CHAPTER 3-6: SOCIALLY INCLUSIVE SOCIAL SECURITY: SOCIAL ASSISTANCE IN THE VILLAGES

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Rights to social security have often been concluded to be a luxury India cannot afford to generalise. In this chapter, we use village studies to examine the case for a more >socially inclusive= policy on social security. This is not as anomalous as it seems at first encounter since in the mid nineties, on the crest of the neoliberal wave when social sector budgets were being threatened, and with regressive consequences, the enabling legislation for social assistance was put through the Indian parliament. The case for state-provided >protective= social security rests residually on the poor record of >promotive= social security in reaching the weakest members of Indian society. Promotive social security is a concept covering that set of development, >anti-poverty= and welfare policies seeking to expand peoples= capabilities (Drèze and Sen, 1991); the act of relabelling policy suggests that protective social security is unaffordable. Yet promotive social security has been criticised as being ineffective at reaching those poor people who are incapable of work. The lowest percentiles of the income distribution are known to have a high incidence of individuals with special needs through advanced age, disability and sickness (including mental illness), destitution and abandonment. We have encountered such needy people already in this book. They live in the shattered, dependent households and the female households discovered in Chapters 1-4 and 3-1; they belong to households with disabled members (chapter 3-3).

A reappraisal of protective social security resulting from threats to welfare budgets is therefore very timely. Protective and promotive security do not operate independently. The two forms are interrelated. For one example, with the increased incomes derived from promotive social security, social insurance may become more feasible and protective social security less necessary. For a second example, there are 'negative externalities' emanating from promotive social security because extended life expectation increases the need for protective social security. In the rest of the chapter, we examine the roles of the state, of policy regulating market provision and of the household in protective social security. We then show what light a village level study can shed on the implementation of social assistance targeted to the neediest people.

State Mediated Protective Social Security

Protective social security , as implemented in contemporary India, covers by means of social assistance the territories of unemployment benefit (on an insurance basis), medical care, sickness and maternity benefit, family benefit, injury benefit, invalidity and disability benefits, old age pensions and survivor benefit.

If we consider India as a whole, it is now well established that protective social security is restricted to employees in the organised sector - at most 12 per cent of the work force. Within the organised sector, 'public employees are served best, or rather have ensured that they are best served' (Guhan, 1992, p. 288). It was the great majority, not some marginalised minority, that was, and is, effectively socially excluded, thereby making the concept, in its original European incarnation, inappropriate. Even so, the legal access to social protection of workers in the organised industrial sector is defective, not the least because of the widespread evasion by employers of their obligations. Furthermore, state insurance benefits (e.g. survivor benefit and old age pensions) are often inadequate, illiberal in their qualifying criteria and delayed in timing. For the vast mass of the Indian population in the >unorganised= and self employed sectors (i.e. the 'real' Indian economy), state social insurance institutions are non-existent for they have no enforceable rights to work, at work or to social security. These workers tend to have multiple simultaneous social security needs somewhat distinctive from organised (corporate and public sector) workers. They give high priority to housing, maternity and child care, survivor benefit on the death of the main earner, wage protection for sickness, occupational accidents and incapacity. Those most vulnerable are those without work, even though work does not entitle workers to social security. In India, social assistance is confined to means-tested old age pensions (in every state), provisions for destitute widows and physically disabled people (in some states) and survivor benefit for death from certain specified occupational hazards (in a few states). Old age pension coverage - the most quantitatively important of the provisions - covers under 20 per cent of those eligible below the poverty line, though there are significant differences in coverage between states.[1]

[1].Jhabvala and Subrahmanya, 2000

The Planning Commission was unforthcoming about reform of protective social security, and the silence was filled by Guhan (1992; 1994) who proposed a series of reforms to existing protective policy to make it more socially inclusive and cost effective. Because of confident predictions of declines in social welfare as a result of the reforms, [2] and if equity were high on the developmental agenda, it would be necessary to *increase* expenditure in this area during an era of general expenditure cuts. A reformist agenda for social security legislation would concentrate on developing those entitlements depending on the discharge of employers= liabilities. Employee injury benefit (an acute problem for construction workers), maternity benefit and retrenchment benefit might be converted to payments via insurance so that compensation to employees is not delayed because of enforcement difficulties.

