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Social Security Initiatives in
Tamilnadu 1989
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I INTRODUCTION

In principle social security, in its widest formulation, involves the maintenance of incomes so as not to fall below the minimum which is considered to be necessary for a level of living without want. The minimum itself is a social norm arrived at in different societies at various stages of their development and a variety of problems are involved in the concept, valuation, and measurement of the norm.¹

The approach to income maintenance has to be through a combination of what might be called 'promotional' and 'protective' measures. By promotional measures, we mean those that aim at averting or ameliorating conditions and contingencies such as low incomes (through growth-mediated as well as direct anti-poverty programmes), unemployment (through employment generation), and sickness (through preventive and curative health facilities). Promotional measures are generalised; loosely, if at all, targetted; and long-term. Protective measures, on the other hand, seek to provide guarantees or entitlements to those affected by specific contingencies by compensating them for the loss of income and/or additional expenses arising thereby (e.g. unemployment or health insurance, maternity benefits, pensions)² The distinction between the two categories is not hard and fast. Promotion has, obviously, a protective aspect as well except

that, unlike protection, it does not carry with it the assurance of compensation or entitlement. Effective promotion can reduce the need for protection, although not in all cases: old-age, a contingency which can not be averted, being a notable example in which the very success of promotional efforts towards better health entails the necessity for protection from the loss of earnings consequent on ageing.

In actual practice, the appropriate composition and mix of promotional and protective measures will have to be arrived at by each country with reference to its stage of development. A broad distinction can be made in this respect between the situations in the advanced industrialized countries on one hand and poor developing countries on the other. Given their high and sustained levels of development, the proportion of the chronically poor in the advanced countries is not large. In these economies, incomes tend to dip below the 'minimum' mainly because they are reduced, interrupted, or lost on account of economic or biological circumstances such as unemployment, sickness and disability, old age, and large family sizes.³ Accordingly, the social security measures that have evolved in the West, largely since the late 19th century, are essentially 'protective' since the 'promotional' aspect has been taken care of, in the main, through generalised development. In their most comprehensive form social security mechanisms in these countries, as codified by the International Labour Organisation (ILO),⁴ aim at providing nine types of benefits: (i) medical care (ii) sickness benefits (iii) maternity benefits (iv) unemployment benefits (v)

family benefits (vi) employment injury benefits (vii) invalidity benefits (viii) old-age benefits and (ix) survivor benefits. In shorthand, these might be labelled as ILO-type benefits.

One other important difference between the advanced and poor countries relates to the modes of financing social security. Everywhere, ILO-type benefits have to be basically funded on the basis of some combination of (i) 'social insurance' with contributions from insured employees and their employers supplemented in some measure by the state and (ii) 'social assistance' met entirely by governments from the general budget. Of the two, social insurance has been the dominant mode in the advanced countries. This is understandable given, in their context, the high degree of organized employment and the ability of employers and employees to contribute towards social security.

Under Indian conditions it might appear *prima facie* that ILO-type benefits are not likely to have any significant role to play in the social security framework. Such an impressionistic reaction tends to be rationalised with arguments on the following lines:

1. Poverty in India is massive and persistent. It is caused by a wide variety of inter-related factors: assetlessness, unemployment and underemployment, low wages, low skills, poor availability and access to social services, and so on. Given 'chronic' poverty on such a scale, the attack on 'contingent' poverty is a peripheral issue.

2. Income maintenance or poverty eradication in India is being attempted through a combination of growth and direct

support measures in the form of the public distribution system, asset distribution to the poor (e. IRDP), employment generation in rural areas (eg JRY), provision of basic needs such as education, health, nutrition, water supply and sanitation and so on. These 'promotional' measures, which are being pursued in successive five year plans, will have to be depended upon to reduce unemployment, poverty, and sickness in the long haul.

3. Protective measures are necessary especially to provide relief for exceptional distress such as droughts and floods but it is financially and administratively infeasible to extend them to compensate for the loss of incomes arising in the ordinary course of life from ILO-type contingencies. Generalised unemployment benefits will, for instance, entail astronomical expenditures. It will also be administratively impossible to target such benefits with reference to underemployment which in India is the dominant feature of lack of work.

4. A high level of poverty combined with employment in India being very largely in the unorganised sector and the bulk of the self-employed being in petty production, trade, and services means that social assistance funded by the state rather than social insurance financed by employers and beneficiaries will have to be the main mode of providing social security. This will make an insupportable demand on the exchequer.

The sum and substance of these arguments is that protective social security in the form of ILO-type benefits is a refinement for which the time will come only after considerably more

progress is made in promotional measures for poverty eradication and, in the meanwhile, 'premature' attempts to extend such benefits on a widespread scale will entail unaffordable budgetary outlays. Although not explicitly articulated, this is evidently the prevailing view since Indian plan documents have chosen to be astonishingly silent on the subject of social security.⁵ The pessimism also extends to Indian academics: while the literature on poverty is vast, various, and growing very little attention has been paid to social security for the poor.⁶

Such being the case, it might be useful to critically examine the principal misgivings we have listed earlier and to explore the extent to which they need to be qualified or corrected. From this standpoint, consider the following counter-points.

1. Under conditions of 'chronic' poverty, 'contingent' poverty significantly exacerbates the plight of the poor. It is the poor who can least afford loss of earnings arising from old age or widowhood or sickness or maternity. Nor are these contingencies of a transient nature from which they can "bump back", if only, to their 'normal', condition of poverty. Old age and widowhood can last for a long while; the death of a breadwinner can have a ratchet effect in plunging a poor family into debt and destitution; and, lack of nutrition around maternity can cause permanent damage to the mother.

2. 'Promotional' measures have not so far been outstandingly successful in reducing poverty in India. There has been no significant or sustained decline in the proportion of the poor

while their absolute numbers have increased. Millions of poor households who will be 'with us' for decades to come can not be counselled to wait patiently for promotional measures to provide succour in a millennial perspective. In the meanwhile, appropriate protective measures are also necessary to save them from the worst forms of deprivation.

3. As pointed out earlier, 'promotion' and 'protection' do not represent an 'either/or' dichotomy. It is not always the case that the need for 'protection' is diminished as 'promotion' proceeds to take effect; an increase in life expectancy - which is hailed as one of the key indicators of welfare - combined with persistent poverty provides little consolation unless the poor in their old age receive support. Nor is 'promotion' capable of meeting all contingencies: the death of the bread-winner needs direct support and can not be averted by 'promotional' measures. Thus, promotion and protection have a complementary role.

4. ILO-type benefits are already available in large measure for employees of government and quasi-government undertakings and for industrial workers in the organized sector. These benefits are also available to managerial cadres in the private sector and are met from tax-eligible expenditures. Thus the exchequer already incurs, directly or indirectly, considerable cost on this score. It is not, therefore, as if the need for ILO-type benefits are not recognized in principle; only that their extension has been skewed, regressive, and limited. In these circumstances, why should the poor in the unorganised sector alone be counselled eternal patience?

5. Several studies have shown that direct anti-poverty measures, of which the IRDP is the principal one, are loosely targetted in the sense of missing out the eligible poor and including the ineligible non-poor, both in significant numbers. They also show that these programmes do not succeed in reaching out to the poorest deciles. On the other hand, ILO-type benefits such as old-age pensions, death benefits, and maternity benefits can be quite precisely targeted to relieve the contingencies involved as there is little room for faking maternity, old-age, or death. In other words, protective social security can be more cost-effective in reaching those who are, or are on the way to becoming, the poorest as compared to the promotional measures on which significant outlays are being incurred.

6. Finally, the issue of affordability is not either an "open or shut" case. Affordability has to be assessed with reference to the potential for raising additional resources (by cracking down on black money for instance); priorities between anti-poverty and other expenditures and within the former; and, in the final analysis as to whether, in the absence of minimal social security, India can "afford" unrelieved misery and deprivation among the poorest of its people. The entire package of ILO-type benefits may not be affordable but the more important of them in some measure might have to be made affordable. It is therefore, necessary to have an open mind on this aspect as well.

We have so far rehearsed the misgivings on the part of social security pessimists on one hand and, on the other, the counter arguments that justify a measure of sober social security optimism even in the current Indian context. Against this background, the purpose of this paper is to concretely evaluate a set of social security initiatives that were launched in Tamilnadu in 1989 with the advent to power of the DMK (Dravida Munnetra Kazhagam) Government. These initiatives seek to provide relief to the poor- in-general and represent a major experiment in social assistance. By looking at the nature of these initiatives, their coverage, costs, and scope for extension, some insights can be gained which might be of use in deciding on the appropriateness and affordability of specific social security benefits in the ILO -sense aimed at the poor-at-large in the Indian context. This might help to temper social security pessimism and to put social security on the anti-poverty agenda.

The paper is organised as follows. Section 2 introduces the new initiatives of 1989 in Tamilnadu, Section 3 reviews the implementation performance in the first 12 months in which the new schemes have been in operation, and Section 4 concludes with a discussion of the issues involved in extending these benefits India-wide.

2. SOCIAL SECURITY IN TAMILNADU ; BACKGROUND TO THE NEW SCHEMES OF 1989

In an article published about a decade ago⁷, we had reviewed social security programmes in Tamilnadu, which had been somewhat of a pioneer in this field. We had also, on the basis of the review, sketched some possibilities for improving upon and extending them. The broad picture that emerged was that government employees, employees of quasi-government undertakings, local bodies and aided educational institutions were quite well protected in respect of the major ILO-type contingencies such as medical care, sickness, maternity, old-age, and survivor benefits. This is also the case with industrial workers in the organized factory sector under various labour laws. In some respects, especially in the case of industrial workers, social security laws and benefits need to be liberalised but what is noteworthy is that a fairly extensive framework of protective entitlements is in place for these two categories as Table 1 will indicate.

In marked contrast, the poor-in-general have been largely left to the inadequate and uncertain reach of 'promotional' measures. For medical care, they have to depend on state facilities such as hospitals and primary health centres subject to all the shortcomings these institutions suffer from. They have, of course, no sickness or maternity benefits. Unemployment relief is available for the rural poor to a very limited extent through rural employment schemes. In terms of protective

Table 1: Protective Entitlements Available in the Organised Sector

| Type of Benefit | Government and Quasi-Government Employees | Industrial workers in organised sector |
|-----------------------------|---|---|
| 1 Medical care | Free treatment in Government hospitals Reimbursement of cost of drugs | Free treatment and reimbursement for drugs under Employees State Insurance Scheme (ESI) |
| 2 Sickness benefit | Medical Leave on full pay for 18 months in Tamil Nadu. | Sickness Leave on Pay under ESI. |
| 3 Maternity benefit | Maternity leave on full pay | Maternity benefits under the Maternity Relief Act |
| 4 Unemployment benefit | Does not arise | Retrenchment benefits under Labour laws |
| 5 Employment injury benefit | Ex-gratia relief | Provided under Workers' Compensation Act |
| 6 Invalidity benefit | Ex-gratia relief | Provided under Workers' Compensation Act. |
| 7 Old-age benefit | Pension or Contributory Provident Fund | Employees' Provident Fund (EPF) |
| 8 Survivor benefit | Rs.40,000 on death while in service financed with State subsidy. Family pension on death of retired employees. | Deposit-linked insurance under EPF |

measures, the entitlements available in the 1980s in Tamilnadu for those outside the organised categories of government employees et al and industrial workers were the following:

1. Unemployment benefits A monthly payment, introduced in 1980, of Rs.50 for a maximum of 3 years to graduates and certain other categories of educated unemployed. The coverage, as we had indicated, was inadequate, regressive, and open to leakage.

