

RGICS



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NDA GOVERNMENT'S SOCIAL SECURITY SCHEMES

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NDA Government's Social Security Schemes

PART I: CONCERNS ABOUT NDA GOVERNMENT'S SOCIAL SECURITY SCHEMES

Pradhan Mantri Jan Dhan Yojana (PMJDY)

With the launch of the PMJDY, an attempt was made to take financial inclusion a step forward, however there is a lack of clarity on various aspects of the Pradhan Mantri Jan Dhan Yojana. There are concerns regarding:

- **Duplication of accounts:** People who enrol under the PMJDY may have accounts elsewhere and could have been persuaded to open new ones because of the attached insurance cover.
- **Funding the overdraft facility:** The scheme promises every account holder a RuPay debit card and an overdraft facility of Rs.5,000. But there is no clarity on how the expenses for this service would be met. It has been suggested that the overdraft facility will be guaranteed by a Rs 1,000 crore fund from NABARD. But this may not be sufficient if the overdraft facility really takes off. Assuming one account each for 7.5 crore households, an overdraft facility of Rs 5,000 each amounts to Rs 37,500 crore. Even if one is to assume a risk proportion of 20-25 percent, it would imply a minimum of Rs7,000 crore loss to the banking sector.
- **Lack of clarity over the insurance cover** – There exists lack of information on two important aspects:
 - a) the maturity of the insurance cover is not specified
 - b) who would bear the burden of the premium is uncertain
- **Financial Viability:** The immediate and the biggest challenge for the Government would be to figure out the financial viability of maintaining the accounts and the linked insurance schemes. **“There are two aspects to financial inclusion –one is bank accounts and the second is access to credit. The scheme announced by the Prime Minister addresses the first problem. The issue of making credit available to small borrowers remains”**, said Mr C.Rangarajan, the former Chairman of the Economic Advisory Council to the Prime Minister under UPA Government.ⁱ While it may be easy to achieve the target of opening 7.5 crore bank accounts by January 2015, the real challenge is of keeping these accounts running and alive. PMJDY (Pradhan Mantri Jan Dhan Yojana) had completed its target of enrolling 75 million people about two months before the deadline of January 26. However, the number of zero-balance accounts are high. As of April 15, 2015, banks had opened about 150 million bank accounts under PMJDY; **174 accident claims and 158 life claims were received**, of which 79 and 93 were settled, respectively. (Business Standard, 2015) Some banking experts have noted that the financial viability of running these crores of accounts would depend on the minimum balances maintained in these accounts and the number of transactions carried out in a year. Keeping these accounts running, the insurance claim system functional, funnelling money through cash transfer mechanism or DBT and making the over draft facilities financially viable will imply costs for different financial sector institutions. Or more likely these costs would have to be subsidised by the Government. These aspects of PMJDY are yet to be fleshed out by NDA Government.
- **Last mile connectivity:** A more fundamental question that PMJDY has not yet resolved is the last mile connectivity which is essential for financial inclusion. The NDA Government says that it would be based on Banking Correspondents (BCs). If one is to expect these BCs to earn even Rs 1,000 a month from acting as the last mile connector, the previous UPA government had assessed that it would require moving the entire social sector subsidy bill (including MGNREGA wages, food fertilizer and kerosene subsidies) through the BCs channel. This has not happened so far. While India already has 1.4 lakh BCs most of them do not really work. Hiring an additional 50 thousand BCs is bound to be unproductive unless the BCs Model is made economically viable.ⁱⁱ

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Atal Pension Yojana (APY)

Atal Pension Yojna was announced in Budget 2015-16 as an upgrade to the Swavalamban scheme (a UPA initiative) which will now fold into the newly launched benefit pension schemes for the poor.