[2]. J. Harriss et al, 1992.

In the unorganised sector, the development of institutions for the payment (through sales taxes and cesses) of premia for insurance protection against occupational disease risks is ripe for experimentation. Mutual benefit societies, trades unions and workers= co-operatives have started to organise to claim social protection and to argue for appropriate social protection. Of top priority for women are maternity protection, crèches for children, funeral expenses, access to preventative health care and insurance against losses in riots, floods and drought. [3] It has been suggested that occupational groups should finance social security through resources mobilised in appropriate ways (for example >dedicated= cesses levied on agricultural employers at harvest). Currently, an arbitrary subset of occupations, with a range of modes and rates of tax, are entitled to benefits focussed on health, housing and education . They include workers in mining, *beedi*-rolling, cinema - dock - and construction - workers - all in subsectors where such >tax= collection is most feasible. Even here, social security provision is exiguous; home-based workers and agricultural workers have proved almost impossible to reach. [4] So a *core of protective social assistance cannot be avoided*, particularly for the needs of old age and death. The state could rationalise this provision. In particular, survivor benefits so that household members can cope with the death of the household head) need supplementation by lump sum arrangements for funeral costs of poor people and for the rehabilitation of the

[3]. Swaminathan Mina 2000; Chen, 2000, Bhatt 2000.

[4]. See the many cases in Jhabvala and Subramanya, 2000.

bereaved family, given the close relation between widowhood and intense poverty (Chen and Dreze, 1992).

Far from being exorbitant, the costs of a minimalist protective programme for income-poor households are quite modest. The Working Group on Social Security of the Economic Reforms Commission in 1984 proposed a package of OAP and survivorship benefit which would be 1 per cent of GNP and less than 4 per cent of combined central and state revenue. In 1989, Tamil Nadu initiated a set of social assistance schemes covering pensions for old age, to widows and deserted wives, agricultural labourers and physically handicapped people; survivor benefit; maternity assistance; marriage grants and accident reliefs amounting to 1.5 % of state revenue expenditure and administered through pre-existing channels. While the costs of such a combination of maximum feasibility and minimum benefit are accommodable, the benefits are of a mass nature (Guhan, 1994). An evaluation of this scheme forms the burden of this chapter.

In the 1995-6 central government budget, the Congress Party, appreciating the vote-pulling potential of such benefits (and largely as a result of the experience in Tamil Nadu which we will describe later) set in place the enabling laws for a National Social Assistance Programme which would enable states to increase their paltry social security coverage, although at the cost of central government >interference=. An optimist would call this scheme a goal for mobilisation. It consists of a Rs 75 per month pension for destitute people over the age of 65, a national maternity benefit fund disbursing Rs 300 to poor women for their first two live births and a national family benefit fund giving Rs 5,000 to poor households on the death of their primary bread winner if within the age band 18 to 64. The central government=s financial obligation would be capped at a sum equal to the proportion in each state below the 1987-88 poverty line applied to the proportion of the population estimated as being over 65 in the 1995 Sample Registration Survey projection (Narayanan, 1996).

Protective Social Security and the Market

Protective social security is almost always a mixture of state and market provision . In India, the market component consists of large sized organisations, which help to minimise co-variate risks. It is also heavily regulated by the state. Social insurance normally involves a tripartite involvement of employers, employees and the state. That of the state is extensive. The Employees Provident Funds Act of 1952 was extended in 1971 to cover provision for whole families of contributors. Later the Government of India set up a special group life insurance for agricultural labour under the auspices of the Integrated Rural Development Programme, together with a rural hut insurance scheme in 1988-89 for fire damage. The nationalisation of insurance has led to improved schemes for survivor benefit, accidents, health, crop and cattle insurance on a voluntaristic, commercial basis, with the additional possibility of subsidised low cost group insurance for certain occupations. There is hardly any actuarial relationship between contributions and benefits nor is there much adjustment of premia to accommodate variations in risk.

