

Balance Sheet of a Decade!



Social Security Pensions

Report Card 2014-24

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The essence of democracy requires that we hold governments to account vis-a-vis their claims and promises. But one of the biggest casualties of the recent years has been the idea of accountability. The divisive and jingoist hyperboles in the media facilitate a collective amnesia. This report card (though not conclusive) is part of a series, by the Financial Accountability Network India, that attempts to glance through and highlight a few of the claims and reality of the government's performance across various sectors from a financial and economic lens.



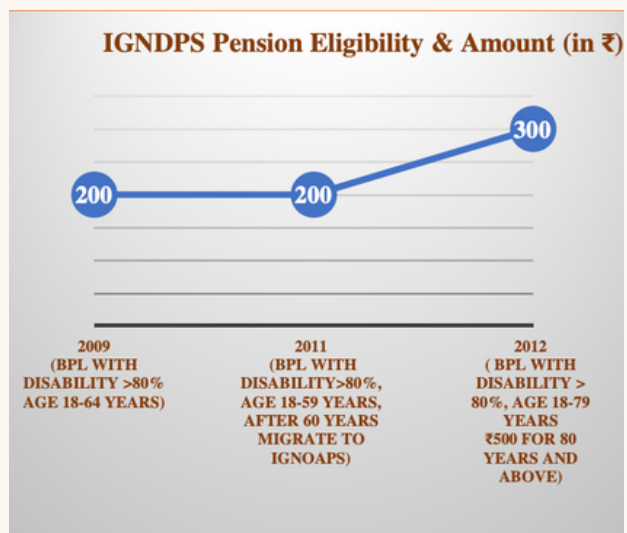
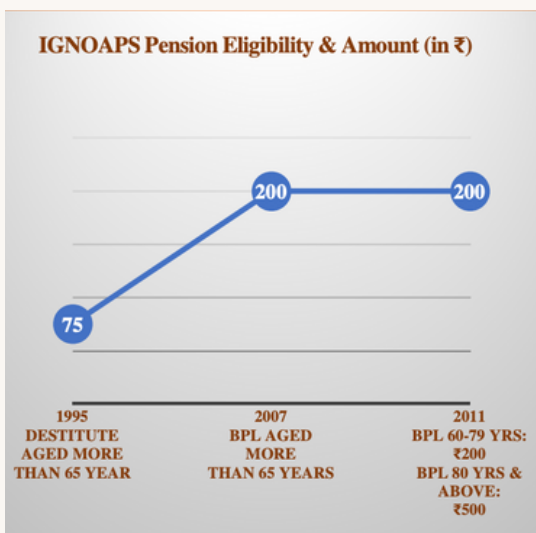
- Strengthen the Pension and Health Insurance safety nets for all kinds of labourers
- We all know that the one thing which is certain in life is the uncertainty of life. Social security schemes give people the strength to face challenges in life. And this strength has now reached millions of people across the country through schemes such as Pradhan Mantri Jeevan Bima Yojana, Pradhan Mantri Jeevan Suraksha Yojana, Atal Pension Yojana and Pradhan Mantri Vyay Vandana Yojana," said Modi in 2018.
- Our Government strengthened its 'mantra' to 'Sabka Saath, Sabka Vikas, and Sabka Vishwas'. Our development philosophy covered all elements of inclusivity, namely, social inclusivity through coverage of all strata of the society - FM, Budget Speech 2024-25



REALTIES:

