Journal of Rural Development, Vol. 28, No. (4), pp. 439 - 449
NIRD, Hyderabad.

IMPLEMENTATION OF THE OLD AGE PENSION SCHEME IN VISAKHAPATNAM DISTRICT, A.P. – A STUDY

B.Devi Prasad *
*and N.Komali Salomi***

ABSTRACT

The present article aims at assessing the implementation of the National Old Age Pension Scheme (NOAPS) in Visakhapatnam district. The study focuses on the aspects relating to the identification of pensioners, perceptions of the pensioners about the disbursement and management of funds and on the new initiative in the management of the old age pension scheme entrusted to a SHG Samakhya. Multi-stage sampling method was used to select a sample of 185 old age pensioners from 18 villages chosen randomly from 9 mandals of the district. As part of the study, two leaders of the SHG Samakhya, village level functionaries, and one functionary at DRDA level were interviewed. The study highlights the role of political influence at the level of identification of the beneficiaries and throws light on the procedures adopted by the officials in enlisting the pensioners and the pensioners' opinion about the implementation of the NOAPS in Visakhapatnam district, Andhra Pradesh (A.P).

Background of National Old Age Pension Scheme

The National Old Age Pension Scheme (NOAPS) was introduced nation wide in 1995. It comes under the National Social Assistance Programme (NSAP) of Government of India. The NOAP is one of the direct transfer 'means-tested' schemes initiated by the Central government with the major objective of providing financial assistance to old people having little or no regular means of subsistence.

Under the NOAPS, central assistance is available to the beneficiary on fulfilment of the following criteria: (a) the age of the applicant (male or female) should be 65 years or more, and (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.

Regarding coverage of the scheme, one estimate suggests that only 10 per cent of the elderly population in India is served by this scheme (Rajan, 2004). For example, while in Kerala around 20 per cent of the aged have some access to certain kinds of pension (Dev,1994), only 10 to 15 per cent of the elderly hold this privilege in other states. Pension levels may vary across states from Rs.75 to Rs.500 per month with the contribution of the states. At present in A.P, it is Rs. 200 p.m. The age of eligibility may also vary. This scheme is implemented in the state and union territories through panchayats and municipalities.

Coming to the selection of beneficiaries and administrative arrangements, gram panchayats and local urban self-governments are expected to play an active role in the identification of beneficiaries under the NOAPS, once the State Government has communicated targets.

* Professor, Department of Social Work, Andhra University, Visakhapatnam. Email ID: bdeviprasad@yahoo.com
** Head, Department of Social Work, Visakha Govt. Degree College for Women, Visakhapatnam (P.G. Courses). Email ID: komalis@rediffmail.com

Beneficiaries are expected to submit certificates of age, and proof of their destitute status. The District Rural Development Agency (DRDA) headed by the District Collector with the assistance of the panchayats implements the Scheme. Panchayats are also responsible for reporting the death of a pensioner, and have the right to stop or recover payments sanctioned on the basis of false information. Funds are released directly to the district collectorates through the DRDA in two instalments a year. While funds are routed through the district collectorates, the approval of pensioners is done through the sub-collectors and the MPDOs. The village secretaries at the village level do the actual implementation.

Some of the strengths and weaknesses in the implementation of the scheme are:

Strengths

* Small amounts of benefits, a delivery mechanism that limits access to large funds, and a direct transfer of funds to the individual pensioner without room for middlemen has led to the NOAPS being a fairly well-targeted scheme, with relatively low levels of political or bureaucratic corruption.
* Another advantage of the NOAPS lies in the low handling costs of disbursements.
* Although the assistance provided was minimal compared to their basic needs, beneficiaries expressed their appreciation since it gave independence, self-respect and stability to them. Mander (2008:95) graphically describes how important the pension card to a pensioner is. In fact, government assistance being a perennial source of support increased their credit-worthiness with local shopkeepers who now do not hesitate to advance micro loans and small amounts of provisions to meet older person's day-to-day needs.