2. Disability benefits These were confined to:

(i) Payments for injuries sustained in motor vehicle accidents.

(ii) Monthly pensions for the physically handicapped introduced in 1974.

3. Survivor benefits These comprised;

(i) An Accident Relief Scheme introduced in 1977 for the payment of Rs.5000 to the families of certain categories of workers who die in the course of hazardous occupations such as fishermen, workers in sewerage mains, sprayers of pesticides and chemicals, persons engaged in digging and deepening of wells, and palmyra and coconut tree climbers.

(ii) In 1978, a scheme was introduced for giving cash relief to victims and families of victims of road accidents.

(iii) A 1975 scheme for weavers in the cooperative sector which provided insurance coverage linked to deposits, financed by beneficiaries and government contributions, in the Cooperative Weavers Savings and Security Scheme. In 1980, this social insurance scheme covered only 22 per cent of the weavers in the cooperative fold and 6.6 per cent of the estimated number of

handloom weavers in Tamilnadu.

(iv) Monthly pensions for destitute widows introduced in 1975 are another form of survivor benefit. The minimum age limit now is 40 and above.

4. Old-age pensions Introduced in 1962, this is the oldest and most significant form of social security. It provides monthly pensions to 'destitute' persons of age 65 and above. The minimum age limit is 60 for persons incapacitated due to blindness, leprosy, insanity, paralysis or loss of limb. Since 1981, the age limit has been lowered to 60 for destitute agricultural labourers as well. For destitute deserted wives a minimum age limit of 30 years is in force since 1986. About 80,000 persons were benefitting from the old-age pension scheme in 1980.

The above listing will show that apart from old-age pensions, which date back to 1962, the other schemes, mostly introduced since the second half of the 1970s, were quite limited in scope. At the same time, it will indicate that the Tamilnadu government had made some attempts, albeit halting and tentative, to extend social security entitlements to the poor-in-general or to important categories of them such as destitute widows and handloom weavers.

This was the situation at the time of the general elections to the Tamilnadu State Assembly in January 1989. In these elections, the DMK included a number of specific promises relating to social security and the welfare of women in its

Election Manifesto recalling its efforts in this direction in the earlier DMK administration (1969-76) of Dr M Karunanidhi its leader. The Manifesto promises specifically included the liberalisation of (i) the old age and other pension schemes and (ii) the accident relief scheme and new schemes for providing (iii) survivor benefits, (iv) marriage grants and (v) maternity assistance to eligible beneficiaries belonging to households under the poverty line. Upon the DMK getting elected to power in the 1989 January elections, this package of promises was promptly and fully implemented in the State Budget for 1989-90 introduced in March 1989. In the next section, we shall describe these new initiatives and evaluate their impact in the first 12 months of their operation.

3. PERFORMANCE EVALUATION OF THE NEW INITIATIVES

In this section, we attempt to evaluate the performance impact of the new initiatives of 1989 which comprise (i) liberalised pensions (ii) liberalised accident relief scheme (iii) the new survivor benefit scheme (iv) the new maternity assistance scheme and (v) the new marriage grant scheme. After describing these schemes in each case, we have attempted to relate, under appropriate assumptions, the coverage to the relevant target population. The object is to obtain an informed assessment of the effectiveness or reach of the schemes with reference to their objectives.

3.1. Pensions

The pension schemes involving monthly recurring payments consist of 5 types of pensions viz.,

- (1) Old-age pension - normal (OAP, normal)
- (2) Destitute Agricultural Labourers Pension (DALP)
- (3) Destitute Widows Pension (DWP)
- (4) Destitute Deserted Wives Pension (DDWP) and
- (5) Physically Handicapped Pension (PHP)

The basic scheme is the OAP (Normal) which was introduced in Tamilnadu with effect from 1st April 1962. This has been extended at different stages in the PHP to physically handicapped persons (1974), DWP to Widows (1975), DALP to agricultural labourers, (1981) and DDWP to deserted wives (1984) with the age limit being lowered while extending the OAP (Normal) to each of these categories. The amount has been the same for all types of pensions. At inception in 1962, the rate was Rs.20 per month. It was raised to Rs.25 per month with effect from 1st April 1979 and to Rs.35 per month with effect from 1st April 1982. Until 1989, pensions in all categories have been regulated within ceilings i.e., within a maximum number. The State-wide ceiling was allocated among the districts and in turn, by the Collectors, to the taluks. Eligible persons, who could not be sanctioned pensions on account of the ceilings being exhausted, had to take their place in a waiting list which was drawn down in the subsequent year. The ceilings themselves were increased on an ad hoc basis from time to time.

In regard to pensions, the reforms of 1989 increased the amount of the pension from Rs.35 per month to Rs.50 for all categories. In addition the waiting lists were scrapped with effect from 1st April 1989: pensions were allowed to be sanctioned to all those on the waiting lists on 1st April 1989 and, for the future, all eligible persons were to be sanctioned pensions within 3 months of application. It might be mentioned that in addition to the monetary amount, OAP beneficiaries are eligible to one free meal every day in the year at the school meal centres and to two pairs of dhoties/sarees in the year, the latter having been increased from one pair to two in 1989. The total value of the pension which was Rs.820 prior to 1989 (Rs.420 in cash, Rs.340 in meals, and Rs.60 in cloth) has thus been increased to Rs.1060 (Rs.600 in cash, Rs.340 in meals, and Rs.120 in cloth) since 1989 i.e. by 29 per cent. The pensions are disbursed to the beneficiaries at the beginning of the month by money order at a cost of about Rs.20 per person per annum.

'Destitution', defined as the condition of those without an income of their own or means of support from others, is a common eligibility criterion for all these pensions. Those without an income of their own and without any relatives, of age 20 and above in the form of son, daughter's son or spouse are presumed to be destitutes and such persons who live in a house of value less than Rs.1000 or own marginal extents of land are presumed not to have an income of their own. 'Destitution' is determined by the officials of the Revenue Department based on local enquiries in the village or urban area in which the applicant

resides.

The other conditions relate to age limits which vary category-wise. For OAP (Normal) the minimum age limit is 65 and it is 60 for those incapacitated due to blindness, leprosy, insanity, paralysis, or loss of limb. The minimum age limit was lowered to 60 in the DALP(1981). It was fixed at 55 in the PHP when that scheme was announced in 1974 and lowered to 45 in 1975. In the DWP, it was originally (1975) 45 and was lowered to 40 in 1978. In the DDWP, it was originally (1984) 45 and was lowered to 30 in 1986.

It will be seen that in terms of the ILO-type benefits covered, there is an overlap between the different categories of pensions. The DWP is a survivor benefit available to widows from age 40 which, above the age of 65, is also an old-age benefit. Similarly, the PHP is a disability-cum-old-age benefit. The overlap also exists in terms of access. An 'old' (i.e., age 65 and above) agricultural labourer or widow or deserted wife or physically handicapped person may either benefit under OAP normal or under the DALP or DWP or DDWP or PHP respectively.

In estimating the coverage of target populations in each category of these pensions we have had to make certain assumptions so as to sort out the overlap in access. The assumptions are:

(1) All eligible agricultural labourers have recourse to the DALP since it is available to them at age 60 and above

(ii) All eligible 'old' persons of age 65 and above, who are not agricultural labourers, avail themselves of OAP (Normal)

(iii) Widows in the age group 40 to 64, deserted wives in the age group 30 to 64 and physically handicapped persons in the age group 45 to 64 avail themselves respectively of the DWP, DDWP and PHP while all of them of age 65 and above claim benefits under OAP (Normal).

These assumptions, which are the best we could arrive at in the circumstances, could, of course, result in some degree of over-or under-estimation of the impact. To the extent that OAP (Normal) beneficiaries include agricultural labourers, its coverage ratio will get exaggerated and, per contra, that of DALP will get underestimated. To the extent widows, deserted wives, and physically handicapped persons of 65 and above avail themselves of DWP, DDWP and PHP respectively rather than OAP (Normal) the coverage in these pensions will be exaggerated with a corresponding underestimation in that of OAP (Normal). Other sources of difficulty arise from a couple of factors. Determination of 'destitution' on the basis of local enquiry by revenue officials is inevitably subject to some latitude of strictness or liberality. Secondly, awareness of these schemes, among possible beneficiaries, can vary from district to district. These factors need not, however, be overplayed since the OAP schemes have been in force in Tamilnadu for many years: awareness is quite widespread and so is practical consistency among the officials in determining 'destitution'.

Using these assumptions, the 'target' population for each category of pensions for Tamilnadu as a whole and for each of its districts as on 1.3.1989 has been estimated following the methodology which is detailed in the Annexure. As explained there the estimates of target populations are sensitive to the assumptions we have had to make given data constraints. It must, therefore, be repeated that the exercise seeks to obtain best judgements and does not pretend to be definitive.

The coverage of the different pensions is shown in Tables 2 to 5 and is discussed in the subsequent paragraphs. To start with, Table 2 shows the total number and composition of the pensions as on 1.4.1989 and 1.4.1990. Post - liberalisation, the total number of pensions has increased from 3,72,689 to 4,72,224 or by 26.7 per cent in one year. The largest relative increases have occurred in the pensions relating to women viz., DDWP (44.6 per cent) and DWP (31.8 per cent) followed by DALP (27.6 per cent), OAP-Normal (22.5 per cent) and PHP (18.5 per cent). As on 1.4.90, the two basic old-age pensions viz., OAP (Normal) and DALP accounted for 56.8 per cent of all pensions while those relating to women viz., DWP and DDWP came to 38.0 per cent. PHP accounted for the balance of 5.2 percent.

