar and 72% from Krishna) were illiterates. None of the respondents from Mahabub Nagar had Secondary or higher level of education. Only 3% had a primary level of education. Respondents of Krishna district seemed to have ‘performed better’ than their counterparts from the other district. The educational details were: Primary (17%), Secondary (9%) and Higher (2%).

### **IV.3. G. Occupation**

In both the districts, majority of the respondents were engaged in agriculture - either as agricultural labourers, small peasants or tenants - (Mahabub Nagar, 80% and Krishna, 94%) depend on agriculture. Few landlords in Krishna District are found to be from forward caste-cum-land owning castes. The non-agricultural sector includes mostly caste-based occupations like weavers (*Kurni*), barbers and washermen etc. from Mahabub Nagar.

### **IV.3. H. Monthly Personal Income**

The most striking feature noticed was that an overwhelming number of respondents (Mahabub Nagar, 95% and Krishna, 98%) were not having any income of their own. Certainly, the old age pension would have given some degree of dignity, independence and acceptability in their homes at least for the money with them. Far behind was the number of respondents with monthly income in the Rs 500 - 1,000 range (Mahabub Nagar, 4% and Krishna, 2%) and those earning more than Rs. 1,000 per month (only 1 respondent in Mahabub Nagar).

### **IV.3. I. Monthly Family Income**

The analysis of the data revealed that a majority of the respondents had a monthly family income of less than Rs. 3,000 (91% in Mahabub Nagar and 89% in Krishna districts). Another glaring fact was that none of the respondent families had a total monthly income of above Rs. 5,000.

### **IV.3. J. Land Holding**

In rural India, land is considered as a prime source of income, livelihood, symbol of “social status”, source of power and control over the masses, or the landless. Last, but not the least, land is the source of social security. The figures regarding landlessness among the respondents in the two districts presented a study in contrast. While this was 31% in Mahabub Nagar, it was as high as 82% in Krishna. However, those owning 1 acre of land were more in Krishna (12%), as compared to 9 in Mahabub Nagar. The position regarding ownership of more than 1 acre was in total contrast to the earlier one. In the case of 1 to 2 acres, it was 18% in Mahabub Nagar (as against only 4% in Krishna).

Even more glaring was the situation regarding more than 2 acres - 42% in Mahabub Nagar and only 2% in Krishna district.

In the case of Krishna, mostly Scheduled Caste (SC) and Other Backward Classes (OBC) respondents are found to be landless. It can understand that the land costs are very high, mainly because the soil is highly fertile. They yield three crops in a year. Agriculture in this region is highly commercial oriented. The Maximum portion of the land is concentrated in few sections, such as *Kammas* (land holding caste) and some absentee landlords. Therefore, the marginal sections are pushed into landlessness.

In Mahabub Nagar 69% of them hold land despite their caste or social background. Land holding has been found in all the sections of the society (except in the Muslim community). The reason behind this can be the lower density of the population and also the land is mostly arid or dry which is not cultivable. A very little or a tiny portion of land is being cultivated with rainwater. In few places, bore wells can be found, which are used for cultivation.

Most of the land in this region is upland with small thorny bushes and arid forest. When an outsider go to any of the villages and ask about a person at his home, his family members will reply, “He went to the forest” instead of saying “He went to the field”. Therefore, this is the nature of land, which is unproductive, and land prices are minimal here. These are the main reasons that all the sections of the society possessed land in Mahabub Nagar region.

#### **IV.4. Housing and Basic Facilities**

A major determinant of the socio-economic condition of a person is the type of house in which he or she is residing and the type of facilities/amenities available in that house. The Table below should help us to form an idea on this issue about the respondents.

**Table - 7**  
**Housing and Basic Facilities**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Type of House	Hut	18	18	21	21	39	19.5
	Thatched	56	56	32	32	88	44
	Pucca House	14	14	23	23	37	18.5
	Concrete	12	12	24	24	36	18
	Total	100	100	100	100	200	100
Having Separate Room	Yes	5	5	18	18	23	11.5
	No	95	95	82	82	177	88.5
	Total	100	100	100	100	200	100
Toilets	Yes	4	4	52	52	56	28
	No	96	96	48	48	144	72
	Total	100	100	100	100	200	100
Gas Connection	Yes	9	9	33	33	42	21
	No	91	91	67	67	158	79
	Total	100	100	100	100	200	100
Water Tap	Yes	6	6	36	36	42	21
	No	94	94	64	64	158	79
	Total	100	100	100	100	200	100
Fan	Yes	25	25	53	53	78	39
	No	75	75	47	47	122	61
	Total	100	100	100	100	200	100
Television (TV)	Yes	20	20	35	35	55	27.5
	No	80	80	65	65	145	72.5
	Total	100	100	100	100	200	100

#### **IV.4. A. Type of House**

The largest number of respondents was found to be living in thatched houses (Mahabub Nagar, 56%, and Krishna, 32%). As regards more ‘stable’ houses (pucca/concrete), the condition of respondents in Krishna district (total 47%) was found to be better than those in Mahabub Nagar district (26%). This suggests that the respondents in Krishna districts were generally better off than their counterparts in the other district.

#### **IV.4. B. Separate Room**

Since the majority of respondents in both districts were found to be living in huts/thatched houses, it could be easily inferred that the majority of them would not be having separate rooms. The surmise is confirmed by the almost overwhelming number of

respondents (Mahabub Nagar, 95% and Krishna, 82%) who said they did not have separate rooms in their houses.

#### **IV.4. C. Domestic Toilets**

It was found that majority of respondents in Mahabub Nagar (96%) were not having domestic toilets as water scarcity prevails. The corresponding figure, though much better in Krishna district (52%), should not make us feel very much satisfied. A lot of effort is needed by the government and other welfare agencies to spread awareness in rural areas on the need to have domestic toilets. A domestic toilet is not about good sanitary practices. It entails safety and security issues, besides protecting the dignity of the individuals concerned.

#### **IV.4. D. Gas Connection**

Majority of the respondents in both districts (Mahabub Nagar, 91% and Krishna, 67% stated that they were not having gas connections in their homes.

#### **IV.4. E. Water Tap**

Majority of the respondents in both districts (Mahabub Nagar, 94% and Krishna, 64% stated that they were not having water taps in their homes.

#### **IV.4. F. Electric Fan**

The position was found to be slightly better than the previous two cases, since 25% in Mahabub Nagar and 53% in Krishna confirmed that they were having electric fans in their homes.

#### **IV.4. G. Television**

It could be seen that the TV had not made much inroads in the study area since only 20% respondents in Mahabub Nagar and 35% in Krishna districts confirmed that they had TV sets in their homes.

### **IV. 5. Role of the Family in the Protection of Aged in Rural Areas**

The Family is the basic and primary institution that provides protection and security to every individual from his/her birth until death. In India, for a long time, the joint family system was almost the norm. However, the nuclear family system is firmly establishing itself at the expense of the joint family system. The Table below should tell us a great deal about the on-ground situation in the study area.



**Table - 8**  
**Family Profile of Respondents**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Type of Family	Nuclear Family	94	94	72	72	166	83
	Staying Alone	6	6	28	28	34	17
	Extended Family	0	0	0	0	0	0
	Joint Family	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Number of Children	Below 3	7	7	19	19	26	13
	3 to 5	25	25	16	16	41	20.5
	5 Above	68	68	65	65	133	66.5
	Total	100	100	100	100	200	100
Living Arrangements	Children	85	85	50	50	135	67.5
	Spouse	9	9	21	21	30	15
	Relatives	0	0	1	1	1	0.5
	Alone	6	6	28	28	34	17
	Total	100	100	100	100	200	100

#### **IV.5. A. Type of Family**

The first thing that strikes that in both the districts the largest proportion of respondents staying in nuclear families (Mahabub Nagar, 94% and Krishna, 72%). Equally significant was the fact that no respondent in the entire study area spoke about living in joint family or extended families. It can be taken cognisance of the respondents who said that they were staying alone (Mahabub Nagar, 6% and Krishna, 28%). Obviously, most of these must be the widowed ones or the divorcees who were ‘not welcome’ in the homes of their children.

#### **IV.5. B. Number of Children**

It is amazing to note that the largest number of respondents in both districts (Mahabub Nagar, 68% and Krishna, 65%) reported having more than 5 children. Obviously, they had not practiced the small family norm. This is also evident from the relatively lesser number of respondents (overall, 13%) who said that they had less than 3 children.

#### IV.5. C. Living Arrangements

A slightly comforting fact was that the largest proportion of respondents (Mahabub Nagar, 85% and Krishna, 50%) stated that they were living with their children. Equally noticeable were the responses: living with spouse (Mahabub Nagar, 9% and Krishna, 21%) and living alone (Mahabub Nagar, 6% and Krishna, 28%).

#### IV.5. D. Care for the Elderly Members of the Family

The increasing ‘popularity’ of the nuclear family norm has tended to place the elderly family members in a rather unenviable position. Many such persons may be too infirm to look after themselves and have necessarily to depend on their children, even though they may be made to feel unwelcome. The table below depicts the position in the study area.

**Table - 9**

#### **Role of the Family in Protection of the Aged in the Rural Areas**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No	(%)
Dependency	Yes	94	94	72	72	166	83
	No	6	6	28	28	34	17
	Total	100	100	100	100	200	100
Person on whom Dependent	Children/Grand Children	82	82	52	52	134	67
	Spouse	12	12	20	20	32	16
	Alone	6	6	28	28	34	17
	Total	100	100	100	100	200	100
Person preparing Food	Children/Grand Children	66	66	42	42	108	54
	Spouse	16	16	26	26	42	21
	Prepare Myself	18	18	32	32	50	25
	Total	100	100	100	100	200	100
Consultation in Decision Making	Yes	55	55	75	75	130	65
	No	45	45	25	25	70	35
	Total	100	100	100	100	200	100
Consideration of Opinion	Yes	55	55	75	75	130	65
	No	45	45	25	25	70	35
	Total	100	100	100	100	200	100
Begging	Yes	1	1	3	3	4	2
	No	99	99	97	97	196	98
	Total	100	100	100	100	200	100

#### **IV.5. E. Degree of Dependence**

Majority of the respondents (Mahabub Nagar, 94% and Krishna, 72%) confirmed that they had to depend on others.

#### **IV.5. F. Source of Dependency**

In Mahabub Nagar, the degree of dependence of the respondents on their children/grandchildren (82%) was much more than that in Krishna (52%). This suggests that in the former district, children/grandchildren were more caring about the elderly members of the family. The second highest category was 'dependent on spouse (Mahabub Nagar, 12% and Krishna (20%). As already discussed, a noticeable number of respondents in both districts were staying alone.

#### **IV.5. G. Persons Who Prepare Food for the Aged**

This can be a major issue for the elderly since their dietary requirements could be slightly different and the 'hosts' may consider this as an unnecessary burden on them. As in the earlier case, the respondents in Mahabub Nagar seemed to be a little more fortunate than their counterparts in Krishna district in the matter of their children preparing food for them (66% in the former and 42% in the latter district). The next larger number of responses was for "preparing my own food" (Mahabub Nagar, 18% and Krishna, 32%), followed by "prepared by spouse" (Mahabub Nagar, 16% and Krishna, 26%).

#### **IV.5. H. Consultation in Decision Making and Considering the Opinions**

The majority of the respondents in both the districts (Mahabub Nagar, 55% and Krishna, 75%) confirmed that their family members consulted them on important matters. They were also giving due importance to the suggestions given by the elders. This should be regarded as a very healthy sign.

#### **IV.5. I. Taking Resort to Begging**

There may be times when the children do not give adequate and proper food to their aged parents. In such situations, such parents may resort to begging to sustain themselves. It should not be unduly enthused by a few number of respondents who took recourse to such an action (Mahabub Nagar, 1% and Krishna, 3%). Even one such case should be

viewed seriously and the 'guilty' family member be prevailed upon to look after the aged family members. The pathetic condition of the elderly who were forced to beg was articulated by some respondents as:

*"I am a widower, have no children, reached old age have no strength to work or even look after my personal affairs, so I started begging. I am living alone in a pathetic hut and suffer from Parkinson disease. Some people advised me to approach the old age homes in the nearby towns, and they were willing to help me get there but I never want to leave my village, because they give me maximum care, which I require. Whomever I approach in my village, generously gives me food, old clothes, and a little money as well. I have a strong attachment towards my village, I was born here, have lived here and wish to die here. Therefore, this is enough for this Janma (life)"*<sup>14</sup> one of the respondents said.

*"I am a widow, have 4 children; 3 sons and 1 daughter. So far, no one is taking care of me in my old age, so I started begging. I am living alone in a pathetic hut, cannot even hear others. I am not aware of old age homes, but even if I get a chance to go there, I will not because I have my village to care for me, even when I die, my villagers will take care of my burial process if not my sons."*<sup>15</sup>

*"I am a widow and have one daughter. She was married and left for her husband's house. Since then, I am living alone in my hut. Right now, I am neither able to go for labour works which I used to do earlier, nor able to ask my daughter because they are also living in a pathetic condition. In this situation, my little pension really helps me to buy PDS rice and other provisions. Had it not been there, I would have ended up begging"*<sup>16</sup> another respondent said.

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<sup>14</sup>**Name of the respondent:** Gandipati Laximipathi, **Gender:** Male, **Age:** 70 around, **Caste:** OBC (Uppara), **Occupation:** Agricultural Labour, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 28-01-2013.

<sup>15</sup>**Name of the respondent:** Kollu Santhamma, **Gender:** Female, **Age:** 90+, **Caste:** SC (Mala), **Occupation:** Agricultural Labour, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 28-01-2013.

<sup>16</sup>**Name of the respondent:** Tadichatti Chayamma, **Gender:** Female, **Age:** 70+, **Caste:** OBC (Uppara), **Occupation:** Agricultural Labour, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 27-01-2013.

#### IV. 6. Medical Aspects

A major problem confronting many elderly persons is their vulnerability to frequent bouts of ill-health, probably because their immunity system is no longer that strong. The Table below should help us to see how the respondents in the two districts have been handling health issues.

**Table - 10**  
**Medical Aspects**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Type of Treatment	Allopathic	98	98	100	100	198	99
	Ayurveda	1	1	0	0	1	0.5
	Indigenous	1	1	0	0	1	0.5
	Total	100	100	100	100	200	100
Type of Hospital to Go for the Treatment	Government	1	1	3	3	4	2
	Private	99	99	97	97	196	98
	Charity	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Person Meeting Medical Expenses	Children	70	70	67	67	137	68.5
	My Self	30	30	33	33	63	31.5
	Others	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Caretaker During Sickness	Family	91	91	92	92	183	91.5
	Alone	9	9	8	8	17	8.5
	Total	100	100	100	100	200	100

##### IV.6. A. Type of Treatment

It can be seen that an overwhelming number of respondents (98% in Mahabub Nagar and 100% in Krishna) were going in for allopathic treatment. Ayurveda and indigenous forms of treatment did not seem to be very popular with the respondents.

##### IV.6. B. Type of Hospital Visited for the Treatment

In both the districts, a greater preference was shown for private hospitals (Mahabub Nagar, 99% and Krishna, 97%) over government ones.

