

# A Study on Aasara Pension Scheme Impact on Poorer Economic Development

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## **Abstract:**

Even 70 years of independences India still the deprived people life style not at all changed and they are still suffering with economic in-equality in the society. A lot of schemes introduced by Central / State governments to improve the situation. The Government of Telangana as a part of poverty alleviation strategy has prioritized social security programs for vulnerable sections of society to ensure that there are no deprived communities. In this context Government of Telangana introduced 'Aasara Pension Schemes a safety net strategy for the welfare in November 2014 to safeguard several sections of the society. In the past, social security pensions provided were meager and, barely sufficient to cover the basic minimum requirements of the needy. The idea of social security, including pensions, originates from the notion that everyone must have protection against vulnerability and deprivation but in practice, it has come to be linked to job security, whether one has a job in the formal or the informal sector. Under the Directive Principles Article 41, the State is expected to "within the limits of its economic capacity and development, make effective provision for securing 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.

**Keywords:** Survival, Financial support, Vulnerable sections, , Aasara pension scheme.

## **Introduction:**

Poverty alleviation aims to improve the quality of life for those people currently living in poverty. Poverty alleviation refers to the set of measures and government interventions both, economic & humanitarian to lift people out of the vicious circle of poverty. It is the prerogative of the government of a country to ensure the well-being of its citizens by providing them opportunities and financial assistance to emerge out of poverty.

Poverty is the condition of lack of means of living or lack of money for this. "Poverty is the \*Associate Professor –MBA, MRM Institute Of Management, Ibrahimpatan(M) R.R .Dist, Telangana- 501510 absence of an adequate supply of those things necessary to maintain the health and well-being of the individual and his family." In this way, the problem of poverty does not end only by arranging food, clothing and housing.

Social (non-contributory) pensions are a valuable and crucial element of a minimum social security package that supports the realization of rights, via implementation of the right to social security for all and furthering state provision of social protection for vulnerable people. Social pensions support commitments made by governments in the Madrid International Plan of Action on Ageing 2002 to halve

the numbers of older people living in extreme poverty by 2015. They also make important contributions to older people's empowerment and ability to claim other rights for themselves and their dependents.

Social pensions are an effective way of reducing income poverty and other forms of poverty among older people. Social pensions are generally defined as state provided non-contributory regular cash transfers to older citizens, given at specific ages in different countries. The majorities of workers, around 90 percent of the working population is engaged in the unorganized sector and have no access to any formal system of old age economic security.

Improvement in life expectancy and decline in fertility rate are leading to a significant change in the population age structure. The old age population (aged 60 years or more) has risen from about 19.8 million in 1951 to 56.7 million in 1991, resulting in an increase of the proportion of the elderly in the total population from 5.5 to 6.9 percent. According to the World Bank (1994a) estimates, the percentage of old people is expected to rise further to 10.3% by 2020.

### **NEED FOR THE STUDY:**

In Telangana majority of older and socially deprived persons face financial hardship in old age as most of them are not in a position to earn their livelihood. Their savings, if any, are not enough to meet their day to day, particularly the medical expenses. Many a times their family members and relatives exploit them due to their vulnerability. Exhaustive data collected over the years by various government agencies across the state show that in Andhra Pradesh / Telangana more than About 69 per cent of the aged and deceased people had to depend on others for their day-to-day maintenance. Pension in India has traditionally been based on financing through employer and employee participation. Majority of the population is not covered by any formal pension scheme, as the coverage in employee pension schemes has been restricted to only the organized sector. In this scenario, researcher intended to study whether government sponsored Aasara scheme will made any significant change in meeting their basic day to day needs.