OAP (Normal)

Table 3 shows the increases district-wise in OAP (Normal) on 1.4.90 with reference to 1.4.89 i.e., in the first year of removal of the ceiling. There is a great deal of variation in the relative increases in the number of pensions from district to district. Against an all-State increase of 22.5 per cent in OAP

Table 2: Number and Composition of Old-age and other Pensions in Tamilnadu 1989 and 1990

| Type of Pension | No. as on 1.4.1989 | No. as on 1.4.1990 | Percentage growth in 1990/1989 |
|---|-----------------------------|-----------------------------|-----------------------------------|
| 1 Old-age Pension- Normal (OAP Normal) | 1,69,386 (45.4) | 2,07,355 (43.9) | 22.5 |
| 2 Destitute Agricul- tural labourers Pension (DALP) | 47,665 (12.8) | 60,835 (12.9) | 27.6 |
| 3 Destitute Widows Pension (DWP) | 1,22,193 (32.8) | 1,61,084 (34.1) | 31.8 |
| 4 Destitute Deserted Wives Pension(DDWP) | 12,747 (3.4) | 18,430 (3.9) | 44.6 |
| 5 Physically Handi- capped Pension (PHP) | 20,698 (5.6) | 24,520 (5.2) | 18.5 |
| Total | 3,72,689 (100.0) | 4,72,224 (100.0) | 26.7 |

Source: Special Commissioner for Land Revenue Administration,
Government of Tamilnadu

Note: Figures in brackets indicate percentages to column total.

Table 3: Coverage of OAP (Normal) and DALP in Tamilnadu 1990

| Census Districts | Growth in number of OAP (Normal) in 1990 over 1989(per cent) | No. of beneficiaries in OAP (Normal) in 1990 (000s) | Coverage ratio in OAP (Normal) 1990 (per cent) | No. of beneficiaries in DALP (000s) | Coverage ratio in DALP 1990 (per cent) | Combined coverage ratio in OAP(Normal) & DALP 1990 (per cent) |
|--------------------|--|---|--|-------------------------------------|--|---|
| 1 Madras | 60.9 | 11 | 7.0 | 0.1 | 123.5 | 7.1 |
| 2 Chengalpattu | 24.4 | 14 | 11.3 | 5 | 15.6 | 12.2 |
| 3 North Arcot | 46.2 | 19 | 13.8 | 6 | 15.7 | 14.2 |
| 4 South Arcot | 14.8 | 17 | 13.5 | 6 | 15.0 | 13.9 |
| 5 Dharmapuri | 5.9 | 11 | 15.9 | 4 | 21.7 | 17.0 |
| 6 Salem | 8.5 | 20 | 18.9 | 3 | 10.0 | 16.9 |
| 7 Periyar | 22.7 | 7 | 12.3 | 2 | 6.5 | 10.5 |
| 8 Coimbatore | 21.4 | 9 | 9.2 | 2 | 6.0 | 8.5 |
| 9 Nilgiris | 17.2 | 1 | 4.3 | 0.5 | 48.3 | 6.0 |
| 10 Madurai | 25.2 | 25 | 18.9 | 5 | 9.6 | 16.4 |
| 11 Tiruchirappalli | 47.8 | 11 | 10.1 | 5 | 16.0 | 11.4 |
| 12 Thanjavur | 12.6 | 24 | 20.4 | 9 | 19.0 | 20.0 |
| 13 Pudukkottai | 6.3 | 6 | 14.6 | 2 | 27.3 | 16.6 |
| 14 Ramanathapuram | 24.3 | 15 | 13.0 | 6 | 24.4 | 15.0 |
| 15 Tirunelveli | 22.8 | 15 | 13.2 | 5 | 16.3 | 13.8 |
| 16 Kanyakumari | 15.0 | 3 | 7.2 | 1 | 13.5 | 8.2 |
| All-State | 22.5 | 208 | 13.2 | 61 | 14.7 | 13.5 |

1. Since renamed as Chengai-Anna
2. Since bifurcated into North Arcot - Ambedkar & Tiruvannamalai-Sambavarayar districts
3. Since bifurcated into Madurai & Dindigul - Quaid-E-Milleth districts
4. Since bifurcated into Ramanathapuram, Kamarajar, and Pasumpon Thevar Tirumagan districts
5. Since bifurcated into Tirunelveli-Kattabomman and Chidambaram districts.

(Normal) in this period, very high relative increases are shown in Madras (60.9 per cent), Tiruchirapalli (47.8 per cent) and North Arcot (46.2 per cent). Relative growth in 6 out of the remaining districts converge around the all-State figure of 22.5 per cent viz., in Madurai (25.2 per cent), Chengalpattu (24.4 per cent), Ramanathapuram (24.3 per cent), Tirunelveli (22.8 per cent), Periyar (22.7 per cent) and Coimbatore (21.4 per cent). Growth rates in other districts are decidedly on the low side: Nilgiris (17.2 per cent), Kanyakumari (15.0 per cent), South Arcot (14.8 per cent), Thanjavur (12.6 per cent) with particularly low rates of growth in Salem (8.5 per cent), Pudukottai (6.3 per cent) and Dharmapuri (5.9 per cent).

Essentially, this wide variation in the relative rates of growth between 1989 (when the ceilings were in force) and 1990 (when they were removed) would appear to be attributable to the ad-hoc inter-district allocations of the overall ceiling in the past: the hypothesis that this has been responsible for different proportions of pent-up demand which has been satisfied in 1990, with the removal of ceilings, is suggested by the fact that while the co-efficient of variation in the 1989-90 growth rates is 0.6428 it is only 0.3440 in the OAP (Normal) coverage ratio in 1990.

Looking at the coverage ratio in 1990, it is 13.2 per cent for the State as a whole i.e., 13.2 per cent of all persons of age 65 and above in 1990, other than agricultural labourers, benefited from OAP(Normal). Higher than average ratios are

recorded by Thanjavur (20.4 per cent), Salem (18.9 per cent), Madurai (18.9 per cent), Dharmapuri (15.9 per cent) and Pudukkottai (14.6 per cent). Four districts viz., North Arcot (13.8 per cent), South Arcot (13.5 per cent), Tirunelveli (13.2 per cent) and Ramanathapuram (13.0 per cent) cluster around the average. The districts below average are Periyar (12.3 per cent), Chengalpattu (11.3 per cent), Tiruchirapalli (10.1 per cent), Coimbatore (9.2 per cent), Kanyakumari (7.2 per cent), Madras (7.0 per cent), and Nilgiris (4.3 per cent).

DALP

Table 3 also gives the coverage ratios district-wise in DALP. In the State as a whole, the coverage ratio is 14.7 per cent in the DALP which is higher than 13.2 per cent in OAP (Normal) indicating a higher level of 'destitution', as might be expected, among agricultural labourers. Inter-district variations in DALP are also wider when compared to those in OAP (Normal). The high coverage districts are Pudukkottai (27.3 per cent), Ramanathapuram (24.4 per cent), Dharmapuri (21.7 per cent) and Thanjavur (19.0 per cent). The districts of Tirunelveli (16.3 per cent), Tiruchirapalli (16.0 per cent), North Arcot (15.7 per cent), Chengalpattu (15.6 per cent), S. Arcot (15.0 per cent) and Kanyakumari (13.5 per cent) are relatively close to the all-State figure of 14.7 per cent. Low coverage figures relate to Salem (10.0 per cent), Madurai (9.6 per cent), Periyar (6.5 per cent) and Coimbatore (6.0 per cent). Obvious outliers are Madras (123.5 per cent) and Nilgiris (48.3 per cent).

OAP (Normal) & DALP Combined

Having regard to the possible overlap between the two categories of pensions, we have worked out in Table 3 the combined coverage ratios i.e., the percentage of OAP (Normal) and DALP beneficiaries to the population (other than agricultural labourers) of age 65 and above plus the estimated population of age 60 and above of agricultural labourers. The combined coverage ratio of OAP (Normal) and DALP is 13.5 per cent. Inter-district variations get smoothened out. The coefficient of variation in the combined coverage ratio is 0.3034 compared to 0.3904 in the DALP and 0.3440 in OAP (normal).

What proportion of those under the poverty line are captured by the "destitution" criterion? In the case of agricultural labourers of age 60 and above, the poverty ratio is bound to be very high and quite close to 100 per cent. If it is assumed, as we have done, that all of them are dealt with under DALP, only 14.7 per cent of the poor are reached by the destitution criterion as far as agricultural labourers are concerned. However, a good proportion of agricultural labourers could have been covered under OAP (Normal). To get around the possible overlap, if it is assumed that 40 per cent of the combined target population under OAP (Normal) and DALP is below the poverty line - actually it might be lower given the likelihood of a higher old-age mortality among the poor - the coverage ratio of 13.5 in this target population implies that some 34 per cent of the old-age poor are reached through pensions. We can be reasonably confident that the destitution criterion, harsh as it is, would

Table 4: Coverage of DWP and DDWP in Tamilnadu 1990

| Census Districts | No. of | Coverage ratio for DWP in 1990 | No. of | Coverage ratio for DDWP in 1990 |
|--------------------|--------------------------------|-----------------------------------|--------------------------------|------------------------------------|
| | beneficiaries in DWP (000s) | | beneficiaries in DDWP (00s) | |
| 1 Madras | 14 | 10.9 | 3 | 3.8 |
| 2 Chengalpattu | 11 | 8.2 | 18 | 19.1 |
| 3 North Arcot | 15 | 9.9 | 25 | 22.5 |
| 4 South Arcot | 15 | 10.6 | NA | NA |
| 5 Dharmapuri | 3 | 4.3 | 14 | 27.7 |
| 6 Salem | 11 | 9.7 | 3 | 4.0 |
| 7 Periyar | 4 | 5.9 | 7 | 13.5 |
| 8 Coimbatore | 8 | 7.5 | 18 | 24.3 |
| 9 Nilgiris | 1 | 3.0 | 4 | 25.8 |
| 10 Madurai | 20 | 12.8 | 61 | 54.4 |
| 11 Tiruchirappalli | 14 | 11.6 | 0.3 | 0.4 |
| 12 Thanjavur | 19 | 13.4 | 2 | 2.2 |
| 13 Pudukkottai | 5 | 12.9 | 1 | 4.2 |
| 14 Ramanathapuram | 12 | 9.7 | 16 | 16.7 |
| 15 Tirunelveli | 7 | 5.3 | 8 | 8.9 |
| 16 Kanyakumari | 2 | 3.8 | 2 | 4.5 |
| All-State | 161 | 9.5 | 183 | 15.1 |

1. See Table 3 for correspondences with present districts.

have excluded the non-poor. We can then feel somewhat encouraged that, among the poor, it has not been excessively stringent in its operation since it has been able to capture about a third of them within its ambit.