##### IV.6. C. Persons Meeting the Medical Expenses

A slightly comforting fact noticed was that, in both the districts (Mahabub Nagar 70% and Krishna, 67%), the larger proportion of the respondents reported that their children

were meeting their medical expenses. The rest of the respondents stated that they themselves were incurring such expenditure.

#### **IV.6. D. Caretakers during Illness of the Aged**

In this case too, one can draw a lot of comfort that an overwhelming number of respondents in both the districts (Mahabub Nagar, 91% and Krishna, 92%) confirmed that their family members were acting as their caretakers. However, the responses of 9% in Mahabub Nagar and 8% in Krishna that no one was looking after them in such times have diluted some of the euphoria on this issue.

#### **IV. 7. Health Issues**

After discussing the treatment issues of the respondents, it would only be proper to examine the types of ailments with which the respondents were suffering, as available from the Table below.

**Table - 11**  
**Health Condition**

		District				Total	
		Mahabub Nagar		Krishna			
Ailment	Response	No	(%)	No	(%)	No	(%)
Diabetes	Yes	3	3	10	10	13	7.5
	No	97	97	90	90	187	93.5
	Total	100	100	100	100	200	100
Blood Pressure (high/low)	Yes	5	5	41	41	46	23
	No	95	95	59	59	154	77
	Total	100	100	100	100	200	100
Blurred Vision	Yes	36	36	31	31	67	33.5
	No	64	64	69	69	133	66.5
	Total	100	100	100	100	200	100
Joint Pains	Yes	68	68	85	85	153	76.5
	No	32	32	15	15	47	23.5
	Total	100	100	100	100	200	100

##### **IV.7. A. Diabetes**

This did not appear to be a major issue in the study area since only 3% in Mahabub Nagar and 10% in Krishna reported that they were suffering from this ailment.

##### **IV.7. B. Blood Pressure**

Respondents in the two districts reported greatly varying type of responses. While only 5% respondents in Mahabub Nagar stated that they were suffering from blood pressure, the proportion was as high as 41% in Krishna.

#### **IV.7. C. Blurred Vision**

It is normal to expect a high incidence of this medical condition in the elderly. However, the incidence in the respondents was only 36% in Mahabub Nagar and 31% in Krishna.

#### **IV.7. D. Joint Pains**

In contrast with the other ailments, where the number of respondents reporting 'No' was more in number, here the 'Yes' responses were 68% in Mahabub Nagar and 85% in Krishna.

#### **IV.7. E. Other Diseases**

During the field study, the researcher found that one respondent from Macharla village was suffering from has Cervix Cancer<sup>17</sup> and another respondent from Vikunta Laximipuram, Kakula Padu Panchayat, from Alzheimer<sup>18</sup> disease.

#### **IV. 8. Psychological Issues**

As one advances in age, one could face a lot of psychological issues mostly because one has to depend on others. There could also be the aspect of generation gap with the younger members in the family. The Table below could give an idea about the major issues in this area that the respondents faced.

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<sup>17</sup>**Name of the respondent:** Gokari Gangamma, **Gender:** Female, **Age:** 60+, **Caste:** SC (Madiga), **Occupation:** Housewife, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 09-01-2013.

<sup>18</sup>**Name of the respondent:** Surapaneni Srinivasulamma, **Gender:** Female, **Age:** 87, **Caste:** OC (Kamma), **Occupation:** Housewife, **Village:** Vikunta Laxmipuram, Kakula Padu Panchayat, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 28-01-2013.

**Table - 12**  
**Psychological Aspects**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No	(%)
Abuse	Yes	45	45	21	21	66	33
	No	55	55	79	79	134	67
	Total	100	100	100	100	200	100
Isolation	Yes	84	84	95	95	179	89.5
	No	16	16	5	5	21	10.5
	Total	100	100	100	100	200	100
Leisure Time	Lulling Grand Children	5	5	0	0	5	2.5
	Spiritual Activities	3	3	3	3	6	3
	Chatting with Friends	92	92	97	97	189	94.5
	Total	100	100	100	100	200	100

#### IV.8. A. Abuse

This could arise out of the feeling that the elderly person is a burden (conveniently forgetting all that the person did for the sons/daughters when in the prime of youth). A greater proportion of abuse was reported by the respondents of Mahabub Nagar (45%), as against 21% in Krishna district. One of the respondents expressed her agony regarding treatment of her own family thus, *“My sons always tortures and beats me, asking money to drink, even from my meagre pension. My daughter-in-law always abuses me and commands me to do domestic chores in their house.”*<sup>19</sup>

Another elderly man, who belongs to a mercantile community in a rural village, expressed his helplessness in this way, *“I have 5 sons and 2 daughters, total 7 children. Two of my sons and my wife have died. Right now, I have three sons; all of them equally share my burden for 4 months, each one alternatively. Sometimes if I go early to my other son, they abuse me for coming early. That particular time, I cannot explain my agony and I missed my wife. Had she been alive, I would not have gone through these hurdles. It*

<sup>19</sup>**Name of the respondent:** Aluri Tippamma, **Gender:** Female, **Age:** 70+, **Caste:** OBC (Boya), **Occupation:** Housewife, **Village:** Ghattu, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 11-01-2013.



*makes me feel so much isolated but I do not have any other way to escape at this old age. This is my karma (fate)."*<sup>20</sup>

#### **IV.8. B. Feeling of Isolation**

It is possible that the younger generation is caught up in its own activities and may not be giving that much attention to the elderly members in the family. No wonder, 84% of the respondents in Mahabub Nagar and 95% in Krishna mentioned 'feeling of isolation as a major issue for them. One of the respondents said, "*I always feel isolated regarding care and protection. It makes me terribly worried when I bed ridden.*"<sup>21</sup>

#### **IV.8. C. Leisure-time Activities**

When a person is in the prime of his or her age, there may not be much of leisure time since work (whether at the workplace or in the home) may take up much of the leisure. Also, it may be possible to view movies or travel to other places in the spare time. However, in advanced age, how to spend time may become a major challenge. It could be seen that in both the districts, the favourite leisure-time activity was 'chatting with friends (Mahabub Nagar, 92% and Krishna, 97%). The other two options - lulling grandchildren and engaging in spiritual activities did not seem to be very popular in the study area.

### **IV. 9. The Perceptions of the Aged towards Old-Age Home**

This is an option which could be considered as a modern day import from the West. It is perceived that by admitting the aged persons in old age homes, their children would be spared the 'burden' of looking after their parents themselves. For the parents, such homes may mean being spared the abuse by their own children and spending their last days in the company of similarly placed persons. The Table below should give an idea of what the respondents feel about old age homes.

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<sup>20</sup>**Name of the respondent:** Shatti Veeraiah, **Gender:** Male, **Age:** 82, **Caste:** OC (Vishaya), **Occupation:** Shop Keeper, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 09-01-2013.

<sup>21</sup>**Name of the respondent:** Vikunta Applla Swamy, **Gender:** Male, **Age:** 65+, **Caste:** OBC (Koppula Velama), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 31-02-2013.

**Table - 13**

**Awareness and Willing to Join Old Age Homes**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No	(%)
Awareness about Old Age Homes	Yes	6	6	44	44	50	25
	No	94	94	56	56	150	75
	Total	100	100	100	100	200	100
Willing to Join in Old Age Homes	Yes	2	2	2	2	4	2
	No	98	98	98	98	196	98
	Total	100	100	100	100	200	100

**IV.9. A. Awareness about Old Age Homes**

As shown in the Table above, there was not much awareness about old age homes. In fact 94% respondents in Mahabub Nagar did not know about this. The situation in Krishna was much better, since 44% of the respondents were aware about such homes.

**IV.9. B. Willingness to Join Old Age Homes**

The very large proportion of respondents in both districts (98% in both Mahabub Nagar and Krishna) not willing to get admitted in old age homes can be attributed to two main reasons: (a) their ignorance about such homes, and (b) continued attachment to their children and village, despite many of them being badly treated.

The rare cases of respondents willing to join old age homes simply show the ‘relief’ which such persons perceive they will get in such homes. Their views are presented below:

*“If there is a chance, I am willing to go because I have three sons who, instead of caring, are abusing me and even badly beating me. Now I am unable to do any work. Why should I stay here, when there is no respect for me?”*<sup>22</sup> one of the respondents said.

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<sup>22</sup>**Name of the respondent:** Allu Venkateswara Rao, **Gender:** Male, **Age:** 71+, **Caste:** OBC (Koppula Velama), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 01-02-2013.

*“I am a widow, having only one daughter. She was married and left for her husband’s place. Since then, I am living alone in my hut. Right now, I am neither able to go for labour work which I used to do earlier nor able to ask my daughter because they are also living in a pathetic economic conditions. I am not aware about old age homes, but I am willing to go because I am very scared to sleep alone in my hut. If anything happens to me, there is no one to take care for me”*<sup>23</sup> another respondent said.

*“I have heard about old age homes and I am willing to go because for everything, I do not want to depend on my children. It really pains me a lot whenever I ask them”*<sup>24</sup> another respondent said.

*“I am a widower, have two daughters and they got married and are staying with their husbands. Right now, I am all alone living in my hut, sometimes cannot even cook or manage myself. My daughters are asking me to go to them but my sons-in-law are not mine, right? Therefore, I cannot go, kill my ego and do not want to be a parasite on others. So, in this position it is better for me to go to an old age home if they really take care”*<sup>25</sup> one more respondent said.

Those respondents who did not want to go to old age had their own reasons too. *“I do not have an idea about old age homes, and by any means, I will not even think about going there because this act will make my sons feel humiliated in the society. I will not do*

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<sup>23</sup>**Name of the respondent:** Tadichatti Chayamma, **Gender:** Female), **Age:** 70+, **Caste:** OBC (Uppara), **Occupation:** Agricultural Labour, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 27-01-2013.

<sup>24</sup>**Name of the respondent:** Vanukuru Purnachandra Rao, **Gender:** Male, **Age:** 76, **Caste:** OBC (Mangali), **Occupation:** Barber, **Village:** Kakula Padu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 30-01-2013.

<sup>25</sup>**Name of the respondent:** Veerapaneni Ramachandra Rao, **Gender:** Male, **Age:** 72, **Caste:** OC (Kamma), **Occupation:** Agriculture, **Village:** Kakula Padu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 30-01-2013.

*anything which brings humiliation to my family I would rather die,”*<sup>26</sup> one respondent said.

*“I cannot go there, because even if I pee in my home, there will not be any problem, but this will not be possible out there, right? So, it is better to be free here than suffer in a cage”*<sup>27</sup> one respondent said.

*“I am a widow, have no children, living alone in a pathetic hut. I feel isolated most of the time regarding food and other basic needs in day-to-day life at this old age. I am totally unaware about old age homes, but even if I get a chance to get into those, by any means, I will not even think about it because, my brother is here, and I have a lot of affection and bond with my brother’s family. I have faith in my brother’s family that they can look after me. Even if they will not, I prefer to die in my village itself and they will take care of my burial”*<sup>28</sup> another respondent said.

#### **IV. 10. Implementation of Indira Gandhi National Old Age Pension Scheme**

India has a long history of introducing welfare schemes. Some of the schemes have failed, because there was no proper implementation mechanism. One of the earliest initiatives was the National Old Age Pension Scheme (NOAP) for the senior citizens of India. It aimed at providing social security for those BPL individuals who were above 65 years of age. Since then, the pension scheme had been continued in some form or the other. In 2007, the scheme was renamed as Indira Gandhi National Old Age Pensions Scheme with some modifications. The table below should give one an idea about the level of awareness of the respondents about the old age pensions scheme.

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<sup>26</sup>**Name of the respondent:** Veeram Gantamma, **Gender:**Female, **Age:** 80+, **Caste:** OC (Kapu), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; Interviewed on 01-02-2013.

<sup>27</sup>**Name of the respondent:** Parvathaneni Umamaheswara Rao, **Gender:** Male, **Age:** 80, **Caste:** OC (Kamma), **Occupation:** Agricultural, **Village:** Vikunta Laxmipuram, Kakula Padu Panchayat, **Mandal:** Bapula Padu, **District:** Krishna; Interviewed on 27-01-2013.

<sup>28</sup>**Name of the respondent:** VadlaNarasamma, **Gender:** Female, **Age:** 60+, **Caste:** OBC (Vadragei/Carpenter), **Occupation:** Housewife, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 08-01-2013.

**Table - 14**  
**Implementation of IGNOAPS**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Year/ Period of Inclusion in the Scheme	Before 1995	15	15	17	17	32	16
	1995 to 2000	2	2	0	0	2	1
	2001 to 2005	1	1	0	0	1	0.5
	After 2005	82	82	83	83	165	82.5
	Total	100	100	100	100	200	100
Source of Knowledge/Awareness about the Scheme.	Family Members	1	1	0	0	1	0.5
	Sarpanch	79	79	89	89	168	84
	Panchayat Secretary	11	11	7	7	18	9
	Others	9	9	4	4	13	6.5
	Total	100	100	100	100	200	100
Authority which Identified the person as a Beneficiary	Sarpanch	83	83	92	92	175	87.5
	Panchayat Secretary	17	17	8	8	25	12.5
	Gram Sabha	0	0	0	0	0	0
	Self-Help Groups	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Source of Getting the Application Form	Sarpanch	83	83	92	92	175	87.5
	Panchayat Secretary	13	13	8	8	21	10.5
	Stationary Shop	4	4	0	0	4	2
	Total	100	100	100	100	200	100
Assistance to Fill up the Application Form	Sarpanch	83	83	92	92	175	87.5
	Panchayat Secretary	15	15	8	8	23	11.5
	Children	2	2	0	0	2	1
	Total	100	100	100	100	200	100
Age proof obtained from	Ration Card	17	17	55	55	72	36
	Date of Birth Certificate	0	0	0	0	0	0
	Voter ID card	0	0	0	0	0	0
	Did not Provide any Proof	83	83	45	45	128	64
	Total	100	100	100	100	200	100
Proof of BPL Category obtained from	White Ration Card	17	17	55	55	72	36
	Income Certificate	0	0	0	0	0	0
	Medical Certificate	0	0	0	0	0	0
	Did not Provide any Proof	83	83	45	45	128	64
	Total	100	100	100	100	200	100
Time taken for the Sanction of Pension	Less than a Month	19	19	7	7	26	13
	1 to 3 Months	40	40	37	37	77	38.5
	3 to 6 Months	10	10	38	38	48	24
	More than 6 Months	30	30	18	18	48	24
	Unaware of It	1	1	0	0	1	0.5
	Total	100	100	100	100	200	100
Getting Pension Regularly	Yes	99	99	100	100	199	99.5
	No	1	1	0	0	1	0.5
	Total	100	100	100	100	200	100

**IV.10. A. Period When the Respondent was Included in the Pension Scheme**

Majority of the respondents in both the districts (Mahabub Nagar, 82% and Krishna, 83%) stated that they had joined the scheme after 2005. Particularly, many of them joined after 2007 partly due to the hike in the pension amount from Rs. 75 to 200 and partly due to the fact that all the eligible candidates were included as beneficiaries.