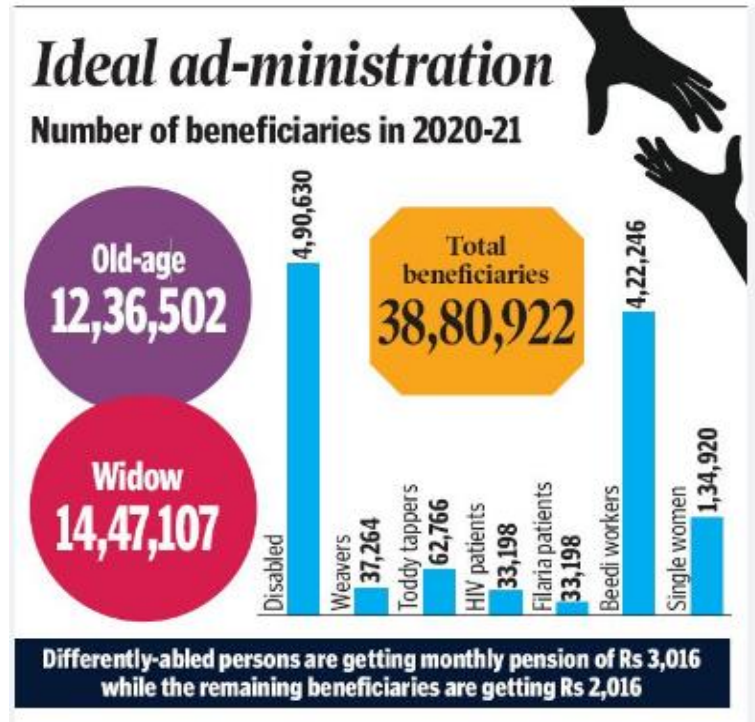
### **Scheme Initiation:**

The Telangana government has taken a number of initiatives to aid in the development of residents and the upbringing of the underprivileged. The Government of Telangana as a part of poverty alleviation strategy has prioritized social security programs for vulnerable sections of society to ensure that there are no deprived communities. In this context Government of Telanganaintroduced 'Aasara Pension Scheme' as a safety net strategy for the welfare in November 2014 to safeguard several sections of the society. The word Aasara means to support, and as per its name, the scheme has been providing basic support to the elderly, widows, AIDS patients, handloom workers, toddy tappers, differently abled, beedi workers, filarial patients and single women.

### **Beneficiary of the scheme**

The welfare scheme provides pensions to old people, widows, patients suffering from elephantiasis, AIDS, physically disabled persons, beedi workers, and single women

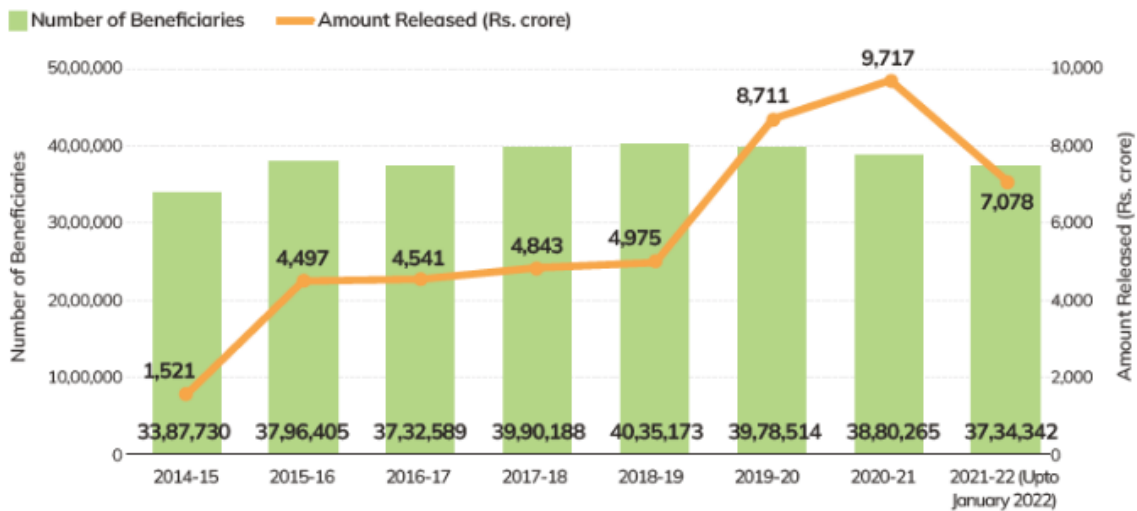
Table : Aasara ‘Beneficiaries’ State wise Statsites as on 08/2021.



Nizamabad district has the largest number of beneficiaries in the State. Jagitial and Hyderabad closely follow with 2.11 lakh and 2.01 lakh beneficiaries, respectively. The districts of Nizamabad, Jagitial, Hyderabad, Warangal urban, Siddipet, Rangareddy, Khammam and Kamareddy among others have considerable number of these beneficiaries. Mulugu has the smallest number of 35,834 beneficiaries.

