

## **PM launches Indira Gandhi National Old Age Pension Scheme**

“I am extremely happy to be here today for launching the Indira Gandhi National Old Age Pension Scheme. This Indira Gandhi Old Age Pension scheme is a scheme which fulfils an important commitment of our government towards providing a social safety net for the poor and vulnerable. I am very pleased that a number of beneficiaries are present here today and sincerely hope that this scheme in an expanded version which provides relief to a large number of citizen.

A society is known by the way it treats its young and its aged; by the social security and support system it offers to its senior citizens and vulnerable sections of society. It has been the Indian tradition and a part of our ancient culture, that our families and communities take care of our elderly citizen. The elderly are treated with respect and deference and given precedence in all matters.

But, with rapid urbanization, with the breakdown of the joint family system and the growth of nuclear families, and with increasing longevity, the elderly have been finding it difficult to sustain themselves in old age. Therefore, it has become necessary that we have modern systems of social security in place for the elderly citizen. Further, the absence of adequate public healthcare facilities and the rising cost of private healthcare facilities also make it imperative that social security be available for the elderly.

The National Old Age Pension Scheme was introduced by the Congress Government in 1995 as a response to the deprivation and insecurities faced by our elderly. It has certainly proved to be beneficial. The pension amount being given is found to have been spent on meeting daily household expenditure and it accounts for about 25–40% of the total annual income of poorer households. Therefore, its benefits are undeniable but they are not sufficient.

However, over a period of time, gaps were noticed which needed rectification. One was the low amount of pension being provided. The other was the restriction of coverage only to destitutes.

As a first step, our government and under initiative of Finance Minister, Shri P. Chidambaram, revised the assistance being provided by the Central Government from the meagre Rs.75 per month to a more substantial Rs.200 per month. We

have also asked states to match this raise by the Central Government. I compliment the States which have so far responded positively. The pensioners in such States are now receiving at least Rs 400 per month. I am also happy to note that many other States are enhancing the benefits further - either through higher pensions or increased coverage.

The other problem with the earlier scheme was its restricted coverage, targeting only those who were older than 65 years and were destitutes. Establishing a “destitute” criterion has been problematic. Moreover, there was a need to universalise coverage to all those who are old, poor and needy.

Hence, I made a commitment to the nation on 15th of August this year that we will extend the Old Age Pension Scheme to all citizens above the age of 65 years and living below the poverty line. Today we are proud to launch this new scheme as the “Indira Gandhi National Old Age Pension Scheme”.

The Indira Gandhi National Old Age Pension Scheme is a demand driven social security programme and is not restricted by budget allocations. The new criteria will almost double the coverage under the programme from about 87 lakhs now to almost 1.6 crore.

Our Government has asked state governments to implement the new pension scheme at the earliest. They have to ensure that all eligible persons are covered and that the pension is credited, wherever possible, into a post office or bank account of the beneficiary. They must clearly define the responsibility of various functionaries involved in the implementation of the scheme. There should be proper dissemination of information and generation of greater awareness regarding the scheme and the entitlement. Ownership of the scheme and contribution to it by the States is necessary for the successful implementation of the Scheme. Therefore, I would like all states of our union to own this scheme as their own, increase their contribution to the benefits that are being given and ensure that no one deserving is left out.

Today, on the birth anniversary of our beloved leader, Smt Indira Gandhi we have crossed an important milestone in our journey to a more inclusive and equitable society. We have begun by providing some sense of security to our vulnerable elderly citizens. Our next step should be to widen the coverage to all vulnerable groups. There is merit in including widows and physically disabled in the ambit of social assistance as suggested by my colleague Dr. Raghuvansh Prasad Singh. The old age pension scheme needs to be further extended to cover all those above 60 years. We hope to do this in future.

In the last few months, we have taken many important decisions which will promote the welfare of the poor and vulnerable. Through the Aam Aadmi Bima Yojana, we are providing life and disability insurance cover to the rural poor. We should gradually expand the coverage under this scheme to cover 3-4 crore families. Through the newly sanctioned health insurance scheme, we hope to provide basic healthcare insurance across the country. Taken together, the old age pension, the Aam Aadmi Bima Yojana and the health insurance form the three pillars of our social safety net for the poor, be they unorganised workers, be they rural landless, be they urban poor or be they destitute.

Our government has also been implementing several programmes aimed at promoting rural development and offering guaranteed employment to the needy. I am happy to note that the National Rural Employment Guarantee Scheme has been widely welcomed by the rural public. The strength of this programme is that it provides an effective safety net to the poorest. The NREGA opens up the opportunity to improve agricultural productivity of dry land areas.

To bridge the gaps in rural infrastructure, we have launched Bharat Nirman, an ambitious time-bound programme for improving rural infrastructure. While the Sarva Shiksha Abhiyan and the Mid Day Meal programme aim to increase educational levels, we have an ambitious programme to strengthen rural public health infrastructure through the National Rural Health Mission. There are a large number of initiatives to improve the lot of farmers. Put together, they will help improve the living conditions in rural areas.

As a nation we traditionally hold our elder members of society in high esteem. Their presence in our family, in our neighbourhoods and in our communities makes our lives more meaningful. It is our bounden duty to ensure that they live happily, healthily and securely in old age.

Today, our Government has taken a small step to bring a smile on the face of our senior citizens. I once again take this opportunity to express my gratitude to all the senior citizens present here for having taken the trouble of coming over today and giving us an opportunity to have their blessings.”

Courtesy: <http://www.pmindia.nic.in/speech/content.asp?id=614>

November 19, 2007

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