**IV.10. B. Source that Provided Information about the Scheme**

The majority of respondents in both districts mentioned that it was the Sarpanch (Mahabub Nagar, 79% and Krishna, 89%). This was followed by the Panchayat Secretary (Mahabub Nagar, 11% and Krishna 7%) and 'others' (Mahabub Nagar, 9% and Krishna, 4%). Interestingly, the number of respondents in the study area who mentioned family members as the source was almost negligible.

**IV.10. C. Authority Which Identified the Person as a Beneficiary**

The largest number of respondents mentioned the Sarpanch as the authority in this regard (Mahabub Nagar, 83% and Krishna, 92%). This was followed by Panchayat Secretary (Mahabub Nagar, 17% and Krishna, 8%). None of the respondents in the study area mentioned either the Gram Sabha or the SHG as the deciding authority in this regard.

**IV.10. D. The Source Where the Application Form was Obtained**

The domination (as also the extent) of the Sarpanch noticed in the immediately preceding case could be seen here too.

**IV.10. E. The Source of Assistance for Filling up the Application Form**

From the demographic profile of the respondents, it has already been established that majority of the respondents were illiterate. Naturally, they must have taken the help of some person to fill up the application form. While the trend of domination by the Sarpanch was found here too, the extent was found to be marginally less in Mahabub Nagar, since 2% of the respondents there stated that they had taken the help of their children.

**IV.10. F. Document from which Age Proof was Obtained**

It has already been mentioned that majority of the respondents did not have Date of Birth Certificates to establish their age and that the age entered in the documents was mostly based on the oral statement of the person concerned. No wonder, none of the respondents mentioned the date of Birth Certificate. The ration card was found to be a more important document in the case of respondents of Krishna district (55%), as against only 17% in the other district. This suggests that perhaps the concerned authorities in Krishna district

were more finicky than their counterparts in Mahabub Nagar. This conclusion was confirmed by the fact that 83% of the respondents in Mahabub Nagar stated that they did not provide any age proof; the correspondent figure for Krishna district was 45%.

#### **IV.10. G. Proof regarding Belonging to the BPL Category**

A similar tendency (including the extent) was noticed in this case too. Here, the white Ration card was accepted as the proof (Mahabub Nagar, 17% and Krishna, 55%). Since majority of the respondents were engaged in agriculture-related occupations, the question of income certificate did not arise.

#### **IV.10. H. Time Taken for Pension to Commence**

The time gap varied from 'less than one month to more than six months.

#### **IV.10. I. Regularly in Getting Pension**

It is very heartening to note that an overwhelming number of respondents in both the districts (Mahabub Nagar, 99% and Krishna, 100%) confirmed that they were receiving their pensions regularly.

#### **IV.11. Politics Involved in the Process of Identification**

During personal interactions by the researcher, it emerged that political considerations were playing a major role in identification of the beneficiaries. Many persons who were denied the pension alleged that this was because they did not belong to the same political party (and caste) as the Sarpanch. Instead, many ineligible persons were granted the pension merely on caste and political considerations. This phenomenon was found to be more pronounced in Mahabub Nagar district.

On the other hand, caste discrimination was not found to be that much visible in the identification process in Krishna. Here, the focus seemed to be on trying to include all eligible persons in order to strengthen the party to which the Sarpanch was affiliated. Politicians, especially the Sarpanches, were tending to use this welfare scheme as a tool to lure people into their parties.

#### **IV.12. Role of Corruption**

It is rather sad that many government sponsored welfare schemes are unable to 'fully deliver the goods' because corrupt functionaries are somehow able to make their presence felt. It is also a fact that corruption generally thrives in places where people are generally ignorant of their legitimate rights and entitlements. It would be interesting to see the situation on ground in the study area.

**Table - 15**  
**Role of Corruption**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No	(%)
Gave Bribe to be included in the Scheme	Yes	5	5	0	0	5	2.5
	No	95	95	100	100	195	97.5
	Total	100	100	100	100	200	100
Give Bribe while Receiving the Pension	Yes	1	1	0	0	1	0.5
	No	99	99	100	100	199	99.5
	Total	100	100	100	100	200	100

#### **IV.12. A. Bribe for being Included in the Scheme**

It was gratifying to note that an overwhelming number of respondents in both the districts (Mahabub Nagar, 95% and Krishna, 100%) confirmed that they had not given any bribe to be included in the pension scheme. However, there were some bad fish among the officials/influential persons as the following statements will bring out:

*“I gave 200 rupees as a bribe to the brother of my Panchayat Sarpanch for including me in this pension scheme”*<sup>29</sup> one of the respondents said. *“My Sarpanch’s assistant took one month pension as a bribe to include me in this scheme”*<sup>30</sup> another respondent said. *“I gave 1000 rupees as a bribe to my Panchayat Sarpanch for including me in this pension scheme,”*<sup>31</sup> one more respondent said. *“I gave 200 rupees as a bribe to a person who is very close to my Panchayat Sarpanch for including me in this pension scheme”*<sup>32</sup> some other one said.

<sup>29</sup>**Name of the respondent:** Kurava Timmakka, **Gender:** Female, **Age:** 85+, **Caste:** OBC (Kurava), **Occupation:** Agriculture, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 09-01-2013.

<sup>30</sup>**Name of the respondent:** Guddamdoddi Hanumanthu, **Gender:** Male, **Age:** 60+, **Caste:** OBC (Boya), **Occupation:** Agricultural Labour, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 08-01-2013.

<sup>31</sup>**Name of the respondent:** Sarabai Hanumakka, **Gender:** Female, **Age:** 60+, **Caste:** OBC (Boya), **Occupation:** Agriculture, **Village:** Ghattu, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 11-01-2013.

<sup>32</sup>**Name of the respondent:** Shatti Veeraiah, **Gender:** Male, **Age:** 82, **Caste:** OC (Vishya), **Occupation:** Shop Keeper, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar; Interviewed on 09-01-2013.



*“I gave 200 rupees to my Panchayat Sarpanch’s younger brother’s son (nephew), because he told me that there are some mistakes in my application. So I gave money as a bribe to him to rectify those mistakes”*<sup>33</sup> another respondent said.

#### **IV.12. B. Bribes at the Time of Receiving the Pension Amount**

It was very encouraging to note almost none of the respondents reported paying a bribe when receiving the amount. It is understood that, earlier, there was a system of paying Rs. 5 to the official who disbursed the pension. However, one respondent said, *“Some of us are giving Rs. 5 rupees as a voluntary tip (not bribe) to the Talari (village servant) for informing all of us regarding the arrival of disbursement agents from the bank”*<sup>34</sup>

During disbursement, no corruption has found in those Panchayats where Information and Communication Technology ICT (Biometric) is being used at the ground level. Where there is manual disbursement, some non-beneficiaries mostly from Mahabub Nagar district reported that Panchayat Secretary was drawing the pension amounts of even the deceased pensioners simply by affixing fake thumb impressions.

#### **IV.13. Place and the Source of Accompany for Drawing Pension**

The beneficiaries have the option to draw their pension from the Panchayat Office, bank or post office. Also, due to their fairly advanced age, many pensioners may be forced to take along some escorts when going to receive their pensions. The Table below should help us to form an idea about the situation on ground in the study area.

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<sup>33</sup>**Name of the respondent:** Gundlakunta Timmapa, **Gender:** Male, **Age:** 60+, **Caste:** OBC (Boya), **Occupation:** Agricultural Labour, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 08-01-2013.

<sup>34</sup>**Name of the respondent:** Kambara Shankarappa Achari, **Gender:** Male, **Age:** 65, **Caste:** OBC (Vadrangi), **Occupation:** Carpentry, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 09-01-2013.

**Table - 16**  
**Place and Accompany for Drawing Pension**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No.	(%)	No.	(%)	No	(%)
Place of Availing the Pension	From Panchayat Office	100	100	100	100	200	100
	From Bank	0	0	0	0	0	0
	From Post Office	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Accompany for collect the pension	Alone	87	87	100	100	187	93.5
	Grand Children	4	4	0	0	4	2
	Children	7	7	0	0	7	3.5
	Neighbours	2	2	0	0	2	1
	Total	100	100	100	100	200	100

#### **IV.13. A. Place of Drawing the Pension**

All the respondents in both the districts reported that they were drawing the pensions from the Panchayat office alone.

#### **IV.13. B. Accompany When Drawing the Pension**

An overwhelming proportion of respondents (Mahabub Nagar, 87% and Krishna, 100%) stated that they drawing pension by themselves. The next preferred options (applicable only to Mahabub Nagar) were: children (7%), grandchildren (4%) and neighbours (2%). Almost all the Gram Panchayats in Krishna district use the biometric system for disbursement of pension. A person from the same village is responsible to distribute the pension, using the biometric machine. Thus, he can deliver the pension even to the bed-ridden pensioners at their homes.

#### **IV.14. Disbursement of Pension**

In the Undivided Andhra Pradesh, the process of disbursement of pension was through four channels:

- 1) Manually by the Panchayat Secretary.
- 2) Using of biometric system by banks (in rural areas).
- 3) Depositing in the bank account (in urban areas).
- 4) Delivery by the postal department.

In Mahabub Nagar district, two Gram Panchayats, namely, Aluru and Ghattu, the manual method is followed, i.e., the pension is disbursed by the the Panchayat Secretary, whereas Macharla Panchayat follows the bio-metric method. In the case of Krishna district, the three Gram Panchayats are following the bio-metric method.

In some of the villages where manual disbursement of pension was taking place, some of the beneficiaries from the tribal *Tanda* (hamlet) complained about the Panchayat office in the main village being 3 to 4 kilometres away from their hamlets.

*I am above 80 plus and cannot walk, I need to take a walking stick even within my home premises. In this position, in order to receive my pension, I need to walk more than 3 kilometres to reach the Panchayat office from my Tanda. This is really a serious problem for people like me, so the government should look in this problem,*<sup>35</sup> one of the respondents said.

The beneficiaries from the villages where the biometric method is in operation, complained about standing for long time in a long queue, which was causing lightheadedness to the aged people. Sometimes, the biometric machine takes a lot of time to recognize the beneficiaries because of the erosion of their fingerprints, leading to undue delay in getting the pension.

Depositing pension in the bank account is taking place mostly in urban areas like Hyderabad. This can entail heavy travel expenditure since the beneficiaries have to commute by auto rickshaws to reach the bank. If the amount is not deposited on time, they need to come again and again till they receive it.

Another important issue is that those who have crossed 80 years of age are supposed to get Rs. 500 per month according to the Union Government guidelines. However, the Government of Andhra Pradesh was not following the said guidelines. Instead, it had been providing a pension of Rs. 200 per month for all eligible persons.

#### **IV.15. Economic Impact of the Scheme**

It would be interesting what the Table below can reveal about the financial impact of the pension amount on the beneficiaries.

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<sup>35</sup>**Name of the respondent:** Mudavath Pomya Naik, **Gender:** Male, **Age:** 80+, **Caste:** ST (Lambada), **Occupation:** Agriculture, **Village:** Vali Kunta Tanda, Aluru Panchayat, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 10-01-2013.

**Table - 17**  
**Impact of the Scheme**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Change After Inclusion in the Scheme	Giving Support for Less than a Week	13	13	7	7	20	10
	Giving Support for a Week	82	82	31	31	113	56.5
	Giving Support for 2 to 3 Weeks	5	5	62	62	67	33.5
	Total	100	100	100	100	200	100

It could be seen that the respondents in both the districts had different perceptions about the period in a month for which the pension amount gave them support. In Mahabub Nagar, the majority of the respondents (82%) stated that the amount supported them for a week. In Krishna district, however, 62% of the respondents mentioned 2 to 3 weeks. In a similar way, while 13% of the respondents in Mahabub Nagar stated that the amount ‘saw them through’ for less than a week. The corresponding figure in the case of Krishnan district was 7%.

To get a clearer idea about the impact of the Scheme in their lives, it may be better to hear from the respondents’ own words: “*I carefully use pension and it lasts the whole month for my personal needs*”<sup>36</sup> a respondent said. “*I can use this money judiciously the whole month*”<sup>37</sup> another respondent said.

The beneficiaries belonging to the forward regions reported that they were using the pension amount carefully that it lasts almost 3 weeks in a month (particularly forward castes). On the other hand, lower castes appeared to be finishing this amount within a week for repaying some of the debts to the local grocers for provisions taken on credit in the previous month.

<sup>36</sup>**Name of the respondent:** Atluri Kasturi, **Gender:** Female, **Age:** 68, **Caste:** OC (Kamma), **Occupation:** Housewife, **Village:** Vikunta Laxmipuram, Kakula Padu Panchayat, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 27-01-2013.

<sup>37</sup>**Name of the respondent:** Parvathaneni Umamaheswara Rao, **Gender:** Male, **Age:** 80, **Caste:** OC (Kamma), **Occupation:** Agriculture, **Village:** Vikunta Laxmipuram, Kakula Padu Panchayat, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 27-01-2013.

#### IV.16. Spending Pattern

The pension scheme has given a degree of financial independence (however small) to the recipients. It would be interesting to see how the respondents were spending the amounts.

**Table - 18**  
**Spending Pattern**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	%	No	%	No	%
Spending the Pension On	Breakfast & Tea (Food)	96	96	74	74	170	85
	Medicine (Health)	4	4	23	23	27	13.5
	Give to Family Members	0	0	1	1	1	0.5
	Other Personal Use	0	0	2	2	2	1
	Total	100	100	100	100	200	100

##### IV.16. A. Food and Beverages

Sad to say, but one of the common ways to discriminate an elderly (and ‘unwanted’) relative is to deprive him/her of food. This becomes evident from the fact that majority of the respondents (Mahabub Nagar, 96% and Krishna, 74%) stated that they were spending the amount on food items.

##### IV.16. B. Medicine

From the number of responses from the districts, (Mahabub Nagar, 4% and Krishna, 23%), it is clear that those in the latter district were more health conscious than in the former.

##### IV.16. C. Give to Family members/other personal Use

It becomes clear that the respondents in the study area tended to spend the pension amounts on themselves alone. The following remarks of some of the respondents should help to make the position clearer. “*Gintha Pan ki, Gintha Chai ki, Gintha Nasta ki*” (little bit on pan, little bit on tea and little bit on breakfast), was how a female respondent from Mahabub Nagar responded replied in their local dialect to the question, “How do you spend this little money?” A respondent from Aluru village said, “*I am spending this little money on tea, pan, toddy, and give to little grandchildren. I use it very carefully for the whole month.*”<sup>38</sup>

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<sup>38</sup>**Name of the respondent:** Saga Govindamma, **Gender:** Female, **Age:** 70+, **Caste:** OBC (Boya), **Occupation:** Wage Labourer, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 10-01-2013.