Weaknesses

* One of the NOAPS's major weaknesses is in the scope for arbitrary decisions over eligibility for the scheme and there were reports about corruption during the process of the selection of beneficiaries (International Management Institute, 2001).
* Thus, although pensions are distributed in an open forum (for ex: the *Gram Sabha*), the selection of beneficiaries had been prone to much political influence. This happens because of the fact that the number of eligible people in a village is greater than the number of pensions that are sanctioned. Mander (2008:96) in his study reports that one of the respondents whom he interviewed expressed that she had to touch the feet of the sarpanch in order to get her name enlisted for the pension. This shows how arbitrary decisions and political interference play a role in the identification of the pensioners.
* Another source of weakness is that beneficiaries are not powerful enough to exercise political pressure for the release of funds, resulting in irregular payments (Nayak et al; 2002).
* Similarly, there are too many players involved in the implementation of the Scheme from top to the bottom.
* It was found that while in some states benefits were distributed once in two months (International Management Institute, 2001), in others there was no fixed frequency for distribution.

Background Details of the Scheme in Andhra Pradesh and Visakhapatnam District

Andhra Pradesh has a history of providing old age pensions with the initiation of an old age pension scheme introduced as far back as in 1961, though the amount provided was not modified until 1990. In 1984, another scheme providing pensions for agricultural labourers was also launched. With the introduction of the National Old Age Pension Scheme nation-wide in 1995, and in the State, the earlier programmes have been scrapped.

As of June 2007, the total number of old age pensions in the State and Visakhapatnam district are 1626083 and 73643, respectively. In 2006, AP Government took a decision to enhance the number of old age pensions under Indiramma Programme. As a result of the addition of new pensions under the programme, the current number of old age pensions in the states rose to 2169511. The pension amount was also enhanced from the existing Rs.100 to Rs.200 p.m. w.e.f. 1-4-06.* In Visakhapatnam district, the pensioners rose from 63336 to 73643 to 89923, of the total pensioners in the district, women constitute 70.4 per cent. In terms of caste-wise break-up of the total pensioners in Visakhapatnam district (DRDA, 2005), scheduled castes constituted 11.5 per cent, STs 25 per cent, BCs 37.3 per cent and other castes 26.2 per cent.

The Government was taking special care regarding the disbursement of pensions regularly every month. It is instructed that the panchayat secretaries should disburse the pension amount on 5th of every month i.e. the pension for the month of June 2006 should be disbursed on 5th July 2006. A pensioner is given an ID number and an ID card. The payment of pension should be posted in the pension card, which is available with the pensioner.

The specific objectives of the present study are:

* To study the socio-demographic profile of the old age pensioners and the processes relating to the identification of pensioners, and disbursement of pensions.
* To study the new initiatives in the management of the old age pension scheme such as by SHG, Samakhya.
* To ascertain the perceptions of the pensioners regarding the implementation of the Scheme and
* To offer recommendations for the better implementation of the Scheme.

Method

Sources of Data : Keeping in view the above objectives, data for the study were collected from the pensioners, and from functionaries of one SHG Federation.

A three-step process was used to draw the sample of old age pensioners.

* First, 9 mandals at the rate of 3 mandals per revenue division** were selected.
* In the second step, 18 villages/wards were selected at the rate of 2 villages/wards per mandal. A random procedure was adopted in these two steps.
* In the third step, 185 pensioners were selected from these villages using a systematic sampling method.

Data Collection Instrument : A structured interview schedule was used to collect data from the pensioners. The schedule for the pensioners covered aspects relating to their socio-demographic profile, economic status of the pensioners and their families, processes relating to the identification of pensioners, disbursement of pensions and suggestions for the betterment of the scheme. The schedule was pilot tested on 10 pensioners during the initial phase of the field-work and after carrying out necessary modifications, it was finalised. For the purpose of the study, a pensioner was defined as per the scheme's definition as 'a person of 65 years and above, and a destitute having little or no regular means of subsistence from his/her own source of income or no financial support from his/her family members'. A checklist of questions was used to interview the functionaries of SHG Samakhya, villagers, the village secretary and one

* G.O. Ms. No. 89, PR & RD (Rd. 11) Dept. Dated: 29-03-06.

** Visakhapatnam is divided into three revenue divisions comprising a total of 43 mandals. The three revenue divisions are: 1. Visakhapatnam, which includes both rural and urban, 2. Narsipatnam (rural), and 3. Paderu (tribal). Under Visakhapatnam (U), there are six municipalities.

functionary at DRDA level. The checklist elicited information about the identification, sanction, and filling up of vacancies, management of OAP funds, and about the strengths and weaknesses of the SHGs in managing the old age pension scheme. Individual interviews were conducted using the checklist.