DWP & DDWP

Table 4 gives the coverage ratio for DWP and DDWP. The all-State figure for DWP at 9.5 per cent is distinctly lower than the OAP (Normal) ratio of 11.5 per cent. The lower ratio may indicate a poorer reach-out of the scheme for widows and/or lower destitution among them vis-a-vis the old age pensioners. Even if it is the latter we must note that they are "destitute" at a much younger age bracket. The lower ratio may also be an indication of informal social security arrangements still available to widowed women in Tamilnadu.

The ratio for DDWP is, as might be expected, much higher than for DWP viz., 15.1 per cent. We are however sceptical about the Census estimates based on which we have had to arrive at the target population for DDWP because of the wild inter-district variations. One major district viz., South Arcot has not also reported any coverage under DDWP.

PHP

Physically handicapped persons who are destitutes and whose disability is 50% and more are eligible for the PHP. The original (1974) minimum age limit of 55 has been reduced to 45 since 1975. All blind destitutes are eligible for the pension regardless of age.

TABLE 5

**COVERAGE OF PENSIONS FOR PHYSICALLY HANDICAPPED
IN TAMIL NADU 1990**

| Census Districts ¹ | No. of Beneficiaries (00s) | Coverage ratio (Per cent) |
|-------------------------------|----------------------------------|------------------------------|
| 1. Madras | 8 | 2.6 |
| 2. Chengalpattu | 15 | 4.5 |
| 3. North Arcot | 30 | 7.8 |
| 4. South Arcot | 28 | 7.5 |
| 5. Dharmapuri | 9 | 4.8 |
| 6. Salem | 24 | 7.9 |
| 7. Periyar | 10 | 5.5 |
| 8. Coimbatore | 12 | 4.6 |
| 9. Nilgiris | 2 | 2.8 |
| 10. Madurai | 21 | 5.3 |
| 11. Trichirapalli | 17 | 5.6 |
| 12. Thanjavur | 22 | 6.2 |
| 13. Pudukotai | 7 | 6.7 |
| 14. Ramanathapuram | 18 | 6.3 |
| 15. Tirunelveli | 16 | 5.2 |
| 16. Kanyakumari | 7 | 5.4 |
| | 246 | 5.7 |

¹ See Table 3 for correspondences with present districts.

Table 5 will show that in the State as a whole, 24,520 persons benefited from PHP as on 1.4.1990. The coverage ratio was 5.7 per cent. District ratios range between a low of 2.6 per cent in Madras to a high of 7.9 per cent in Salem. In 11 out of 16 districts, the ratios are within a 20 per cent spread of the all-State figure. Compared to other types of pensions, the coverage in PHP is very unsatisfactory, especially since identification of the physically handicapped poses no serious problems.

3.2 Survivor Benefits

New Survivor Benefit Scheme:

Beginning from the early 1960s, almost all the States in India have introduced old-age pension schemes for the general population. However, survivor benefits for poor households is a need that has received very little attention. In 1986-87, the Government of India introduced a life insurance scheme for earning members in agricultural labour households with a benefit of Rs.1000. Both the coverage and the benefits are limited under this scheme.

The survivor benefit introduced in the Tamilnadu Budget for 10 1989-90 and implemented with effect from 3 June 1989 provided a grant of Rs.2000 to the bereaved families of all 'poor' households who suffer a loss of income on account of the death of the breadwinner. The amount of the benefit has been increased to Rs.3000 with effect from 1st April 1990. The head of the family, male or female, is considered as the breadwinner, regardless of age, if he or she is an earning member. If the head of the family

Table 6: Coverage of Death Benefit in Tamilnadu 1990

| Census District | No. of beneficiaries (with adjustment) (000) | Coverage ratio in 1990 with adjust- ment for pending cases | Coverage ratio in 1990 without adjustment for pending cases |
|-------------------|---|---|--|
| | | (per cent) | (per cent) |
| 1 Madras | 1 | 2.3 | 1.9 |
| 2 Chengalpattu | 16 | 24.8 | 22.0 |
| 3 North Arcot | 13 | 16.8 | 13.3 |
| 4 South Arcot | 20 | 28.4 | 19.9 |
| 5 Dharmapuri | 8 | 22.5 | 19.0 |
| 6 Salem | 11 | 16.5 | 11.6 |
| 7 Periyar | 11 | 25.7 | 22.9 |
| 8 Coimbatore | 7 | 12.9 | 12.2 |
| 9 Nilgiris | 4 | 41.5 | 39.8 |
| 10 Madurai | 21 | 27.0 | 25.6 |
| 11 Tiruchirapalli | 15 | 24.9 | 17.6 |
| 12 Thanjavur | 22 | 32.8 | 22.8 |
| 13 Pudukkottai | 12 | 58.2 | 56.9 |
| 14 Ramanathapuram | 27 | 49.2 | 45.2 |
| 15 Tirunelveli | 15 | 28.0 | 19.9 |
| 16 Kanyakumari | 6 | 29.0 | 27.9 |
| All-State | 209 | 25.2 | 20.8 |

1. See Table 3 for correspondences with present districts.

is not an earning member on account of old age, incapacity or any other reason, then the member of the family who is the prime earner is considered as the breadwinner. Poor households include families of agricultural labourers without land, families of small and marginal farmers and families with an annual income of Rs.5000 or less in the case of those that depend wholly or partly on non-agricultural incomes. The survivor benefit is an important form of social security to poor households who suffer a sudden loss of income on account of the death of the prime earner. The amount of the benefit, viz. Rs.3000, represents about six months income to such a family. It can help to resettle the bereaved family by enabling it, after meeting funeral expenses, to repay debt or acquire some assets or subsist for some months while recovering from the loss of the breadwinner.

In order to estimate the coverage of the survivor benefit, deaths among male workers (main and marginal) for each district in the age group 20 to 59 have been estimated applying the age specific mortality rates available in the Census for various cohorts in the 20 to 59 range and on the basis of 1981 district population of male workers. This has been blown up to the 1st March 1989 population projections district-wise. It has been assumed that the resulting figures represent deaths among prime earners'. The underestimation arising from leaving out deaths of female prime earners and of prime earners' outside the 20 to 59 age group will be offset, less or more, by deaths of non-prime earners in the 20 to 59 age group which get included in our procedure.

For estimating the number of beneficiaries we have added (i) the number of death benefits sanctioned in each district up to 30.6.1990. Allowing for some teething time, this represents the first 12 month period since the inception of the scheme on 3.6.1990 and (ii) a proportion of pending applications in each district as on 30.6.1990, the proportion being the same as that of sanctioned cases to total applications disposed of (by way of approval or rejection) in that district. The latter adjustment is helpful for obtaining a proper picture of the coverage since, this being a new scheme, the pace of disposals to applications has not reached a steady state. Also, on account of some delay in budgetary allocations at the beginning of 1990-91, there has been a bunching of pending applications which as on 30.6.1990 came to 13,361 or more than 50% of 23,564 cases disposed of prior to that date. For purposes of comparison, Table 6 also indicates the coverage without taking into account the adjustment i.e. in terms of actual sanctions upto 30.6.1990.

The ratio of the number of beneficiaries, so arrived at, to the estimated deaths in each district gives the coverage. The figures are shown in Table 6. An estimated total of 20,990 poor households (17337 without the adjustment for pending cases) had received the survivor benefit upto 30.6.1990. For the State as a whole, the coverage ratio is 25.2 per cent (20.8 per cent without the adjustment for pending cases). The span of inter-district variations is wide ranging from 58.2 per cent in Pudukkottai to 2.3 per cent in Madras. In as many as 9 out of the 16 districts the ratios are within 20 per cent of the all-State figure. The

coverage in Madras is very low; excluding Madras, the coverage in the rest of the State is 26.6 per cent. Seen against the poverty proportion of 40 per cent, the coverage can be considered to be reasonably satisfactory having regard to the fact that the benefit seeks to cover only prime earners.

3.3 Maternity Benefit

Maternity benefits have been in theory available in the organised sector in a number of States since the 1930s and the Central Maternity Benefit Act was passed in 1961. Even in the organised sector, it has not been particularly effective because of widespread evasion by employers in providing this benefit which is an employer's liability. The extension of maternity benefits to working women in poor households as a form of social assistance is a major innovation.

The new maternity benefit scheme¹² introduced in the Tamilnadu Budget for 1989-90 has been under implementation with effect from 3 June 1989. The scheme covers all working women belonging to 'poor' households with the definition of such households being the same as in the survivor benefit scheme. It provides a cash assistance of Rs.50 per month during 4 months (i.e. a total sum of Rs.200) namely in the last two months before, and the first two months after, delivery. It covers only the first two children and is available only to those mothers whose age at marriage was 18 years or more. The objective, while providing maternity assistance, is to provide incentives to family limitation and to marriage at the legal age.

TABLE 7
COVERAGE OF MATERNITY GRANTS IN TAMIL NADU 1990

| Census Districts ¹ | No. of Beneficiaries (00s) | Coverage Ratio in 1990 (Per cent) |
|-------------------------------|----------------------------------|---|
| | | |
| 1. Madras | 13 | 28.7 |
| 2. Chengalpattu | 20 | 41.6 |
| 3. North Arcot | 20 | 36.1 |
| 4. South Arcot | 12 | 22.2 |
| 5. Dharmapuri | 10 | 39.9 |
| 6. Salem | 13 | 31.6 |
| 7. Periyar | 11 | 41.6 |
| 8. Coimbatore | 13 | 35.2 |
| 9. Nilgiris | 2 | 31.1 |
| 10. Madurai | 22 | 39.9 |
| 11. Trichirapalli | 16 | 35.4 |
| 12. Thanjavur | 25 | 49.5 |
| 13. Pudukottai | 6 | 40.9 |
| 14. Ramanathapuram | 16 | 37.3 |
| 15. Tirunelveli | 15 | 33.7 |
| 16. Kanyakumari | 5 | 30.3 |
| | 219 | 36.0 |

1. See Table 3 for correspondences with present districts

The Census 1981 provides estimates of 1st order and 2nd order births in Tamilnadu for the census year. We have applied the ratio of such births to the female population of the State in 1981 to the projected district-wise female population as on 1st March 1989 in order to arrive at the target population in each district. We have not confined the estimates to working women since in practice the scheme has not been, and could not be, limited to working women in the census sense of that term. The ratio of the beneficiaries in each district up to 30.6.1990 to the relevant target population gives the coverage ratio. For want of data we could not make any further adjustment (as was done in the case of the survivor benefit) relating to pending cases as on 30.6.1990.

Table 7 gives the district-wise coverage. In the State as a whole, a total of 2,18,680 poor women were benefitted upto 30.6.1990. The all-State coverage in the first year was 36 per cent which is very encouraging in the light of an estimated poverty proportion of 40 per cent. District-wise, the ratios vary between a high of 49.5 per cent in Thanjavur to a low of 22.2 per cent in South Arcot. The variation in other districts is relatively narrow with their ratios lying within about a 20 per cent margin vis-a-vis the all-State figure.