Nevertheless the highly regulated 'market' achieves very low coverage; only 8 per cent of lives. While life insurance is also urban biased, crop insurance is regressive and has made heavy financial losses. Group insurance schemes have low rates of adoption because of poor information and inadequate benefits.

There is room for manoeuvre in composite combinations of social insurance, state assistance and voluntary insurance where premia might cross-subsidise benefits to the poorest. Large groups reduce problems of adverse selection or moral hazard and have lower per unit administrative costs. State governments or co-operatives might wholesale insurance, with or without cross subsidies. Group life insurance can be divised so that contributions from state and central government augment those from beneficiary households.

Protective Social Security and the Household

For most Indians, security is not social; it is household. A good example of how households struggle against the contingencies which are considered in policy discourse as warranting social security responses is seen in chapter 3-3; there, work incapacity - frequently provoked by occupation-related diseases and accidents and taking forms classified as irrelevant to official medical conceptions of disability or taking mild to moderate forms ineligible for benefit - is seen to have a considerable impact on aggregate production and to trigger downwards mobility and debt in the households affected. It imposes costs, some with long term implications, not only on the incapacitated person but also on other family members, particularly girls and women. The major contingencies which have been studied at household level are of a different nature, however, involving the differentiated impact of regional contingencies: drought, scarcity of food and famine. [5] Though famine itself is subject in principle to preemptive state intervention, drought can affect households year on year. Droughts lead to a decline in, or failure of, irrigation and crop protection, whose impact on the area and yield of crop production will depend on the season of occurrence. Failure of production leads to failure of entitlements and the trapping of numerically large sectors of rural society in a price scissor. The productivity of land and livestock all usually decline. As a result, demand for labour drops and wage rates collapse, as do the prices of non food rural products (especially of livestock unable to withstand harsh conditions), while the prices of food and other consumer goods rise.

Households react by changing their behaviour in order to <u>cope</u> and - if that fails - further adapting in order to <u>survive</u>. Such changes in behaviour are sequenced and patterned in ways specific to local areas.

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[5]. But see Chapter 3-3 here for the contingency of disabling incapacity.

Coping involves shifts in time allocations and increases in work burdens. Women and children forage and glean. Common property resources become disproportionately important at the very moment at which they are themselves under moisture stress, often leading to conflicts. Changes take place in the caste connotations of work and people take on demeaning and polluting occupations. Unless state relief work can compensate, victims of drought at this stage may migrate. The increased needs for consumption credit stretch patronage relations especially as small patrons themselves may be 'coping'. Obligations to distribute may be reduced, gifts denied and the terms of credit tightened. The relationship of patronage may snap altogether. Here the generational durability of the mutual relations of patronage and clientelage is thought to be of great significance, because market based credit relations are the first to fail. Group sharing arrangements break down and access to state credit and state relief become increasingly differentiated.

Consumption drops in a sequence where non food items are jettisoned first. Grains substitute for protective foods, calories substitute for other nutrients and cheap calories substitute for expensive ones. Access to state distribution outlets are increasingly taken up.

Marked changes in intrahousehold relations disfavour women, children and the aged. Assets are protected at the expense of (food) consumption. Asset disposal is sequenced and gendered when consumption can no longer protect assets. Non productive assets and consumer durables are usually shed first while productive assets are retained. Usually the disposal rights of the first assets and durables to be shed are in the hands of women. The sequencing of productive assets begins with those which are the responsibility of women but whose rights of disposal are in male hands and assets owned and disposed of by men are last to be shed.

Resistance to such long term ratchets may take many forms - from joint family arrangements for investments in water and in agricultural intensification to group resistance to the physical export of food from villages.