Experiences During Data Collection : The data collection for the study was done in July 2005. Initially interviews with pensioners took around 45 minutes but later the duration of interview came down to 30 minutes. The pensioners were very cooperative and there were no refusals. In some tribal villages where the language spoken by them was not understood by the investigators, the local educated youth acted as interpreters.

RESULTS

Socio-demographic Profile of Pensioners

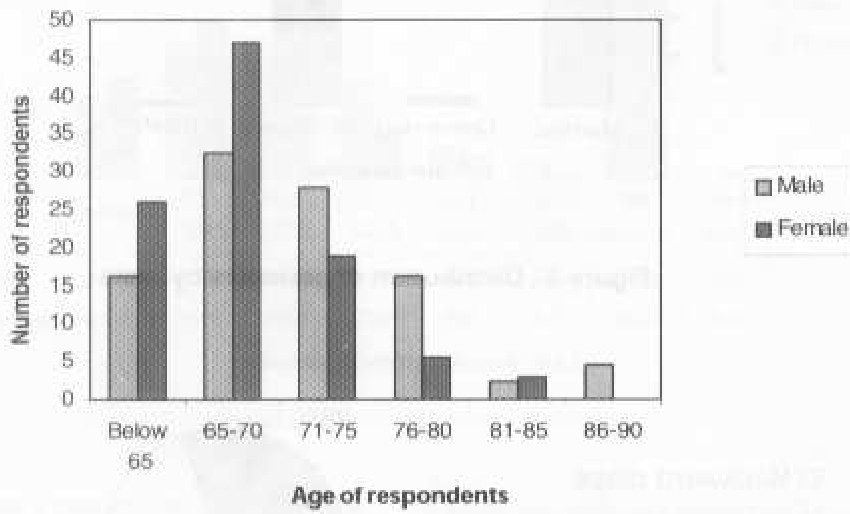
Of the total sample of pensioners, a majority i.e., 77 per cent are women and 23 per cent are men. Table 1 provides details of the sample.

Table 1 : Percentage distribution of the demographic characteristics of the sample pensioners

Characteristics	Men (N=43)	Women (N=142)	Total (N=185)
Age			
Below 65	16.3	26.1	23.2
65-70	32.6	47.2	43.8
71-75	27.9	19.0	21.1
76-80	16.3	5.6	8.1
81-85	2.3	2.8	2.7
86-90	4.7	-	1.1
Religion			
Hindu	48.8	65.5	61.6
Muslim	-	3.5	2.7
Christian	9.3	7.0	7.6
Marital Status			
Married	62.8	7.0	20.0
Unmarried	2.3	0.7	1.1
Widowed	34.9	91.5	78.4
Caste			
Other Caste	18.6	16.2	16.8
Backward Class	32.6	47.2	43.8
Scheduled Caste	9.3	12.0	11.4
Scheduled Tribe	39.5	24.6	28.1
Type of Family			
Nuclear	30.2	19.7	22.2
Joint	11.6	15.5	14.6
Extended	30.2	26.1	27.0
Staying alone (family members present)	14.0	20.4	18.9
Staying alone (no family members)	14.0	18.3	17.3

It can be seen that around 44 per cent of the pensioners are in the age group of 65-70 years, followed by about 21 per cent in the 71-75 age group. It may be noted here that 23.2 per cent of the sample had been identified falling below the eligibility age of 65 years. In this group, more women below 65 years of age were found. Further, there are more women in the 65-70 age category and as the age increased, the proportion of men increased as compared to women (Figure 1).

Figure 1 : Age distribution of the pensioners by sex



As regards religion and caste, the sample is predominantly Hindu (61.6 per cent), backward class (44 per cent) followed by a significant percentage of scheduled tribe respondents (28 per cent). Most pensioners belonged to extended and nuclear family types (27 and 22 per cent) and very few (15.6 per cent) reported to be living in joint families. The average family size (excluding the pensioner) with whom the pensioner is currently staying came to 4 members. A significant finding was that around 36 per cent of the pensioners reported staying alone of whom 17.3 per cent do not have a family at all. Around 19 per cent said that they were living alone even though they had a family. In many instances the family members are reportedly living in the same village..