The scheme was applicable to only the senior citizens, widowed women and differently abled persons in the past. However, it was extended to weavers, toddy tappers and beedi workers apart from single women, HIV and filarial patients, after the State formation. Among the beneficiary categories, the widow pension beneficiaries form nearly 38 per cent of the total 38.4 lakh beneficiaries in the State. About 14.37 lakh women are availing the scheme benefits, followed by 12.07 lakh senior citizen beneficiaries and 4.92 lakh differently abled persons. Besides providing Aasara pensions to 62,383 toddy tappers, 36,927 weavers, 32,429 HIV and 16,314 filaria patients, the State government is providing financial assistance to 4.21 lakh beedi workers and 1.34 lakh single women under the scheme. According to the statistics of the budget State government was providing Aasara pensions at an annual expenditure of nearly Rs 11,000 crore to over 38 lakh beneficiaries, while the Centre is contributing a meagre Rs 105 crore for providing Rs 200 pension each covering only seven lakh beneficiaries.

**Number of Beneficiaries and Amount Disbursed (Rs. Crore) under Aasara Pension Scheme (2014-15 to 2021-22)**



Source: Telangana Socio Economic Outlook -2022 Pg .190.

**SOCIO ECONOMIC CRITERIA FOR AASARA PENSION:**

Government of Telangana as a part of its social safety net strategy, hereby, introduces the Aasara pensions with a view to ensures secure life with dignity for all the poor. This scheme is meant to protect the most vulnerable sections of society in particular the old and infirm; people with HIV-AIDS, widows, incapacitated weavers and toddy tappers, who have lost their means of livelihood with growing age, in order to support their day to day minimum needs required to lead a life of dignity and social security. In the past, social security pensions provided were meager and, barely sufficient to cover the basic minimum requirements of the needy. With a view to combat the ever-increasing cost of living and inflation, the Government, hereby, introduces a new scheme called Aasara pensions, which will provide substantial financial benefits to all the above categories, particularly those who are most needy.

Government with a view to identify eligible beneficiaries conducted a comprehensive one day SamagraKutumba Survey (SKS) of households in the State of Telangana on August 19, 2014. The data collected during the Survey is expected to form the basis of identifying the poor and vulnerable who are truly eligible for the social safety net protection, through the AASARA Pensions. Past experiences have shown that large number of ineligible beneficiaries have managed to appropriate the benefits meant for the poor and vulnerable leading to neglect of the needy and deserving despite their being eligible for pension.

There is therefore a need for utmost care to be taken to ensure that no eligible poor or vulnerable are left out in the process. District Collectors will need to correlate the data with census data of the persons who are old and infirm, with disabilities and widows for their respective district to broadly identify the number of beneficiaries under each category.

**LITERATURE REVIEW:**

Suresh. D (2021) <sup>1</sup> explained, regarding the Differently Abled Persons (DAPs) welfare, the Telangana State launched AASARA Pension as a part of its welfare measures and social safety net strategy,

<sup>1</sup>D.Suresh (2021) “Impact of Aasara Pension on Differently Abled Tribal Person “ Research Gate.

intending to ensure secured life with dignity for all the poor differently abled persons. This study confined to the impact of the AASARA Pension on the social-economic status of Scheduled Tribes Differently Abled Persons and examined various aspects related to the objectives of the research work. Regarding the implementation of the AASARA Pension (Disability) majority of the DATs aware. In that 48% are aware about the scheme from local political leader, 16% are from newspapers, 15% are from relatives and 12% are from friends. This shows that the local political leaders, friends and relatives are playing a key role in making them aware about the pension and who are educated are aware through the newspapers.

AnanthaLaxmi (2018)<sup>2</sup> found that, In the beginning pension was released through biometric authentication because of which beneficiaries faced lot of difficulties regarding punching/identification etc. Now the government has taken measures to rectify that system. Now pension amount is deposited in the respective bank accounts directly. If the same system is continued and reviewed periodically, it will be more effective. Major problem faced by the pensioners is deduction of bank charges for non-maintenance of minimum balance. Especially banks like SBI, SBH are deducting bank charges to the extent of Rs. 100. It would be better if these charges are not deducted at least for this pension scheme as they are not in a position to maintain minimum balance. Government should take utmost care to make regular payments for AASARA pensioners under any circumstances. With effective implementation of AASARA, poverty eradication is possible.