If coping fails, survival strategies may result in the disintegration of the household as an economic unit. Individual disadvantage at such a stage has varied through history and regionally. It is now thought that women and children are most vulnerable. Their survival strategies require prostitution, destitution and beggary to stave off death. There is debate over why a household will disintegrate. On the one hand, it is argued that the male head has to exclude the least valued members, so that the legitimacy of women's moral claims breaks down in the face of the moral responsibility of the male head to continue his line. On the other hand it is argued that the weaker bargaining position of women leads to household disintegration when the female bargaining position collapses completely. These two positions have different implications for policy, the former requiring the economic empowerment of the male household head and the latter requiring the strengthening of the economic position of women prior to household destitution

(Agrawal, 1991). Such state action is easier said than done because intrahousehold allocation is based not on market relations or on legally enforceable concepts of fairness but instead on customary enfranchisement and gender specific notions of just deserts. Yet, in the intimacy of poor households state intervention is crucial. The state alone has authority to sidestep relations of market and custom, and the capacity to pre-empt the slide into destitution.

Social Security and Structural Adjustment in Tamil Nadu

There is no national consensus about the form to be taken by social security, apart perhaps from the enduring notion that it is a luxury item. It comes under the responsibilities of the constituent states rather than the central Government of India. Nimble policy footwork has been necessary in the fiscal stresses of the 90s to keep it on policy agendas at all (Prabhu, 1998). The central government made no effort to assist states in the management of their finances during the early reform period and left states to their own devices. In 15 major states, from 1991 to 1996, social spending declined - from 40 to 36% of revenue expenditure. [6] Tamil Nadu=s form of >market socialist= development (also widely regarded as a form of populism which pendulums competitively between the two Dravidian parties) has involved the creation and piecemeal embellishment of a rudimentary

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[6]. Along with decline in quantity, state provided social services are recognised to be low in quality and wasteful yet they are accessed disproportionately by poor people (Prabhu, 1997; Drèze and Sharma, 1998, pp. 180-211).

welfare state. In 1993-4, total expenditure on social services (including health and education) amounted to 41 % of the state=s total expenditure (Narayanan, 1996, p. 32). Before and throughout liberalisation, Tamil Nadu had the highest outlay on social security of any state in India. Tamil Nadu, along with Orissa and Bihar (which have low outlays), were the only states not to reduce real outlays (Prabhu, 1998). Tamil Nadu=s high outlays contributed to a growing revenue deficit.[7] Social sector spending and food and electricity subsidies were maintained by ever heavier levels of debt.

In 1989, under the DMK government, and before the reforms, Tamil Nadu created a system of pensions (for old age, disability and widows of whatever age) and maternity benefits for the poor. Although there was no (internationally endorsed) template for the social sector under adjustment [8] nor was there any domestic consensus, despite one of the worst fiscal situations (see chapters 2-1 and 3-4), without consulting the Central Government and with no detailed thought as to its financing, this state was quick off the block in 1992-3 to protect its politically visible spending priorities and also to counter the anticipated, perceived and predicted adverse effects of structural adjustment on the poor. The Finance Minister announced >highest priority in safeguarding the position of the poor and

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[7]. The revenue deficit increased from 11.2% in 1989-90 to 15.7% in 1994-5 (Narayanan, 1996).

[8].Harriss, Desai, Sen and Harriss, 1992; Prabhu, 1997

underprivileged. We have organised a comprehensive safety net which will ensure that no person in Tamil Nadu suffers from want and deprivation=.[9]

[9]. In Narayanan, 1996

The >safety net= in India is an ex post relabelling of a set of policies on which Tamil Nadu has long placed emphasis. It **is** comprehensive, for it involves food security and nutrition (the public distribution system (whose prices are fixed by the cental government, leaving a small discretionary role and the burden of subsidy to each state) and the state financed noon meal scheme: Chapter 3-4), primary and public health, and drinking water (Chapter 2-2), housing, shelter and employment and special programmes for the weaker sections (Narayanan, 1996, p. 31). The latter kind of programme are financed by the central government. Despite the fact of increasing central government involvement in the social sector generally, they had been cut back already by the time of fieldwork. In any case, they had been non-existent in the three villages. Social security is a non-universal element of this >social safety net=, so, being already highly targeted, was not included in the debate on finer targeting. It is also a small component - about 10 per cent - of the >net=, with pensions as its main element. The eligibility criteria are age and poverty, defined as follows: no **age** threshold for the physically handicapped, widows or deserted wives; age 65 for old age pensions (reduced to 60 for people with certain handicaps and for agricultural labourers). *This age threshold screens out all but the hardiest of poor people*. Poverty is reduced to **destitution,** a condition in which people have >no means of subsistence and no relatives bound to them by custom or usage to support them=. Evidence of destitution in the mid 1990s would be a house worth less than Rs 1000 and jewels worth less than Rs 5,000.

