
UNIT 4 NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

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4.0 OBJECTIVES

After going through the unit you should be able to:

- outline and comment on the importance of the social assistance programme;
- explain the main features of NSAP;
- describe how NSAP can help in providing social assistance for poor households and senior citizens; and
- explain and comment on the role of Panchayats in implementing NSAP.

4.1 INTRODUCTION

The National Social Assistance Programme (NSAP) was introduced with a view to ensuring minimum National Standard of Social Assistance to the poor households that suffer because of the old age and/or the death of the breadwinner. This is a significant step towards the fulfillment of the Directive Principles of our Constitution. These principles are defined in the Constitution under Articles 41 and 42, which recognize the joint responsibility of the Central and the State governments for this purpose. Through these principles the State is directed to promote the welfare of the people. The welfare of the people can be promoted by creating a just social order based on socio-economic and political justice. Introduction of NSAP is an important step in this direction. This programme consists of two schemes dealing with issues related to old age and family benefits. In this unit, we will discuss the importance and the main features of schemes pertaining to these two issues.

4.2 NATIONAL SOCIAL ASSISTANCE PROGRAMME

Ours is a welfare state where the major task of the State is to ensure the well being of every citizen. In spite of our efforts made over the last few decades, poverty remains a

major problem in the country. You must have seen poor people in your village. They are poor because they don't have access to the basic facilities of life. As a result, they are held up in a state of poverty. Many plans and programmes are being implemented for them, yet there is a large number of needy people and families who are left out of such programmes and their numbers are increasing day by day. Important among them, for purposes of assistance, are those who are old and/or belong to poor families without primary breadwinners.

It is to help these poor people that NSAP was introduced on August 15, 1995. It was a Centrally Sponsored Programme to extend 100 per cent Central assistance to the States and Union Territories in order to help them to provide various programme based benefits to the poor. As a result of the recent review of the centrally sponsored schemes conducted by the Planning Commission, in consultation with the Ministry of Rural Development, it was decided to transfer the NSAP to the State Plan beginning the financial year 2002-2003. The objective of this shift is to provide the requisite flexibility to the States/UTs in the choice and implementation of the schemes.

4.3 MAIN AIM OF THE NSAP

As we have seen, the National Social Assistance Programme (NSAP) was introduced with a view to ensuring a minimum National Standard of Social Assistance to poor households suffering from issues pertaining to old age and/or the death of the breadwinners. The main aim of the programme is to extend financial assistance to:

- old persons having little or no regular means of subsistence; and
- households living below the poverty line because of the death of their primary breadwinners.

The programme consists of the following two schemes:

- i) National Old Age Pension Scheme (NOAPS)
- ii) National Family Benefit Scheme (NFBS)

We will now discuss each one of them separately.

Since the procedure for implementation, release of funds and the monitoring and evaluation mechanisms are the same for both the schemes, we will discuss them together after we outline their specific features. Let us discuss the National Old Age Pension Scheme (NOAPS) first.

4.3.1 National Old Age Pension Scheme (NOAPS)

This scheme is meant for old persons who are destitutes. You know that there are people who are old and without any regular source of income. Because of their old age they cannot work and therefore are unable to support themselves. At the same time, they may not have any one else, son/daughter or any relative to take care of them. They are helpless and vulnerable in all respects—physically, financially and socially. In order to sustain themselves, people belonging to this category of the poor require assistance on a continuous basis. The NOAPS has been designed to provide monthly old age pension to such destitutes.

Criteria for old age pension

In order to claim old age pension under this scheme, a person (male/female):

- i) Should be of 65 years of age or above;
- ii) Should be a destitute who is left with little or no regular means of subsistence from his/her own sources of income; and

- iii) Should not have financial support either from family members or from any other sources of income.

In case any State Government/UT uses some other criteria for determining destitutes, they can also be considered.

How much is given as the Old Age Pension?

Under this scheme, a person gets an amount of Rs. 75/- (Rupees Seventy-Five Only) per month as old age pension. The respective State Governments, however, are free to add to this amount from their own sources.

