



GOVERNMENT OF KARNATAKA

**STUDY OF THE STATUS OF SENIOR CITIZENS IN
KARNATAKA**

OCTOBER 2020



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Executive Summary

Background

The Government of India and state government have initiated social security pension schemes for the aged, which are being implemented in Karnataka. Government of India initiated ‘National Old Age Pension Scheme’ (NOAPS) for BPL people above the age of 60 years in 1995 (renamed as Indira Gandhi National Old Age Pension Scheme or IGNOAPS in 2007). The financing of the scheme is shared by the Central and the State Governments. IGNOAPS is part of National Social Assistance Programme (NSAP). Apart from IGNOAPS, Government of Karnataka also implements the state government senior citizen pension scheme known as Sandhya Suraksha Yojane (SSY) introduced in 2007. It intends to cover the larger section of poor elderly who may not be covered through IGNOAPS. The objective of SSY, entirely funded by Government of Karnataka, is to provide financial assistance to the eligible senior citizens of Karnataka while the objective of IGNOAPS is to provide a basic level of financial support to the destitute elderly.

Given the vulnerabilities faced by the senior citizen population, it is pertinent to evaluate the senior citizen pension schemes IGNOAPS and SSY. This study by GRAAM, commissioned by KEA, evaluates the effectiveness of IGNOAPS and SSY in the state of Karnataka and its effect on the socio-economic conditions of elderly populations of the state. The objectives of the evaluation study are as follows:

- a) To analyse the functioning of IGNOAPS and SSY and identify their contribution for the welfare of the poor
- b) To analyse the knowledge and awareness about pension schemes among beneficiaries and non-beneficiaries.
- c) To examine the enrolment process for pension schemes
- d) To study the pension disbursement mechanism
- e) To study the factors affecting the Aadhar linked DBT coverage for pension schemes
- f) To examine the adequacy of the financial assistance in providing a minimum livelihood to the old age people.

Methodology and Sampling

- This study adopted a mixed methods approach and made use of both primary and secondary data.
- Secondary data for this project came from beneficiary list of the entire state, maintained by the DSSP, Government of Karnataka.
- This study has also reviewed the good practices of other states pertaining to old age pensions.
- Primary data for this study came from quantitative and qualitative methods covering a range of stakeholders.
- The quantitative data largely came from a survey which covered a large sample of 6087 beneficiaries (2994 IGNOAPS beneficiaries + 3093 SSY beneficiaries) and 112 non-beneficiaries.
- On the qualitative side, data came from 105 In-depth Interviews or IDIs of functionaries at various levels such as State level officials of DSSP, Assistant District Commissioner, Deputy Thasildar, Village Accountant and Postman.
- 33 FGDs of beneficiaries and 31 FGDs of non-beneficiaries also generated qualitative insights for the study.

Results and Findings of the Study

This study has delved into the processes and outcomes of pension provision under IGNOAPS and SSY. The results and findings of the study are as follows:

Implementation Processes

Results and findings on enrolment processes

- Most beneficiaries (70.8% SSY beneficiaries and 75% IGNOAPS beneficiaries) are submitting online applications at the Nada Kacheri or Taluka Panchayat.
- Most beneficiaries are undergoing the inconvenience of travelling alone to submit applications (87% of IGNOAPS beneficiaries and 71% of SSY beneficiaries). All the beneficiaries are further inconvenienced by having to travel multiple times to submit the applications.

- The lengthy application formats of IGNOAPS, which asks for a number of unnecessary details, makes it more burdensome for the aged beneficiaries to enrol.
- Beneficiaries also have to travel long distances to submit the applications. Rural SSY beneficiaries travelled an average of 5 km and rural IGNOAPS beneficiaries travelled an average of 6 km to submit the applications.
- Most (but not all) beneficiaries experience probity and transparency in the application process; 4.4% of SSY beneficiaries and 5.3% IGNOAPS beneficiaries had to pay transaction charges. Additional transaction charges are given at two levels: while accessing age proof from the government hospitals and/or during the submission of application at *Nada Kacheri*.
- 37% SSY beneficiaries and 37.4% IGNOAPS beneficiaries had expressed difficulty in travelling to *Nada Kacheri* to submit the applications because of old age, losing a days' pay, distance and cost of travel.
- Verification processes at application stage have been carried out for most beneficiaries. 72% of SSY beneficiaries and 78% of IGNOAPS beneficiaries had received visit for verification of documents and living conditions by the relevant government functionaries.
- Because of lacking their own mobile numbers, beneficiaries are having to state their family members' or friends' phone numbers on the application form. This makes them dependent on others for keeping track of status updates on their pension applications.

Results and findings on disbursement processes

- Pensions for both schemes are supposed to be disbursed within 2 months of application, and most beneficiaries (64.4% SSY beneficiaries and 44.7% IGNOAPS beneficiaries) receive their pensions on time or in a near timely manner (within one to three months of submitting the application).
- 19% SSY and 33.6% IGNOAPS beneficiaries receive the pension after 3 months or more after the application.
- Most beneficiaries obtain their pensions every month.
- A large share of beneficiaries (70%) have been brought under DBT coverage and their pensions are transferred directly to their bank or post office accounts, without the intermediation of village postmen.

- FGD findings show that the DBT mode of transfer leads to certain challenges for beneficiaries, especially because of poor access to banking facilities, inadequate financial literacy and lack of banking habits. It also exacerbates dependence on other family members for withdrawal of pensions.