- **Benefit of long-term savings now going to Insurance Company Instead Of Beneficiary:** The average return since financial year (FY) 2010 on the government bond schemes of NPS is 9.09%, on the corporate bond schemes it is 10.65%, and on the equity funds it is 13.25%. An average return (of the three fund options) of 10.67% would give a saver a corpus of Rs.15.81 lakh, almost double of what she is currently getting. The interest rate on the APY during the accumulation stage is 7.94 per cent a month. That is below the current bank deposit rate. Therefore, in giving a guarantee, the government is taking away the cream on long-term savings that will now go to the annuity provider insurance company. (Live Mint, 2015)^{xxv}
- **Sub-optimal return:** At the withdrawal stage, the interest rate is insultingly low - just 7.06 per cent. This scheme is far worse than a bank recurring deposit scheme, even though the NPS will invest in higher-yielding products like corporate bonds and a bit in equities. The current NPS-S investment mix invests upto 85% of the corpus in bonds and upto 15% in equity, the remaining comprising of corporate bonds. In contrast, the NPS-Main follows a life-cycle investment mix which invests 50% of a 20-year old subscriber's corpus in equity, 30% in corporate bonds, and 20% in government bonds. As the subscriber ages, the share of equity and corporate bonds is reduced and transferred to the less-volatile government bonds. Thus, while guaranteeing a minimum amount through investments in approved fixed income instruments, the government could ensure that subscribers can accumulate corpuses that vastly exceed the guaranteed benefit by shifting to a more equity-heavy investment mix depending on age of the subscriber.(IFMR Blog)ⁱⁱⁱ Either the subscriber is not getting the government handout or is getting a sub-optimal return.
- **Insufficient Benefit:** A pension of Rs 1,000-5,000 a month after 20 years is unattractive. After 20 years Rs 5,000 will be worth just Rs 1,292, assuming an inflation of seven per cent. In order to ensure that the pension corpus of low-income customers is not eroded over time, the government needs to index both the subscriber contribution and the matching contribution to inflation. Assuming that the matching contribution continues in perpetuity and that the government invests the corpus in the current NPS-S investment mix, indexing both the subscriber and government contributions to inflation on an annual basis could provide the subscriber with a substantially higher corpus. (Live Mint, 2015)^{iv}. (The Indian Express, 2015)^v.
- **Aggressive Default Penalty May Render Scheme Useless:** Making it worse is the strong penalty for default in contribution: if one fails to contribute for six months, the account will be frozen; after 12 months, the account will be deactivated and after 24 months, the account will be closed. This is too onerous and is probably the weakest link of the scheme. The basic feature of informal workers is that they do not have a fixed income and so cannot pay a periodic and fixed contribution to a pension fund. This is why the NPS has failed. Some 85 per cent of rural workers earn much below the minimum wage; more than 300 million people survive on less than \$1 a day. "To freeze, deactivate and close their account unilaterally is foolish", said Debashis Basu, editor of Money life (Business Standard, 2015)^{vi}.
- **Unnecessarily Complicated Product that allows Financial Firms to Overcharge:** we're going back from the clean product structure of the NPS to a world where fuzzy product structures allowed sub-optimal returns to savers and encouraged financial firms to charge high costs. The Atal Pension Yojna is a complicated scheme, which falls back in putting out a number that the subscriber will get rather than the indicative return that she will earn.
- **Will the poor really benefit?** The average life expectancy in India is 67 years. It's worse among the poor. How long will someone enjoy his or her pension after 60?
- **Fixing Defined Benefits goes against FRBMA:** This scheme pushes the country back to a world of defined benefit pensions. This will be a big error as it will totally destroy the target of limiting the fiscal deficit to 3% of gross domestic product and revenue deficit at 0. As per Gautam Bhardwaj and Surendra A. Dave, in a 2006 paper, the estimated implicit pension debt, or net present value of future pension promises, in 2004 is Rs.20 trillion (Live Mint)^{xxv}. Adding a defined benefit via a scheme as wide reaching goes against the grain of the Fiscal Responsibility and Budget Management Act introduced by the NDA government in 2003.

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Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Both the schemes are built on the existing Aam Aadmi Bima Yojana (a UPA initiative) started in 2007 to extend insurance to landless agriculturists and workers in 46 other trades in the unorganised sector, such as beedi workers, fishermen, weavers through LIC. The new schemes, however, increase the insurance cover significantly from the previous limits of Rs. 30,000 for natural death, and Rs. 75,000 in case of death due to accidents based on a premium of Rs 200 per person per year.

Financial feasibility: The financial feasibility of these new schemes is not clear (Scroll.in, 2015)^{vii}. With pricing kept very low, insurers and banks have maintained they won't be able to earn significant revenue from these schemes. "For banks, the charges paid are less than Rs 5. This does not even cover the service costs," said a senior banker who has partnered a large life insurer to offer the group term life scheme (Business Standard, 2015).