3.4 Marriage grants

Although marriage grants are not a conventional form of social security, they can play a very important role in preventing poor households from falling into a debt trap given the high cost of marriages in our society. The marriage grant

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scheme introduced in the Tamilnadu Budget for 1989-90 seeks to combine this objective with two other ones viz., enforcing the legal age at marriage for girls at 18 and promoting female schooling. It provides a lumpsum grant of Rs.5000 to girls of poor households who have completed upto 8th standard of schooling and get married not below the age of 18. The definition of poor households is the same as in the survivor benefit and maternity assistance schemes. The marriage grant scheme is being implemented from 3 June 1989.

The 1981 Census gives the figures for currently married women in the census year according to duration of marriage broken up into cohorts of 5 years. The literacy and schooling levels of currently married women are also given, the first two groups being "illiterate" and "upto middle school". From this data, we have estimated the figures for currently married women whose duration of marriage was 0 to 1 years and whose schooling level was middle school and above. This could be taken as the number of marriages of girls with education of middle school and above in 1981 (ignoring marriages below the legal age of 18). The ratio of this number to the female population of the State in 1981 has then been applied to the projected female population district-wise as on 1st March 1989 to arrive at the target population in each district. The proportion of beneficiaries upto 30.6.1990 to the target population in each district gives the coverage ratio.

TABLE 8
COVERAGE OF MARRIAGE GRANTS IN TAMIL NADU 1990

| 1 Census Districts | No. of Beneficiaries | Coverage | |
|-----------------------|-------------------------|-----------------------------|--|
| | | Ratio in 1990 (Per cent) | Female Literacy in 1981 (Percent) |
| 1. Madras | 9 | 16.3 | 60.7 |
| 2. Chengalpattu | 18 | 29.5 | 35.8 |
| 3. North Arcot | 19 | 25.9 | 28.0 |
| 4. South Arcot | 12 | 17.8 | 23.8 |
| 5. Dharmapuri | 6 | 18.7 | 18.6 |
| 6. Salem | 12 | 22.8 | 28.1 |
| 7. Periyar | 7 | 21.6 | 27.3 |
| 8. Coimbatore | 9 | 17.9 | 41.6 |
| 9. Nilgiris | 2 | 21.6 | 44.8 |
| 10. Madurai | 19 | 27.0 | 34.9 |
| 11. Trichirapalli | 19 | 32.5 | 32.6 |
| 12. Thanjavur | 24 | 37.0 | 37.9 |
| 13. Pudukottai | 6 | 29.0 | 23.9 |
| 14. Ramanathapuram | 13 | 23.2 | 32.0 |
| 15. Tirunelveli | 13 | 22.3 | 41.5 |
| 16. Kanyakumari | 9 | 39.0 | 59.1 |
| | 197 | 25.0 | 34.5 |

1. See Table 3 for correspondences with present districts

Table 8 gives the figures. In Tamilnadu as a whole, 19,687 girls have been benefited by the marriage grant scheme and the all-State coverage ratio is 25 per cent. District-wise, the ratios vary between a high of 39 per cent in Kanyakumari to 16.3 per cent in Madras. The variation in 12 out of the 16 districts is within a 20 per cent band of the all-State figure.

Against a poverty proportion of 40 per cent, the 25 per cent coverage ratio need not be considered low if it is recalled that the procedure adopted to estimate the target population is based on the proportion of 'middle school and above' girls in marriages in the entire population in 1981. The proportion is however bound to be much lower in poor households although it might be offset to some extent by progress between 1981 and 1989. In order to assess inter-district variations, female literacy percentages (1981) for each district have been given in Table 8. In some cases, the fit between high female literacy and high coverage or low female literacy and low coverage are evident (eg. Kanyakumari, Thanjavur, S.Arcot, Dharmapuri); in some cases, low coverage despite high literacy or vice-versa is plausible because of lower or higher poverty proportions (eg. Periyar, Coimbatore, Tirunelveli, Pudukkottai); there are however striking discrepancies in some cases (notably Madras and Ramanathapuram).

Liberalised Accident Relief Scheme

While the Workmens' Compensation Act aims at providing employment injury and death benefits to industrial workers in the organized sector, there is no corresponding provision for those engaged in hazardous occupations in the unorganized sector. The

Accident Relief Scheme (ARS) was first introduced in Tamil Nadu in 1977 to provide a survivor benefit of Rs.5,000 to families of certain categories of workers viz., sewerage workers, pesticide sprayers, well diggers and palmyrah/coconut tree climbers. It was subsequently extended to fishermen (with a benefit of Rs.5000) agricultural labourers, small and marginal farmers and village artisans (benefit of Rs.10,000) and neera tappers (benefit of Rs.10,000).

The scheme has been extended in the Tamil Nadu Budget for 1989-90^{1st} to certain other important and numerous categories of workers viz., (i) building and construction workers (ii) truck drivers (iii) auto-rickshaw drivers and (iv) drivers of private cars, taxis, and buses. The survivor benefit has been uniformly raised to Rs.10,000 for all categories including those earlier covered in the scheme. For serious disabilities, the benefit is Rs.10,000 and it is Rs.5,000 for lesser disabilities. There is no income limit under the scheme. Accidents whether in pursuit of occupation or otherwise are covered. In the past, benefits were sanctioned from the Chief Minister's Relief Fund a process that entailed serious delays. Under the new arrangements, the implementation has been transferred to the Revenue department which also looks after OAP and survivor benefit schemes.

In 1989-90, 443 families have benefited under the ARS indicating a coverage of 0.008 per 1000 of population - or 4 per cent of an estimated accident mortality of 0.2 per 1000 of population. Allowing for the fact that motor vehicle accidents

are outside the ambit of the ARS and considering that it covers only specified categories of occupations, the effective coverage is likely to be significantly higher. The extension of the ARS to building and construction workers is an important reform. It will be of special interest to evaluate the ARS in future years in terms of its coverage of this category of workers since they are significant in number and especially vulnerable to occupational disabilities and mortality. Although the Workmen's Compensation Act has been made applicable to them on paper, employers' liability for compensation in the construction industry is easily evadable and is in most cases evaded.

3.5 OVERALL ASSESSMENT

STATE-WIDE COVERAGE

We shall sum up this section with an overall assessment of the new initiatives in social security introduced in Tamilnadu by the DMK government in 1989-90. Table 9 gives the number of beneficiaries and the coverage ratio under each scheme during the first year of operation. The total number of beneficiaries comes to 7.32 lakhs. At an individual level, the conditions covered viz., old age, death, maternity and marriage, are mutually exclusive although the same household may get covered under one or more of the benefits. If it can be assumed that the extent of such overlap is not likely to be significant, 7.32 lakhs out of an estimated 44 lakh poor households in Tamil Nadu i.e. about 16.6 percent of them have been protected from contingencies which could have made them poorer. It is also significant that out of the total of 7.32 lakh beneficiaries at

TABLE 9

STATE-WIDE COVERAGE UNDER SOCIAL SECURITY SCHEMES IN TAMIL NADU 1990

| Benefit | No. of Beneficiaries | All State coverage ratio (percent) | Co-efficient of variation among districts |
|---|----------------------|------------------------------------|---|
| 1. OAP (N) | 2,07,355 | 13.2 | 0.3440 |
| 2. DALP | 60,835 | 14.7 | 0.3904 |
| 3. DWP | 1,61,084 | 9.5 | 0.3780 |
| 4. DDWP | 18,430 | 15.1 | |
| 5. PHP | 24,520 | 5.7 | 0.2696 |
| ¹ All Pensions | 4,72,224 | | |
| ² 6. Survivor Benefit | 20,990 | 25.2 | 0.4039 |
| 7. Accident Relief | | | |
| ³ Scheme | 443 | NA | |
| 8. Maternity assistance | 2,18,680 | 36.0 | 0.1742 |
| ³ 9. Marriage Grant | 19,687 | 25.0 | 0.2619 |
| | 7,32,024 | | |
| 1. As on 1.4.90 | | | |
| 2. Sanctioned between 3.6.1989 and 30.6.1990 with adjustment for pending cases. | | | |
| 3. Sanctioned between 3.6.1989 and 30.6.1990 | | | |

least 4.18 lakhs or 57 per cent are women viz., destitute widows, destitute deserted wives, and working women and brides in poor households.

The coverage ratios worked out are meant to obtain no more than a reasonably indicative idea of the reach of these programmes. For the State as a whole, we believe that they are fairly robust while it may not be possible to make the same claim for the district-wise figures. As discussed under each scheme, the State-wide coverage would appear to have reached a significant proportion of poor households. In particular, the destitution criterion under old age and other pensions has not been unduly restrictive. It can not, of course, be asserted that none of the non-poor have benefited under the survivor benefit, maternity assistance and marriage grant schemes; and it, follows that to the extent that they have the true coverage has been overestimated. At the same time, it is important to note that these schemes are not subject to any ceilings on the number that can benefit since the Government has undertaken an open-ended commitment to meet the entire eligible demand in each scheme. In view of this, any intrusion of the non-poor, while it may lead to leakage of funds, will not entail denial of assistance to the eligible poor so long as the latter are able to establish their entitlements. This is an important difference between these schemes and anti-poverty programmes like the IRDP where, because of the budgetary constraint on total numbers, the non-poor benefit at the expense of the poor and not merely at the expense of the state.

INTER-DISTRICT DIFFERENTIALS

We have drawn attention to inter-district differentials under each scheme. The co-efficient of variation for each scheme is shown in Table 9. The c.v. in OAP (Normal) and DALP combined is 0.3034. It is somewhat lower in PHP (0.2696) and in the marriage grant (0.2619). It is lowest in the case of maternity assistance (0.1742) which also has the best coverage. Values of c.v. are however high for the DWP (0.3780) and the survivor benefit (0.4039) which are also the schemes with relatively low overall coverage ratios.

Inter-district differentials could presumably arise on account of one or more of the following factors (i) objective difference among districts in the poverty proportion and in other relevant parameters such as age distribution, widowhood, mortality, maternity and nuptiality. (ii) estimational errors in working out the target population. Our procedure, which has involved the application of state-wide ratios uniformly across the districts, could give rise to such errors. (iii) varying level of awareness district-wise which despite the efforts made by the Government and the district authorities to publicise the new schemes, could have affected knowledge of the schemes and the ability to establish entitlements under them. (iv) varying levels of efficiency and strictness or liberality on the part of the implementing staff.