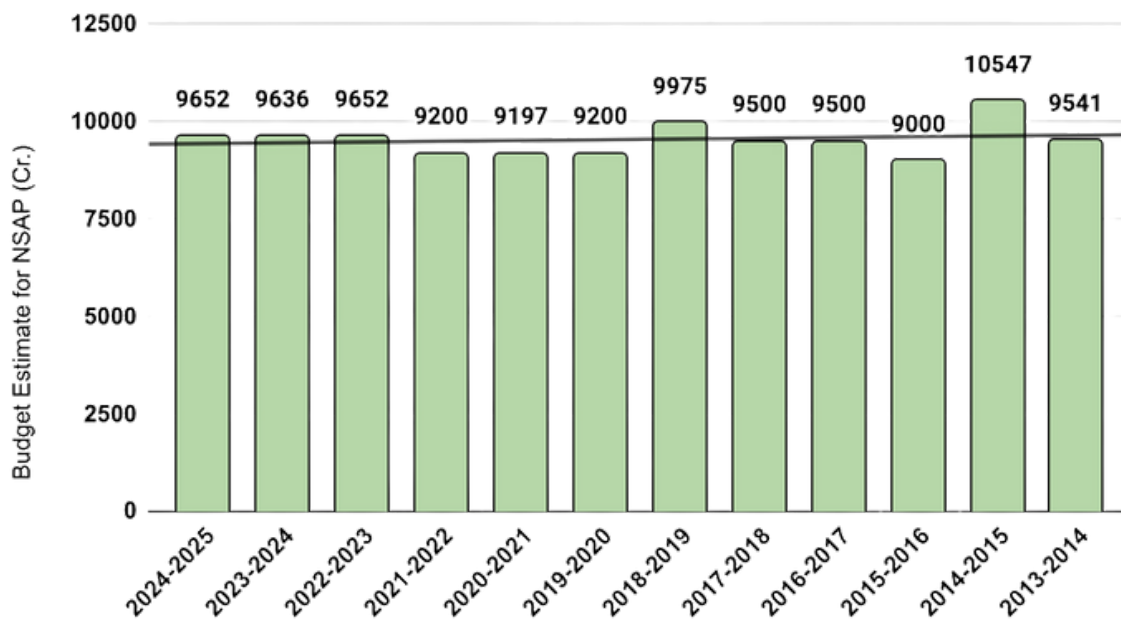


- **Almost 78% of the elderly population in India live without a pension cover and nearly 70% are dependent** on their families/relatives for their everyday maintenance says last month’s Niti Ayog report.
- Social and financial security for the vulnerable is not a priority of the BJP Government. **Non-contributory incomes under the National Social Assistance Programme (NSAP) for the elderly below 65 have remained stagnant since 2007.**
- For widows and people with disability, this amount was increased from **Rs 200 to a mere Rs 300** in 2012 At a time when Urad dal costs Rs 138/kg and Mustard oil costs Rs 136/kg the pension amounts are no more than a joke..

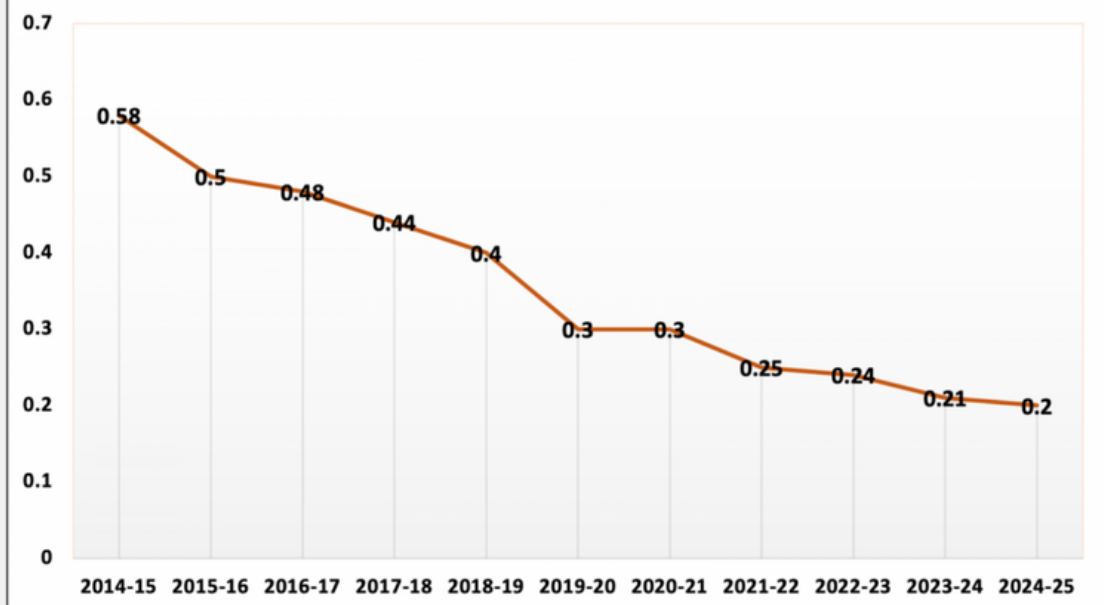


- **Allocations towards NSAP as a share of the total budget outlay have steadily declined over ten years, decreasing from 0.58% in 2014-15 to a mere 0.2% in the present budget.** The amount allocated to pensions has remained stagnant at approximately Rs 9500 crores. Mind it that the total haircuts given to just the 12 big ticket defaulting corporates was 2.84 lakh crores.