G.Shyam (2018)<sup>3</sup> Delivery mechanism should be corrected because most of the beneficiaries widow/old-age groups In some of the areas middlemen are existing in sanction of pension amount to the beneficiaries. Hence we strongly suggest the government to look into this matter where government is blamed by these acts It is highly recommended that due to inflation most of the people are spending their income on essentials hence we suggest the government to increase the pension amount to meet essentials in which they are foregoing to satisfy another essential want

D.Rajasekhar& et al ( July 2017 ) 2 From 2010 onwards government focuses on the welfare of the old age people under the poverty line and explains the schemes such as National Pension System Lite and Atal Pension Yojana schemes. Under this study they failed to fulfill the needs of unorganized workers.

Praveen Jha and et al ( May 2013) highlighted about the the summit conducted in the year 2010 to one of the aspects is to eradicate poverty for all. According to ILO report 28% of the people having social security. Only the fractional section people out of total population are comes under umbrella of social security by the government. Elucidate different type of pension schemes available. Categorized the groups into above poverty line and below poverty line. There have been a limited effort interms of social security for old age.

Prayas, Pune, India (January 2005) Reli team undertaken this research regarding different popular government schemes draw back in the design and implementation and remedial measures. They find large gap between design and implementation. This researcher identified voices from the grassroots,

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<sup>2</sup>Anantha Lakshmi (2018)“ A case study on AASARA Pension Scheme in Telangana with reference to Old age pensioner in Amberpet region” JETIR , Volume 5 Issue 4, April-2018.

<sup>3</sup>G,Shyamu (2018 ) “Impact of AASARA Pension Scheme on Rural Livelihood -A Study in Janagaon District.



study made on government schemes for poverty on tribal pensioner, based on the insights and experiences of grassroots social activists.

**RESEARCH GAPS:**

1. Very few studies focusing on poverty alleviation strategy in Telangana for deprived people.
2. No studies found on impact of AASARA Pension Scheme as a poverty alleviation strategy.
3. No studies discussing about the sufficiency and ability of AASARA Pension Scheme in meeting the basic requirements of the poor people.

**OBJECTIVES:**

1. To study the impact of AASARA Pension Scheme as a poverty alleviation strategy.
2. To know whether the AASARA Pension Scheme is able to fulfil the basic requirements of the poor people or not.

**HYPOTHESIS OF THE STUDY:****NULL HYPOTHESIS:**

To achieve previously mentioned objectives, the accompanying speculation has been built up in the investigation.

H<sub>01</sub>: There is no impact of AASARA Pension Scheme as a poverty alleviation strategy.

H<sub>02</sub>: AASARA Pension Scheme is not able to fulfil the basic requirements of the poor people.

**ALTERNATIVE HYPOTHESIS:**

H<sub>a1</sub>: There is an impact of AASARA Pension Scheme as a poverty alleviation strategy.

H<sub>a2</sub>: AASARA Pension Scheme is able to fulfil the basic requirements of the poor people.

**METHODOLOGY:****Sources of data:**

**Secondary Data:** The data is collected from various sources offline/ online and governmental agencies report on Telangna state progress. Offline sources are journals and concern reports and online sources like Elton B Stephens Company (Ebsco), Emeraldinsight data bases are referred for secondary data.

**Primary Data :** Primary data is collected from a well-structured questionnaire derived from various past studies and social observations , objectives containing various study dimensions like impact of AASARA Pension Scheme as poverty alleviation strategy and ability of AASARA Pension Scheme in meeting the basic requirements of the poor people.

**Sample & Sample Size**

Nalgonda district Chandur Mandal is taken as the sample unit for the study. In this regard the opinion of 300 Aasara Scheme beneficiaries' was captured by using a structured questionnaire on various dimensions to study the objectives.

**Data Analysis:**

Pension Category		
	Frequency	Percent
Ola Age Pension	72	24.0
Widow	66	22.0
Disabled	21	7.0
Weavers	32	10.7
Toddy Tapper	32	10.7
HIV	55	18.3
Filaria	22	7.3
<b>Total</b>	<b>300</b>	<b>100.0</b>

**Inference:** The respondent’s pension wise category percentage indicating that, 24 % of people receiving old age pension and 22% are Widow pensioners , 18% are HIV patient category followed by 10% of beneficiaries each in Weavers and Taddy Tappers and finally 7% of respondents from Disable and Filaria category. The values explained that most of the beneficiaries belong to old age pension and Widow Pensioners in the study zone.

