

Assessment of Social Security Allowance Program in Nepal



Government of Nepal
National Planning Commission
Singh Durbar, Kathmandu, Nepal

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FOREWORD

Social security has been recognized as a concern of citizen's rights in the world. Social Security is linked to enhancing social equity and justice. Realizing this fact, the Government of Nepal has included a provision for social security in the Interim Constitution of Nepal, 2007. With the intention of expanding social security rights of citizens, the Social Security Program (Operational Procedure), 2008 has been formulated and implemented under the Local Self-Governance Act, 1999. The Government of Nepal has been implementing various social security programs for decades. The growing concerns on the protection and promotion of the rights of citizens of the country also require an assessment of present interventions, which may give valuable inputs for the future, particularly in policies and programs. This study aims at assessing the outcome and identifying problems of the social security program implemented in Nepal over the years, and also focuses on the socio-economic outcomes of the social security allowance especially for elderly people, differently able persons and single (widow) women.

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We hope the findings of this study will be useful to the concerned stakeholders.

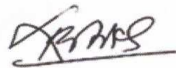

(Deependra Bahadur Kshetry)
Vice-Chairperson
National Planning Commission

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ACRONYMS

AGO	Auditor General's Office
CA	Constitution Assembly
CSO	Community Social Organization
CSSA	Comprehensive Social Security Assistance
DDC	District Development Committee
DOT	District Treasury Office
FCGO	Financial Comptroller General's Office
FGD	Focal Group Discussion
GON	Government of Nepal
IGNOAPS	Indira Gandhi National Old Age Pension Scheme
KII	Key Informant Interviews
LGs	Local Governments
LSM	Living Standard Measurement
MOF	Ministry of Finance
MOLD	Ministry of Local Development
NPC	National Planning Commission
OAA	Old Age-Allowance
OAS	Old Age Security
SSA	Social Security Allowance
SSAS	Social Security Allowance Scheme
UNDP	United Nations Development Program
VDC	Village Development Committee
WB	World Bank



Survey Districts

- | | |
|----------|-----------------------------|
| Mountain | - Jumla, Rasuwa |
| Hill | - Baitadi, Kaski, Bhaktapur |
| Terai | - Banke, Rautahat, Jhapa |

EXECUTIVE SUMMARY

Increasingly, social security is being considered as a right of the citizen. Social Security is linked to enhancing social equity and justice. A universal flat pension of Rs. 100 to all the elderly people above 75 years was first announced in Nepal on December 26, 1994. Since 1996-97, the Ministry of Local Development has been administering the Old Age Pension (OAP), and the allowances were distributed by the ward offices in the urban areas and by the Village Development Committees in the rural areas. Since 2065/66, the government has been introducing allowances to single women, endangered races, while reducing the eligibility age threshold for Dalits and citizens of the Karnali zone. In FY 2010/11, 3.01% of the total budget was allocated to social security programs. The estimated number of recipients has been increasing in all the categories. The proportion of universal allowance is much higher than that of other allowances.

In Section 35 of the Constitution, the State policy has included the provision of social security. In section 35 (9), it is stated that the State will follow a policy of paying special attention to protect the interest of women, orphans, children, old aged people, the disabled, incapable and endangered race. Section 35 (19) has clearly provisioned that a policy to provide allowances to the old aged, incapable, women and unemployed would be adopted. In Nepal, social security programs are in operation in line with various security-related acts and regulations. The Government of Nepal has developed an operational modality for the social security programs, and also addresses policy measures related to social security programs for single women, incapable and disabled citizens in the annual budget. With the notion of expanding the social security right of citizens, the Social Security Program Operation Procedure 2065 has been formulated and implemented under the Local Self-Governance Act 2055, Section 236 (2).

The average growth of social security expenditure is 0.75 %. There has been a galloping jump in 2008/09 and 2009/10. The proportion of the social security allowance in the total budget expenditure is also growing sharply, exerting pressure on the national budget. It has exceeded the government's total pension expenditure. The proportion of actual expenditure on social security in FY 2009/10 is 2.79%, which is higher than the actual expenditure on pensions given to the civil servants, police, teachers, constitutional bodies and others, i.e., 2.52% of the total budget expenditure.