In regard to the marital status, around 92 per cent among the women pensioners and about 35 per cent of male pensioners were widowed. Very few women (7 per cent) and a majority of the men were in the married category. The marital status and caste distribution of the pensioners is shown in Figures 2 and 3, respectively.

Now, what is the socio-economic background of the pensioner's family? For this purpose, the occupation and income background of the head of the family (HoF) of the pensioner was ascertained. Figure 4 shows that nearly half of the HOFs are daily wage labourers and about 35 per cent reported having no occupation at all. The heads of families of female pensioners appeared to be more impoverished as most of them were not engaged in any occupation (36 per cent) as compared to HOFs of male pensioners (28 per cent). The other occupations figured were: petty business, caste-based occupations such as dhobi, blacksmith, barber, weaver etc.

Figure 2 : Marital status of the pensioners by sex

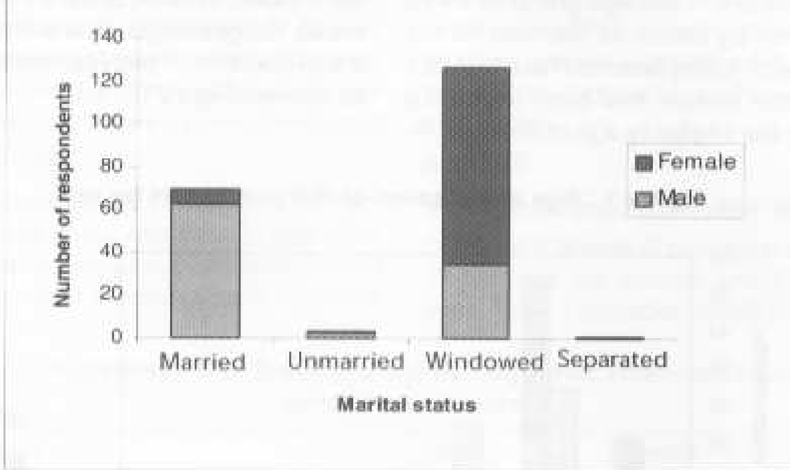


Figure 3 : Distribution of pesioners by caste

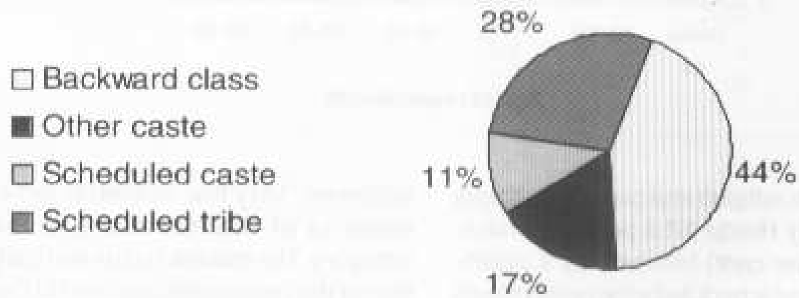
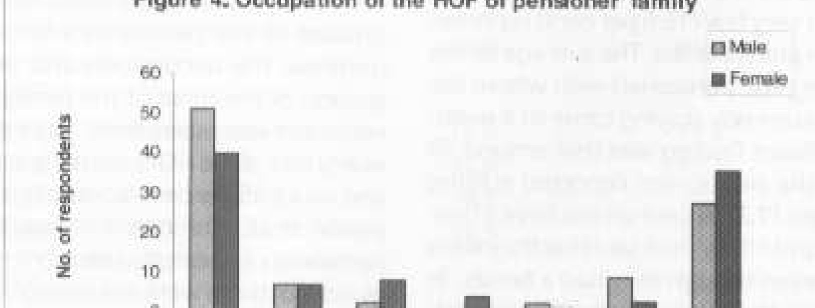


