IMPROVING COORDINATION IN THE DELIVERY OF SOCIAL SECURITY BENEFITS IN KARNATAKA

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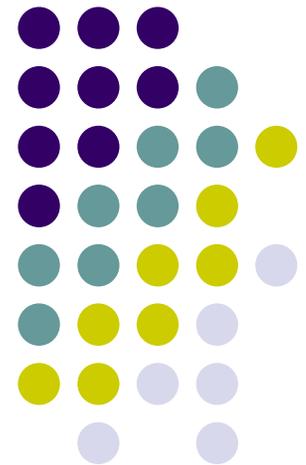Professor, **I**nstitute for **S**ocial and **E**conomic **C**hange (ISEC), Bangalore
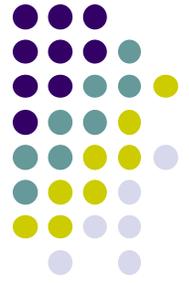
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The Context

- Unorganised workers in India

- Government social security schemes.

- Access to these schemes among unorganised workers is insufficient and unreliable because of several reasons.

- Of them, coordination problem is an important one

- Provision of minimum social security would become reality if coordination problem is resolved

The study

- A study has been, therefore, undertaken to:
  - Map, review and evaluate the process from the stage of application to sanctioning of key social security schemes
  - Suggest ways towards coordination

- It is hoped that this will

  - Assist implementing departments (common application, online submissions).

  - Help beneficiaries – simplification of application and submission procedures

 - Assist single window service centres (WFCs) to function better
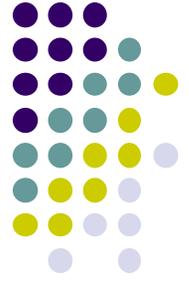
Methodology

- Covered 37 schemes implemented by 13 departments – based on four-fold criteria

- Desk review of applications and support documents

- Interviews with officials implementing these schemes in four Karnataka districts.
  - Dynamic checklist
  - Information on four stages of delivery process

Methodology (contd.)

- Discussions with staff working in single window service centres

- Primary data were collected from 440 households benefiting from at least one scheme from 44 Villages in four districts on:
  - Experience in accessing social security schemes.
  - Transaction costs (amount and time spent) incurred by them in gaining access.

Number of schemes and classification
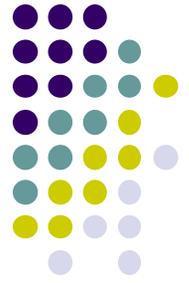
- Analysis is related to 28 schemes implemented by ten departments/corporations
- Four types
  - Pre and post-metric scholarship for students belonging to disadvantaged caste groups and disabled
    - Departments of Social and Tribal Welfare, Backward classes, Minorities and Disabled.
  - Loan schemes for self-employment and education to persons belonging to disadvantaged groups
    - Corporations of disadvantaged groups.
  - Pensions to the elderly, widows, disabled and single women
    - Departments of Revenue and Labour
  - Social security for construction workers, drivers of commercial vehicles, conditional cash transfers to girl child, insurance to unorganised workers
    - Departments of Labour, Revenue, Women and Child Development
- The results, provided under five major heads, are based on the preliminary analysis of three stages – application, support documents and submission

1. Use of information collected through applications

- Information collected through applications for 28 schemes is compared vis-à-vis critical information required to take a decision

- Why are applications filled?

- In the case of applications used for 80% of the schemes, all the information collected was not used for taking sanctioning decision.

- For e.g. applications for self-employment loan schemes collect information on collateral (applicant assets and surety details) and no-dues certificate.

Use of information (contd.)
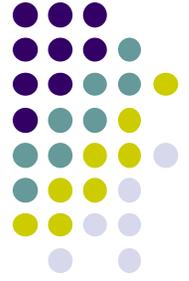
- This information is not ultimately used because
  - Legislator committee, which selects application for forwarding to the bank, bases its decision on entirely different criteria.
  - Loan amounts disbursed are so small that they do not need collateral as per the Reserve Bank of India rules
- Hardship to applicant households – running around banks and low success rate
- Transaction costs in obtaining applications and dependency on others
- Vast potential to carry out modifications in the existing application forms.

