National Social Assistance Scheme

The National Social Assistance Programme (NSAP) is a Centrally Sponsored Scheme of the Government of India that provides financial assistance to the elderly, widows and persons with disabilities in the form of social pensions.

Eligibility:

Individuals aged 18 years and above with more than 80% disability and living below the poverty line.

Amount: ₹300 (US$4.30) per month (₹500 (US$7.20) for those 80 years and above).

National Family Benefit Scheme (NFBS)

In the event of death of a bread-winner in a household, the bereaved family will receive lumpsum assistance of 40,000. The bread-winner should have been between 18–64 years of age. The assistance would be provided in every case of death of primary bread-winner in a household.

Annapurna Scheme

This scheme aims to provide food security to meet the requirement of those senior citizens who, though eligible, have remained uncovered under the IGNOAPS. Under the Annapurna Scheme, 10 kg of free rice is provided every month to each beneficiary.

Administration

The scheme is administered by the Ministry of Rural Development, Government of India. It is fully funded by the Central Government, unlike some other welfare programs where the Union government shares costs with the State Governments.

State-level initiatives in social pensions

The implementation of social pensions varies considerably across states. Through state-level initiatives, many State Governments have expanded coverage beyond BPL households by relaxing eligibility criteria and increased monthly pension amounts using state finances. One such example is Lakshmi Bai Social Security Pension Scheme, launched by Government of Bihar, to cover all widows not covered under IGNWP. This scheme is among one of the many Social Security initiatives taken up by Government of Bihar being implemented by Department of Social Welfare through State Society for Ultra Poor and Social Welfare, also known as SAKSHAM.

Relaxed eligibility criteria

Many State Governments have either stopped using the BPL methodology for identifying eligible beneficiaries or launched state-level pension schemes to increase coverage of social pensions beyond those living below the poverty line.

States such as Delhi and Haryana have moved to near-universal coverage by adopting exclusion criteria (for example in Haryana, all residents above 59 years of age with an annual income from all sources less than ₹2 lakh (US$2,900) are eligible for old-age pension).[10]

Other states have launched state pension schemes that cover individuals from non-BPL households who are not eligible for social pensions under NSAP. In Odisha, for instance, all elderly above 59 years of age and widows whose annual income from all sources is below ₹24,000 (US$350) are eligible for the Madhu Babu

Pension Scheme.[11]

As the Indira Gandhi National Widow Pension Scheme (IGNWPS) only covers widows aged 40–59, some State Governments have launched state widow pension schemes. In Chhattisgarh, the Sukhad Sahara Yojana provides a monthly pension to all widows aged 18–50.[12] The Lakshmi Bai Pension Yojana[13] in Bihar covers all widows above 18 years of age whose annual family income is below ₹60,000 (US$870).

Similarly, the Indira Gandhi National Disability Pension Scheme (IGNDPS) only covers individuals with more than 80% disability. To address this gap in coverage, states like Bihar[14] and Rajasthan[15] have launched State Disability Pension schemes that cover individuals with more than 40% disability.

Increase in pension amounts

The Government of India has urged State Governments to make matching contributions with the aim of doubling the monthly pension amounts. The table below shows monthly pension amounts in various states:

Research and evaluation

Recent studies of NSAP show that the social pension schemes are performing 'reasonably well'[34] and 'levels of leakage are low and tractable'.[35]

A 2014 study[36] by the National Bureau of Economic Research (NBER) concludes that "the Indian government should increase the pension amount to lower the risk of poverty among the elderly, and work to expand inclusion of the most vulnerable groups."

Based on a study of social pensions in three states (Delhi, Haryana and Uttar Pradesh) in 2014, the World Bank[35] makes a case for scaling up social pensions in India. The study raises four important points regarding expanding coverage of social pensions: "First, an expansion in coverage by adding more numbers (as Haryana has done) is likely to reduce the risk of exclusion of the poor. Second, expansion is unlikely to render the social pension completely regressive in its distribution or change the positive impact it has on vulnerability. Third, an increase in the size of the pension amount (for example, in Delhi) may not necessarily increase the incentive to cheat. Leakages, while present, are likely to be concentrated in particular areas and can be curbed through policy action. Fourth, while bribes have crept in the release of pensions, they can be curtailed through timely and direct disbursement of pension funds into beneficiaries' bank accounts." The study identifies the application process as the 'biggest obstacle' to expanding coverage of social pensions.

According to a 10-state survey[34] of social pensions in 2013, "there is strong evidence to support the fact that the money is reaching the intended beneficiaries without any major leakages ... evaluation of the scheme also brings to the fore issues related to the diminutive amount, inefficient disbursal mechanism, cost of collection and the lack of a fixed pattern of payment."

Pension Parishad

The Pension Parishad – an initiative to ensure universal pension to all workers in India – has been demanding that the Government of India establish a "non-contributory and universal old age pension system with a minimum amount of monthly pension not less than 50% of the minimum wage or ₹2,000 (US$29), whichever is higher."[39]

Any individual 55 years or older should be eligible for old age pension; for women, eligibility to be 50 years or older

APL/BPL criteria should not be used for exclusion

Issues and debates

Use of BPL methodology for identification of beneficiaries

There has been an ongoing debate[40][41][42][43] in India over the use of BPL status for identifying beneficiaries for social programs. This is especially true for social pensions where many poor elderly, widows and persons with disability are excluded from the NSAP as their names are not on the BPL list.[44] Many states have expanded coverage of pension schemes by including non-BPL individuals based on their annual income or using a simple exclusion criteria to exclude individuals with government jobs or those owning more than a certain amount of land.

Low monthly pension amounts

There has been severe criticism of the Government of India for not increasing the monthly pension provided to the elderly, widows and persons with disability in India. The harshest criticism came from the then Minister of Rural Development, Jairam Ramesh, who described the low monthly pension amounts as 'an insult to the dignity' of the elderly.[45] While the Government of India maintains that State Governments should make a matching contribution to social pensions, the amount would still not account for the rise in living costs over the past decade. The Pension Parishad has demanded that the government raise the monthly pension to half of the minimum wage or ₹2,000 (US$29), whichever is higher.