The number of pensioners covered increased from 392,600 in its first year of operation in 1989 to 602,100 in 1995 (Narayanan, 1996, p39). The pension had indeed been protected, meagre as it was (Rs 50 per month, increased to Rs 75 in 1992 and Rs 100 in 1995, when maternity benefit was also increased from Rs 200 to Rs 300). With a 50 % increase in coverage and a doubling of outlays, even this small component is difficult to maintain and is under pressure from efforts to reduce expenditure. In this situation, the significance of the central government=s scheme mentioned earlier is threefold. First, it is an endorsement of Tamil Nadu=s approach. Second it is a declared obligation which states may claim in future. Third, since the central government will contribute to its funding, state fiscal burdens might be eased, even though the central funding of the social sector has been criticised by the National Development Council as an illegitimate encroachment on state sovereignty.

In the rest of this chapter we deconstruct what the reduction of want and deprivation means to the local bearers of state power and what social security means to the deprived.

Social Assistance in the Three Villages

Pensions and other social security benefits are sanctioned at *taluk* level by the revenue Inspector (RI) based on applications certified as >verified= by Village Administrative Officers (VAOs). The cash element is then sent monthly by post as a money order. But pensions also have an important kind element: pensioners being entitled to the Noon Meal cooked at the local school or 4 kgs of rice supplied monthly and free of charge from the local Fair Price Shop together with two **dhoties** or **sarees** per year supplied free at festivals. A variety of encounters with the state (village and local revenue officials, postmen, fair price shopkeepers and noon meal cooks) is involved in the access by the poorest rural people to social assistance. The interface is subject to temptations of patronage and rent seeking.

In telling the story of social assistance, we will focus on pensions and maternity assistance since there were no recipients of family benefit in these villages. The two most important aspects of this form of assistance are : i) targeting and the eligibility of pensioners and ii) their need. Our evidence comes from three sources; first the village censuses canvassed in 1993 in which beneficiaries identified themselves. Second a more detailed survey of beneficiaries in 1995. Since 15 months had elapsed between the census and sample in which new pensioners might have succeeded in gaining access to the >welfare state=, this 1995 survey is best regarded (and has been treated here) as a set of case studies. Third, official data on beneficiaries in each village. This shows further discrepancies. Table 1 includes the official record of coverage while Table 2 shows the population of elderly in the villages according to our census and survey.

Pensions

With an *official* record of 26 pensioners in Nesal, 7 in Vinayagapuram and 2 in

Veerasambanur, 7, 13 [10] and 2 respectively were caught in our sample. With extremely few exceptions, pensions date from 1989, the period of establishment of the social security scheme targeted at poor people. The sources of information about rights (village officers, the panchayat president, teachers, postmen and political party workers) were all local. The time taken to arrange the posting of pensions varied hugely: from 3-18 months averaging 9 in Nesal; from 1 to 12 months averaging 4 in Vinayagapuram and from 2 weeks to 12 months in Veerasambanur. There were extremely few cases which did not need bribes: to VAOs, revenue inspectors, the **tehsildar**, to primary health centre doctors and, later on, universal Rs 3 tips to the postmen who deliver the pension. The bribes also varied (from Rs 150 to 300 in Nesal and from Rs 25 to 300 - averaging Rs 145 - elsewhere). Bribes and other transactions costs could amount to 3 months= pension payments. There had been one case of a two month hitch in 1995 because of the parlous state of depletion of state-finances, about which there was universal complaint. Otherwise pensions were delivered in a timely and regular fashion. Despite their economic vulnerability, since all beneficiaries live alone (except the plainly fraudulent - two of whom more anon), none of the pensions were diverted to others.