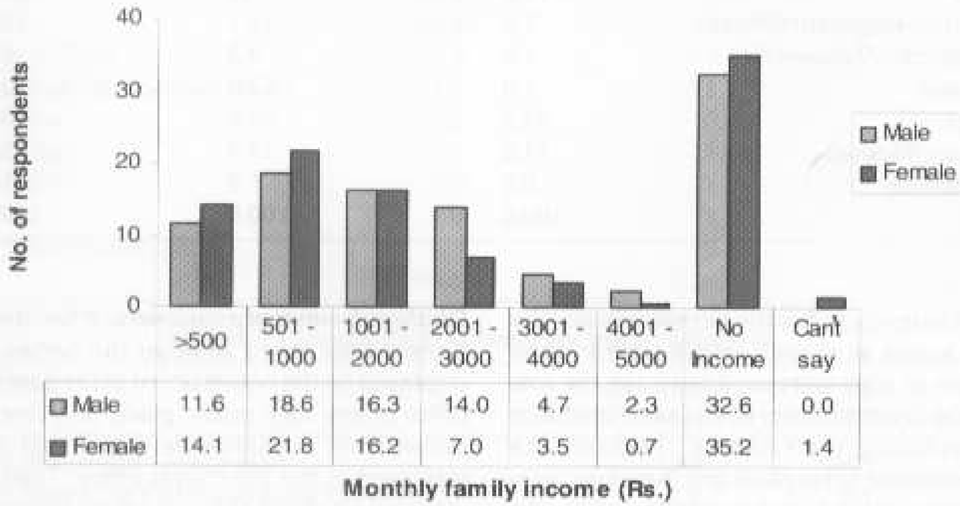
Figure 4: Occupation of the HOF of pensioner' family



	Daily Labour	Caste Based	Petty Business	Semi-skilled	Others	House wife	No Occupa-tion
Male	51.2	7.0	2.3	0.0	2.3	9.3	27.9
Female	40.1	7.0	8.5	4.2	1.4	2.8	35.9

Occupation of the head of the household

Figure 5 : Monthly income of the pensioner's family



	>500	501 - 1000	1001 - 2000	2001 - 3000	3001 - 4000	4001 - 5000	No Income	Can't say
Male	11.6	18.6	16.3	14.0	4.7	2.3	32.6	0.0
Female	14.1	21.8	16.2	7.0	3.5	0.7	35.2	1.4

Moreover, a look at their income status confirms their poverty further. Nearly half did not have any income whereas about 35 per cent reported a monthly income of Rs.1000 and less (Figure 5). Again it is observed that more number of families of women pensioners are from lower income range as compared to families of male pensioners.

Identification of Pensioners : An important aspect of the old age pension scheme was the identification of eligible pensioners, and filling up the vacancies whenever they arise. As per the guidelines of the scheme, the identification is to take place in the Gram Sabha*. Information from the pensioner about the identification of pensioners in general and the pensioner in particular, was collected. A variety of factors were mentioned as instrumental in enlisting their names under the scheme, with no reference to any processes relating to Gram Sabha. The results clearly show the role played by political and bureaucratic influence in the process of identification of pensioners. Thus, sarpanch (40.5 per cent) in the rural context and corporator (10.8 per cent) from urban wards were mentioned as the persons who were instrumental in identifying the pensioners. The other actors mentioned were: village secretary, village development officer, mandal development officer, former village officers such as Karnam and Munsab, and ward members. Some pensioners said that they submitted an application to the sub-collector and MDO (Table 2).

The Constitution of India defines Gram Sabha as "a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level. The 73rd amendment to the Constitution of India has made it compulsory to have a Gram Sabha in every Panchayat. Article 243-A of the Indian Constitution stipulates: 'A Gram Sabha may exercise such powers and perform such functions at the village levels as the legislature of a state may, by law, provide'.

Table 2 : Procedure followed/actors involved in the identification of pensioners

Procedure/ actor	Male (N=43)	Female (N=142)	Total (N=185)
VDO/VS	14.0	14.8	14.6
Mandal Development Officer	7.0	12.7	11.4
Janmabhoomi/Talayari/R.I	7.0	9.2	8.6
Corporator	7.0	12.0	10.8
Sarpanch	53.5	36.6	40.5
Ex-Karnam/Munsab	11.6	13.4	13.0
Ward Member	0.0	1.4	1.1
Total	100.0	100.0	100.0

Evidently, either the pensioners saw the above actors as mainly responsible in their inclusion or they were unable to see the role played by Gram Sabha or even Gram Panchayat in short-listing their names. Perhaps, the processes were not in place and therefore, were not visible enough to be mentioned by the pensioner. Further, an exploration into the rural/ urban/tribal differences in terms of identification of pensioners revealed that in urban context only the corporator was mentioned as the person responsible in identifying the eligible pensioners. In rural mandals, the MDO/VDO and the village secretaries (VS) were mentioned as the key persons in the identification process. In tribal region, the actors seem to be more diverse which included the sarpanch, MDO, VDO/ VS and *talayari*.