Excessive claims could de-rail the Scheme: While the government has done well to rope in the Corporate Sector via a group term scheme, clarity is awaited on what will happen in case of excessive claims in a year, as well as the impact this will have on future premiums (Business Standard, 2015)^{viii}.

Insurance Cover not in sync with Current Life Expectancy: The cover continues till age 55. Given that the average Indian Life Expectancy is now 68, the cover needs to be extended till age 60 or 65 at least, and not terminate at age 55. (Live Mint, 2015)^{ix}

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PART II :SOCIAL SECURITY SCHEMES: AN EXTENSION OF UPA INTIATIVES

UPA Initiatives on Financial Inclusion & Social Security Schemes

- Each Household to have at least one bank account: “Banks have been advised to ensure service area bank in rural areas and banks assigned the responsibility in specific wards in urban area to ensure that every household has at least one bank account”. This is not from the Jan Dhan scheme document, but from a one year-old document from the Ministry of Finance. Targeting households is an old idea.
- Mobile Banking: A second aspect of the project is using mobile banking. Here is a quote from the same 2013 document. “National Payments Corporation of India (NPCI) worked upon a “Common USSD Platform” for all Banks and Telcos who wish to offer the facility of Mobile Banking using Unstructured Supplementary Service Data (USSD) based Mobile Banking.” Mobile banking is not new, too.
- Banking reach: The government had issued a detailed guideline on financial inclusion back in October 2011, advising banks to open branches in all habitations of 5,000 or more population in under-banked districts and 10,000 or more population in other districts. Out of 3,925 such identified locations, branches have been opened in 3,402 by end of April 2013. All the 129 unbanked blocks identified in the country in July 2009 had been provided with banking facilities by March 2012, according to the finance ministry.
- Direct Benefit Transfer (DBT): The DBT scheme was launched in January 2013 and was being rolled out in phases. Thereafter, the government started the transfer of cash subsidy for domestic LPG cylinders to Aadhaar-linked bank accounts from June 1, 2013.^x

Comparison between UPA and NDA Financial Inclusion Programmes : PMJDY^{xi}

Features	UPA Initiatives	PMJDY
Coverage	Village based approach: villages with population greater than 2000 (Limited Geography) was to be covered	Households in all villages to be covered
Eligibility	Only Rural Villages to be covered	Both Rural and Urban Villages to be covered
Business Correspondent (BC)	Mobile BC	Fixed Point BC in each SSA comprising of 3 to 4 villages.
Objective	Focus on opening of Basic Savings Bank Deposit Accounts (BSBDA)	Focus on Financial Literacy, opening of BSBDA Account, Convergence with other subsidy schemes & Micro Insurance/Pension, RuPay Debit Card, USSD Scheme, Kisan Credit Card
Monitoring Mechanism	Monitoring by banks	Monitoring Mechanism at Centre, State, District level. Active participation of state and district emphasized.
Operating Mechanism	Operation of Accounts offline; separate server.	On-line banking based on the Core Banking Solution which provides a real-time banking network. Provision of RuPay Card to each account holder giving him freedom to operate anywhere.

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Comparison between Swavalamban Yojana Scheme & Atal Pension Yojana^{iv}

Features	UPA Initiatives	Atal Pension Yojana
Scheme & Applicability	Swavalamban Scheme addressed the longevity risk of poorer sections of the country. It was made applicable to all citizens in the unorganised sector who joined the New Pension System (NPS) administered by the Interim Pension Fund Regulatory and Development Authority (PFRDA).	Atal Pension Yojana (APY) announced in Union Budget 2015-16. The APY will be focused on all citizens in the unorganised sector, who join the National Pension System (NPS) administered by the Pension Fund Regulatory and Development Authority (PFRDA) and who are not members of any statutory social security scheme. The existing subscribers of Swavalamban Scheme would be automatically migrated to APY, unless they opt out.
Benefits	Government will contribute Rs. 1000 per year to each NPS account opened in the year 2010-11 and for the next three years, that is, 2011-12, 2012-13 and 2013-14.	The Central Government would co-contribute 50% of the subscriber's contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years, i.e., from 2015-16 to 2019-20, who join the NPS before 31st December, 2015 and who are not income tax payers.
Eligibility	The scheme will be applicable to all persons in the unorganised sector subject to the condition that the benefit of Central Government contribution will be available only to those persons whose contribution to NPS is a minimum of Rs.1,000 and a maximum of Rs. 12,000 per annum, for both Tier I and II taken together, provided that the person makes a minimum contribution of Rs. 1000 per annum to his Tier I NPS account.	Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme. The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more.
Funding	The scheme will be funded by grants from Government of India. The grants would be given such that monthly payment in the subscriber account would be possible.	Central Government would provide (i) fixed pension guarantee for the subscribers; (ii) would co-contribute 50% of the subscriber contribution or Rs. 1000 per annum, whichever is lower, to eligible subscribers; and (iii) would also reimburse the promotional and development activities including incentive to the contribution collection agencies to encourage people to join the APY.