While the Sample Registration Survey tables for 1992 for rural Tamil Nadu give

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[10]. Our field investigator found many more pensioners in fact than there are on the record...

the proportion of the population over the age of 65 as 4.2% for men and 4.3% for women (see Table 2), those declared for Nesal (6.2% men and 6% women) and Vinayagapuram (5.8% and 5.1%) are unusually high, while Veerasambanur=s (4.9% men and 3.2%women) is closer to the state average but more gender-biased against women. It is likely that the first two villages are further advanced in their demographic transition than the average for the state. It is also just possible that age was exaggerated in the expectation of entitlements from the impact of our research. But that does not explain the case of Veerasambanur.

Eligibility and Targeting

In Nesal, six out of the seven pensioners were not eligible (three being disqualified by age and three by having income), but the stories of their ineligibility are still ones of intense poverty. Their other sources of income vary from Rs 900 per year (from agricultural labour) to Rs 2520 (from trade in **dosas** (rice pancakes)). There is one case of outright fraud, in which the Vice-President of the Ambedkar Iyakkam (a local NGO for scheduled castes) has procured a pension for his father-in-law who lives in a household of 7 people with two incomes and a far from substantial but disqualifying income of Rs 5,700.

In Vinayagapuram, by 1995, 13 people had pensions while 7 were off-record and 9 were able to be evaluated. Eight of the 9 are strictly ineligible. In three cases of destitution and complete dependence on the pension and on charity, the age criterion was flouted. In five households, the family income ranges from Rs 1,440 from agricultural labour to Rs 2264 (from another household member=s job as a Noon Meals cook). Of the two successful receipts of pensions in Veerasambanur, one is eligible: a deaf and blind man aged 75 living alone, for whom the pension is his sole income. The other is not technically needy, being the village barber whose wife is the village midwife. Together they have a subsistence income of paddy provided collectively by the village.

Eligible non beneficiaries

In Nesal there are 10 people either destitute and/or unsupported or in receipt of extremely low incomes, meagre and irregular support from sons and/or disabled. They exist in acute poverty with paltry sums to eke out their existence, unable to afford the bribe to render them officially eligible. In Vinayagapuram, three otherwise eligible non-beneficiaries sell milk, work in the fields and get family support of a meagre Rs 500 to 2,520 per year. In Veerasambanur each case of three eligible non beneficiaries gets family support of up to Rs 600 per year.

Clearly the official definition of eligibility is highly restrictive and local interpretations of neediness prevail more often than not. Since the criteria of eligibility, one aspect of targeting, is not set in tablets of stone, it is worth examining >need= more carefully.

Old age and need

Need can be proxied by an income threshold since the census data for village households contain estimates for private incomes. On the basis of an already restrictive subsistence poverty line of Rs 150 per adult in 1993-4 [11] and half - Rs 75 - per dependent child, an annual private >subsistence income estimate= (SIE) has been calculated for each household with at least one member aged 65 or over on the basis of the household size and composition given in the village census schedules. People over 65 in households above the SIE are classed as >not needy= (though the threshold is conservative and though there is no knowing the >fairness= of individual allocations). Those in households between 0.5 and 1.0 SIE are classed as >needy= and those in households under 0.5 SIE are >neediest= (Table 3). Within the latter category, there are two kinds of household. One is >collapsed= or shattered, consisting of old individuals or couples - these are **prima facie** the most deprived and destitute - and the other contains old people living with younger relatives.