Budget Estimate for NSAP (Cr.)



NSAP as % share of Budget Outlay



Source: Union Budget FY 2013-2014 to FY 2023-25

- The India Ageing Report suggests that close to 6 crore elderly in India fall into the poorest wealth category. Of this, close to 1 crore elderly live without any income. Despite this, the **number of beneficiaries under the old-age scheme has decreased from 2.27 crores in 2012 to 2.21 crore.**
- Overall coverage under the programme has only increased slightly from 2.48 crore in 2012-13 to 2.97 crore in 2023. **The scheme faces issues of exclusion due to stringent eligibility criteria.** Its reliance on outdated SECC data, strict age criteria for women, and extremely high disability level for enrollment for persons with disabilities is leading to significant barriers in accessing social security benefits.
- **Due to insufficient funding for the scheme, states are spending 5 to 10 times more** on social security assistance compared to the Union Government. This is while the central government advertisements try to only credit the Prime Minister for providing for his “beneficiaries”.
- The BJP Government has **done little to improve the financial security of the unorganised sector workers** who account for 93% of India’s workforce. They continue to be excluded from pension schemes available to organised sector workers like EPFO and ESIC.
- The budget for the Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM), a contributory old age scheme for organised sector workers launched in 2019 has declined **from Rs 350 crore in 2023-24 to just Rs 177 crore in 2024-25.**
- The PM SYM in reality has proven to be ineffective, failing to meet its target of registering 10 crore unorganised workers. Between 2019 and 2024, **only close to 50 lakh people have enrolled** in the scheme. Between January and July 2023, 21% of the enrolled beneficiaries left the programme.



- Even for organized sector workers in the public sector, we find hardly anything on offer.
 - No decision on 18 months DA arrears
 - No announcement on scrapping of New Pension Scheme that is anti-people
 - No announcement on notional increment to June and December retirees
 - No announcement on reduction of commutation period to 12 years
 - No announcement on 5,10,15% additional pension for the 65,70,75 aged
- **If one were to give Rs 3000 non contributory pension to every elderly citizen in the country the govt would have spent about 5.36 lakh crores.** The government would like us to believe that spending this much on our elderly would be a “burden”, a “freebie”. But the same government has given **write offs to the tune of nearly 15 lakh crores** to the big corporates between 2014-15 and 2022-23.
- Banks pressurized to **illegally debit premiums** for Atal Pension Yojana and Modi’s flagship life insurance schemes without consent using forged documents. “This prevents family members from availing the schemes’ benefits, rendering their premium payments—unauthorised to begin with—futile.”

“Opportunity in Adversity?”

Before the Covid-19 lockdown in March 2020, the Indian Railways offered a 50% concession on train fares to **senior citizens**. It was discontinued during COVID and never restored!





HIGHLIGHTS:

- Pension amounts under NSAP have remained stagnant for the elderly since 2011 and for widows and persons with disabilities since 2012.
- Allocations made to NSAP have also remained stagnant at approximately Rs 9500 crore for the past ten years and have seen a massive decline as a share of the overall budget.
- Stringent eligibility criteria under NSAP are resulting in large-scale exclusion in accessing social security benefits. Its reliance on outdated 2011 SECC data, strict age criteria for women (40-60 years), and extremely high disability level (80% or higher) for enrollment for persons with disabilities excludes crores of people in need of financial assistance.
- Unorganised sector workers are unable to access pension schemes available for organised sector workers. Moreover, unlike schemes for organised sector workers, those for unorganised workers are linked to existing welfare schemes and are not exclusively dedicated to them.
- The LIC served as a social security for millions before the the disinvestment. Now of course there are legit apprehensions that premium sizes will increase and coverage of poorer/rural households will fall changing the very character of Life Insurance Corporation of India.



- The e-shram portal was introduced as a centralised platform for registering unorganised sector workers, aiming to connect them with different social security schemes. However, as of now, only 29.48 crore out of 49.33 crore workers are registered on the platform.
- ILO's World Social Protection Report shows that India spends 1.4% of GDP as total expenditure on social protection (excluding health), compared to an average of 2.5% of GDP being spent by low-middle income countries and 8% by high-middle income countries.



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