Mode of the distribution of pension

The benefits under NOAPS should be disbursed in not less than two instalments in a year and if possible, the benefits may be disbursed in more instalments as per the direction of the State Government. *It has to be noted that Village Panchayats should report every case of the death of a pensioner to the authority concerned so that payments are stopped immediately.*

Check Your Progress I

- Note:** i) Write your answer in the space provided.
ii) Check your answer with the possible answer provided at the end of the unit.

- 1) Why was the National Social Assistance Programme introduced? Name three main criteria to be fulfilled to claim old age pension.

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4.3.2 National Family Benefit Scheme (NFBS)

Now let us turn to the next scheme namely the National Family Benefit Scheme (NFBS). In our country, every effort is made to help the poor people to come out of poverty. At times, however, situations arise when the needy cannot wait for the benefits of the development programmes to reach them; for instance, consider the sudden death of the primary breadwinner in a family and the consequential helplessness of the family.

Such a family needs immediate assistance to come out of destitution. The National Family Benefit Scheme (NFBS) has been introduced by the Government to help such poor households who suffer due to accidental or natural death of their primary earning members. The scheme provides a sort of immediate compensation to the affected family in order to help them to come out of the situation. It is, however, a one-time assistance for the affected families and nothing more than that.

Identification of primary breadwinner in the family

Since the assistance is linked with the death of the primary breadwinner, it is necessary to clarify as to who the primary breadwinner is. As per the guidelines issued by the Government of India, any person in a household is considered the primary breadwinner,

if his or her earnings contribute substantially to the total household income.

Extent of compensation given

The amount of compensation has been fixed at Rs.10, 000 (Ten Thousand) per family in the case of primary breadwinner’s death.

Conditions attached

There are two conditions attached to this facility.

- **First**, the family must be living below the poverty line.
- **Second**, the age of the main breadwinner at the time of his/her death should be more than 18 and less than 65 years.

In order to determine as to whether the particular family or household is below the poverty line, criteria prescribed by the Government of India are applied and the case settled.

Who gets compensation?

The compensation under NFBS is given to the head of the surviving household/family. In order to avoid any disputes regarding the determination of who the head of the family is, a local enquiry is conducted. This local enquiry becomes the basis for deciding the head of the family to whom the family benefit is provided by the Government under this scheme.

Here again the number of families to be covered in a State/UT is determined by the Central Government.

Check Your Progress II

Note: i) Write your answer in the space provided.
 ii) Check your answer with the possible answer provided at the end of the unit.

1) What is the extent of compensation given under the National Family Benefit Scheme and state two conditions that need to be fulfilled to receive the compensation?

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4.4 COMMON ASPECTS OF THE NSAP

4.4.1 Distribution of the Benefits of the NSAP

The assistance under both the schemes is made preferably through Savings Accounts of the beneficiaries at a Post Office or Commercial Bank. It can also be sent through Postal Money Order, though there is no bar on cash payments. Generally, for NOAPS, cash payment may be permitted if the payment is made in a public meeting such as at a Gram Sabha. This way people would realize the importance of Gram Sabha and the Gram Sabha will be strengthened. Besides, this process will help in making the Panchayat representatives accountable to the village community. It is to be noted that the sanctioning authority has the right to recover payments made on the basis of false or misleading information about eligibility.

4.4.2 Linkages to Other Programmes

The NSAP offers a special opportunity in relating these schemes to other poverty-alleviation programmes and the provision of basic needs. For example, old-age pension can be related to medical care and other benefits for old destitutes. Similarly, poor households covered under the National Family Benefit Scheme can also be assisted through the schemes available under SGSY and JGSY respectively.

4.4.3 Allocation of Funds

As a result of the transfer of NSAP to the State Plan, the Ministry of Finance releases the funds for its operations as Additional Central Assistance (ACA) to the States/UTs. The total ACA provided to the States/UTs for the NSAP is decided by the Planning Commission. And the Ministry of Rural Development and Planning Commission make the state wise allocations of this assistance. The States/UTs are expected to provide a Mandatory Minimum Provision (MMP) for the scheme under their own budgets. The MMP is equal to the States' Budget Provision or actual expenditure for this purpose, whichever was higher for the scheme during the year 2000-2001 and the ACA allocation for the year concerned.