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[11]. Based in turn on the official poverty line of Rs 118 per adult in 1987-8, assuming 5 percent inflation, then rounding down from Rs 158 to Rs 150 (and assuming a dependent child is 0.5, or Rs 75 (Guhan, 1996))

In Nesal some 60 per cent of households with old people are under the SIE and 37% of households (with 36% of the elderly) are in the neediest category. Of the latter, one third are collapsed households close to destitution. The three old couples are in each case supported from agricultural labouring by the wife which brings in annual incomes in the region of Rs 900-960. Of the individuated households, that of the scheduled caste male aged 85 depends on his light casual work: uprooting paddy seedlings plus family support totalling Rs 600 a year from two sons who are agricultural labourers. The other 6 neediest elderly people are single women. The kind of work they are able to do includes collecting and drying cow dung and gleaning. They subsist on petty remittances from relatives and on local charity. Only 3 of the 13 most destitute households receive a pension. In one case, where a husband has a pension, his wife is also eligible but excluded. Eight people would be ineligible even though extremely needy because of meagre transfers of money within their families. Indeed, in two cases their applications for pensions had been rejected on these grounds. In a further case, an eligible person cannot afford the bribe and transactions costs of Rs 300 necessary to gain access to the pension.

In Vinayagapuram, 59 % of both the households and the population over 65 are beneath the SIE and 30 per cent (17 households) are in the neediest category in which 4 are individuated or are elderly couples. Two of these destitute households receive, and depend utterly on, their pensions. The other two receive petty support from sons and small localised acts of charity. In Veerasambanur, as many as 84% of households contain old people and are below the SIE and 55% (13 households) are among the neediest. In 5 households, elderly people live alone, two are above the level of need. But levels of support in the other 3 - in the absence of the pension - amount to Rs 600 per year.

Table 4: Old Age and Poverty

Category	Nesal		Vinagapuram		Veerasambanur	
	HH	People	HH	People	HH	People
Not needy	32	38	23	26	4	4
Needy	19	22	16	18	7	7
Neediest	30	34	17	19	13	14

Source: Village census schedules, 1993

Those receiving old age pensions are 19.2 % of the population above the age of 65. Pensions are 31 % of the total in the >needy= category and 52 % of those who are the neediest. **The number of pensions would need to be doubled to cover the total population of neediest and trebled to cover them together with the merely needy**.

If strictly applied, the official eligibility criterion is very restrictive (Table 5).

People over the age of 65 are ineligible if they have any relatives bound by custom or usage to support them regardless of the actual availability, extent and regularity of such support or however meagre their own earnings. As actually applied, 20 % of Old Age pensions have leaked out of both the age and eligibility criteria and 60 per cent of the pensioners are ineligible on one or other count. Age is being interpreted in an elastic way. Support is being interpreted quantitatively and not in terms of legal entitlement or availability. The *arbitrariness* of this kind of implementation is reflected in the refusals of applications of needy elderly people.

Widows= Pensions

Some scheduled caste widows came to know about the existence of a pension and their rights to it via the Ambedkar Iyakkam, others through the Panchayat president and village officers. The access lag was 6 months on the average. Bribes of Rs 1-300 were involved in over four fifths of cases. Once in receipt of pensions, all recipients had control over its disposition.

In Nesal, of the 12 beneficiaries sampled, only two are eligible, a woman living alone aged 70 and a disabled, scheduled caste widow aged 40, also living alone. Nine however (75%) are not strictly eligible according to official criteria because they receive support or earn income. Examples: i) a 12 year old son who brings in Rs 1,200 a year as a weaving assistant; ii) incomes from agricultural labouring of Rs 400 to Rs1,800 a year; iii) the collection and sale of firewood amounting to Rs

3,260 a year. There is one clearly ineligible case fraudulently obtained through the Ambedkar Iyakkam for a woman whose husband is still living. In Vinayagapuram, there is one widow-pensioner: a woman aged 30 with 0.1 acre of land who needed to give a bribe of Rs 100 and to wait for 6 months to obtain her pension. In Veerasambanur, one of the two pensioners is actually ineligible on grounds of support. The other, a widow aged 60, also gets Rs 1,400 as an agricultural labourer.

Of the 15 widows= pensions, only 2 are strictly eligible, yet, except for one case of fraud, all the rest have gone to people under the SIE.

One case of a pension for a physically handicapped person was mentioned for Nesal but no further details had been provided.