In total, maximum allocation to senior citizens, senior citizens (Dalit), senior citizens (Karnali) and Single Women Allowances has been made to the Morang district and minimum to the Manang district. Similarly, the maximum Endangered Ethnic and Fully Disabled Allowance has been made to Jhapa and Morang districts, and the minimum to Sunsari, Kapilvastu and Bajhang districts, respectively. Maximum allocation of Partially Disabled Allowance has been made to the Terai-based districts and the minimum to the Kathmandu Metropolitan City. The government has started using local banks for distributing allowances in some areas on a pilot basis. In Kanchanpur district, database is being prepared for the distribution of social security allowance, and master software is being prepared for the district.

There is a lack of clarity in policies regarding social security programs. Since it is linked with social protection, there is a problem in determining state accountability. Cash transfer (more than 3% of the total budget) is being handled by limited manpower. The local bodies are not enthusiastic in implementing the programs due to lack of administrative expenses. Quality service delivery has still not been achieved, though there is an increment in the volume of allocation to the social security

programs. The inter-bodies coordination system is very weak. Implementation of the social security programs is scattered among various agencies, so some tend to benefit twice while some are left out of the programs. Social security programs are not monitored effectively. There is difficulty in getting an updated statement, so there are problems in the VDCs, municipalities, DDCs and the ministry itself.

Pressure on the budget is high and is increasing each year. Determining how much the target groups are actually benefitting is still a challenge. As the social security program is highly popular, political influence and pressure are widely prevalent. Sectoral ministries and central concerned agencies are not connected with the Management Information System. The dependency syndrome has been increasing.

INSTITUTIONAL SURVEY RESULTS

An institutional survey was carried out in eight sample districts covering eight DDCs, six municipalities and 47 VDCs in total.

Beneficiaries, New Entry and Dropout Reasons

- There has been a gradual rise in the total number of beneficiaries over time.
- In Jhapa district, the number of senior citizens more than doubled during 2064/65 and 2065/66.
- Classified data on the beneficiaries are poorly maintained.
- Data on new enrolment indicates that new enrolment is promising for all types of allowances in 2067/68. In all the eight surveyed districts taken together, a total of 5,396 were enrolled, the highest being in Jhapa with 2,015, constituting a larger share of new enrolments (59%).
- The highest dropout was found among senior citizens followed by single women. The major reason for the dropout was death of the recipients, which alone accounted for 77% of the total dropouts.
- A tendency to switch over from one type to another type of allowance due to difference in the amount of allowance has also been reported.

Budget Release and Expenditure

- Release and expenditure data across districts and sampled municipalities and VDCs are quite modest.
- 17 VDCs out of a total of 47 and four municipalities out of the 6 surveyed did not have expenditure data properly maintained for 2067/68.
- No expenditure data were made available to the survey team in many surveyed DDCs as well.

Operational Manual

- A few VDC secretaries observed that some clauses of the social security manual were either unclear or confusing. Some rules relating to the classification of disabilities and definition of Dalits need more clarity. Annex 8 and 10 are unclear in many respects. The Working Procedure is silent with the issue of “migrant household”.

Data Base and Renewal

- All the surveyed VDCs and municipalities have records of their beneficiaries.
- Quite a few officials admitted that they honor recommendations from the political parties to register eligible beneficiaries.
- Little less than half (45%) of the surveyed VDCs and one-third of the municipalities observed that the beneficiaries' list was updated once a year while another one-third (32.6%) admitted that they did so once in six months.
- The physical verification of the ID card in many surveyed VDCs revealed that it was not renewed regularly as claimed by many VDCs.

Problems in Updating Records

- Lack of support staff and non-registration of the deaths of the beneficiaries were the most commonly cited problems in updating the records.
- Some other less common problems reported were: too old to visit the office, difficulties in identifying those receiving government pension, tendency to misreport age (reporting higher than actual), none reporting from migrant households and lack of timely contact by the beneficiaries.
- The field survey team found that the list of beneficiaries is not updated as the list also included those beneficiaries who have already died. Altogether 92 cases of deaths were traced during the survey across eight sampled districts. This accounts for 1.78% of the total sampled beneficiaries.