Some of the respondents said that this pension really helped them in their daily lives. One of the respondents stated, *“I am a widow with only one daughter. She died of cancer and my granddaughter lives with me. I have no property or any other source of income, except for a few sheep. This pension is really supporting me in buying some basic provisions. I use it very carefully. I will be very thankful to the government, if the amount can be increased.”*<sup>39</sup> Another respondent said, *“I am spending this little money on household things, using it very carefully for the whole month.”*<sup>40</sup>

In the case of men, a few of them spend it on liquor, which was found in the lower castes and tribes in Mahabub Nagar district. One of the respondent admitted, *“I am completely spending my pension on liquor just for 2 days.”*<sup>41</sup> In some cases, women also admitted that they spend even on *Kallu* (Toddy). *“I am spending most of this money for toddy.”*<sup>42</sup>

In a way, 85% of the beneficiaries spent their pension exclusively on food. A respondent said, *“I am using this money wholly for buying milk for me.”*<sup>43</sup> It clearly shows that the aged people in rural areas suffer from malnutrition problem, which is more prevalent among the lower castes.

Another interesting thing emerged in this was that a few of the Christian respondents were giving 10% of their pension money as tithes to the church. For instance, a respondent from Kakula Padu village said, *“I am spending some money on tea and*

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<sup>39</sup>**Name of the respondent:** Savutukunta Shoursamma, **Gender:** Female, **Age:** 70+, **Caste:** OBC (Kurava), **Occupation:** Agriculture, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 10-01-2013.

<sup>40</sup>**Name of the respondent:** Vikunta Applu Swamy, **Gender:** Male, **Age:** 65+, **Caste:** OBC (Koppula Velama), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 31-02-2013.

<sup>41</sup>**Name of the respondent:** Kandula Munniya, **Gender:** Male, **Age:** 80+, **Caste:** ST (Erukala), **Occupation:** Caste based, Pasturing Pigs and Basket making, **Village:** Kakula Padu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 30-01-2013.

<sup>42</sup>**Name of the respondent:** Korana Adivamma, **Gender:** Female, **Age:** 70+, **Caste:** OBC (Kurava), **Occupation:** Agriculture, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 07-01-2013.

<sup>43</sup>**Name of the respondent:** Veeram Kamalamma, **Gender:** Female, **Age:** 70, **Caste:** OC (Kapu), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 01-02-2013.

*breakfast and giving tithes (Chanda) to the church, using it very carefully whole month.”<sup>44</sup>*

It could be seen that the spending pattern of men and women respondents was different. While most of women respondents were using the little amount of money for family's needs, while most of the men were spending on themselves.

#### **IV. 17. Psychological Impact of the Scheme**

It has already been seen that the pension scheme has given a measure of financial security to the beneficiaries. The table below can give us an idea of the psychological impact on them.

**Table - 19**  
**IGNOAPS as the Source of Financial Independence, Dignity and Self-Respect within, Family and Society**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	%	No	%	No	%
Given Financial Independence	Yes	1	1	0	0	1	0.5
	No	99	99	100	100	199	99.5
	Total	100	100	100	100	200	100
Given Dignity and Self-respect	Yes	1	1	0	0	1	0.5
	No	99	99	100	100	199	99.5
	Total	100	100	100	100	200	100
Given Dignity and Respect in the Family	Yes	2	2	0	0	2	1
	No	98	98	100	100	198	99
	Total	100	100	100	100	200	100
Given Dignity and Respect in Society	Yes	2	2	0	0	2	1
	No	98	98	100	100	198	99
	Total	100	100	100	100	200	100

#### **IV.17. A. Financial Independence, Dignity and Self Respect**

Not surprisingly, an overwhelming number of respondents (Mahabub Nagar, 99% and Krishna, all 100%) stated that the pension did not give them financial independence, or dignity and self-respect. Obviously, the amount was not considered sufficient for that purpose.

<sup>44</sup>**Name of the respondent:** Daram Kanakamma, **Gender:** Female, **Age:** 70+, **Caste:** SC (Mala), **Occupation:** Agricultural Labourer, **Village:** Kakula Padu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 28-01-2013.

#### IV.17. B. Dignity and Respect in the Family and Society

The earlier trend of negative responses could be found in these cases too. Only the proportion was slightly different (Mahabub Nagar, 98% and Krishna, 100%). However, there were still a few respondents who had a few good words to say about the Scheme. A respondent said, *“This pension gave me self-confidence, though it is not even enough to buy tea for a month. Still it is very helpful in this old age.”*<sup>45</sup> On the issue of greater dignity and self-respect due to this pension, the attitude of most respondents was: “What can you do just with 200 rupees? Look at the prices of the commodities.”

#### IV. 18. Suggestions of the Respondents for Improvement of the Scheme

It has already been established that the pension scheme has not brought about many phenomenal changes in the lives of the recipients. Surely, they had a few suggestions for improvement in the Scheme. The Table below presents some of these.

**Table - 20**  
**Suggestions Made by the Beneficiaries on IGNOAPS**

		Name of the District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	%	No	%	No	%
Suggested to Provide	Increase of Pension	100	100	100	100	200	100
	Provide Health Facilities	0	0	0	0	0	0
	Provide Food grains	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Increase of the Pension Amount at the Ranges From	From 300 to 400 Rupees	1	1	12	12	13	6.5
	500 Rupees	90	90	75	75	165	82.5
	501 to 1000 Rupees	1	1	1	1	2	1
	1000 Rupees and Above	8	8	12	12	20	10
	Total	100	100	100	100	200	100

#### IV.18. A. Increase in the Pension Amount

All the respondents in the study area wanted an increase in the quantum of pension.

#### IV.18. B. Quantum of Increase in the Pension Amount

It can be seen that the respondents tended to be realistic in their suggestions. No wonder, the majority of respondents (Mahabub Nagar, 90% and Krishna, 75% wanted an increase of Rs. 500 per month. However, a very noticeable number (Mahabub Nagar, 8% and Krishna, 12%) wanted an increase of Rs. 1,000 per month. Those who appeared to be satisfied with an increase in the range of Rs. 500 to 1,000 were found to be few in

<sup>45</sup>**Name of the respondent:** Sunkanna Hanumanthu, **Gender:** Male, **Age:** 70+, **Caste:** OBC (Boya), **Occupation:** Agricultural Labour, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar; interviewed on 07-01-2013.



number. Significantly, 12% of the respondents in Krishna seemed content with an increase in the range of Rs. 300 to 500. (As per the G.O. Ms. No. 113 Dated 19<sup>th</sup> June, 2014, the old age pension scheme has been renamed as *NTR Bharosa* and increased from Rs. 200 to Rs. 1000 per month by the Government of Andhra Pradesh.)

#### IV. 19. Role of the State in the Protection of Aged in the Rural Areas

The state plays a significant role in the protection of the aged through its welfare mechanism. This research has tried to examine the awareness among the aged in the rural areas about state welfare schemes, the extent to which they were utilising the existing state welfare mechanism whether such schemes have had any significant impact. The Table below should give an idea of the perceptions of the respondents regarding the various welfare schemes of the government.

**Table - 21**

#### **The Role of the State in the Protection of the Aged in the Rural Areas**

		District				Total	
		Mahabub Nagar		Krishna			
Issue	Response	No	(%)	No	(%)	No	(%)
Accessing Public Distribution System (PDS)	Yes	100	100	100	100	200	100
	No	0	0	0	0	0	0
	Total	100	100	100	100	200	100
Availing Annapurna and Antyodaya Anna Yojana	Yes	0	0	0	0	0	0
	No	100	100	100	100	200	100
	Total	100	100	100	100	200	100
Getting Medical Assistance from the Government	Yes	3	3	0	0	3	1.5
	No	97	97	100	100	197	98.5
	Total	100	100	100	100	200	100
Covered Under any Insurance Scheme	Yes	0	0	1	1	1	0.5
	No	100	100	99	99	199	99.5
	Total	100	100	100	100	200	100
Utilising Subsidies in Public Transport	Yes	0	0	0	0	0	0
	No	100	100	100	100	200	100
	Total	100	100	100	100	200	100
Taking Part in MGNREGA	Yes	3	3	4	4	7	3.5
	No	97	97	96	96	193	96.5
	Total	100	100	100	100	200	100

##### IV.19. A. Accessing PDS

An individual aged person gets 4 kilos of rice, 1 kilo of sugar, 1 litre of kerosene through PDS every month. It could be seen that all the respondents from both the districts had

been utilising Public Distribution System (PDS). However, most of the respondents were worried that the government may withdraw the PDS and replace it with the cash transfer scheme.

#### **IV.19. B. Availing Annapurna and Antyodaya Anna Yojana Schemes**

None of the respondents from both the districts said that they had utilised the Annapurna and Antyodaya Anna Yojana schemes, because beneficiaries of the pension scheme were not eligible for the Annapurna and Antyodaya Anna Yojana Schemes.

#### **IV.19. C. Medical Assistance from the Government**

It was seen that 3% respondents from Mahabub Nagar and none from Krishna were using medical assistance from the government primary health centres. One reason for that could be the absence of primary health centres (PHCs) in the villages. A PHC was found only in the Ghattu village since it is the headquarters of the Mandal. There is even some Mobile Medical Units (MMU) like *104 Service* in the state, but these are not working effectively at the ground level.

#### **IV.19. D. Coverage under Insurance Scheme**

In the entire study area, only one respondent (that too Krishna district) was covered under a private insurance scheme. According to this respondent, *“I have taken an insurance policy in a private insurance company, Agri Gold Life Insurance Corporation.”*<sup>46</sup>

#### **IV.19. E. Utilising Subsidies in Public Transport**

None of the respondents from both the districts were found to be utilising subsidies in public transportation like road, railways, and airways. The reason is the lack of public transportation facilities in many of these villages. Even if such facilities are available, either the aged people are unaware of these. In case they are aware of it, the conductors ask age proof. In any case, there would not be much difference in terms of money, unless it is a long journey. Mostly, people travel in private transportations like autos, and jeeps to the nearest towns.

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<sup>46</sup>**Name of the respondent:** Allu Venkateswara Rao, **Gender:** male, **Age:** 71, **Caste:** OBC (Koppula Velama), **Occupation:** Agriculture, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna; interviewed on 01-02-2013.

#### **IV.19. F. Taking Part in MGNREGA**

In many of the villages, it was not in operation and even if it functioning, many of the aged people are unable to take part in this programme. No wonder, only 3% respondents in Mahabub Nagar and 4% in Krishna districts confirmed that they were taking part in the MGNREGA programme.

#### **IV. 20. Perceptions of Non-Beneficiaries**

Some individuals in the villages were not included the scheme. Their views are discussed below.

##### **Case 1**

**Name:** Shourappa Tunkunta, **Gender:** Male, **Age:** 70, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** SC (Madiga), **Occupation:** Agricultural Labourer: *“I had applied once, but I could not get it. I do not know the reason. Even my wife’s name also was not included in any pension scheme, because we are from the opposition party in the village.”*

##### **Case 2**

**Name:** Maramma, **Gender:** Female, **Age:** 60, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** SC (Madiga), **Occupation:** Agricultural Labourer: *“The village authority refused to include me in the old age pension scheme because my husband has the same pension, though there are many couples availing the same pension in my village. The real reason is that I am affiliated to the opposition political party in the village. The ruling party Sarpanch and his own caste people in large number are included in the scheme, including many couples in the village, but my caste is against the ruling party and its caste affiliation.”*

##### **Case 3**

**Name:** Yarra Hanumantu, **Gender:** Male, **Age:** 70, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** SC (Madiga), **Occupation:** Agricultural Labourer: *“I have three sons, the elder one has died and second son is physically challenged since birth. He gets 500 rupees per month under the disabled pension scheme. Therefore, based*

*on this reason, my village authorities have been denying the pension to me for many years. More than ten times, I have applied for it. My village Sarpanch has torn my application all the times.”*

#### **Case 4**

**Name:** Pucchakayala Narasamma, **Gender:** Female, **Age:** 75, **Village:** Aluru, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** OBC (Boya), **Occupation:** Agricultural Labourer: *“I was not included in any pension scheme, not even after I applied more than five times all because I am affiliated to an opposition political party in the village.”*

#### **Case 5**

**Name:** Tolicha Naik, **Gender:** Male, **Age:** 70, **Village:** Valikunta Tanda, Aluru Grama Panchayat, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** ST (Lambada), **Occupation:** Agricultural Labourer: *“I have applied more than six times. My wife has the same pension, so they are refusing to include me in the pension scheme. I am not even able to walk and I really need this pension. So many people are not even eligible, yet they are getting the pension. So, this is complete injustice to a person like me who is genuinely eligible.”*

#### **Case 6**

**Name:** Garaka Gattamma, **Gender:** Female, **Age:** 60 plus, **Village:** Vaikunta Tanda, Aluru Grama Panchayat, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** OBC (Boya), **Occupation:** Agricultural Labourer: *“I applied more than five to six times. I even went to the MPDO office more than five times. Whenever I go there, I used to give bribe to persons who deal with this pension. Whenever I applied, I had given Rs.20 as a bribe s to the Sarpanch. Even then, I could not get it.”*

#### **Case 7**

**Name:** Chakali Sourappa, **Gender:** Male, **Age:** 70 plus, **Village:** Macharla, **Mandal:** Ghattu, **District:** Mahabub Nagar, **Caste:** OBC (Chakali), **Occupation:** Washer man: *“I have applied many times; still I am not included in the scheme because my wife is included in the same scheme. Because of that, the village authorities kept refusing to include me in the scheme. Some couples in my village are availing the same pension. This*

*is complete injustice happening to some people, especially those who do not give political support to the ruling party Sarpanch.”*

#### **Case 8**

**Name:** Talibani Venkateswara Rao, **Gender:** Male, **Age:** 70, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna, **Caste:** OBC (Uppara), **Occupation:** Agricultural Labourer: *“I was not included in this scheme because I was included in the Antyodaya Anna Yojana scheme, through which 30 kg of rice is provided with subsidy every month. On this basis, my village secretary has been refusing to include me in this scheme. I am not able to work and have difficulties in maintaining my family.”*

#### **Case 9**

**Name:** Nalliboina Shobhanadri, **Gender:** Male, **Age:** 69, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna, **Caste:** OBC (Gangireddula), **Occupation:** Bullock play: *“I could not get this pension because I was included in the Antyodaya Anna Yojana scheme in which we are getting 35 kg of rice per month to the family as a whole. Based on this reason, the village secretary refused to include me in the old age pension scheme. But as an individual, I am entitled to the scheme because of inclusion in Antyodaya Anna Yojana, I was excluded from the old age pension scheme. In this kind of cases, the government needs to consider and resolve the issue by including people like me in the scheme.”*

#### **Case 10**

**Name:** Nallaboina Venkanna, **Gender:** Male, **Age:** 66, **Village:** Ramanna Gudem, **Mandal:** Bapula Padu, **District:** Krishna, **Caste:** OBC (Gangireddula), **Occupation:** Bullock play: *“I have applied more than four times; still I could not get it. When I showed my Aadhar card, the village secretary said that I am eligible and considered it, but the application remained in the DRDO office at Machilipatnam. I really in need of it, all my three sons died, my grandchildren are with me, and I am not in the position to work. We are living in a hut where there is no roof. During the rainy season, the roof gives no protection and my condition is very pathetic. Though I am eligible, I am leading a*

*pathetic life, without having the pension when other fellows who are of my age are getting the pension.”*

#### **Case 11**

**Name:** Kalathoti Yesupadam, **Gender:** Male, **Age:** 61, **Caste:** SC (Mala), **Village:** Kakulapadu, **Mandal:** Bapula Padu, **District:** Krishna, **Occupation:** Agricultural Labourer: *“My age in the ration card was different from the actual age. Therefore, my village authorities have refused to consider my application for the old age pension. Right now, I am not in a position to work and my health is not good. I really require this pension for my survival. I have no land my three children have settled themselves. My wife and I are leading life alone, even my children are daily wage labourers and are in a pathetic financial condition. They are not even in a position to take care of us. Therefore, I really require this pension. In this old age, actually, I am eligible but due to some technical mistake in the ration card, I am paying the penalty by not having the pension for which I am entitled.”*

#### **Case 12**

**Name:** Bheemavarapu Venkateswara Rao, **Gender:** Male, **Age:** 71, **Caste:** OBC (Chakala), **Village:** Kakulapadu, **Mandal:** Bapula Padu, **District:** Krishna, **Occupation:** Washerman: *“I have one and half acre land and because of this, I do not have white ration card, so the village authorities are refusing to include me in the pension scheme.”*

#### **Case 13**

**Name:** Nageswara Rao T, **Gender:** Male, **Age:** 61, **Village:** Arugolanu, **Mandal:** Bapula Padu, **District:** Krishna, **Caste:** OC (Kaapu), **Occupation:** Agriculture: *“I am sufficiently eligible for applying the pension scheme, but I did not apply because I do not want to approach the Sarpanch and plead for this little pension because I belong to an opposition party. Therefore, I do not want to claim the entitlement being provided by the ruling party. I will apply when my affiliated party comes to power.”*

The majority of non-beneficiaries in Mahabub Nagar cited reasons for their non-inclusion as: their political affiliation to an opposition party, caste, the rule of that only one person in the family is eligible for the pensions sponsored by the state. On the other hand, lack of

proper age proof was the main cause for exclusion from the scheme in the case of Krishna district.