While it is impossible, to quantitatively sort out the contribution of these factors, in order to explore inter-district

differentials a little further we arranged the 16 districts in three groups with reference to each of five major schemes viz., (i) OAP (Normal) and DALP combined (ii) DWP (iii) Survivor benefit (iv) maternity assistance and (v) marriage grant. Group I consisted of districts which registered a coverage ratio that was 20 per cent or more of the all-State figure under that scheme; Group II included districts in which the coverage ratio was within plus or minus 20 per cent of the all State figure; and Group III included districts in which the ratio was less than the all-State figure by more than 20 per cent thereof. Thereafter a score of 3 was given for Group I districts in each scheme, a score of 2 for Group II districts and a score of 1 for Group III districts. Since 5 schemes have been taken into account, the maximum score, i.e. the score which will be achieved by a district which falls under Group I in all 5 schemes will be 15; the 'average' score will be 10; and the minimum score will be 5. The total score for each district under all 5 schemes was then arrived at and the districts ranked accordingly. The object was to see to what extent the ranking was broadly coherent with the general understanding of the relative poverty of the districts in Tamil Nadu.

The resulting configuration turned out as follows with the total scores being indicated in brackets

- (A) Higher than average: Thanjavur (14), Tiruchirapalli (12), Pudukkottai (12), Chengalpattu (11), Salem (11), Madurai (11), Ramanathapuram (11).
- (B) Average: N.Arcot (10), S.Arcot (10), Dharmapuri (10), Tirunelveli (10), Kanyakumari (10)
- (C) Below Average: Periyar (9), Nilgiris (9), Coimbatore (9), Madras (7)

In the absence of district-wise poverty ratios, we have to be content with broad judgements and some speculation in interpreting the above picture. To those acquainted with the agro-economic geography of Tamil Nadu, the grouping that emerges would appear to be reasonably plausible in accord with higher-than-average, average, and lower-than-average poverty levels subject to a few exceptions. One would expect Chengalpattu to be in Group B (instead of in Group A) and Dharmapuri to be in Group A (instead of in Group B). A relatively high literacy ratio in Chengalpattu might have resulted in greater availment of benefits while the opposite reason might have been responsible for a lower coverage in the low-literacy but poorer district of Dharmapuri. Similarly, Kanyakumari with a high literacy ratio gets included in Group B while one would expect it to be in Group C. Madras, high in both poverty and literacy, is an obvious outlier. The coverage ratio is particularly low in the City in almost all the schemes. This phenomenon will have to be attributed to administrative factors. Unlike the rural districts, the City does not have a well-established or decentralised revenue administration. Given the greater scope for fraud and leakages in the urban context, the administration would also tend to be cautious and conservative. Assembly constituencies are very large in population and elections to the Corporation have not been held for several years with the result that there is little or no persuasion or pressure from elected representatives on the people or on the administration.

TABLE 10

COST OF SOCIAL SECURITY SCHEMES IN TAMILNADU 1989-90

Rs.Crores

| Benefits | Pre-liberalisation annual expenditure in 1989-90 | Additional ¹ expenditure for full year consequent on liberalisation & new schemes | Total expenditure |
|------------------------------|--|---|----------------------|
| 1. DAP(N) | 13.89 | 8.09 | 21.98 |
| 2. DALP | 3.91 | 2.54 | 6.45 |
| 3. DWP | 10.02 | 7.05 | 17.07 |
| 4. DDWP | 1.05 | 0.90 | 1.95 |
| 5. PHP | 1.70 | 0.90 | 2.60 |
| All Pensions | 30.57 | 19.48 | 50.05 |
| 6. Survivor Benefit | --- | 6.30 | 6.30 |
| 7. Accident Relief Scheme | NA | NA | 0.39 |
| 8. Maternity Assistance | --- | 4.37 | 4.37 |
| 9. Marriage Grant | --- | 9.84 | 9.84 |
| | 30.57 | 39.99 | 70.95 |

1. Represents costs for a full year on number of pensions as on 1.4.1990 and the full year cost on number of other benefits sanctioned between 3.6.1989 and 30.6.1990.
(Including adjustment for pending cases in survivor benefit)

Financial Implications

We shall now turn to the financial implication of the schemes. Table 10 gives the pre-liberalisation cost on OAP and other pensions as on 1.4.89, the additional cost arising from the pension liberalisation based for a full year based on 1.4.90 coverage and the full year cost involved on the coverage in the new schemes during the first 12 months of their operation. The pre-liberalisation total cost was about Rs.30 crores per annum (entirely on pensions) and the cost, in the first full year, relatable to the new initiatives is about Rs.40 crores. Of this, about Rs.22 crores or 55 per cent is on schemes whose entire benefit is targetted to women (DWP, DDWP, maternity assistance, and marriage grants). The total cost per beneficiary works out to Rs.969 or about Rs.1000, heavily weighted as it is by pensions which have a unit cost of Rs.1060 per annum.

The total outlay of Rs.70 crores is 1.5 per cent of the revenue expenditure of Rs.4563 crores (RE 1989-90) in the State Budget, the additional expenditure of Rs.40 crores being 0.9 per cent. The NSDP of Tamilnadu (at current prices) could be estimated at around Rs.19,000 crores. Of this, the total cost of Rs.70 crores is 0.4 per cent. It is noteworthy that the additional expenditure on overheads consequent on liberalisation of pensions and the new schemes is quite modest. Increased money order costs on the pensions is about Rs.20 lakhs per annum and the cost of the additional staff appointed for implementation is

benefits in the new initiatives is thus only about 4% which compares very favourably with overheads of insurance companies or with overheads in the traditional anti-poverty programmes, these being in the range of 10 to 15 per cent. This has been possible because the schemes are implemented through the regular field-level staff of the Revenue, Social Welfare, and Rural Development Departments.

SOME SUGGESTIONS FOR IMPROVEMENT

Arising from our analysis and assessment, it will be in order to make a few suggestions for improving the implementation of these schemes. In the first year of their inception, a good effort has been made, because of the keen personal interest taken by the Chief Minister, to create an awareness among the people about the benefits available and the procedures to be followed

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for establishing eligibility. The procedures have also been kept simple. It is necessary to sustain the drive for maintaining and promoting such awareness especially in the low literacy districts as well as in the urban areas, particularly in Madras city. Second, the speed of disposals needs to be systematically monitored and budgetary release streamlined so as to avoid an accumulation of pending cases at any point of time. Third, it will be useful to systematically compile data taluk-wise on beneficiaries. These will have to be monitored not only with respect to growth rates but also in terms of coverage ratios. For that purpose, it will be necessary to refine the methodology for estimating target populations at district and sub-district levels. In turn, this will entail a programme of

sample surveys for periodically estimating key factors such as age composition, age-specific mortality rates, widowhood, physical handicaps, maternity according to order of births, schooling of females, and marriages. In relation to the outlays on the schemes, expenditure on such surveys will not be appreciable and will be worthwhile from the point of view of effective targetting and avoiding leakages. Fourth, in as much as most of the schemes involve a minimum age limit, identity cards could be issued to the entire population recording minimum particulars such as name, father's name, permanent and present address, and date (or at least year) of birth on the basis of age registered at the forthcoming 1991 census. Identity cards will be, obviously, useful for a number of other purposes as well such as enrolment to educational institutions, job applications, electoral rolls etc. The enforcement of birth and death registration and its reconciliation with issue of identity cards and decennial censuses will greatly improve demographic data and the designing and implementation of social security schemes. Fifth, the identification of poor households can also be put on a more systematic basis instead of being dependent, as it is at present, on ad hoc enquiries and certification. Since, in rural areas, the poverty criterion is largely linked to household land holding, it will be a great help if land holding data is tabulated on a household basis. This should be possible without too much effort or expense. Sixth, independent periodical evaluations may be undertaken to assess awareness of, and access to, benefits, procedural problems, integrity and efficiency of implementing staff and so on.

4. CONCLUDING THOUGHTS

In discussions of social security, especially when it concerns hitherto untried measures, 'affordability' is a prime issue that gets agitated. We shall not discuss 'affordability' per se since that would be to slip into the 'fallacy of non-composition'. To put it differently, what will break the camel's back is not the last straw but the camel's stamina and the dead wood it could jettison if it chose to do so. We shall, therefore, confine ourselves, to giving some idea of how burdensome the social security straw is likely to be in relation to GNP and the revenues of the Central and State Governments. We shall do so on the basis of a minimum relevant social security package, based on the Tamilnadu pattern, but confined to (i) old-age and other pensions (ii) survivor benefit and (iii) maternity assistance.

In respect of old-age and other pensions, we assume that the minimum age limits will be the same as in the Tamilnadu schemes and that the income criterion could be fixed at some reasonable level below the poverty line, say 50 to 60 per cent of it, corresponding to the 'destitution' criterion which is in force in Tamilnadu and in most other States. In Tamilnadu, post-liberalization, about 0.9 per cent of the total population was covered under one or other of the 5 pension schemes available and the cash benefit was Rs.600 per annum along with a non-cash component in food and clothing of Rs.460. Assuming, on a

reasonably liberal basis, a coverage of 1.5 per cent of the total population and an annual per unit cost of Rs.900, the bill on account of pensioners for an all-India population of 800 million will be Rs.1080 crores per annum ($80 \times 0.015 \times 900$).

In order to estimate the cost of the survivor benefit, we have first estimated the number of deaths per annum in the earning age bracket of 20 to 59 years in a total population of 800 million using the 1981 age composition and 1984 age-specific mortality rates. The earning age bracket of 20-59 accounts for 44.27 of the total population and the mortality rate in this age span is 5.9 per 1000. Deaths per annum in this age group being 262 to a total population of 100,000, the number will be 20.96 lakhs for a universe of 800 million. If the survivor benefit is confined to the prime earner (or 'breadwinner') and to poor households, the number to be covered could be taken as 0.5×0.4 or 0.2 of this figure (assuming 2 earners in a household and a poverty proportion of 40 per cent) or about 4 lakh cases per year. This will entail an annual cost of Rs.120 crores based on a unit cost of Rs.3000.

For estimating the cost of maternity assistance, we take the total annual births as 264 lakhs applying a CBR of 33 to a population of 800 million. If the maternity assistance is confined to the first two births, the number to be covered can be estimated as two fifths of 264 lakhs, consistent with a fertility rate of 5, or 106 lakhs. At a unit cost of Rs.200, the bill on maternity assistance will then be Rs.212 crores.