Other source of income		
	Frequency	Percent
Yes	169	56.3
No	131	43.7
<b>Total</b>	<b>300</b>	<b>100.0</b>

**Inference:** The other mode of income sources for Aasara pensioners indicating that, 56 % of people agreed that, they have alternate income source and 43 % said that, there is no other source of income other than Aasara pension.

H<sub>01</sub>: There is no impact of AASARA Pension Scheme as a poverty alleviation strategy.

H<sub>a1</sub>: There is an impact of AASARA Pension Scheme as a poverty alleviation strategy.

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.761 <sup>a</sup>	4	<b>.701</b>
Likelihood Ratio	19.586	4	.001
Linear-by-Linear Association	4.027	1	.045
N of Valid Cases	50		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .40.

From the above table chi square is not significant (sig. value is greater than 0.05), **accept alternate hypothesis** hypothesis, i.e the Aasara pension scheme initiated by government is somehow supporting to recover from poverty situation by beneficiaries in Jagityal District and its treated as one of the alleviation strategy by government.

H<sub>02</sub>: AASARA Pension Scheme is not able to fulfil the basic requirements of the poor people

H<sub>a2</sub>: AASARA Pension Scheme is able to fulfil the basic requirements of the poor people.

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.073 <sup>a</sup>	3	<b>.010</b>
Likelihood Ratio	9.533	3	.023
Linear-by-Linear Association	1.607	1	.205
N of Valid Cases	50		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is 1.60.

From the above table chi square is significant (sig. value is less than 0.05), **reject null hypothesis**. i.e Aasara scheme pension amount is able to fulfil basic requirement of deprived people and they can able to get minimum survival requirements.

**Findings**

- The Income of survey respondents data revealed that, 66 % of people are gaining 2000 /- -4000/- amount per month and 30% are gaining 4001 /- -6000/- amount , only 2 % are gaining up to 8000/- per month and a very little share of 1 % are gaining up to 10,000/- per month.
- The question regarding, the pension amount is sufficient to beneficiaries revealed that, 84 % said it’s not at all sufficient and not meeting their monthly expenses and only 15 % agreed that the amount is good enough for them.
- The share of amount for food items by respondents revealed that, 69% of people spending 1001-1500/- for food and 19 % said that they spent 501-1000/- for eatables followed by 3 % between 100 – 500/- amount and finally 8 % of respondents allocating 1501- 2000/- for food related items.
- The quantum of amount for medical expenses by respondents reflecting that, 68% of people spending 100- 500/- for medicines and 29 % agreed that they spent 500-1000/- for medicines followed by 3 % each in between 1000 – 2000/- amount for medicines. This high rate may be applicable for long term deceased beneficiaries.

**Conclusion**

The present study is about Jagityal Districts of Telangana State. In this region the conditions of beneficiaries of Aasara pension for the Elderly People, Widows, Disabled, HIV-AIDS, Elephantiasis suffering, toddy tappers, Beedi workers in generally, these pensioners require greater inputs of economic security, adequate basic needs like food and nutrition, access to basic healthcare, and adequate living arrangements. The increasing longevity of life, these inputs would also be required for longer time for a



greater and ever-increasing population, as the vulnerable sections are facing numerous problems owing to the social, economic and cultural changes that are constantly taking place in the society. The major area of concern of these people is in economic insecurity and it causes several social, health and psychological problems among them. Therefore, it becomes the obligation of the Telangana government to create more opportunities and other provisions for the marginalised sections of the society. In these two districts some of the samples are taken to understand the conditions of the Aasara beneficiaries. In 2022, the Telangana government provided main benefits to low-income families, totalling roughly 40,70,815 lakhs for various pensioners. It will ensure that they have a nice life after they have used their pensions, and it should be highlighted that the primary goal of pensions is to smooth consumption and reduce poverty. The Aasara pension scheme has been determined to be successful in achieving this goal for each and every citizen of this state. As a result, providing this pension programme will improve the living conditions and also assisting to reduce poverty of the most vulnerable members of Chandur Mandal.