The details of budget allocation and expenditure incurred by the States/UTs during 2000-2001 for providing old age pension and family benefits are compiled by the Ministry of Rural Development to have benchmark figures of MMP.

The States/UTs are expected to report the details regarding the distribution of the total MMP over various schemes adopted by them for the welfare of the BPL families to the Ministry of Rural Development within a month after the states' allocation of ACA for the transferred scheme is conveyed to the States/UTs. The Ministry of Rural Development monitors the expenditure of the ACA and MMP during the year.

4.4.4 Release of Funds

The release of the Additional Central Assistance (ACA) to the States/UTs is made routinely by the Ministry of Finance in equal instalments on a monthly basis till the month of December in every financial year. The release of ACA for the last quarter of the financial year, i.e. for the three months of January, February and March, however, depends on satisfactory progress reports pertaining to the implementation of the scheme and the utilization of funds by the States/UTs. The release of funds for the last quarter is subjected to the following conditions:

- At least 50% of the ACA funds released must have been utilized by the States/UTs by the 31st of December, so that ACA for the remaining three months of the financial year may be released.
- The States/UTs have to furnish utilization certificates for the funds released during the previous financial year to the Ministry of Rural Development.
- The utilization position as on the 31st of December must be reported by the States/UTs by the 15th of January to the Ministry of Rural Development, who after an examination of these reports makes suitable recommendations to the Ministry of Finance regarding the release of ACA for the three months of the last quarter.
- The ACA funds released under the scheme must be passed on to the implementing agencies within a month after the release of funds by the Centre.

4.4.5 Implementation of the NSAP

The States/UTs are allowed to implement the schemes through any State Government Department. They have to designate a Nodal Secretary at the State Level to report the progress of implementation by coordinating with the various departments involved in the

implementation of the scheme. The process of the implementation of NSAP at the district and lower levels is as follows:

District Level

At the district level, the District Collector or any other officer is given the primary responsibility to implement the NSAP. Here, the major responsibility is to:

- give wide publicity to the NSAP and its procedures;
- monitor and compile information about the implementation of the scheme and pass it to the authorities concerned;
- arrange the payment of benefits to the beneficiaries; and
- ensure efficient implementation of the NSAP in accordance with the guidelines.

Panchayat Level

The implementation of NSAP at the gram panchayat level includes the following:

- To procure target figures for NOAPS and NFBS from the State Government concerned;
- To give wide publicity to the schemes and provide information about procedures for getting benefits to the potential beneficiaries;
- To convene the meetings of Gram Sabha for the identification of beneficiaries and later for the distribution of assistance under NSAP;
- To publish the list of selected beneficiaries; and
- To take the help of Voluntary Organizations in publicizing the scheme.

As Panchayats are expected to play an important role for the development of rural areas, the above activities assigned to Panchayats are expected to further strengthen their involvement.

4.4.6 Monitoring and Evaluation

A lot of attention has been paid to effectively monitor and evaluate the performance of the NSAP. The progress of the implementation of the scheme is reported through Quarterly Reports in a given monitoring format by the 15th of the first month of the following quarter. Non-submission of the physical and financial progress reports is construed as *lack of progress* and therefore, may result in the non-release of ACA for the last quarter of the financial year.

Since the allocation of the scheme lapses at the end of the financial year, these instalments cannot be released during the next financial year, even if a state government reports progress subsequent to the cut-off dates mentioned above. The states may review, if necessary, the functioning of the existing committees at the state and district levels to ensure better results and coordination. The nomination of the representatives of the Ministry of Rural Development and the Planning Commission in the State Level Committees may have to be considered in the States/UTs.

In this regard, the respective activities taken up at the State/UT and District levels are outlined below:

State/UT Level

- States/UTs are expected to ensure wide and continuous publicity of the benefits available under the NSAP. This can be ensured through posters, banners, brochures, wall-writings and regional newspapers to make people aware of the provision and procedure for availing themselves of the benefits available under the NSAP.