The total cost of the minimum package worked out on this basis will be Rs.1412 crores per annum as follows:

| | | |
|-------|----------------------|----------------|
| (i) | Pensions | Rs.1080 crores |
| (ii) | Survivor benefit | Rs. 120 crores |
| (iii) | Maternity assistance | Rs. 212 crores |
| | | <hr/> |
| | | Rs.1412 crores |
| | | <hr/> |

Adding 5% of this for overheads, assuming that they will be, since they could be, kept to the minimum, the total bill will be about Rs.1500 crores annually. This is 0.4 per cent of India's GNP at current prices of Rs.346,277 crores in 1988-89 and 1.4% of the current revenues of the Central and State Governments viz., Rs.103,623 crores in 1989-90. These proportions cannot be considered to be staggering. Moreover, it is important to note that not all this expenditure is additional since old-age and other pensions are already being implemented in all the States with varying eligibility conditions, scales of benefits, and coverage. The actual aggregate all-State outlays on such pensions is however not known. The Ninth Finance Commission(1989) have included a normative provision for old-age pensions at 0.2 per cent of the total population at a unit cost of Rs.1200 per annum. This will work out to Rs.192 crores. Actual expenditures are likely to be more, perhaps of the order of Rs.300 crores in which case the additional expenditure will be Rs.1200 crores.

We have worked out the cost with reference to (i) a minimum package which includes only pensions, survivor benefits and maternity assistance (ii) age limits and eligibility criteria as in the Tamilnadu pattern (iii) a particular scale of benefits

viz., Rs.900 pr annum for pensions, Rs.3000 for the survivor benefit, and Rs.200 for maternity assistance and (iv) parameters relating to estimation of current need such as population, proportion of the aged, mortality rates, and fertility. Liberals would argue that the coverage of benefits should be expanded, eligibility criteria liberalised, and the quantum of benefits increased. Sceptics will point out that in the longer term, population increase, a growing proportion of the aged, and longer life expectancy will increase the absolute size of the target populations not only for pensions but also for survivor benefits (despite a fall in mortality) and for maternity assistance (despite a fall in overall fertility). At the same time, dependency ratios i.e., the proportion of non-earning (young and old) to earning members will increase. These factors, it will be pointed out, along with the pressure for large outlays on promotional outlays on health, employment, nutrition and so on, will greatly increase the overall costs of social security in its broad connotation. These reservations are legitimate but not overwhelming.

In terms of protectional measures, it is clear that under Indian conditions, the pension-survivor benefit-maternity assistance package is not only the minimum necessary but might also be the maximum feasible. Of the nine ILO-type benefits we started with, medical care and sickness benefits have to be provided, under our conditions, for the poor-at-large in kind through state-run facilities rather than by way of cash compensation. These facilities will, of course, need to be

massively expanded especially in rural areas, upgraded, and networked with referral systems to provide access to expensive diagnostic and curative facilities and adequate allocations ensured for free supply of drugs. The protectional aspects of medical care and sickness benefits aimed at reducing the direct and indirect costs of sickness have necessarily to be taken care of, in the Indian situation, through effective promotional measures of this nature. Similarly, a promotional approach will be all that will be possible in the matter of unemployment benefits. The expanded Jawahar Rozgar Yojana, employment guarantees proposed to be provided in high-unemployment and high-poverty regions, and relief works during droughts would appear to constitute the only feasible approach. In the matter of family benefits, child nutrition, school meals, and free schooling represent the promotional aspect. The ICDS can be expanded and programmes like the Tamilnadu Integrated Nutrition Programme specifically aimed at children in the most vulnerable age group of 6 to 36 months could be extended widely. Employment injuries in the unorganised sector could be taken care of, without any sizable expenditure, by schemes on the lines of the Accident Relief Scheme in Tamilnadu; the Central Government have already moved in this direction with the introduction of the Personal Accident Insurance Scheme being implemented since 1985-

This leaves out maternity benefits, invalidity benefits, old-age benefits, and survivor benefits all of which are included in the minimum necessary package. In the nature of things,

promotional measures can not prevent the incidence of contingencies, such as old-age, death, invalidity, and reasonable fertility, which these benefits are aimed at protecting. Of these, old-age pensions will be the most significant in terms of numbers of beneficiaries and the outlay involved. They are a necessary, logical, and unsubstitutable counterpart of promotional measures which seek to increase life expectancy.

The minimum package, it might be pointed out, will not be an insignificant one. On the basis of our assumptions, it will benefit 23 million persons annually with reference to an estimated poverty population of 320 million. Assuming non-overlap, about 36 per cent of the 64 million poor households will be helped; even allowing for some overlap, it can be safely expected that about a quarter of them will benefit from a measure of social security. As the Tamilnadu experience illustrates, 50 to 60 per cent of beneficiaries will be women. Further, the availability of these benefits will institute a framework to which promotional measures can be linked: e.g. vocational training and IRDP loans to widows and deserted wives; ante-natal and post-natal care for mothers; and rehabilitation therapy for the handicapped.

There can be no quarrel that eligibility criteria should be liberalised. It will be reasonable to lower the minimum age-limit for old-age pensions to 60 coinciding with the cut-off limit for survivor benefits. The scales of benefits also deserve to be improved. We have assumed Rs.75 per month for

pensions; Rs.100 which is about the rural per capita poverty line will be more reasonable. Pensions will also need to be indexed in some measure to take account of inflation in order to avoid jerky and lumpy increases: in Tamilnadu, for instance, it took 17 years for the amount of the pension to be increased from Rs.20 to Rs.25 per month and another 10 years for it to be increased to Rs.50. For survivor benefits, an amount of Rs.5000 and Rs.300 for maternity assistance will certainly be more appropriate.

On the basis of the most liberal of these options viz., extending old-age pensions from age 60 and increasing the pension from Rs.75 to 100 per month, improving the survivor benefit from Rs.3000 to Rs.5000, and the maternity assistance from Rs.200; to Rs.300, the total cost will increase from Rs.1412 crores to Rs.3009 crores (pensions: 2491; survivor benefit: 200 maternity assistance: 318) or from 0.4 per cent of GNP to 0.9 per cent. This need not be back-breaking either. Moreover, the improvements can be made in phases. For instance, to start with, the survivor and maternity benefits can be enhanced; at the next stage, old-age pensions for women could be provided from age 60; thereafter, for men also from age 60; and finally, the amount of the pensions increased.

We have assumed a 1.5 per cent coverage of the total populations for pensions as what is likely to result from the application of a sub-poverty criterion on the lines of the destitution criterion in Tamilnadu. This is the most sensitive parameter from the budgetary and cost control aspects: a 10% increase in the coverage ratio will entail an additional cost of

Rs.100 crores on the basis of our original proposals (viz., 65 + age limit and Rs.75 per month) and of Rs.250 crores in the liberal alternative (viz., 60 + age limit and Rs.100 per month). The thrust of policy should be gradually to stretch the income criterion to the poverty line so as to provide old-age pensions to all those who are part of, or depend on, poor households. The avoidance of leakages is a necessary concomitant for a planned progression of this kind. One approach that will enable cost control, the possibility of phased liberalisation in the income criterion, and a reasonably strict scrutiny of claims would be to entrust pensions to local bodies on the basis of coverage ceilings and subject to the stipulation that they should be sanctioned to the poorest among eligible applicants. For example, a normative coverage of 1.5 per cent, would mean that 15 pensions would be permitted in a village or an urban local area having a population of 1000 for the poorest of eligible applicants.

On 'sustainability' in the longer run, the ageing process in India as a whole will be quite long drawn out at the present phase of the country's demographic transition, although it could

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be much more rapid in a state like Kerala. Increased demand on survivor benefits and maternity assistance may, therefore, be expected not to grow beyond the 2 per cent increase in population, in the context of declining mortality and fertility rates. Hopefully, the poverty proportion will also decline. Altogether, it would appear that the growth in the numbers of

eligible beneficiaries from year to year in the decades to come is not likely to outpace a 5 per cent increase in the real rate of growth in the economy. This means that, even with a measure of inflation indexing, the cost of the minimum package will stay around about 1.5 per cent of GNP or can be, in any case, normatively regulated as indicated earlier.

Affordability sceptics are still bound to point out that current revenue deficits in the Centre and in the States are already very large and tending to grow and that, even if all possible measures are taken in terms of better tax enforcement, economy in expenditure, strict enforcement of priorities, and improvements to public savings, it is not possible to realise a sufficient surplus in the current account to undertake social security transfers of Rs.1500 crores per annum. In other words, their quest will be for hitherto untapped sources of additional revenue. With the low level of direct taxation in India, it may not be difficult to find such possibilities if we seriously look for them: illustratively, annual social security payments of Rs.1500 by the top 2.5 per cent households (4 million households yielding Rs.600 crores), of Rs.1000 by the next 2.5 per cent (Rs.400 crores) and Rs.750 by the next 5 per cent (Rs.600 crores), covering in all the top 10 per cent, will be adequate to meet the cost of the package. Once a basic structure is in place, one could also look for supplementation of benefits from two important sources. First, from local communities. Typically, for 1000 of population, we can expect 15 pension cases, 1 case of survivor benefit and 13 maternity assistance cases. If such a

population can raise 5000 per annum (i.e., Rs.5 per capita per annum), pensions can be raised by Rs.10 per month, the survivor benefit by Rs.2000, and the maternity grant by Rs.100. Second, an element of contribution can also be grafted on to state-provided social assistance enabling those among the poor, who are willing and able to pay some premia, to derive higher scales of benefits.

Under the Constitution of India, social security, which features as entry 23 in the Concurrent List (List III to the Seventh Schedule), is the joint responsibility of the Union and State Governments. The Directive Principles under Articles 41 and 42 of the Constitution prescribe that the state at both levels "shall, within the limits of its economic capacity and development, make effective provision for the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want" and for "maternity relief". It is, accordingly, necessary and appropriate that the Centre should stimulate, support, and supplement the efforts of the States in the area of social security just as it has done in regard to employment generation schemes. The rationale for a Central initiative for introducing the minimum programme, of the kind we have outlined, recommends itself on two main grounds. It will bring about a common framework for the whole of India. Second, while supplementing States' resources, the Centre could structure its contribution in such a way that lagging States are induced to do better and forward States like Kerala, with a high demand and liberal

coverage, are able to sustain their measures. For instance, our estimate of Rs.1500 crores for the minimum package is equivalent to a per capita expenditure of about Rs.20 per annum. Of this, the Centre could come forward to meet in full any excess over a first slab of Rs.10 to be met by the States, within a ceiling of Rs.20.

If then, there is a will, enough ways could be found for creating a basic, affordable, and sustainable social security framework in India. Many years ago, Professor R.H. Tawney pointed out that "practical action" required to attack "social evils" is not delayed "by the absence of sufficient knowledge" and bemoaned, in that context, that "those who have the power to remove them have not the will, and those who have the will have

not, as yet, the power".¹⁸ Fortunately, in Tamilnadu 1989, those who had the will came to have the power and the question is whether those who have the power at New Delhi will be prepared to

¹⁹
muster the will.