Comparison between Aam Admi Bima Yojana^{xiii} and PMSBY^v and PMJJBY^{vi}

Features	UPA Initiatives (Aam Admi Bima Yojana)	NDA Initiatives	
		PMSBY	PMJJBY
Coverage	Rural landless households	Both Rural and urban to be covered	Both Rural and urban to be covered
Eligibility	Member in the age group of 18 and 59 to be covered	People in the age group of 18 and 70 with bank accounts to be covered	People in the age group of 18 and 50 with bank accounts to be covered
Risk Coverage	Benefits: On natural death: Rs. 30,000/-	Benefits: For accidental death & full	Benefits: On death for any reason: Rs.

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	On death due to accident/ on permanent total disability due to accident (loss of 2 eyes or 2 limbs): Rs. 75,000/- On partial permanent disability due to accident (loss of one eye or one limb): Rs. 37,500/-	disability: Rs. 2,00,000/- For Partial disability: Rs. 1,00,000/-	2,00,000/-
Premium & Government Contribution	The scheme was launched with a premium of Rs. 200 per person per year. A separate fund called "Aam Admi Bima Yojana Premium Fund" had been set up by Central Govt. to pay the Govt. contribution. Fund was maintained by LIC. A free add-on benefit in the form of scholarship to children was also available under the Scheme.	A premium of Rs.12 per annum will be directly auto-debited by the bank from the subscribers account.	A premium of Rs. 330 per annum will be auto debited in by the bank from the subscriber's account in one-installment.

PART III : ANNEXURE

SECTION – I: PROVISIONS OF NDA GOVERNMENT'S SOCIAL SECURITY SCHEMES

Pradhan Mantri Jan Dhan Yojana (PMJDY)

In his Independence Day speech on the 15th August 2014 the Prime Minister of India, announced the National Mission on Financial Inclusion with the objective of covering all households in the country with banking facilities, titled, “Pradhan Mantri Jan Dhan Yojana” (PMJDY). On the 29th of August 2014, PMJDY was launched with an ambitious target of opening 7.5 crore bank accounts by the 26th of January 2015.

Like with other NDA government's policies this should be seen as a continuum of the Financial Inclusion initiatives begun by the United Progressive Alliance (UPA) government.

The scheme is targeted at those who have never had a bank account in their lives. The only document required to open a bank account under the scheme is either, an Aadhar card, a voter's identity card, driving license, PAN card, or a card issued under MGNREGA. Even if the address mentioned in the document is different from the current residence of the applicant, a self-declaration will suffice. For those who do not have any of above mentioned identity proofs, a 'small account' could be opened with a self-attested photograph along with signature or thumb impression in the presence of the bank official.^{xiii}

Benefits offered under the schemeⁱ

1. No minimum balance required
 2. Interest on deposit.
 3. Accident insurance cover of Rs.1.00 lakh
 4. Life insurance cover of Rs.30,000/-
 5. Easy transfer of money across India
 6. Beneficiaries of Government Schemes (from Centre/ State/ Local body) will receive Direct Benefit Transfer's into these accounts.
 7. After satisfactory operation of the account for 6 months, an overdraft facility upto Rs.5000/- will be available in only for one account per household, preferably the lady of the household
 8. Access to Pension, insurance products.
 9. RuPay Debit Card that must be used at least once in 45 days.
- There are 6 objectives of PMJDY. During phase 1 (15.08.2014 to 14.08.2015), three objectives will be implemented. These are - Universal access to banking facilities, financial literacy programme, providing basic banking accounts with overdraft facilities of RS 5000 after 6 months and RuPay debit card with- in built accident insurance cover of Rs 1 lakh and RuPay Kisaan Card.
 - In phase 2 of PMJDY (15.08.2015 to 14.08.2018), three objectives will be implemented. These are - creation of Credit Guarantee Fund for coverage of defaults in over draft accounts, Micro Insurance and unorganised sector pension schemes like Swavlamban. In addition in this phase coverage of households in hilly, tribal and difficult areas would be carried out. This phase would also focus on coverage of remaining adults in the households and students.