The study found that the family remains as the prime source of protection in the case of unorganised rural aged, despite the welfare measures by the state. The family still has predominant role in areas like providing food, meeting medical expenses, taking care during illness, etc., for the unorganised rural aged. It is interesting to note that, except accessing the Public Distributive System (PDS), other measures like claiming the benefits of Annapurna, Antyodaya Anna Yojana schemes, utilising medical assistance from the government, getting covered under any government insurance scheme, utilising subsidies in public transport, taking part in the (MGNREGA), etc, are almost 'out of bounds' for the unorganised rural aged.

The implementation of IGNOPS is partially successful because of the effective use of the Information and Communication Technology (ICT) and having arrangements with banks and postal department for the disbursement. The process of identification is highly politicised at the Gram Panchayat level, especially the Sarpanches, who are using these welfare schemes as a tool to lure people into their parties. Although the amount is very little in terms of cash, they felt that the pension offered a little relief and hope among the beneficiaries but not enough to gain dignity and self-respect for themselves and in the family and society. The summary and conclusions, along with some policy suggestions has been discussed in the next chapter.

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## **Summary and Conclusion**

The modern state is, today, regarded as a welfare state, irrespective of its ideological base. The “welfare state” is a state which looks after the welfare of its citizens, in accordance with a certain set of principles. The purpose of the welfare state is to create socio-economic equality and assure equitable standards to all its citizens. In order to achieve this, it redistributes wealth by heavily taxing the middle and upper classes in order to provide goods and services for underprivileged. In every society, different vulnerable sections exist. Among them, aged people are among the most vulnerable and neglected sections.

The issues and problems of the aged people have drawn the attention of several international organisations like UNO and its allied organisations like ILO, WHO and the World Bank. These organisations have come up with some conventions and guidelines to the member states regarding the social security for the aged. UNO has conducted two noteworthy world conferences on ageing so far. These were: (i) Vienna International Plan of Action on Ageing in 1982, and (ii) Madrid International Plan of Action on Ageing in 2002. The General Assembly designated 1999 as the International Year of Older Persons.

The ILO has long been committed to the issue of older workers and ageing population. It has initiated: 1) Older workers recommendation 1980 and 2) International Labour Conference, 89<sup>th</sup> session in Geneva, 2001 for the cause of social security. WHO has been interested in the health of older people since 1955. Its first meet on geriatric services was held in 1973. In 1982, the WHO adopted the theme “Add Life to Years”. WHO’s special programme for research on ageing was established in 1985. In 1995, WHO renamed its “Health of the Elderly Programme” to “Ageing and Health.” This signaled an important change in orientation.

The World Bank is actively promoting pension reform in many countries around the world. The Bank has been involved in pension reform in more than 80 countries and provided financial support for reform to more than 60 countries, and the demand for such support continues to grow. The primary goal of World Bank pension system is to provide

adequate, affordable, sustainable and robust retirement income. World Bank financial support for pension reform from 1984 to 2004 produced 204 loans involving 68 countries that had some type of pension component.

The above initiatives by the UNO and its allied organisations and the issues and problems of the aged has led many countries to pay more attention to ageing and its related issues, particularly social security as a policy consideration. Social security is an essential element of the welfare state. The concern for old age social security is deeply influencing the social and economic policy of the developed, as well as the, countries. Social security is a human right. Social security is a social and economic necessity to combat poverty and social exclusion and promote development, equality and equal opportunity.

Some of the countries like UK, USA, Sweden and China have successfully introduced many Acts and schemes related to old age social security, but the implementation in every country has its own difficulties and vulnerabilities. There has been a paradigm shift in after the 1990s. The world order has been changed into Uni-polarity. This has led to the neo-liberal trends, which are forcing every Nation State to adopt Liberalisation Privatisation and Globalisation (LPG).

As a result, the notion of welfare state has changed its nature, and private sector has been taking away the means of production, with the sole aim to make as much profit as possible. This has resulted in the corporatisation of pension policies, insurance and health care system in many countries. Corporatisation of pensions, insurance and health care system has taken place in the UK and USA from 2008 onwards. Even Sweden has experienced it and China is to some extent away from this trend, but even in this country, the insurance system has partially been to the private sector.

In the same way, India also has a long history of social security for the aged people even during the colonial times. Some of the important Acts, such as The Pension Act of 1871 and the Employee's Compensation Act of 1923, were introduced by the British. Soon after Independence, India's adoption of a socialist pattern of society led to the introduction of many social security Acts. The acts includes the Employee's State

Insurance Act 1948, Employee's Provident Funds and Miscellaneous Provisions Act, 1952, the Employee's Family Pension Scheme, 1971, the Payment of Gratuity Act, 1972, and the Employee's Deposit-Linked Insurance Scheme (EDLI), 1976, are important legislations for the organised sector during the pre-liberalised period in India.

In the last few decades, the Indian social system has been changing very fast because of the forces like modernisation, urbanisation, industrialisation, individualism, liberalisation, privatisation and, globalisation. These forces are drastically affecting the rural family structure, in general, and the age-old Indian joint family system, in particular. The gradual increase of urbanisation due to migration from rural to urban areas and the compulsions of the urban life style have further weakened the extended family system and paved the way for the nuclear family system in India.

The fact of consumerism and individualistic attitude of educated younger generation has made them drift away from their villages and migrate to urban areas in search of employment opportunities and to achieve their career goals. Moreover, even those who stay back in their villages are working as small tenants and wage labourers in the agricultural sector. In such a situation, the poor and helpless aged parents are left alone in the villages. They feel socially helpless and economically insecure, and lonely. In such a situation, parents cannot always count on the financial support from their children and have to take care of themselves. So, many of them continue to work, although at a reduced pace, and are compelled to lead a life of uncertainty and tribulation.

However, post 1990s, there has been a paradigm shift in the welfare state approach on India's policy-making because of its adoption of liberalisation, which has facilitated privatisation of many public undertakings and even social security measures like pension, health insurance, etc. The state has been gradually withdrawing from the traditional welfare pattern.

As a result, social security has become a serious problem, even for the organised sector in India. However, interestingly, on the other hand, the government of India has come up with an umbrella programme, called the National Social Assistance Programme (NSAP),

in 1995 for the vast unorganised sector at the national level. Within this programme, there was a scheme, called the National Old Age Pension Scheme (NOAP), for the senior citizens of India. It aims at providing social security for the BPL individuals who have crossed 65 years of age.

The government of India, renamed (NOAPS) as “Indira Gandhi National Old Age Pension Scheme” (IGNOAPS) on 19<sup>th</sup> November 2007 and hiked the pension amount from Rs. 75 to Rs. 200 per month for each beneficiary, and Rs. 500 per month for a beneficiary above 80 years of age and the state governments could contribute over and above the amount. At present, aged beneficiaries are getting approximately Rs. 200 to 1000, depending on the contribution of the concerned state government.

Andhra Pradesh is one of the states in India, which has been implementing welfare schemes by using ICT and collaborating with banks and the postal department. For the field investigation of IGNOAPS and its implementation, two districts, Mahabub Nagar and Krishna, were chosen for the study on the basis of level of development and the number of beneficiaries. Furthermore, three Gram Panchayats from each Mandal in both the Districts were chosen for the study. There were 200 beneficiaries in all, 100 respondents from each district. The respondents were chosen randomly.

It was found that 57% of the respondents were females; 63.5%, widows and widowers; 41.5, in the age group 61-70 years; 49.5%, were belonging to the OBC category, and 69%, Hindus. The awareness about welfare mechanism, either directly or indirectly, depends on the people’s educational levels in any society. Interestingly, 84.5% of the respondents were illiterates. However, this study has found that, despite their educational background, the awareness about the schemes among all the respondents was the same. Majority (87%) of the respondents were found to be engaged in agriculture as labourers, small peasants and tenants. Only 13% of them belong to the non-agricultural sector, which included mostly caste-based occupations, such as weavers (*Kurni*), barbers, washemen, etc.

Majority of the respondents (69%) from Mahabub Nagar admitted that they were possessing land and they were honest in disclosing information regarding their assets. In

the case of Krishna district, 18 % of them admitted that they were possessing land. This study found that in more developed regions, generally, people are not so honest in revealing information about their assets.

Overall, 83% of the respondents were found to be living in a nuclear family set up, 11.5% of them were having separate rooms in their homes. 17% of them were living alone, 67.5% of them were living with their children, 15% of them were staying with their spouses and only 0.5% of them were living with their relatives. For preparation of food, 54% of them were depending on their children or grandchildren, 21% on their spouses, and 25% of them were preparing their own food. 65% of them admitted that their children or family members consult them while taking some important decisions on issues like marriage, buying and selling of property and also admitted that their children or family consider their opinion because they are the elders in the family. Only 2% of them admitted that they were begging for money and food.

As regards ailments, 7.5% of the respondents were diabetics, 23% had blood pressure (BP) and 33.5, blurred vision. This study found that the most common problem among the rural elderly was joint pains, 76.5% suffering from this problem. When sick, 99% of them were using allopathic treatment, 0.5% Ayurvedic, only 0.5% is using *Naatu* (indigenous) medicine.

Majority of the respondents (98%) said that they went to private hospitals for treatment. In 68.5% of the cases, the medical expenses are paid by their children and 91.5% are looked after by their family during their sickness. A very negligible number of respondents were found to be availing of medical assistance from the government primary health centres. The medical expense of only one respondent from Krishna was found to be covered under a private insurance scheme. None of the respondents from both the districts were utilising subsidies in public transportation; road, railways, and airways.

This study found that 100% of the respondents were utilising the Public Distribution System (PDS). None of the respondents in the study area was utilising Annapurna and Antyodaya Anna Yojana schemes, since the beneficiaries of the pension scheme are not eligible to avail the benefits of the above mentioned schemes. Only 3.5% of the respondents were taking part in the Mahatma Gandhi National Rural Employment

Guarantee Act (MGNREGA). In many of the villages, it does not function and even if it functions, most of the aged people are unable to take part in this programme.

However, except for pension amount and PDS, aged people from the rural areas do not claim anything from the government directly. The rest of the care is being provided by the family. So the first hypothesis *Absence of a strong state social security for unorganized aged in rural India causing dependency on family* is proved partially right.

33% of them admitted that they were being abused by their families. Interestingly, this study shows that the abuse level in the family is higher in the backward regions, poor families in particular. Close to 90% of the respondents expressed their feeling of isolation. This is mainly because of two reasons: care and protection in their old age and the demise of their offspring and spouses. 94.5% of them said that they interacted with their friends during their leisure time.

As regards implementation of IGNOAPS scheme, only persons who are 60 years of age or above are eligible for assistance under this scheme. Majority of respondents in this study did not know their own age. Age distribution is completely based on the oral statements of the respondents. It was found that 7% of the respondents from the Mahabub Nagar were underage for the scheme. For example, a respondent from Ghattu village who is around 45 years was included in the scheme on 'hereditary grounds'.

82.5% of the respondents stated that they were included in the scheme after 2005, particularly after 2007 because of hike in the amount from 75 to 200 rupees. 84% of them came to know about the pension scheme from the Panchayat Sarpanch, the main source of information about the pension scheme. Identification of the beneficiaries was mostly being done by the Sarpanch.

This study has found that many eligible people were not included in the scheme because of political bias. Party politics games are highly visible in Mahabub Nagar district. A large number of non-beneficiaries reported that they are discriminated against excluded because of their political affiliations with the opposition party. This study also found that caste is another factor which has greater influence in the process of identification of beneficiaries. Generally, Panchayat Sarpanches who are in power give preference and large share to persons of their own caste.

The beneficiaries from villages, where the bio-metric method is in operation complained about standing for a long time in queues. Sometimes bio-metric machine takes a lot of time to recognise the beneficiaries because their finger prints have become blurred. This is ultimately causing a lot of delay to get the pensions.

Another important issue is that those who have crossed 80 years are supposed to get 500 rupees per month according to the central government guidelines. However, the Government of Andhra Pradesh is not implementing the central guidelines. Instead, the eligible ones receive only 200 rupees as pension.

This study has also assessed how the pensioners used the money. The majority of the respondents (85%) reported that they spent it exclusively on food, i.e., breakfast and tea. Another interesting fact that the study has found is that the Christian respondents give 10% of their pension money as tithes to the church. About 13.5% of the total respondents were found to be spending their pension on health care and medicine alone. A very negligible proportion of respondents felt that the pension made them financially self-dependent, gained dignity and self-respect.

Alok, Kumar, et. al., (2011), in 'Assessment of Old Age Pension Scheme in Rural Uttar Pradesh: A Preliminary Analysis' and Government of India. (2009), in 'Evaluation Report on National Old Age Pension Scheme Jammu & Kashmir,' found that this scheme has brought about dignity and self-respect to the beneficiaries. Interestingly, this study has brought out that 99% of all the respondents from both regions felt that they gained neither dignity nor self-respect or respect within the family and society. Therefore, the second hypothesis *IGNOAPS has brought the dignity and self-respect in beneficiaries* is proved to be false. 100% of the respondents suggested that pension amount needs to be increased and 82.5% suggested that this need to be increased up to Rs. 500.