ANNEXURE

This annexure details the assumptions and methodology used for estimating the district-wise target populations for OAP (Normal), DALP, OAP (Normal) & DAP combined, DWP, DDWP and PHP.

1. Projections as on 1.3.1989 for district-wise populations for the (1981) census districts were derived from estimates in the Tamil Nadu Economic Appraisal 1989-90 (Table 1.7 at p.178)

OAP (Normal)

2. (i) Population of age 65 + in each district was estimated applying the ratio of the 65+ age group to the total Tamil Nadu population in 1981¹ to the district population estimates as on 1.3.1989.

(ii) The ratio of agricultural labourers (main and marginal) (AL) of age 65+ to the total AL population of Tamil nadu in 1981² was applied to the district AL population estimates in 1981³. This was then marked up, for each district, using the relevant ratios of 1.3.89 district population to the 1981 district population to estimate the 65+ AL population in each district as on 1.3.89.

(iii) The difference between (i) and (ii) was taken as the 65+ population other than AL in each district as on 1.3.89. This gave the target populations for DALP (Normal)

DALP

3. On a basis similar to 2 (ii) above, the population of AL 60+ as on 1.3.89 was estimated for each district to get the target populations for DALP.

OAP (N) & DALP

4. The sum of 2(ii) and 3 for each district was taken as the target populations for OAP(Normal) and DALP combined.

DWP

5. The ratio of the widowed female population in age 40 to 64 to the total female population in Tamil Nadu in 1981⁴ was applied to the district-wise female population estimates as on 1.3.89 with the latter being estimated applying the 1981 sex-ratios to the total district population estimates as on 1.3.89. Estimates so derived gave the target populations district-wise for DWP.

DDWP

6. Following a similar procedure the district-wise estimates of divorced or separated women⁵ as on 1.3.89 in the age group 30 to 64 were derived and taken as the target populations for DDWP.

PHP

7. For estimating PHP target populations, the estimates in the 36th Round of the NSS (July-December 1984) were used⁶. NSS estimates include visual disability, communication disability (hearing and/or speech) and locomotor disability and provide estimates of the number of physically disabled persons affected by each per 100,000 of population. Using these, we estimated the number of blind persons up to age 60 and of other disabled persons in the age group 45 to 64 based on the age profile in the 1981 Tamil Nadu population. The ratio of this number to the 1981 State population was applied to estimates of district population as on 1.3.89 to derive the target populations for PHP.

GENERAL

8. The estimates accordingly are sensitive with reference to the following assumptions. (i) stability between 1981 and 1989 in the proportion of the 65+ age group in the general population, 60+ and 65+ in AL population, 40-64 among widowed and 30-64 among divorced and separated wives in female population (ii) These proportions, projected for 1989, being the same in all districts, (iii) Stability in the proportion of AL in total population, district-wise, between 1981 and 1989 (iv) Incidence of widowhood & divorced and separated wives in female population and incidence of physically handicapped in general population being the same in 1981 and 1989 and the same across districts (v) stability in district-wise sex ratios between 1981 and 1989 (vi) Proportion of 45-64 age group in physically handicapped (other than blind) same as in general population. Composition of visual and other disabilities same between 1981 and 1989. (vii) Equation of 'deserted wives' with 'divorced and separated' women.

Data sources

1. Census of India 1981 Series-20 Tamil Nadu Part II - Special Report & Tables Based on 5 per cent Sample Data, Statement 3 p.17
2. Ibid Tables B-3 p.64 and B-7 p.68
3. Census of India 1981 Series-20 Tamil Nadu Part II B Primary Census Abstract p.34
4. Census of India 1981 Series-20 Tamil Nadu Part II Special Report & Tables Based on 5 per cent Sample Data, Table C-1 p.70
5. Ibid Table C-1 p.70
6. Sarvekshana Vol.VII No.1-2 July - October 1983

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Footnotes

1. On these issues see Atkinson (1987)
2. This distinction, which is crucial, is missed out or ignored by Dreze and Sen, 1989 (p.16) in their discussion of protection vs promotion which is confined to the following:
 "It is useful to distinguish between two different aspects of social security, viz., protection and promotion. The former is concerned with the task of preventing a decline in living standards as might occur in, say, an economic recession or - more drastically - in a famine. The latter refers to the enhancement of general living standards and to the expansion of basic capabilities of the population, and will primarily have to be seen as a long-run challenge" See also footnote 6 below.
3. Referring to social surveys of the condition of life conducted in the inter-war years in a number of principal towns in Britain, Beveridge (1942) pointed out: "of all the want shown by the surveys, from three-quarters to five-sixths, according to the precise standard chosen for want was due to interruption of loss of earning power. Practically the whole of the remaining one-quarter to one-sixth was due to failure to relate income during earning to the size of the family".
4. ILO (1984)

5. The Planning Commission document (1962) on 'Implications for a Minimum Level of Living' which dates to the Second Plan and which first identified income maintenance as the objective of planning, concluded that the growth process it envisaged, ambitious as it was with a target rate of 7 per cent per annum, was likely to remove poverty only upto the third decile from the bottom of the population and that "specific steps" will have to be taken for the poorest fifth. Similarly, referring to the poorest decile, the Fourth Plan document stated: "This segment of the population consists mostly of the destitutes, disabled persons, pensioners and others who are not fully in the stream of economic activity. They constitute a special class whose income and living standards cannot be expected to rise with the growth of the economy in the absence of special assistance". However, the recognition of the need for special measures for the poorest was not followed through with any concerted attention to what forms such special assistance might take within the constraints and feasibilities of our situation. Subsequent plans -- the V, VI and VII -- have confined themselves to proposing targets for an aggregate reduction in the head count poverty ratio and have paid no attention to the role of social security. The Sixth Plan devoted half a page to this topic under the subject of labour welfare and the Seventh Plan was wholly silent on the subject.

The most recent (June 1990) document on the 'Approach to the Eighth Plan' has an expectation-raising section on 'Food and Social Security' but all that it has been able to bring itself to say on the subject of social security is the following non-committal statement: (p.38) "A number of social security schemes - like old age and widows pensions, accident insurance and the like - have been introduced by several states in a piecemeal and ad hoc fashion. The accumulated experience of schemes already introduced will need to be assessed critically. A number of ideas on the subject are available and provide a good basis for designing a better thought out, comprehensive, and affordable system."

6. Almost all of the Indian academic literature on the subject is confined to social security legislation and social insurance in the organised sector. Prof. Amartya Sen is a notable exception who has done a great deal to draw attention to the role of social security entitlements in public action to combat both famines and 'persistent hunger.' It is, therefore, disappointing that when it comes to ILO-type benefits for the poor in the ordinary course of their lives he is cursory if not condescending. Vide the following extract from Dreze and Sen (1989) p.16:

We should stress that 'social security' as we see it here is a much broader and far-reaching notion than the technical sense in which the term is sometimes used in the professional literature on social administration in the richer countries. Debates on social security issues in the more prosperous countries have tended, perhaps for good logistic reasons, to focus on a number of specific forms of intervention such as unemployment benefits, medical insurance or old age pensions. Often the very definition of 'social security' is associated with these specific programmes (see e.g. the publications of the International Social Security Association). There is some debate as to the part that these programmes can play in removing deprivation in developing countries. But no matter what position we take on this issue, there is some obvious advantage in considering all the relevant forms of intervention in a common framework. We see 'social security' essentially as an objective pursued through public means rather than as a narrowly defined set of particular strategies, and it is important to take a broad view of the public means that are relevant to the attainment of this objective.

The only position that the authors take on 'the part that these programmes (i.e. ILO type benefits) can play in removing deprivation in developing countries' is in the footnote that is attached to this passage:

The social security measures that have been historically associated with the pursuit of social security objectives in the richer countries, and which are now formalized in the conventional usage of the term (e.g. in ILO publications), are best seen as contingently relevant for social security in the broader sense.

Surely, social security, even in its 'much broader and far reaching' sense, is only 'contingently relevant'. It would not be necessary if there were no sickness or old age or widowhood in an environment of poverty!

7. S. Guhan (1980)

8. It is possible to work out the coverage in terms of the percentages of the poverty line that correspond to the ration of 13.2 per cent under OAP (Normal) 12.5 per

cent under DALP and 14.7 per cent under OAP (Normal and DALP combined using NSS data on the mean and distribution of consumer expenditure for 1986-87 and the CPIAL as deflator. The basic assumption is that coverage is from the bottom up i.e. of the poorest. The estimates indicate that the destitution criterion extends to 60.96% of the poverty line in OAP (Normal), 61.35% in DALP and 63.03% in the two combined.

9. Unlike as in North India, marriages in Tamil Nadu are socially permitted and widely take place within the larger family e.g. of girls with maternal uncles and with sons of the mother's brother or father's sister. On widowhood, the woman is not required to stay with her in-laws and often goes back to her home-of-birth (peranthagam).
10. G.O.Ms.No.470 Finance Department dated 23.5.1989 on the 'Tamil Nadu Family Distress Relief Scheme'
11. G.O.Ms.No.471 Finance Department dated 23.5.1989
12. G.O.No.516 Backward Classes Welfare, Nutritious Meal Programme and Social Welfare Department dated 31.5.1989. The maternity assistance scheme has been named in memory of Dr.Muthulakshmi Reddi.
13. G.O.No.515 Backward Classes Welfare, Nutritious Meal Programme and Social Welfare Department dated 31.5.1989. The marriage grant scheme has been named in memory of Moovalur Ramamirtham Ammaiyar.
14. Personal communication from the Finance Department (Government of Tamil Nadu).
15. The Chief Minister was deeply involved in popularising these schemes and in ensuring good coverage. The new schemes were a regular item in the agenda for Conferences of Collectors held in 1989; functions were held in each district with the participation of the Chief Minister in which the benefits were distributed and publicised; and brochures on each scheme in Tamil were printed and distributed in large numbers in all districts.

16. The Personal Accident Insurance Social Security Scheme, introduced in the Central Budget for 1985-86, provides for a benefit of Rs.3000 on the death of an earning member in the age group 18 to 60 belonging to poor families (defined as falling within a household income limit of Rs.7200 per annum) among landless labourers, small and marginal farmers, traditional craftsmen and others not covered by any insurance scheme or workmen's compensation. The premium is entirely borne by the Central government.
17. Leela Gulhati (1990) has a very useful discussion of 'sustainability' in the all India and Kerala contexts.
18. Inaugural lecture as Director of the Ratan Tata Foundation established in the London School of Economics "to promote the study and further the knowledge of methods of preventing and relieving poverty and destitution".
19. GOI (1984) and S.Guhan (1988) represent earlier attempts to take the horse to the water.

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