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- The implementation strategy of PMJDY is to utilise the existing banking infrastructure as well as expand the same to enrol over 7 crore household and open their bank accounts.
- The banking sector would be expanded to set up an additional 50 thousand Business Correspondents (BCs), more than 7 thousand new branches and more than 20 thousand new ATMs.
- Phase wise and State wise targets for banks have been fixed. Roles of various stake holders like other departments of the Central Governments, State Governments, Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), National Payment Corporation of India (NPCI) and others have been indicated.

In addition to this, it was also decided that government and its entities will foot the premium bill of the mega insurance package formulated as part of financial inclusion under PMJDY. While the government will pay the premium on the Rs 30,000 life insurance cover, the National Payments Corporation of India, promoted by public sector banks, will provide the premium on the Rs 1 lakh accident insurance cover on behalf of the customers.^{xiv}

“The premium on Rs 1 lakh cover is less than Re 1 per person. This is probably a world record that such a massive package of bank accounts and insurance cover is being offered to record number of people,” said NPCI managing director AP Hota.ⁱⁱ

PMJDY would be monitored by a mission headed by the Finance Minister.^{xv}

Other Social Security Schemes

Similarly, on May 9, 2015 Prime Minister Narendra Modi launched three other social security schemes - Pradhan Mantri Jeevan Jyoti Bima Yojana (Life Insurance), Pradhan Mantri Suraksha Bima Yojana (Accidental, Death & Disability Insurance) and Atal Pension Yojana (Pension Scheme). These schemes are considered to be an extension to Pradhan Mantri Jan-Dhan Yojana (PMJDY) and are covered under the government's Jan Suraksha initiative. These schemes target the poor and promise to provide protection to poor individuals and their families against premature death (Pradhan Mantri Jeevan Jyoti Bima Yojana), longevity (Atal Pension Yojana) or inability to work & earn due to partial or full disability (Pradhan Mantri Suraksha Bima Yojana).

Atal Pension Yojana (APY)^{xvi}

- The Finance Minister announced a new initiative called the Atal Pension Yojana (APY) in his Budget Speech for 2015-16. The APY will be focussed on all citizens in the unorganised sector, who join the National Pension System (NPS) administered by the Pension Fund Regulatory and Development Authority (PFRDA) and who are not members of any statutory social security scheme
- Service Providers and Aggregators under Swavalamban Scheme would enroll subscribers through the existing architecture of the National Pension System.
- The existing subscribers of Swavalamban Scheme would be automatically migrated to APY, unless they opt out.
- The Central Government would also contribute 50% of the subscriber's contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years, i.e., from 2015-16 to 2019-20, who join the NPS before 31st December, 2015 and who are not income tax payers.
- Under the APY, the subscribers would receive the fixed pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month, Rs. 5000 per month, at the age of 60 years, depending on their contributions, which itself would vary on the age of joining the APY.

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- Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme.
- The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more.
- Under the scheme, Government would provide :
 - (i) fixed pension guarantee for the subscribers;
 - (ii) would co-contribute 50% of the subscriber contribution or Rs. 1000 per annum, whichever is lower, to eligible subscribers;
 - (iii) would also reimburse the promotional and development activities including incentive to the contribution collection agencies to encourage people to join the APY.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)^{xvii}

- The scheme will be available to people in the age group 18 to 70 years with bank account. The person having a bank account and Aadhaar number linked to the bank account can give a simple form to the bank every year before 1st of June in order to join the scheme. Name of nominee also has to be given in the form.
- Rs.12 per annum is the premium fixed for the scheme, which will be auto-debited by the bank from the subscribers account.
- The risk coverage under the scheme is as follows:
 1. For accidental death and full disability - Rs.2 Lakh
 2. For partial disability – Rs.1 Lakh
- The term of the risk coverage is limited to one year. A person has to opt for the scheme every year. He can also subscribe for a long-term option in which case his account will be auto-debited every year by the bank.
- The scheme will be offered by all Public Sector General Insurance Companies and all other insurers who are willing to join the scheme and tie-up with banks for this purpose.
- As far as the government contribution is concerned, various ministries can co-contribute premium for various categories of their beneficiaries from their budget or from the Public Welfare Fund created in this budget from unclaimed money. This will be decided separately during the year. Common Publicity Expenditure will be borne by the Government.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)^{xviii}

- The scheme will be available to people in the age group of 18 to 50 years having a bank account. People who join the scheme before completing 50 years will continue to be covered up to the age of 55, years subject to payment of premium.
- Rs. 330 per annum is the premium fixed for the scheme which will be auto debited by the bank from the subscriber's account in one-installment.
- The risk coverage under the scheme provides a benefit of Rs. 2 lakh in case of death for any reason.