Finally, the objective of the scheme is "to provide social assistance and social protection benefits to poor or destitute aged, aims at ensuring minimum national standards in addition to the benefits that the states are currently providing or might provide in future," is only partially fulfilled in Andhra Pradesh, because the amount is very less which do not even meet their minimum daily basic needs.

### **Suggestions or Recommendations for Policy Actions**

- Majority of the beneficiaries spend the little amount on food, which shows that malnutrition is prevalent among the aged in the rural areas. Therefore, the government should introduce certain schemes like the Mid-Day Meals Scheme for the children and similar ones even for the aged, or else include these in the existing scheme.
- Government should introduce the biometric system through banks for disbursement of the pension in all the Gram Panchayats, so that it can reduce corruption and delay.
- Government should allow all the eligible people to apply for any of the schemes under the NSAP schemes. The condition of only one pension in one family must be removed.
- The government should see the responsibility that has been given to the Gram Sabha and SHGs for the purpose to identify the beneficiaries, to be enhanced, so that political intervention by the Gram Sarpanch and political parties can be reduced.
- Union and State Governments should encourage NGOs to work exclusively for the aged people in rural areas.



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## **Appendix - 1**

### **Union Government Guidelines for IGNOAPS in July 2010**

The NSAP shall be implemented in the states in accordance with the general guidelines applicable to all the schemes of the NSAP as well as the specific conditions applicable to each scheme. The general guide lines are mentioned below. The NSAP includes five schemes as its scale of central assistance under NSAP as follows:

1. Indira Gandhi National Old Age Pension Scheme (IGNOAPS): 200/- rupees per month per beneficiary.
2. Indira Gandhi National Widow Benefit Schemes (IGNWPS): 200/- rupees per month per beneficiary.
3. Indira Gandhi National Disability Pension Scheme (IGNDPS): 200/- rupees per month per beneficiary.
4. Annapurna Scheme: 10 kg of food grain (wheat or rice) per month per beneficiary.
5. National Family Benefit Scheme (NFBS): 10000/-rupees to the bereaved household.

For all pension schemes of NSAP, the states are urged to contribute at least an equal amount so that a pensioner receives at least 400 rupees per month. Any scheme of social assistance operating in the state / UT with central funds provided for the National Social Assistance Programme (NSAP) should carry the name of the appropriate component of the NSAP.

The state government should:

1. Ensure wide and continuous publicity to the benefits or beneficiary under the NSAP and the procedures for claiming them through posters, brochures, media and other means. They shall ensure that application forms are widely available in local languages. Procedure for verification of applications should be prompt and simple. Sanction should be expeditious. Delays and malpractices should be eliminated in disbursement. Adequate accounting arrangements should be instituted to enable proper post-audit. Every effort should be made through these and all other means to ensure that only eligible persons obtain the benefits.
2. Subject to these and other guidelines issued by the government of India from time to time, suitable procedures may be instituted for the implementation of the Programme and the government of India should be kept informed. They may also comply with any modifications that government of India may indicate, based on review. In the procedures so instituted, the District Programme Coordinator (DPC), the Addl. DPC, the Programme Officer (PO), the Assistant Programme Officer (APO) should be designated and the delegation of powers should be prescribed.
3. Inform the government of India the number of beneficiaries under each scheme of the NSAP. In order to facilitate smooth flow of funds to the implementing agencies and to ensure prompt disbursement of benefits under NSAP, the state/UT governments should establish such mechanism so as to ensure timely disbursement of benefits.
4. Constitute state level committees for implementation, review and evaluation of NSAP. Also identify/create out of their own resources, the DPC, Addl. DPC, PO & APO of suitable rank at the district and block level with supporting staff for effective implementation of NSAP.

The panchayats/municipalities should be responsible for implementing the Programme in their respective areas as per the following provisions.

1. The panchayats at district, intermediate and village levels shall be the principle authorities for planning and implementation of the schemes made under NSAP.
2. The functions of the panchayats at the district level are
  - a) To approve the annual action plan for implementation of all schemes under NSAP.
  - b) To supervise and monitor implementation of all schemes under NSAP

- c) To carry out such other functions as may be assigned to it by the state government from time to time.
3. The chief executive officer of the district panchayat or the collector of the district or any other district level officer of appropriate rank as the state government may decide shall be designated as the district Programme coordinator (DPC) for the implementation of the Programme in the district. In addition, an additional district Programme coordinator (ADPC) of appropriate rank shall be designated for assisting the district Programme coordinator.
4. The district Programme coordinator and additional district Programme coordinator shall assist the panchayat at the district level in discharging its functions under this Programme and any scheme made.
5. The district Programme coordinator and additional district Programme coordinator shall be responsible for the efficient implementation of the schemes in the district in accordance with the provisions of this Programme and the guidelines made.
6. The functions of the district Programme coordinator and additional district Programme coordinator are
  - a) To prepare an annual action plan for the implementation of all schemes under NSAP. This should include among other tasks, a calendar of activities for carrying out annual verification, social audit, awareness campaign and holding of medical camps.
  - b) To give wide publicity to NSAP and its procedures.
  - c) To coordinate with Programme officers to ensure that the applicants receive the benefits under the scheme as per their entitlements.
  - d) To monitor implementation of the Programme.
  - e) To carry out periodic field inspection and annual verification.
  - f) To redress the grievances of the beneficiaries and applicants.
  - g) To prepare progress reports and utilization certificates as per the demand of state government and central government.
7. The state government shall delegate such administrative and financial powers to the district Programme coordinator as may be required to enable him to carry out his functions.
8. The functions of the panchayats at the intermediate/ block/ mandal level are
  - a) To supervise & monitor the tasks to be undertaken as part of the action plan.
  - b) To supervise & monitor implementation of all schemes under NSAP.
  - c) To carry out such other functions as may be assigned to it by the state government from time to time.
9. At every panchayat at intermediate level, the state government shall appoint an officer who is not below the rank of block development officer as Programme officer (PO). In addition, an assistant Programme officer (APO) of appropriate rank with such qualifications and experience as may be determined by the state government shall be designated for assisting the Programme officer.
10. The Programme officer and the assistant Programme officer shall assist the panchayat at intermediate level in discharging its functions under this Programme and any scheme made there under.
11. The Programme officers and assistant Programme officer shall function under the direction, control and superintendence of the district Programme coordinator.
12. The functions of the Programme officer and the assistant Programme officer are
  - a) To carry out the tasks of the action plan
  - b) To sanction pensions and family benefit and to ensure payment to the beneficiaries.
  - c) To supply each gram panchayat with the approved list of beneficiaries under the schemes of NSAP.
  - d) To monitor the disbursement of pensions and other benefits in the gram panchayats.
  - e) To ensure that regular social audits of all works within the jurisdiction of the gram panchayat are carried out by the gram sabha and that prompt action is taken on the objections raised in the social audit.
  - f) To make available all relevant documents including the list of beneficiaries, disbursements made and other connected books of account and papers to the gram sabha for the purpose of conducting the social audit.

- g) To deal promptly with all the complaints that may arise in connection with the implementation of the scheme within the block.
  - h) To carry out any other work as may be assigned to him by the district Programme coordinator or the state government.
13. The state government may, by order, direct that all or any of the functions of a Programme officer shall be discharged by the gram panchayat or a local authority.
14. The functions of the panchayats at the village level (gram panchayat) are:
- a) To identify the beneficiaries in the gram panchayat area as per the recommendations of the gram sabha.
  - b) To prepare a list of eligible beneficiaries after considering the recommendations of the gram sabha.
  - c) To forward list of eligible beneficiaries to the Programme officer for verification and sanction.
  - d) To supervise & monitor prompt disbursement of benefits.
  - e) To conduct regular social audits of all the schemes of NSAP within the gram panchayat.
15. For the urban areas the state government may designate the municipal officer as the Programme officer. In addition, more than one assistant Programme officers with such qualifications and experience as may be determined by the state government shall be designated for assisting the Programme officer. The ward committees should discharge the functions of the gram panchayats in the municipal areas. In general the structure followed for implementation of NSAP in urban areas may correspond to the Programmes of the Ministry of Housing and Urban Poverty Alleviation for urban poor.
16. The state government shall make available to the district Programme coordinator and the Programme officers necessary staff and technical support as may be necessary for the effective implementation of the scheme.
17. The state government shall, by order, determine appropriate grievance redressal mechanisms at the district and block level dealing with any complaint by any person in respect of implementation of the scheme and lay down the procedure for disposal mechanism of such complaints.
18. Every grampanchayat shall nominate one or two or three volunteers for each habitation who should help identify and assist the eligible beneficiaries in getting their benefits. Such volunteers should preferably be women members of SHGs. These volunteers should also inform death of any present pension beneficiary or any primary bread winner to the gram panchayat/ Programme officer/district Programme coordinator or the district call center. They should also help in annual verification of the beneficiaries and the conduct of social audit and medical camps.

### **1). Identification of Beneficiaries**

For the purpose of prescribing the criteria of belonging to a BPL household, identification of beneficiaries should be made from the BPL lists prepared by the states according to the guidelines issued by the government of India from time to time. BPL lists prepared by the states on the basis of norms prescribed by Ministry of Rural Development would be applicable in rural areas. Similar lists prepared by states following norms by Ministry of Urban Development and Poverty Alleviation would be applicable in urban areas or any other norms set by states for urban areas may also be followed. The government of India reserves the right to review these criteria and suggest appropriate revised criteria for identifying whether a beneficiary belongs to a household below the poverty level or not. Age indicated in birth certificate issued by the Registrar of Births and Deaths, school certificate and ration card may be taken into account. In the absence of any valid document, a medical certificate issued by a medical officer at least of the rank of assistant civil surgeon or by the revenue authority may be taken as proof of age.

State government shall organize camps at least once in a year at block level to judge the percentage of disability and to issue disability certificates. The gram panchayats/municipalities should play an active role in the identification of the beneficiaries under all the schemes of NSAP. An annual survey shall be conducted by the gram panchayat/municipality and it shall be compared with the approved BPL list. This should help to enumerate all eligible persons under the schemes of NSAP so that universal coverage is achieved. The identification could be based on

- (i) Application by the candidate or

- (ii) Own volition of gram panchayat/gram sabha or
- (iii) Report of any other competent authority.

In all such cases, the application form has to be filled up.

## **2). Application and Verification**

Application should be registered in a register and proper receipt should be given. If the application form is incomplete, it is the responsibility of the concerned functionary to have it completed. The list of applicants should be displayed at the gram panchayat office. The assistant Programme officer shall be designated as “verification officer” for verification of applications under NSAP. The name of the verifying officer has to be displayed in the block/taluk, etc. The same has to be displayed on the wall of the gram panchayat office. The application has to be verified within a specified period and should not exceed one week from which application has been submitted. After verification, the approval of sanctioning authority has to be sought.

## **3). Sanction and Appeal**

The Programme officer shall be designated as the “sanctioning authority” in the district. After receipt of applications which are already verified, this authority should convey approval to the applicant in the form of a sanction order with a copy to the gram panchayat/municipality. The time for the process of application from the time of receipt upto sanction or rejection should not exceed two weeks. In case of rejection, the ground for rejection has to be recorded and has to be intimated to the beneficiary with a copy to the gram panchayat/municipality. In case of rejection, the applicant may prefer first appeal to the sanctioning authority who has rejected the application and the second appeal to the district Programme coordinator. The list of beneficiaries to whom sanctions are issued should be displayed at the gram panchayat office and updated every three months. A file containing photocopies of all applications, the register recording receipt of applications and sanction orders and rejections shall be kept open and accessible for inspection at the gram panchayat office.

## **4). Sanction Order and the Pensioner’s Passbook**

The sanctioning authority should issue a sanction order under his seal in the prescribed format. Every beneficiary who has been a sanctioned pension under the schemes of NSAP shall be issued a Pensioner’s passbook. The passbook shall contain a copy of the sanction order, particulars of the pensioners, disbursement details and verification details.

## **5). Allocation of Central Funds**

The requirement of states under NSAP forms part of budget estimate of the Ministry of Finance the requirement of union territories forms part of the budget estimate of the Ministry of Home Affairs. Funds are released to the states by the Ministry of Finance and to the UTs by the Ministry of Home Affairs. The state-wise allocation of Additional Central Assistance (ACA) is made by the Ministry of Rural Development in consultation with the planning commission. The ACA provided to the states/UTs under NSAP shall be utilized by the states/UTs only on present schemes under NSAP or any other schemes which may be included in the NSAP in the future.

In order to ensure that a minimum level of expenditure is incurred on the welfare schemes, it has been decided that the Additional Central Assistance to the states must constitute a genuine additionality over and above the normal allocation of the state for such welfare schemes as reflected in the state’s budget, both under plan and non-plan. The states /UTs must, therefore, provide a Mandatory Minimum Provision (MMP) for these schemes under their own budget. This mandatory minimum provision would be calculated as equivalent to the states’ budget provision or actual expenditure, whichever is higher for these schemes since the year 2000-01. It is expected that the states/UTs would increase their own budget provisions for the welfare schemes over and above the MMP, depending upon their resource position. The states/UTs shall intimate the distribution of the total ACA over various schemes adapted by them to the Ministry of

Rural Development within a month after the state's allocation of ACA is conveyed to them. The Ministry of Rural Development should monitor the expenditure of the ACA during the year.

#### **6). Release of Funds**

The releases of the Additional Central Assistance (ACA) to the states should be made by the Ministry of Finance (in respect of UTs by the Ministry of Home Affairs) until December of the financial year on the recommendation of the Ministry of Rural Development. The release of ACA for the last quarter of the financial year i.e., for the three months of January, February and March would depend upon the reporting of satisfactory progress of implementation of the schemes and utilization of funds by the states/UTs. In order to become eligible for release of funds during the last quarter, states have to fulfill the following conditions:

1. At least 50% of the total available funds must be utilized by the states by 31<sup>st</sup> December of the financial year so that the ACA for the remaining three months of that financial year, i.e., January, February and March can be released. The proforma for "expenditure statement" has to be furnished.
2. The state shall also furnish "utilization certificate" for the funds released during the previous financial year to the Ministry of Rural Development. In case of UTs, the utilization certificate has to be furnished both to the Ministry of Rural Development and Ministry of Home Affairs.
3. Opening balance, closing balance, funds received, total available funds and expenditure incurred shown in "expenditure statement" and "utilization certificate" should match with the figures furnished in the Monthly Progress Reports (MPR).
4. The utilization position as on cut-off date i.e. 31<sup>st</sup> December must be reported by the states/UTs by 15<sup>th</sup> January to the Ministry of Rural Development, who after examination of these reports should make suitable recommendation to the Ministry of Finance/Ministry of Home Affairs regarding the release of funds for the three months of the last quarter.
5. The proposal for release of funds during the last quarter has to be submitted online.

#### **7). Release of Funds to the Implementing Departments**

The state finance department should pass on the ACA amount received from the central government to the implementing departments immediately and not later than 15 days. States should make adequate provision in their budget which may be recouped as and when central funds are released. Further states should release funds regularly and establish an appropriate mechanism which should enable timely and monthly disbursement of pension and other assistance under NSAP.