Maternity Assistance

This is a lump sum of Rs 300, only obtained by mothers in Nesal and Vinayagapuram who had been informed of their entitlement by village health workers. Seven instances in Nesal had taken an average of 5 months and a bribe of Rs 50 (a sixth of the benefit) to activate. The two cases in Vinayagapuram had been much faster in the coming (2 months) but required bribes of Rs 30-50. In one case, the money was used productively to help buy a goat and in the second to buy vegetables and medicines.

Conclusions

Tamil Nadu=s >social safety net= is actually being implemented in terms of *need* rather than that of strict *eligibility* in these villages (Table 6). Fourteen of the 18 pensions have gone to the neediest (those in households with under half a very conservative subsistence income estimate) and a further three more to needy people (with 0.5 to 1.0 the SIE). But of the 24 elderly people who live *alone* (36% of the total elderly) 22 of whom are needy, only 7 are eligible and only 5 *(21%) get the pension.*

Entitlements are not well known. Wide and sustained publicity is necessary to increase knowledge of the existence of such schemes. Procedures need to be as simple as possible and the application forms more widely available.

The rationale for screening by >destitution= rests on three factors: first, a budget constraint that is deteriorating, second, the argument that the pension should supplement and not displace informal social security from the family and third, the strong possibility that broader targeting may increase leakages and capture by those at the upper end of the distribution of those entitled (as happened with IRDP (Copestake, 1992)). It is clear that current eligibility criteria are excessively restrictive. Selection needs reforms which are practical, unlikely to increase leakage or fraud and do not put intolerable pressures on the budget. A pro-active and rational selection procedure for pensions would involve:

i) targeting all single member households and couples aged over 65 living alone with income from all sources of less than Rs 600 (so that the SIE would be reached using transfers or earnings plus the pension);

ii) targeting all the neediest first: households with income of less than half the SIE. If this still threatens state budgetary resources, then among the neediest those with the highest dependency ratios could be targeted first.

Income estimation is always subject to abuse, especially if it is known to be related to pension provision (see chapter 3-1). Household types (such as individuated households or ones composed of couples over 65) are non-income and non-fudgable means of refining income estimates of eligibility. Other leakages might be staunched by cross checking the income estimates against lists of land/assets holdings (subject to other kinds of time and transactions costs) and by collective action: screening by publishing the draft lists of beneficiaries and making implementation subject to collective approval.

The amount of the pension is extremely low. Many recipients, when their opinions were canvassed in our survey, wanted it increased to Rs 200 per month (,3). But in the absence of an increase in the state budget, there will be a trade-off between coverage and quantity. At the least, the pension needs to track inflation.

There are other problems with the administration of social assistance. While the official norm for approval of applications is 3 months, most instances here took 6 to 18 months. Further, the transactions costs (including travel, a photograph and the dominant element, bribes) amounted to 3-4 months= benefit, with significant monthly tips thereafter to the postmen who delivered it. For such >retail= corruption to be corrected by punitive action on corrupt low-level officials by those further up the system is an unlikely scenario (Guhan and Paul, 1997); or it is likely only to be translated into extortion. In its absence, pressure from below can only be applied by the **panchayat** or by local NGOs where they exist. But NGOs are not particularly superior either as intermediaries or as publicisers of rights. The Ambedkar Iyakkam, in Nesal, has been instrumental in getting benefits for scheduled castes but has not eliminated the need for bribes and has acted as facilitators in cases of gross errors of ineligibility. A foreign NGO in Vinayagapuram dropped its support for a vulnerable person without arranging any kind of substitute, or a state pension for which this woman is eligible.

Last, social assistance is gently politicised (Table 7).

Table 5: Political Affiliation of Beneficiaries

	Nesal	Vinakapuram	Veerasambanur
Old Age Pensions			
AIADMK	4	9	1
DMK	-	1	2
No allegiance	3	2	1

Widow=s Pension	
AIDMK	6
No allegiance	6
Maternity Benefit	
AIADMK	1
DMK	1
No allegiance	5

The scheme was brought in under the DMK Government and when we studied it was being administered by the AIADMK. In the set of recipients willing to state their affiliation, 80 per cent of the pensions had been distributed to open supporters of the ruling party.

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