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- The term of the risk coverage is limited to one year. A person has to opt for the scheme every year. He can also subscribe for a long-term option, in which case his account will be auto-debited every year by the bank.
- The scheme will be offered by Life Insurance Corporation and all other life insurers who are willing to join the scheme and tie-up with banks for this purpose.
- As far as the government contribution is concerned, various other ministries can co-contribute premium for various categories of their beneficiaries out of their budget or out of Public Welfare Fund created in this budget out of unclaimed money. This will be decided separately during the year. Whereas, Common Publicity Expenditure will be borne by the Government.

SECTION- II: UPA GOVERNMENT'S SCHEMES

Financial Inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society who have remained out of the formal banking system. Banking services are considered to be public products hence the availability of banking and payment services to the entire population without discrimination is the prime objective of financial inclusion in public policy. With a bank account every household gains access to banking and credit facilities. This will enable them to break the cycle financial crises and the ensuing grip of the money lenders, and most importantly, allow them to benefit from a range of financial products.

Congress led governments, had started various initiatives in order to ensure financial inclusion. These include nationalisation of banks (1969), Expansion of banks branch network (2011), establishment and expansion of cooperative and regional rural banks, introduction of priority sector lending and introduction of Lead Bank Scheme (1969).

The UPA governments in the last decade focused on:

- Formation of self help groups (SHGs) and state specific approach for government sponsored schemes to be evolved by State Level Bankers Committee
- Use of the services of non-governmental organisations (NGO), SHGs and micro finance institutions as intermediaries in providing banking services through use of “Business Facilitator and Business Correspondent (BCs) Model.” BCs are representatives of banks to provide basic banking services i.e. opening of basic bank accounts, cash deposits, cash withdrawals, transfer of funds, balance enquiries, mini statements etc.

The UPA government initiated the “Swabhimaan” Campaign in 2011 along with the Indian Bank Association, which involved the use of BCs to extend coverage in unbanked areas. Under this scheme all banks through the forum of State Level Banker Committees had identified approximately 73,000 habitations having a population of over 2,000 for providing banking facilities. These habitations were then allocated to Commercial Banks, Regional Rural Banks and Cooperative Banks for providing banking facilities in a time bound manner.^{xi}The other important Provisions of the Swabhimaan campaign were:

- It aimed at increasing the demand for credit among the millions of small and marginal farmers and rural artisans who will benefit by having access to banking facilities.
- Providing branchless banking services through the use of technology.
- Basic services like deposits, withdrawals and remittances using the services of Business Correspondents (BCs) also known as Bank Saathi.
- Direct credit of government subsidies and social security benefits so that beneficiaries could draw the money in their village via the Business Correspondents (BCs).
- Benefits of micro insurance and micro pension products for the masses through this banking linkage.
- Large number of migrant workers in urban areas can remit money to their relatives in distant villages quickly and safely.
- Enhance social security by facilitating the availability of allied services in course of time like micro insurance, access to mutual funds, pensions, etc.
- Banking facilities like Savings Bank, recurring Deposits, Fixed deposits, Remittances, Overdraft facility, Kisan Credit Card (KCCs), General Credit Cards (GCC) and collection of cheques to be provided.
- The Banks are also working together with the Unique Identification Authority of India (UIDAI) for enrolment, opening bank accounts and also to facilitate transfer of government subsidies and other payments.^{xx}

As per Census, 2011, out of 24.67 crore households in the country 14.48 crore (58.7 percent) households had access to banking services. Of the 16.78 crore rural household, 9.14 crore (54.46 percent) were availing bank services. Of the 7.89 crore urban households, 5.34 crores (67.68 percent) household were availing banking services.