Implementation of the Scheme : Next, the pensioners were asked whether they were happy about the way pension was distributed. Around 85 per cent of the pensioners expressed their happiness and the rest their unhappiness. There were different reasons for unhappiness. Of the 28 pensioners who expressed their unhappiness, 14 related it to the irregular disbursement, and 7 mentioned about the *mamul* taken regularly at the time of giving pensions. About 4 pensioners mentioned that the amount was not sufficient while the remaining said that they had to walk long distances to claim their pension.

Display of names of pensioners: When the pensioners were asked whether the names were displayed on the notice board of the panchayat office or any such public place, only one pensioner from Ayyannapalem said that it was displayed in the panchayat office. Then, they were asked about the procedure followed to inform the pensioners about their status. Table 3 shows the different ways through which the pensioners come to know about the disbursement of pension.

It seems *talayari* informs most (52 per cent) of the pensioners. Pensioners were also informed through panchayat office (11.8 per cent), village secretary, and by the corporator in the case of urban wards. Some pensioners (16 per cent) said that they would come to know that there would be pension disbursement when the staff came to obtain their thumb impression.

Suggestions from Pensioners : The pensioners were asked to offer their suggestions to improve the functioning of the old age pension scheme. Table 4 lists out the pensioners' suggestions. They are mostly about increasing the amount of pension, regularity in payment, covering eligible elderly and about eliminating corruption at lower levels (collection of Rs.5 by *talayari*) while disbursing pensions to the elderly.

Table 3 : Procedures and methods of informing the pensioner

Procedure	Male (N=43)	Female (N=142)	Total (N=185)
Secretary	13.2	5.7	7.5
Talayari	63.2	48.0	51.6
Corporator / Staff	7.9	7.3	7.5
Through staff taking finger prints	13.2	17.1	16.1
Gram Sabha	2.6	0.0	0.6
Village Elders	0.0	1.6	1.2
Self-enquiry	0.0	1.6	1.2
Sweeper	0.0	3.3	2.5
Through Panchayat Office	0.0	15.4	11.8
Total	100.0	100.0	100.0

Table 4 : Suggestions offered by the pensioners

Suggestion	Male (N=43)	Female (N=142)	Total[a] (N=185)
Increase the amount of pension	10.8	26.5	37.3
Pension should be increased to Rs.150 or Rs.200 [b]	0.5	8.1	8.6
Should be given on 5th of every month	1.6	4.3	5.9
Pension should be given regularly	3.3	12.9	16.2
Pension should be given directly to the pensioner at home	1.6	4.9	6.5
Pension should be given to eligible elderly	2.2	2.7	4.9
Not to take bribe (Rs.5)	0.5	3.8	4.3
No Response	5.4	24.9	30.3

[a] Percentages do not add to 100 because of multiple responses.

[b] At the time of the study, the pension was Rs. 100.

More specifically, around 37 per cent of the total pensioners asked for increase in the amount of pension which was Rs. 100 at the time of the study, and about 9 per cent said it should be increased to Rs.150 or Rs.200. About 16 per cent of the pensioners suggested that the pension should be given regularly and 6 per cent said that it be given on 5th of every month. A few suggested that for those pensioners who were physically incapacitated due to illness or advanced age, pension might be given at their doorstep. A few expressed concern over collection of Rs.5 at the time of payment of pension. This, they said, should be stopped. A considerable majority did not offer any suggestion.

SHG Samakhya Managing the OAP Scheme: A New Initiative

The A.P. Government proposed to give the management of old age pension schemes in some selected mandals to some of the best functioning SHG Samakhyas of the area. In 2004, this idea was discussed in one of the Mandal Mahila Samakhyas and it was decided to give the responsibility of managing the OAP Schemes to a Samakhya on an experimental basis. This Samakhya took charge of the management of the pensions scheme in 2004 and at the time of study was managing 273 pensions of the village. The functionaries of the Samakhya and the pensioners, villagers, and the village secretary were interviewed for the purpose of ascertaining the strengths and weaknesses of the initiative.