Scheme performance in terms of coverage of elderly population

- SSY and IGNOAPS together were providing pensions to 29.32 lakh aged persons in 2015-16. Considering the old age population as per Census 2011, about 50% of the aged population in Karnataka are covered by both these schemes.
- SSY has less restrictive exclusion criteria that also allow APL beneficiaries meeting the lower income limits. SSY has complemented IGNOAPS very well in enhancing coverage of vulnerable senior citizen population in view of the ceiling on the number of beneficiaries under IGNOAPS. In the five year period 2011-12 to 2015-16, SSY's beneficiaries grew 95% while IGNOAPS beneficiaries grew by only 27%. In 2015-16, SSY covered 22 lakh beneficiaries compared to 7.2 lakh covered by IGNOAPS.

Scheme performance in terms of targeting of the vulnerable aged

- The demographic and socio-economic characteristics of the surveyed scheme beneficiaries show that the scheme is effectively targeting the vulnerable among the aged population.
- More than 80% of the beneficiaries of both schemes are from rural areas.
- The majority of beneficiaries (90% in SSY and 79% in IGNOAPS), are below 80 years, which means relatively lower coverage of super senior citizens. IGNOAPS has a relatively larger share of 80 plus aged beneficiaries (16%) as compared to 6.3% under SSY.
- While the age eligibility criteria are mostly met, a small share of beneficiaries are not meeting the lower age limits of the schemes (3.8% of SSY beneficiaries reported their age to be below 65 years and 1% of IGNOAPS beneficiaries reported their age below 60 years).
- About half the beneficiaries catered by both SSY and IGNOAPS are women. Given that the schemes cater to more single women than single men, it is evident that they are catering to the especially vulnerable sections of the aged who lack support.

- The schemes are a source of support to more than one-fifths beneficiaries who live alone or with spouse, without the support of children.
- Significant shares of beneficiaries are from the less privileged social categories. 41% of SSY beneficiaries and 36% of IGNOAPS beneficiaries belong to Other Backward Class (OBC) category. 24% of SSY beneficiaries and 20% of IGNOAPS beneficiaries belong to SCST sections.
- The illiterate aged are disadvantaged in many ways, and both schemes significantly benefit this most vulnerable group, including the women in this group. Around 79% of total beneficiary sample is illiterate. For both schemes, women constitute the majority of the illiterate beneficiaries (54% in SSY and 64% in IGNOAPS).
- For both schemes, majority of the beneficiaries are either living in *kutchha* or *semi-pucca* houses.
- SSY beneficiaries has average annual income of Rs. 12881 while IGNOAPS beneficiaries have an average annual income of Rs. 11589. Such low income levels indicates the overall income targeting of the scheme.
- While most IGNOAPS beneficiaries meet the required BPL criterion, 2% beneficiaries have made it into the scheme in spite of not being BPL, indicating the presence of inclusion errors under IGNOAPS.
- In spite of pensions, a small share of aged beneficiaries is having to work for a living. 4.6% of SSY and 11.6% of IGNOAPS beneficiaries are still working. It is a matter of concern that 3% of SSY and 8% of IGNOAPS beneficiaries in the age bracket of 80 and above are still working.

Awareness and knowledge of pension schemes

- Even though they benefit from the schemes, 46.3% SSY beneficiaries and 26.8% IGNOAPS beneficiaries were unaware about the pension schemes. Ignorance of SSY may be more since it is a newer scheme than NOAPS/IGNOAPS.
- A majority of non-beneficiaries (62.5%) are aware of the pension schemes.
- Beneficiaries aware of the pension schemes have a general, though not nuanced idea of the eligibility criterion of the schemes.

- The local elected representatives do not seem to be actively contributing to generating awareness about the schemes, since no beneficiary identified the local elected representative as the source of information about the schemes.
- Regression results show that rural, relatively younger and the less educated senior citizens, and those having lesser family income and living alone or with spouse are less aware of the scheme.

Usage and Adequacy of Pension Amount

- The pension amount (Rs 600 or Rs 1000) is not covering the entire monthly consumption expenditure of the beneficiaries, the average of which is Rs 4770/- for SSY beneficiaries and Rs 3580/- for IGNOAPS. The average expenditure-pension gap for SSY beneficiaries is about Rs 3840 and that of IGNOAPS is Rs 3040 per month.
- Beneficiaries spend the largest share of their pension on food expenses (almost 25%). 17% of the pension is spent on medication.
- Even though the pension amount is meagre, 30% of the beneficiaries share it with their family members.

Recommendations of the study

- Government should provide free Seva Sindhu service at the Gram Panchayat to enable beneficiaries to enrol closer to their homes with greater convenience.
- Gram Panchayats and SHGs should play more pro-active role in identifying eligible beneficiaries and in supporting senior citizens in submitting their applications and should be oriented about the schemes and their procedures.
- The application form for IGNOAPS should be made briefer and simpler
- DBT expansion should be combined with measures to tackle the bank access and usage barriers. Business correspondents should disburse pension amount at beneficiaries' door step.
- Grievance redressal mechanism should be operationalized to ensure time bound redressal of grievances by officers of due seniority.
- The database of beneficiaries should be put out on the public domain.

- Social audit should be conducted regularly in participatory way.
- BPL based allocation should be gradually replaced by SECC data based allocation.
- There is a need to move towards universal pension scheme by adopting more expansive inclusion criteria and less restrictive exclusive criteria.
- SHGs should be engaged for enhancing the financial literacy of beneficiaries.
- The pension amount should be raised to 50% of minimum wage or at least Rs 2000/- per month.
- The monthly pension amount should be indexed to inflation bi-annually and revised every two to three years.
- IGNOAPS should be converged with other schemes to enhance the benefits for senior citizens such as food security and health insurance.