Programmes for Self & Wage Employment and Social Security — Current Strategy

- In this regard, States/UTs can also use mass media like Television and Radio to give wider coverage to the NSAP.
- For availing themselves of the benefits of the NSAP, States/UTs should come forward to provide application forms in local languages in all the Gram Panchayat offices.
- States/UTs are also expected to intimate the Central Government the total number of beneficiaries identified district wise under each scheme of the NSAP. This helps the Central Government to work out the maximum number of beneficiaries to be covered under all the three schemes of the NSAP.
- As the NSAP involves massive financial transactions, States/UTs should open separate bank accounts for this scheme at the district level. The Central Government would release the funds under the NSAP directly into such accounts for all the districts. This will ensure smooth flow of funds for timely execution of activities.
- States/UTs have also the responsibility to set up committees both at the State and the District levels to monitor the implementation of schemes under the NSAP. The Chief Secretary of the State concerned will be the Chairman of the State Level Committee (SLC). Besides, the Secretaries of the Departments concerned like Health and Welfare, Finance, Rural Development and Municipal Affairs will be included among others as members of the SLC. The SLC will monitor and also evaluate the social assistance programme and give its report to the Government of India.

District Level

State Governments also set up District Level Committees (DLCs), which monitor and evaluate the NSAP in the respective districts. Headed by the District Collector, a DLC includes the following as members:

- a) The concerned Members of Parliament;
- b) One third of the MLAs elected from the district;
- c) Chairperson of the Zilla Parishad and/or that of its Standing Committee;
- d) Heads of the district level Departments concerned;
- e) Representatives from among the Chairpersons of Panchayat Samitis (block/taluk level Panchayat bodies) and Municipalities; and
- f) Representatives of NGOs and independent experts.

Check Your Progress III

- Note:** i) Write your answers in the space provided.
ii) Check your progress with the possible answers given at the end of the unit.

1) How can the NSAP be related to other poverty alleviation programmes?

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2) Who implements the NSAP at the district level? What measures have to be taken to ensure its effective implementation?

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4.5 LET US SUM UP

In this unit, you have learnt about the National Social Assistance Programme. It covers two schemes: the National Old Age Pension Scheme (NOAPS) and the National Family Benefit Scheme (NFBS). You have also learnt that these schemes are meant for persons/families living below the poverty line. These include:

- Old destitutes, 65 years of age and above, who have no regular means of subsistence;
- Those poor households in which the primary breadwinners, aged between 18 and 65 years, have suffered an accidental or natural death.

Now you are aware of the above schemes. You will perhaps agree that NSAP is an important step to help and reach those poor sections of the society who are either not addressed by other development intervention or do not fulfill their criteria but still desperately need assistance. Let us hope NSAP brings relief and a smile on the faces of old and needy.

4.6 SUGGESTED READINGS AND REFERENCES

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4.7 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress I

- 1) There are a number of programmes implemented from time to time to alleviate rural poverty. A large number of needy people and families, however, are left out

for various reasons. These among others include old destitutes and poor families without a breadwinner. It is to address problems of this segment of rural population that the NSAP was introduced in August 1995.

The main criteria to be fulfilled to receive old age pension include that a person should be: a) 65 years or above, b) a destitute with no regular means of income, and c) not having any financial support from the family or any other source.

Check Your Progress II

- 1) The Government has fixed the amount of compensation at Rs10,000 per family, provided it is a case of the death of the primary breadwinner. There are two criteria to be fulfilled to receive this compensation. These are:
 - The family claiming compensation under the scheme must be living below the poverty line.
 - The age of the main breadwinner for whom compensation is claimed should have been between 18 and 65 years at the time of death.

Check Your Progress III

- 1) The NSAP can be related to other on-going development programmes to ensure the flow of other available benefits to the beneficiaries of the programme. For example, old destitutes under the old age pension scheme can be related to the medical care scheme as much as the other poor families to be covered under the National Family Benefit Scheme can be to the SGSY and the SGRY.
- 2) The District Collector is responsible for implementing the NSAP at the District level. The measures to be taken for the effective implementation among others include following:
 - To give wide publicity to the NSAP at the district level and below;
 - To convene District Level Committee meetings regularly;
 - To keep a monitoring mechanism in place and to ensure that corrective actions are taken based on the feedback received; and
 - To follow the NSAP guidelines in letter and spirit.