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The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 1,15,082 and an ATM Network of 1,60,055. Of these 38.2 percent bank branches and 14.58 percent ATMs are in rural areas. Moreover, there are more than 1.4 lakh BCs of Public Sector Banks and Regional Rural Banks in the rural areas. It is estimated that 6 crore household in rural areas and 1.5 crores in urban areas still need to be covered with banking facilities.

Apart from these banking initiatives, UPA in the last one decade also focused on the social security of the poor and disadvantaged. In budget 2007-08, the then Finance Minister P. Chidambaram announced “Aam Admi Bima Yojana”, targeted to provide death and disability insurance cover through LIC to the rural landless households (One India, 2007)^{xxi}. The scheme was made available to the households, in the name of the member between the age group of the 18 to 59 years. More than 1.78 crore lives have been covered under the scheme as on 31.07.2011 (PIB, 2011)^{xxii}.

Similarly, as a social security measure for workers in the unorganised sector, ‘Rashtriya Swasthya Bima Yojana’ was launched on 1st October, 2007 to provide smart card based cashless health insurance cover of Rs. 30,000/- per annum to BPL families (a unit of five) in the unorganized sector. The scheme became operational from 01.04.2008. The premium is shared between Centre and State Government in the ratio of 75:25. In case of States of North East Region and Jammu & Kashmir, the premium is shared in the ratio of 90:10. The definition of BPL is the one prescribed by the Planning Commission. The Rashtriya Swasthya Bima Yojana (RSBY) is currently active in 26 States and Union Territories covering 3, 85, 15,411 families (PIB, 2014)^{xxiii}.

Further, it was recognized that handicrafts constitute an important segment of the decentralized/unorganized sector of our economy. Handicrafts have big potential as they hold the key for sustaining not only the existing set of millions of artisans spread over the country, but also to increasingly large number of new entrants in the crafts activity. Currently, handicrafts contribute substantially in employment generation, and export. In order to address the welfare needs of artisan in terms of health & dwelling insurance, Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY) had been envisaged.

In terms of CCEA approved schemes for the 11th Plan, the Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY), a component of Handicrafts Artisans Compressive Welfare Scheme was to be implemented for all categories of artisans in the first 2 years and thereafter, on implementation of Health Insurance Scheme of Ministry of Labour for BPL Workers, the RGSSBY was to be implemented, from 2009-10 to 2011-12, only for Non BPL Handicrafts Artisans. Since the Health Insurance Scheme of Ministry of Labour for BPL Workers had not been fully implemented in the entire country, it was proposed that RGSSBY should be implemented in 2009-10 for BPL artisans as well, so as to ensure that the BPL artisans covered in the first 2 years of the 11th plan are not deprived of the benefits available under RGSSBY in the 3rd year of the Plan. The matter was taken up with Ministries of Labour and Finance and both these Ministries had given their consent for implementing RGSSBY in 2009-10 for all categories of Artisans i.e. including artisans belonging to BPL families. The premium for the scheme was Rs. 897/- per annum, where Rs. 697/- per annum (or Rs. 797/- per annum) was the contribution by Government of India and Rs. 200/- per annum (or Rs. 100/- per annum) was the contribution made by handicrafts artisans. The Central Government's share of premium was released to the insurance company directly for coverage of artisans under the scheme in installments.^{xxiv}

Last, but not the least, **Swavalamban Scheme was announced in the Union Budget for 2010-11** under the UPA Government to address the longevity risk of poorer sections of the country. It was applicable to all citizens in the unorganised sector who joined the New Pension System (NPS) administered by the Interim Pension Fund Regulatory and Development Authority (PFRDA). Under the scheme, Government will contribute Rs. 1000 per year to each NPS account opened in the year 2010-11 and for the next three years, that is, 2011-12, 2012-13 and 2013-14. The benefit would be available only to persons who join the NPS with a minimum contribution of Rs. 1,000 and maximum contribution of Rs. 12,000 per annum. The scheme will be applicable to all persons in the unorganised sector subject to the condition that the benefit of Central Government contribution will be available only to those persons whose contribution to NPS is a minimum of Rs.1,000 and maximum of Rs. 12,000 per annum, for both Tier I and II taken together, provided that the person makes a minimum contribution of Rs. 1000 per annum to his Tier I NPS account. The scheme was to be funded by grants from the Government of India. The grants would be given such that monthly payment in the subscriber account would be possible (PIB, 2010)^{xxv}.

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