Average expenditure (in Rs.) incurred towards purchase of application
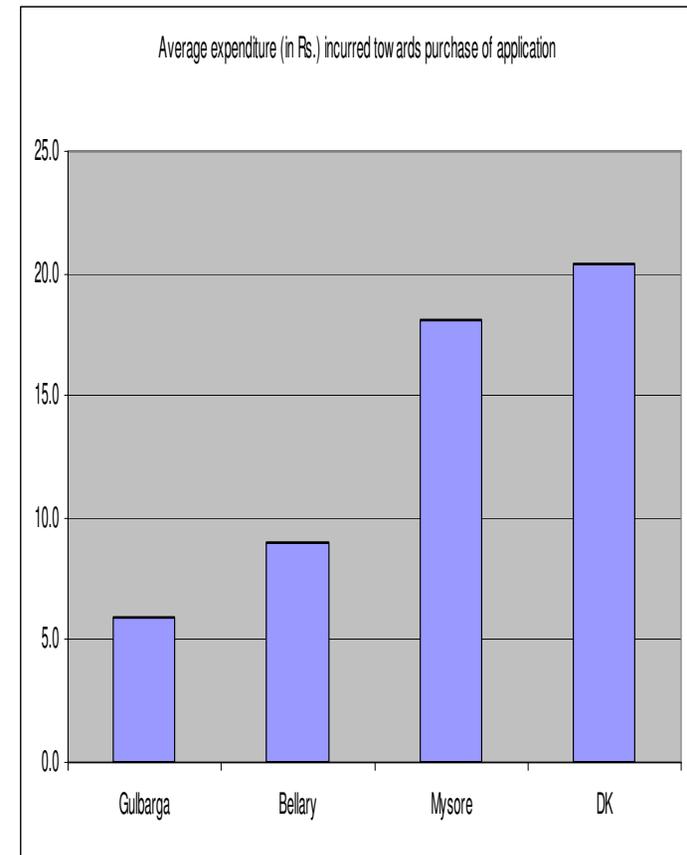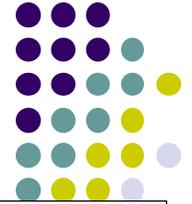
2. Standardization of application forms

- Application procedure is expected to remain the same across all districts in a province

- However, application procedure for a particular scheme varies from one district to another
  - Pensions
  - Incentives for meritorious students
 - Educational loans

Standardization (contd.)

- Why –sanctioning officials like to be safe

- But, the burden is passed on applicant households who incur considerable transaction costs

- Standardization of application forms across the districts and departments is therefore needed

Avg. no. of days (only for pension schemes)

Avg amount (in Rs.) (only for pension schemes)
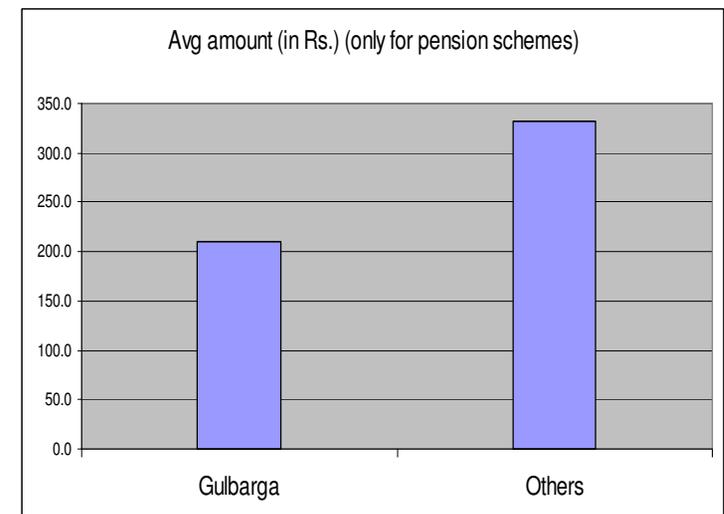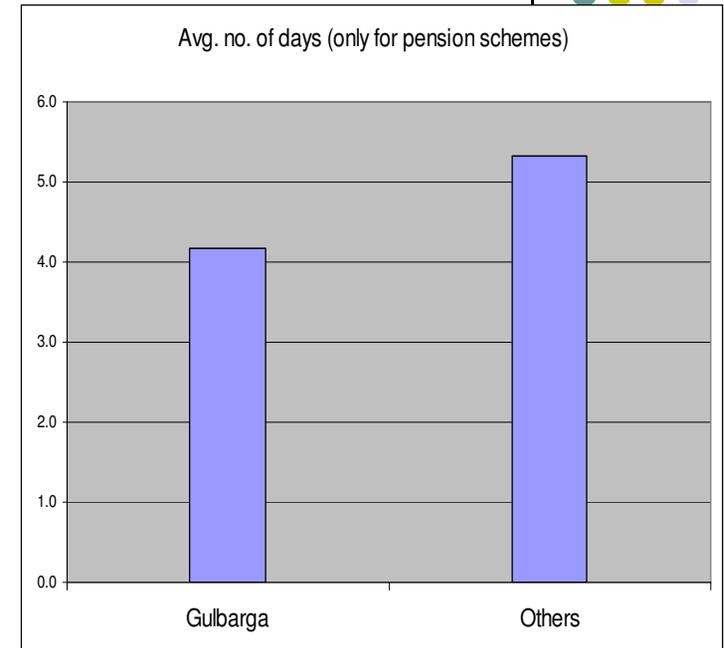
3. Developing common Application forms
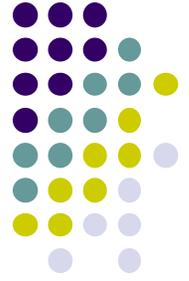
- A common application already exists for a group of schemes
- Still for some schemes, each department uses different application form although critical information is roughly the same across these schemes
- Schemes on scholarship and loan for self employment
  - Different implementing departments
  - Applicant households belong to different caste groups
  - What information remains the same and what varies?
- Without undermining the importance of any department, develop a common application form for:
  - Pre-metric scholarship schemes implemented by four departments
  - Post-metric scholarship schemes implemented by four departments
  - Loans for self-employment and education implemented by five corporations