#### **8). Disbursement of Pension through Bank/Post Office Accounts**

Disbursement of pension under NSAP shall be made through bank/post office accounts, whichever is feasible. Accounts may be opened in the post office/bank by the beneficiary himself or at the behest of the state government. The application form /sanction order issued by the state government may be taken as a proof for fulfilling *Know Your Customer* (KYC) norms. Department of Financial Services, Ministry of Finance has issued instructions not to all nationalized bank to open no frill account for the beneficiaries of pension schemes. Further, department of economic affairs, Ministry of Finance have amended post office saving bank rules permitting opening of zero balance account of pension beneficiaries.

The spread of banks and post offices across the country is not even. Crediting the pension amount into the bank/post office may not entirely serve the purpose since the old age pension beneficiaries may find it difficult to travel to the nearest bank/post office branch. In order to deliver the pension at the door step, banking correspondent/banking facilitator model may be adopted as per the instructions issued by the Reserve Bank of India (RBI).

#### **9). Data Base of Beneficiaries and NSAP-MIS**

The National Social Assistance Programme-Management Information System (NSAP-MIS) is a transaction based software of three schemes of IGNOAPS, IGNWPS and IGNDPS. In order to enhance transparency and to implement NSAP effectively:

- (i) Database of all beneficiaries shall be made available in the public domain.
- (ii) NSAP software should be developed and operationalized for the purpose of capturing disbursement beneficiary-wise. The NSAP software viz. NSAP-MIS has already been developed and it needs to be operationalized by the states. Its features are as follows: The NSAP website is available at (<http://nsap.nic.in>) It comprises at present of MIS/transaction-based software of the scheme IGNOAPS.

#### **10). Beneficiaries Database**

The states are required to maintain a database of eligible beneficiaries and upload it in the public domain. The beneficiary data should include all the details of the beneficiary including his/her photograph. Since belonging to a BPL family and having a BPL Identity Card (ID) is a condition for getting the pension for new beneficiaries, the proposed link with the BPL database should be used to avoid duplication of pensioners.

#### **11). Legacy Data**

This legacy database is required to be uploaded on the NSAP website. For this purpose, legacy data formats for IGNOAPS, has been placed on the NSAP website. Since legacy data is very large in number, it can be entered in the legacy data formats which are downloadable from the NSAP website and entered offline (without continuous use of internet) and sent to the Ministry/*National Informatics Centre* (NIC) Delhi for processing and uploading. The data should be complete in all respects and the mandatory fields must be filled. The new pensioners' data needs to be entered online.

#### **12). Process Flow for New Beneficiaries**

For new pensioners, the data entry should be made directly on the NSAP website, using the state/district/sub-district logins. The identification form of a new beneficiary is filled by the “application receiver”, the verification is done by the “verifying officer”, the sanctioning and issue of sanction order is done by “sanctioning authority”, and disbursement is done by the Pension Disbursing Authority (PDA). There are separate logins created for each role in the whole procedure.

#### **13). Fund Flow**

The fund flow contains the estimation of funds required, allocation and release. Estimation is done from bottom up i.e., village to ministry, as per number of beneficiaries and allocation and release is done from top to down i.e., ministry to state to district, upto the level of the PDA, taking into account the fund available at each level.

#### **14). Pension Disbursing Authorities**

State governments are required to appoint and indicate the “pension disbursing authority”. Depending upon the mode of disbursement, the PDA can be created at state/ district/sub-district/gram panchayat level.

#### **15). Acquittance Roll**

In order to disburse pension to the beneficiaries under the jurisdiction of a PDA, the gram panchayat wise acquittance roll is to be generated every month and used for disbursing the pension. The acquittance roll would indicate the name of the beneficiary and the amount due to her/him.

#### **16). Updating of the Disbursement Ledger**

Once the pension has been disbursed and the disbursement details of the pensioners, amount paid, signatures of pensioner are taken on the acquittance roll, these details need to be updated in the disbursement ledge in NSAP website to enable updating of disbursement to the beneficiaries for information of pension due for future and for updating fund availability status with the PDAs for further allocation.

### **17). Discontinuation**

There is a provision of entering the result of the periodic /annual verification. In case a pensioner fulfils the conditions of discontinuity, he / she is discontinued from receiving the pension until he /she appeals and the sanctioning authority feels the need to continue her /him as pensioner.

### **18). National Advisory Committee (NAC), State & District Level Committees**

An advisory committee should be established at the all India level by the central government to assist the Ministry of Rural Development in the monitoring and evaluation of the NSAP and to advice on matters related to its effective implementation. The national advisory committee (NAC) should review implementation of the schemes of NSAP in various states, assess adequacy of funds available with different states and should suggest suitable policy recommendations. The NAC should be chaired by union minister for rural development and its members may include 5 representatives from the related ministries or departments of the central government, upto 5 members of parliament, 10 non-official members who are active in the civil society organization and 5 secretaries from state governments. The NAC may meet at least twice in a year.

The state/UT committee should be constituted by the state government. Such committees may meet at least twice in a year. State advisory committee should review implementation of schemes of NSAP in the state, assess adequacy of funds available with different districts and should suggest suitable recommendations. The state advisory committee should be chaired by the minister of nodal department and its members may include representatives from the related departments in the state, upto five members of the legislative assembly, ten non-officials members who are active in the civil society organizations and five district collectors by rotations. The state level committee may meet at least twice in a year. This committee should be responsible for implementation, monitoring and evaluation of the Programme and matters concerned therewith and to report to the government of India.

### **19). Monitoring by the States**

The states/UTs should have the flexibility to implement the schemes through any department state government. They should, however, designate a nodal secretary at the state level to report the progress of implementation by co-coordinating with different departments concerned with the implementation of the schemes. Non-reporting of the physical and financial progress reports should be construed as lack of progress and, therefore, may result in the non-release of ACA for the last quarter of the financial year. Since the ACA allocations for the schemes lapse at the end of the financial year, these installments cannot be released during the next financial year, even if a state government reports progress subsequent to the cut-off dates, fixed as above.

### **20). Monthly Progress Reports**

State governments are required to intimate physical and financial progress under different schemes of NSAP to the central government. For this purpose, monthly progress reports (MPRs) have been prescribed. The MPR-I and MPR-II have to be furnished online by the state government department by the 15<sup>th</sup> of every month. The MPR - III to VI have to be furnished online by the district level officials by 15<sup>th</sup> of every month. In addition, annual report (AR-VII) has to be furnished online by the state government once in a year regarding the state sponsored social assistance schemes. Once NSAP-MIS is operationalized, the MPRs should be generated automatically.

### **21). Nodal Officers Meeting**

All the state governments are required to designate an officer of appropriate rank, other than the secretary of the concerned departments as a nodal officer of NSAP. The nodal officer is responsible for furnishing of monthly progress reports and any of the information required by the central government from time to time.



The nodal officer is also required to attend the nodal officers meeting which is to be held every month by the Ministry of Rural Development.

## **22). Performance Review Committee (PRC)**

The progress of various rural development Programmes are reviewed by the secretary of the Ministry of Rural Development with the secretaries of the concerned departments in the state government during PRC meetings held at the end of every quarter. The progress of NSAP is also included as one of the agenda items during the PRC meetings.

## **23). Area Officers**

Area officers should be designated from among officers/staff by Ministry of Rural Development, state governments and district level for field verification. Area officer's report should be shared for improving implementation of various schemes.

## **24). National Level Monitors**

National level monitors (third party monitors) are appointed by the Ministry of Rural Development to undertake field visits and report to the central government regarding implementation of various rural development Programmes. The NLMs are assigned to different states and are supplied with questionnaires of different schemes for the purpose of assessment of implementation of schemes in the ground level. The NLMs are also asked to review implementation of schemes under NSAP and the concerned state government departments are required to give assistance and cooperation to NLMs for carrying out such assessment. The reports of NLMs should be shared with the concerned state governments to improve the implementation of the various schemes of NSAP.

## **25). Annual Verification**

Annual verification of each and every beneficiary under NSAP shall be carried out by the states/UTs. Annual verification should preferably be carried out during the 1<sup>st</sup> quarter of the financial year. The state government may constitute special teams for the purpose, if necessary, which may include persons from the civil society or social organizations that are active in the area concerned. After verification, pension should be discontinued in the event of death, migration and ineligibility of a beneficiary. After completion of the annual verification exercise, a report should be prepared and submitted to the district officer. The report may contain the number of beneficiaries verified, number of pension cases discontinued for various reasons and the number of pension cases restored. The number of beneficiaries verified should be reported to the Ministry of Rural Development in NSAP-MIS.

## **26). Social Audit**

Participation of the public in decision making and policy execution is one of the tenets of good governance. If the members of the society particularly, the stakeholders of a scheme are involved in scrutinizing and evaluating the implementation of the scheme at the field level, the learning can help to implement the scheme in a more effective manner and the shortcomings, if any, found and brought the fore could be eliminated. It is precisely for this purpose that 'social audit' is essential in the implementation and the monitoring of the schemes under NSAP. Social audit not only leads to the refinement of the schemes but also enhances transparency and accountability, and also helps redress grievances in public matters.

Social audit is to be conducted by the gram sabha, social audit under NSAP should be held at least once in every six months. Hence, one of the agenda items of at least two gram sabhas convened by the gram panchayat during the year needs to be the "conduct of social audit for schemes of NSAP". The announcement of the social audit should be made by the district officer at least 30 days in advance. For each social audit by the gram sabha, the gram sabha should elect for itself, a social audit committee

comprising the current beneficiaries of the schemes under NSAP. The gram panchayat/block/district officer shall ensure that all relevant information such as names, addresses, mode of disbursement of pension, amount of pension disbursed etc. about the beneficiaries residing under the jurisdiction of that gram panchayat is made available to the social audit committee at least 15 days in advance. The committee should verify the information if necessary by physically visiting the beneficiaries so as to ensure that no ineligible person is getting the benefit and that all eligible persons are sanctioned pension and are receiving pension regularly.

The social audit committee should read out its findings publicly in the gram sabha on the scheduled date for the social audit. The staff implementing the Programme at the gram panchayat/block level shall also be present during the social audit. People shall be given an opportunity to seek and obtain information from the gram panchayat and the officials concerned and verify records. The action taken report relating to the previous social audit shall be read out at the beginning of each social audit. The minutes of the social audit held shall be recorded by the secretary of the gram panchayat and signed by all the participants, and sent to the district officer. The number of gram panchayats where social audit has been held should be reported to the Ministry of Rural Development in the NSAP-MIS.

## **27). Administrative Expenses**

State governments are permitted to utilize upto 3% of the NSAP funds spent during the year towards administrative expenses to streamline implementation of schemes under NSAP is subjected to the following conditions. The provision is meant to carry out structural reforms as indicated by the central government in effective implementation of NSAP schemes.

**Items of expenditure permissible:** Activities permissible under administrative activities are as follows:

- (a) Printing and issue of pension cards
- (b) Organizing camps for issue of disability certificates to disability pension beneficiaries by the medical authorities
- (c) Information, Education and Communication (IEC) awareness generation activities:
  - Preparation and dissemination of IEC material.
  - Community mobilization.
  - Use of media.
  - Printing of application forms for schemes under NSAP.
  - Household contact campaigns.
- (d) Training-implementing officers, officials of PRIs, other stakeholders:
  - Training need assessment.
  - Development of training modules and materials.
  - Organization of training programs.
  - Current impact assessment of trainings.
  - Exposure visits.
  - Use of distance education methods.
- (e) MIS:
  - Collection of data.
  - Electronic processing.
  - Report generation.
  - Transmission.
- (f) Quality supervision:
  - Monitoring.
  - Annual verification.
  - Conducting evaluation studies and impact assessment studies.
  - Social audit.
- (g) Setting up of grievance redressal systems:
  - Help lines at state/district level.
- (h) Engaging professional services:
  - For any of the activities permissible under administrative expenses>
- (i) Operational expenses:

- Expenses related to the implementation of NSAP such as bank/post office charges, charges relating to engagement of business correspondents by banks, use of common service centers.

(j) Stationery related to computational processes/MIS.

#### **Items of expenditure not permissible**

Items of expenditure which are not permissible include:

- (a)Salaries/remunerations/honoraria of functionaries already engaged by the Government/PRI/any other implementing agency
- (b) Purchase of new vehicles and repair of old vehicles
- (c) Civil works

#### **Onetime expenses**

Under administrative charges, onetime expenses should be allowed on the following items:

- (a) Augmentation of computational facilities at the block level
- (b) Almirahs for record-keeping and functional furniture.

#### **28). Other Conditions**

The administrative expenses should be met from the unspent balance available with the state government and should not be released separately. Administrative expenses are over and above the expenditure the states have already or are likely to incur in implementation of NSAP schemes and not meant to replace them. Administrative expenses should be permissible subject to

1. States identifying/creating and implementing the structure of DPC, ADPC at district level and PO & APO at block level along with the provision of supporting staff.
2. States following the minimal process including annual verification and others as prescribed by GOI from time to time.
3. The state should distribute the administrative expenses under NSAP among the state headquarters/districts/blocks.
4. Expenditure incurred on administrative expenses should be intimated by the state government to the central government at the end of every financial year.
5. The provision of administrative expenses under the scheme of NSAP has been made effective from the financial year 2010-11.

#### **Source:**

- Ministry of Rural Development, (2011). 'NSAP Draft guidelines July 2010', *Government of India*, New Delhi. Web accessed on 19<sup>th</sup> October 2011. From <http://nsap.nic.in/guidelines.html#>

## **Appendix - 2**

### **Government of Andhra Pradesh Guidelines for the IGNOPS**

#### **1). Eligibility Criteria to Old Age Pension**

- i. The proposed beneficiary shall be from a BPL family.
- ii. The age of the applicant shall be 60 years or higher.
- iii. He/she should be a local resident of the district.
- iv. He/she is not covered under any other pension schemes.

#### **2). Procedure for Identification of Beneficiaries**

In the case of Andhra Pradesh under Indiramma Programme, the government of Andhra Pradesh has constituted a committee for implementation-cum-monitoring at the gram panchayat level headed by the sarpanch. The committee is constituted with one member from the Rajeev Yuva Shakti Group, one member from women SHG, three local persons having interest in development activities. Panchayat secretary is the member convener. The panchayat secretary shall collect the applications from all the beneficiaries and place before the Indiramma monitoring committee for approval. After obtaining the approval of the Indiramma monitoring committee, the same list should be placed in the gram sabha. The panchayat secretary shall send the gramsabha approved list to the Mandal Parishad Development Officer (MPDO) who in turn should send it to District Rural Development Agency (DRDA). The DRDA shall enter the information of the identified beneficiaries into the website. Based on the list of eligible persons as uploaded in the website, district-wise allocation of pensions is done by the government. After receiving the district-wise allocations from the government, the MPDO shall sanction the list submitted by the panchayat secretary after due enquiry.