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### TATA NANO CASE

Nokia was the world’s dominant and pace-setting mobile-phone maker. Today, it has just three per cent of the global smartphone market, and its market cap is a fifth of what it was in 2007. What happened to Nokia is no secret : Apple and Android crushed it. But the reasons for that failure are a bit more mysterious. Nokia had been a surprisingly adaptive company, moving in and out of many different businesses—paper, electricity, rubber galoshes. In 1990s, it successfully reinvented itself again. For years, the company had been a conglomerate, with a number of disparate businesses operating under the Nokia umbrella; in the early nineteen- nineties, anticipating the rise of cell phones, executives got rid of everything but the telecom business. Even more strikingly, Nokia was hardly a technological laggard—on the contrary, it came up with its first smartphone back in 1996, and built a prototype of a touch-screen, Internet- enabled phone at the end of the nineties. Nokia was acclaimed for its marketing, and was seen as the company that had best figured out how to turn mobile phones into fashion accessories. The car once touted as the world’s cheapest, Tata Nano, seems to be running into a dead end as sales and production is down to a trickle. The poor demand has resulted in Tata Motors dealerships not placing

new orders for the car in the last three to four months. Launched in 2009 to much fanfare, Tata Motors sold 30,350 units of Nano in FY 10, as per Society of Indian Automobile Manufacturers (SIAM) data. Interestingly, the sales more than doubled in FY 11 to 70,432 units, but quickly reached a plateau in the following year (FY 12) with only 74,521 units sold. Tata Nano, touted as the World's Cheapest Car and Ratan Tata's dream venture, has probably seen the end of its lifecycle. The company has plans to bring production to a complete halt following minuscule sales. There was zero production reported during the month of January 2019. Similarly in terms of sales, there were no sales of the Nano in domestic markets in January 2019 while in January 2018, sales stood at 62 units. It was also in terms of exports that the company failed to ship a single unit of the Tata Nano in January 2019.

Questions:

1. Do a strategic analysis of where Tata Motors went wrong with Nano?
2. What are the Strength and Weakness of above product.
3. How do you design advertising strategy for above product.

### Case Study

Emotions are an inevitable part of people's behaviour at work. At the same time, it's not entirely clear that we've reached a point where people feel comfortable expressing all emotions at work. The reason might be that business culture and etiquette remain poorly suited to handling overt emotional displays: The question is, can organizations become more intelligent about emotional management? Is it ever appropriate to yell, laugh, or cry at work? Some people are skeptical about the virtues of more emotional displays at the workplace. As the chapter notes, emotions are automatic physiological responses to the environment, and as such, they can be difficult to control appropriately. One 22-year old customer service representative named Laura who was the subject of a case study noted that fear and anger were routinely used as methods to control employees, and employees deeply resented this use of emotions to manipulate them. In another case, the chairman of a major television network made a practice of screaming at employees whenever anything went wrong, leading to badly hurt feelings and a lack of loyalty to the organization. Like Laura, workers at this organization were hesitant to show their true reactions to these emotional outbursts for fear of being branded as "weak" or "ineffectual." It might seem like these individuals worked in heavily emotional workplaces, but in fact, only a narrow range of emotions was deemed acceptable. Anger appears to be more acceptable than sadness in many organizations, and anger can have serious maladaptive consequences. Others believe organizations that recognize and work with emotions effectively are more creative, satisfying, and productive. For example, Laura noted that if she could express her hurt feelings without fear, she would be much more satisfied with her work. In other words, the problem with Laura's organization is not that emotions are displayed, but that emotional displays are handled poorly. Others, note that use of emotional knowledge, like being able to read and understand the reactions of others, is crucial for workers ranging from salespeople and customer service agents all the way to managers and executives. One survey even found that 88 percent of workers feel being sensitive to the emotions of others is an asset. Management consultant Erika Anderson notes, "Crying at work is transformative and

can open the door to change."The question then is, can organizations take specific steps to become better at allowing emotional displays without opening a Pandora's Box of outbursts?

**Questions:**

1. What factors do you think make some organizations ineffective at managing emotions?
2. Do you think the strategic use and display of emotions serve to protect employees, or does covering your true emotions at work lead to more problems than it solves?