Advantages of involving SHGs in the disbursement of Pensions

* Political interference in the identification of pensions was reduced. This fact was acknowledged both by the pensioners and by the villagers.
* As the women members are insiders to the village and know the older persons, it ensured identification of deserving people.
* SHG women are given an opportunity to participate in the government – sponsored development programmes.
* It brought down operational costs.
* The Rs.5 bribe to *talayari* was eliminated.
* More effective outreach: SHG members disbursed pensions at the doorstep of some pensioners who were very old or suffering from illness. This gesture was appreciated by the pensioners and the villagers.

Suggestions and Conclusions

On the basis of the above analysis, the following major findings were arrived at:

1. A quarter of the sample pensioners falling below the eligibility age, and quite a few with family support or with a "not so poor" background figuring under the scheme show that the modalities of identification of deserving destitute aged needs to be strengthened further. Evidence shows that political influence, lack of supervision by such systems as Gram Sabha or lack of systems in place in urban context, and official's role are contributing to this situation. Therefore:

   There is a need to sensitise the panchayats about the role played by Gram Sabha in selecting deserving elderly for the scheme and about the eligibility criteria for inclusion under OAP.

   * The list of pensioners of the village (including vacancy position) should be displayed in panchayat office or in any other public place to ensure transparency and accountability.
   * The SHGs/SHG Samakhyas in the village may be given the responsibility of involving themselves in the identification/filling up of vacancies of beneficiaries.

2. Many pensioners including public are not aware that the Government is keen on disbursing pensions on 5th of every month. Similarly, a majority of the pensioners reported ignorance about the raise in the pension amount and the date from which the raise was effected. Therefore, wide publicity at the village level be given immediately about the fixed date of disbursement, raise in the amount of pension given, and about the date from which the raise came into effect.

3. At the level of delivery of pension amount, the village *talayaris* in almost all mandals and the village secretaries in a very few instances were directly collecting small amounts as *mamuls* from the pensioners. Because of uncertainty about the date of delivery of pension, the pensioners depend on the communication that they receive from the *talayari*/village secretary and therefore, probably feel obliged to pay those amounts to them. Such practice seems to be prevalent in most of the mandals and it is a leakage at the delivery end of the scheme. For example, calculating on higher side, around 3 lakh 80 thousand (76024 pensions*Rs 5) would flow out every month to people who are part of the delivery mechanism in the district. Moreover, it was reported that in big villages, disbursement of pension is continued for more than a week. Therefore:

   Fifth of every month should be adhered to strictly to avoid unnecessary anxiety for the destitute elderly and undue advantage to the lower level staff to indulge in corruption.

* The logistics pertaining to the time taken to disburse pensions in a big village should be worked out and wherever needed more personnel or SHGs should be involved to finish disbursement within one day.

4. Instances of keeping the pensioners' cards in the custody of staff disbursing pensions came to light. Therefore, such practice should be strictly curtailed, as it will lead to more serious exploitation of the destitute aged.

5. In a considerable number of cases, especially from women, came the suggestion to increase the amount to Rs.150 to Rs.200. Also greater levels of impoverishment and lack of familial support among women pensioners has come to light. Therefore,

* The age criteria be relaxed (60 years) for women with preference given to women during identification process.

6. The initiative of SHG Samakhya managing the old age pensions was found to be practical, efficient and could bring down operational costs. Therefore, more Samakhyas may be given opportunity to manage pensions either on their own, or on a shared basis in big villages. Similarly, some form of minimal training should be imparted to the SHG Samakhyas managing the pension scheme. Best practices in this initiative could be documented and disseminated to serve as examples elsewhere.

References

Dev, S.M. (1994), 'Social Security in the Unorganised Sector: Lessons from the Experiences of Kerala and Tamil Nadu States', *Indian Journal of Labour Economics, 37 (4), 83 –94.*

International Management Institute (2001), 'Impact Assessment Study of Rural Development Programmes in Jagatsinghpur District of Orissa', New Delhi: Ministry of Rural Development, Government of India, mimeo, p. 113.

Mander, H. (2008), Living with Hunger: Deprivation among the Aged, Single Women and People with Disability, *The Economic and Political Weekly,43(17),87-98.*

Nayak, R., Saxena, N.C., and Farrington, J (2002), Reaching the Poor: The Influence of Policy and Administrative Processes on the Implementation of Government Poverty Schemes in India (Working Paper 175), UK: Overseas Development Institute.

Rajan S.I, (2001), Social Assistance for Poor Elderly: How Effective? *Economic and Political Weekly, 36(8): 613-617.*