Distribution, Periodicity & Location

- Different institutions have distributed the allowance at different periodicity
- Majority of the VDCs have been distributing the allowance from their office premises
- Many VDC secretaries and their assistants were also visiting homes to pay the allowances to those who are too old to visit, physically disabled and sick.

Transparency

- 31 VDCs claimed that they had been publishing the list of beneficiaries. Survey results, however, did not support this claim.
- All officials of the surveyed institutions observed that they receive adequate amount for distribution and payment is confirmed through thumb print.
- Sizable VDCs have followed a public and social audit system to keep the distribution transparent. The list of beneficiaries is pasted on the notice board of the VDC office. This has, however, not been fully verified.

Payment through Banks

- Majority of the VDCs (61%) and municipalities (83%) were of the view that payment through banks is not feasible.
- Non-availability or limited availability of banking services in the rural areas has been the most common reason cited for considering payment "not feasible" through banks. On the whole, there has been mixed reaction about this new arrangement.

Committee and Implementation Capacity

- A committee has not been formed in all the surveyed DDCs and municipalities/VDCs. This clearly shows that LGs are not strictly following the operational manual
- A few VDCs, municipalities and DDCs admitted their capacity as “weak”/poor and attributed this to “lack of human resource”.
- Majority of the VDCs/municipalities suggested making provision for separate manpower for SSA distribution, timely release of the budget in adequate amount and provision of incentives to the distributors to improve the implementation capacity.

Institutional Relationship

- The relationship on the whole appears to be cordial as majority of the VDCs (60%) admitted receiving all kinds of required support from the DDCs.
- Some DDCs, however, noted that they were not receiving the required cooperation from the municipalities. They complained that there was a tendency to demand the allowance arbitrarily (*hachuwa*).
- There is also a lack of initiative to clear advances on time. Incomplete documents are submitted resulting in administrative complications.
- There seems to be a weak institutional relationship between the VDCs/municipalities and local CBOs and NGOs. Survey data revealed that only 25% of the VDCs received support from CBOs and NGOs in the distribution of allowances.

BENEFICIARY SURVEY RESULTS

Nature and Type of Beneficiary: Of the total beneficiaries, 61 percent of the respondents were found to be female while 39 percent were male. The significant proportion of female respondents is mainly because of the inclusion of single women as a separate beneficiary category for the survey. The distribution of the beneficiaries by allowance shows that 57 percent were of old age followed by single women (26.3 percent), Dalit (11.7 percent) and disabled (4.6 percent). Majority of the beneficiaries were found to be living with their family members (63.7 percent) while 18.5 percent reported living with a spouse only. Still a significant proportion (12.6 percent) was found to be living alone. In terms of their educational attainment, a big majority of the respondent (88 percent) were found illiterate followed by informally literate (6.4 percent). The proportion of widows (single women) was found high (55 percent) which was accompanied by married (40.5 percent) and unmarried (4.0 percent). Less than 1 percent was found separated (0.3 percent) and divorced (0.1 percent). In terms of religion, a substantial proportion (89 percent) was found to be Hindus followed by Buddhists (4.6 percent), Muslims (4.6 percent) and Christians (0.5 percent). The distribution of the old age allowance beneficiaries by wealth quintile shows a higher proportion of females and Dalits from the lower wealth quintile in comparison to males and non-Dalits.

The results show that a higher proportion of Dalits falls in the lower wealth quintile and only about 5 percent of the Dalit beneficiaries are from the richest quintile. This is an anticipated result under the given socio-economic background of Dalits in Nepal, who are considered a marginalized group. Likewise, single women and disabled beneficiaries were also found belonging to the poorer quintile among the old age allowance beneficiaries. In terms of the beneficiary's household characteristics and holding of assets, the survey results show that almost 96 percent of the beneficiaries have their own home, nearly 75 percent own some land (an average landholding of 0.6 bighas), 53 percent

have a radio set, 59 percent have a mobile set, 44 percent have TV and 22 percent own a bicycle. The beneficiaries were found to have an average monthly income of Rs. 7,883 ranging from as low as Rs. 100 to as high as Rs. 100, 000 per month. Likewise, the average monthly household expenditure is reported to be Rs. 8,164 ranging from Rs. 150 to Rs. 120,000 per month.