#### **3). Disbursement Process**

In order to bring in uniformity in the process and to ensure that payment of all types of pensions are done on a single day i.e., 1<sup>st</sup> of every month, the government of Andhra Pradesh has brought in certain reforms in the mode of distribution of pensions. The district collectors shall notify the venue once in a year for the distribution of pensions for all habitations. He/she should also designate one official for each village who should disburse the pensions. In some villages, the village organization which is a federation of the self-help groups should also disburse the pensions. DRDAs should distribute software generated acquittances list and money through DD/cheques to the village level designated functionary through mandal/municipality level functionaries. VO/panchayat secretary/ward level designated functionary shall disburse the pensions on the 1<sup>st</sup> of every month at the notified venue and undistributed pension amount if any, shall be distributed on the 5<sup>th</sup> in the same venue. The undisbursed pension amount should be returned to the DRDA along with acquittances through mandal/municipality level functionaries by the 8<sup>th</sup> of every month. The DRDA shall update the database based on acquittances and upload to website by the 15<sup>th</sup> of every month.

#### **4). Sanctioning Authority**

In rural areas the MPDO is the sanctioning authority for all pensions in favour of eligible persons recommended by the gram sabha. In urban settings the municipal commissioner is the sanctioning authority in respect of all pensions, in favour of eligible persons recommended by the municipal ward sabha.

#### **5). Sanction Procedure for New Pensions**

Government should make district-wise allocation of new pensions to be sanctioned under the Indiramma Programme. The district collector shall allocate mandal-wise/municipality-wise pensions based on eligible pensioners identified in the gram sabhas /ward sabhas. The MPDO/municipal commissioner shall make

panchayat-wise/ward-wise allocation based on the eligible pensioners identified in the gram sabhas/ward sabhas. The procedure is given in detail below:

- a. The gram sabha/ward sabha resolution recommending the pensions to the eligible persons shall be sent by the panchayat secretary/bill collector to the MPDO/municipal commissioner.
- b. Gram panchayat/ ward shall maintain a separate register on pensions. Part-A of the register contains list of the all the persons who are receiving pensions and Part-B contains list of eligible persons identified in the gram sabha/ward sabha who have not been sanctioned pensions.
- c. The register should be sent to the MPDO/municipal commissioner along with the gram panchayat/ward resolution.
- d. The MPDO/ municipal commissioner scrutinizes the eligibility of the persons recommended by the gram sabha/ward sabha and draws up the list of new pensioners, keeping in view the number allotted to each panchayat/ward.
- e. The sanction proceedings should be given by the MPDO/municipal commissioner in the format given in annexure-I.
- f. Copies of the sanction proceedings should be sent to the project director, DRDA for maintaining the database and also to the pensioners in the village/ward. A copy of the same shall also be sent to the village organization/municipality for securing greater transparency.
- g. The names of the persons who are sanctioned pensions shall be rounded off in the part-B of the register and shall be added to part-A of the register with the proceedings number. The entries made in the part-A should be duly authenticated with the seal of the MPDO/municipal commissioner at the end of the list. The register along with copies of the sanction proceedings shall be returned to the gram panchayat/ward.

#### **6). Sanction Procedure for Filling up Death Vacancies**

Whenever a pensioner dies, the gram panchayat/ward in consultation with the village organization/ office bearers of Development of Women and Children in Urban Areas (DWCUA) should select the most deserving person from the Part-B of the register so that the new pensioner receives pension from the next month onwards. The procedure to be followed is detailed below.

- a. The criteria for selection is given below.
  - i. In the case of old-age pensions, old widows shall be given first preference.
  - ii. The person who is older (either male or female) shall be given preference over the rest, in the case of old age pensions.
  - iii. Person with a higher degree of disability shall be given preference in the case of disability pensions.
- b. The MPDO/municipal commissioner after satisfying herself/himself with the selection shall issue the sanction orders within 10 days of receipt of the resolution which are handed over to the pensioners through the panchayat secretary/ bill collector, with copies to the project director, DRDA, the gram panchayat/ward and the village organization/ office bearers of DWCUA.
- c. The name of the newly sanctioned pensioner should be entered in the part-A and shall be deleted from the part-B of the register.
- d. The sanctioning authority shall have the right to stop/ recover payments of any pension sanctioned on the basis of faulty or mistaken information about eligibility.
- e. Entire selection process till payment of pension should be completed within 30 days.

#### **7). Distribution of Pensions**

- 1 The pension scheme shall be managed by the project directors, DRDA through the computer software called Social Security Pensions Software (SSPS) developed by the department of rural development.
- 2 All types of pensions shall be distributed to the pensioners on the 1<sup>st</sup> of every month in every habitation/ward. The district collectors shall notify the date and place for distribution of pension habitation/ward wise in the local newspapers in the last week of March every year and also

- communicate the list of places to the people's representatives to enable them to be present at as many places as possible on the day of distribution.
- 3 The pensions shall be distributed in public at the gram panchayat building or at a government school building or any other government institution in every habitation/ward.
  - 4 The presence of the people's representatives such as MLAs, elected representatives of Panchyat Raj Institutions (PRI) bodies and members of Indiramma monitoring committee shall be solicited to oversee the disbursement of pensions. Wherever they are present, their signatures shall be obtained on the acquittance list to record their presence at the time of distribution of the pensions.
  - 5 The acquittance list with the signatures/thumb impression of the pensioners in token of having received pension together with the list of death cases/temporary migration cases and undisbursed amount shall be submitted to the mandal/municipal office on the 1<sup>st</sup> evening itself by the functionary authorized for the distribution of pensions by the collector.
  - 6 On the day of distribution of pensions i.e., on the 1<sup>st</sup> of every month, a communication shall be sent to those pensioners who have not been able to come on that day to receive the pensions 4 days later i.e. on the 5<sup>th</sup> of the month at the same site.
  - 7 The MPDO/municipal commissioner shall collect the acquittance lists pertaining to all villages/wards, prepare mandal acquittance abstract and prepare utilization certificates by the 8<sup>th</sup> of every month and hand over the 3 documents to Project Direct (PD), DRDA along with the demand draft for un-disbursed amount.
  - 8 The updating of the data base based on the acquittance received shall be completed by DRDA by the 15<sup>th</sup> of every month.

#### **8). Roles & Responsibilities of Various Functionaries**

The commissioner of Rural Development is responsible for the release of funds to the district collectors based on the allocation made by the state government.

##### **a) Chief Executive Officer (CEO), Society for Elimination of Rural Poverty (SERP)**

- i. The CEO, SERP closely monitors the pension scheme & submits monthly reports to the government on the funds utilized and district wise no of pensions disbursed.
- ii. He is responsible to submit utilization certificates for the amounts disbursed on quarterly basis to the government.
- iii. He is also responsible to maintain the welfare pensions website which shall be updated by the 15<sup>th</sup> of every month.
- iv. The CEO should commission evaluation studies once a year and submit a comprehensive report to the government on the implementation of the pension scheme.

##### **b) Project Director, District Rural Development Agency**

- i. Should administer the pension scheme in the district in such a way that the pensioners should receive pensions on 1<sup>st</sup> of every month without fail.
- ii. Releases funds to the MPDOs and conduct quarterly review with them.
- iii. Maintains a central database using the software provided and updates the welfare pension scheme website on a monthly basis.
- iv. Maintains accounts and gets them audited.
- v. Sends monthly report to the CEO, SERP.
- vi. Puts in place a strategy to strengthen and build the capacities of Mandal Samakhya (MS) and Village Organizations (VO) to gradually shift to disbursement of pensions through the CBOs.

##### **c) Mandal Parishad Development Officer/Municipal Commissioner**

- i. MPDO/municipal commissioner is the sanctioning authority for pensions in rural / urban areas.
- ii. Releases funds to the panchayat secretary/bill collector reviews with the panchayat secretaries/bill collectors on the implementation.
- iii. Reports to the mandal parishad/municipality about the implementation of the scheme.
- iv. Reviews on a monthly basis death vacancies and their filling up with eligible beneficiaries with the panchayat secretary/bill collector.
- v. Sends utilization certificate, acquittance and monthly report to the DRDA the by 12<sup>th</sup> of every month.
- vi. Maintains accounts and gets it audited every year.
- vii. Redressal of grievances.

**d) Panchayat Secretary/Bill Collector**

- i. Shall disburse pensions directly to the pensioners in the village/ward in the presence of sarpanch/ward member and the members of gram panchayat/ward on 1<sup>st</sup> of every month at a public place in every habitation/ward.
- ii. The panchayat secretary/bill collector shall furnish acquittance countersigned by sarpanch/ward Member within a week to the MPDO/municipal commissioner.
- iii. The panchayat secretary/bill collector shall also provide to the MPDO/municipal commissioner a list of death-vacancies that have occurred.
- iv. Shall maintain the pension register and shall update it every month.
- v. Shall report the death vacancy to the gram panchayat/ ward within 2 days of the vacancy having occurred.
- vi. Shall forward the resolution of the gram sabha/ward sabha to the MPDO/municipal commissioner selecting beneficiaries against the new sanction.
- vii. Sends monthly report to the MPDO/municipal commissioner.
- viii. Returns undisbursed amounts to the MPDO/municipal commissioner by the month end.

**9). Implementation Strategy by District Administration**

1. No person shall be given pension unless financial approval is given by the district collector and executive chairman, district rural development agency.
2. Expenditure incurred for the amount i.e. in excess of computer generated estimated amount shall be deemed as irregular expenditure and project directors should be personally responsible for the lapse.
3. The district collectors shall adopt election type approach for achieving highest efficiency in the distribution of pensions. The strategy should cover the following processes:
  - a) Notification of date and venue for distribution of pensions.
  - b) Appointment of designated functionaries for each habitation for distribution of pensions.
  - c) Establishment of distribution centers by opening special counters at mandal offices/municipal offices for distribution of computer generated acquittance list to the designated functionaries for distribution of pensions together with the cash.
  - d) Appointment of supervisory officers for overseeing distribution of pensions on the 1<sup>st</sup> to 5<sup>th</sup> of every month.
  - e) Distribution of undisbursed pensions to be made on 5<sup>th</sup> of the month by the same designated officials.
  - f) Collection of acquittance and undisbursed cash on 1<sup>st</sup>/5<sup>th</sup> evening by setting up reception centers in every MPDO office /municipal offices.
  - g) Submission of 1) acquittance list 2) mandal/ municipal abstract 3) utilization certificate and 4) DD for undisbursed amount to project director, district rural development agency by 8<sup>th</sup> of every month.

- h) The project director, district rural development agency shall open special counters for receiving the 1) acquittance lists 2) mandals/municipal offices abstract 3) utilization certificates and 4) DD for undisbursed amount from every MPDO/municipal commissioner and cross check whether entire undisbursed amount is received.
  - i) Updating the database based on acquittance and uploading to web-site by 15<sup>th</sup> of every month.
4. In the districts which are utilizing the services of mandal samakhya/village organizations network for disbursement of pensions, the project director of DRDA shall release money through DDs/cheques to mandal samakhya which in turn should have distribution counters to distribute DDs/cheques to the Village Organizations (VO). The village organizations shall distribute pensions on the 1<sup>st</sup> of every month in every habitation in the gram panchayat or government school building or in any other government institution in the presence of sarpanch/GP members. They should obtain signature of people's representatives on the acquittances wherever they are present. Undisbursed pensions if any shall be distributed again on the 5<sup>th</sup> in the same venue by the village organization. Undisbursed amount and acquittances shall be returned to mandal samakhya on the 5<sup>th</sup> evening itself. Acquittances and undisbursed amount along with mandal abstract and utilization certificate shall reach district rural development agency from mandal samakhya by the 8<sup>th</sup> of every month.

#### 10). Process through Social Security Pensions Software (SSPS)

Transactions made through the Social Security Pensions Software (SSPS)

1. District collector shall issue financial approval to the pensions mandal/municipal wise in the first week of every financial year. Financial approval shall be generated only through SSPS live data base containing names of the pensioner's mandal/municipal wise.
2. As and when new pensions are sanctioned by the MPDO/municipal commissioners to fill the death vacancies or vacancies arising due to permanent migration<sup>47</sup>, or in case of additional quota allotted to the mandal/ward, the sanction proceedings of the MPDO/municipal commissioner shall be communicated to the DRDA. The DRDAs should update the database with the particulars of the newly sanctioned pensions. In all such cases, supplemental financial approval for each mandal/ward should be generated by the computer and communicated to the mandals/wards after obtaining approval of the district collector.
3. Every month, the District Collector should issue a release order in the following format.

Sl. No.	Name of the Mandal	Number of pensions to be distributed	Amount

4. A copy of the same should be placed with the village organization, MS, MPDO/municipal commissioner and project director, DRDA.
5. The note file has to be generated through software only.
6. The DRDA after obtaining the approval of the District Collector should issue the proceedings along with the cheques and acquittance lists.
7. The District Collector shall issue authorization to all MPDOs/municipal commissioners to sanction new cases as and when additional quota is allotted.

#### 11). Accounts

- a. DRDA shall maintain separate accounts for each type of pension at the district level.

<sup>47</sup>Migration of the pensioner for more than six months shall be treated as permanent migration and the names of such pensioners shall be deleted from the live list and it should be treated as vacancy.



- b. Panchayat secretary/bill collector shall furnish utilization certificates to the MPDO/municipal commissioner by the 8<sup>th</sup> of every month and MPDO/municipal commissioner in turn shall furnish UC to the project director, DRDA by the 12<sup>th</sup> of every month.
- c. The accounts shall be audited every year at MPDO/municipal commissioner level and audit reports along with UCs should be furnished to the project director, DRDA.
- d. The accounts at the DRDA level shall be audited every year and pension-wise audit reports, utilization certificates should be furnished by the project director, DRDA to the CEO, SERP every year.
- e. The PD, DRDA shall furnish annual accounts in respect of all pensions to the Accountant General Office, Hyderabad every year marking a copy to the CEO, SERP.

## 12). Registers

- a. Pensions register consists of four sections, each section for each type of pension. Each section should have two parts, part-A and part-B. Part-A contain names of all existing pensioners and Part-B consist of list of eligible persons identified in the gram sabha / ward sabha who have not been sanctioned pensions.
- b. Project director, DRDA shall maintain a pension wise master register/database for all pensions separately.
- c. Gram panchayat/ward and MPDO/municipal commissioner shall maintain pension registers and should enter the disbursements, death, new sanctions,etc. from time to time. The panchayat secretary/bill collector shall update the register once a month.
- d. A copy of the same should be placed with the village oraganization, MS, MPDO/municipal commissioner and project director, DRDA.

## Source

- Ministry of Rural Development, (2011). 'About Pensions', *Government of Andhra Pradesh*, Hyderabad. Web accessed on 12<sup>th</sup> October 2011. From [http://www.rd.ap.gov.in/ssp/ssp\\_note\\_170108.pdf](http://www.rd.ap.gov.in/ssp/ssp_note_170108.pdf)
- Ministry of Rural Development, (2011). 'About Pensions', *Government of Andhra Pradesh*, Hyderabad. Web accessed on 12<sup>th</sup> October 2011. From [http://www.ssp.ap.gov.in/Info\\_Rural.aspx](http://www.ssp.ap.gov.in/Info_Rural.aspx)