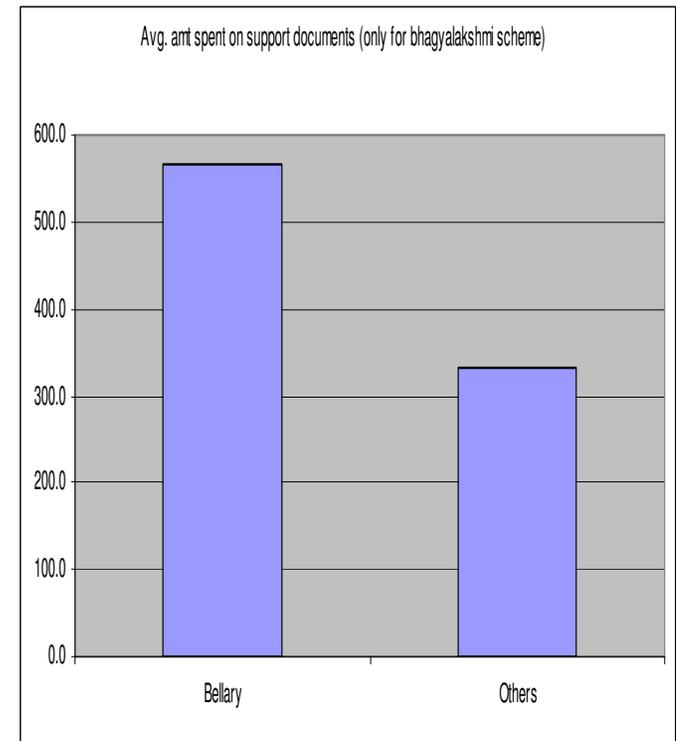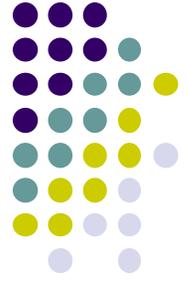## 4. Online submission of applications and common portal

- Karnataka is known for its information technology, though internet infrastructure is uneven across the province
- Applications are hence submitted manually
  - Cannot be submitted at the village level – travel and other costs
  - Delay in the sanctioning as departments rely on external agencies for computerization
  - Mistakes by external agencies resulting in delay and rejections
  - Cannot be easily monitored in terms of status, sanction, renewal, etc.
  - Dual registrations and claim of benefits at two places
- Online submission should be encouraged because households perceive application process easy if submitted online
- Common web portal along with online applications for schemes on scholarship and loan for self-employment

5. Support documents
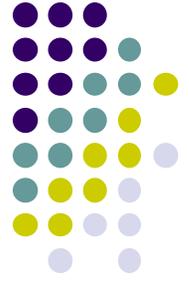
- Support documents are asked despite the fact that they are not effectively used

- District-wise variations exist in the support documents asked for

  - For instance, conditional cash transfer scheme to girl child

- Considerable hardship to applicant households and increase in transaction costs

- Amounts spent by households tend to be more in procuring the support documents

- Support documents that are absolutely needed should be asked for.

- In the long run, support documents can be linked to unique identification number and accessed from the internet

Avg. amt spent on support documents (only for bhagyalakshmi scheme)

600.0	
500.0	
400.0	
300.0	
200.0	
100.0	
0.0	
Bellary	Others

THANK YOU