Awareness about Program: The survey results also show that most of the beneficiaries are aware about the social security allowance program. As expected, males are found to be more aware than females, and Dalits and the disabled are found to be less aware than senior citizens and single women. Beneficiaries residing with their families and spouses are found to be more aware as compared to those who are living alone. However, contrary to anticipation, the beneficiaries from the higher wealth quintile are found to be less aware as compared to beneficiaries of the lower wealth quintile. However, all candidates belonging to the old age, Dalit and single women category said that they received Rs. 500 in social security allowance from the government. Many beneficiaries revealed that officials from the VDC and municipality were the first source of information regarding the allowance followed by neighbors and family members.

Area of Use of Allowance: It was found that the allowance is spent to meet both personal and household expenditures. A few were found to spend their allowance on family members like grandson/daughter, daughter/son-in-law. They spent the money on health and medicine followed by food (58 percent), tea and snacks (52.3 percent) and clothes (49 percent). The allowance is also spent on festival celebrations (23.3 percent), transportation (11.4), stationery (3.1 percent) and telephone/ mobile (1.9 percent). There were also cases of savings from the allowance, especially by the women beneficiaries.

Sufficiency of Amount: Given the increase in prices, most of the beneficiaries (80 percent) said the allowance was insufficient to meet their personal and household expenditure. The survey results indicate that poor, women and Dalits are in need of more allowances. The female beneficiaries were found to be reporting insufficiency of amount marginally higher than the males. Likewise, a higher proportion of the beneficiaries belonging to the lower wealth quintile reported insufficiency of the allowance in comparison to the beneficiaries from the highest wealth quintile. The median figure for the amount is Rs. 1,000.

Satisfaction Level: Regarding satisfaction from the program, we found that more than two-thirds of the beneficiaries are satisfied with the current distribution system. Nearly 66 percent reported they were satisfied with the system, with another 9 percent indicating they were highly satisfied. About 17 percent revealed they are indifferent of the system. Yet, nearly 10 percent reported they were not satisfied with the system.

Regularity of Distribution: The Social Security Program Working Procedure 2065 clearly states that the allowance be distributed once every four months in a fiscal year, first in the month of Ashwin (Sept-Oct), second in the month of Magh (Jan –Feb) and the last installment in Jestha (May-June). To assess the regularity of the distribution of the allowance, the recipients were asked how regularly they received the allowance. As expected, a large majority of the recipients (87%) reported that they were paid every trimester (once every four months).

Actual Recipient: The survey result shows that the allowance is collected by the beneficiaries (83%) themselves followed by relatives (13%). Only in a few cases were the allowance collected by others than the beneficiary and family members. They include neighbors, social leaders and political leader, among others. In the event where the beneficiaries were unable to collect the

allowance, almost 90 percent of the beneficiaries reported that the payment received on their behalf was duly given to them. Still 10% failed to receive the amount.

Location and Time of Delivery: The survey results also show that majority of the beneficiaries received the allowance from the VDCs and municipality offices. During the FGD, it was also said that there was a practice to hand over the allowance to the beneficiaries at their own homes, and this could be perceived as delivery of allowance from the ward office itself. The survey results also showed that nearly 9 percent received their allowance in their own home. Likewise, the results show that it takes nearly 26 minutes to reach the office to collect the allowance and almost the same time to go back home. The average waiting time at the office is found to be 52 minutes. That means, nearly two hours is spent on collecting the allowance. It is also noticeable that those who use a vehicle spend about Rs. 60 on the transportation cost to collect the allowance.

Economic Well Being: The survey results show that almost 80 percent of the respondents are using their allowance to meet their regular household expenditure. That means that the majority of the beneficiaries pooled their allowance together with other sources of income to meet their expenses. About 92 percent revealed that the allowance had helped them financially and helped reduce their economic dependency. The inclusion of the allowance, seen as a share of the monthly household expenditure, benefitted the female, Dalit and beneficiaries of the lower wealth quintile more.

Role on Decision Making: Because of the allowance, it was found that the majority of the beneficiaries were involved in household decision making, in general, and nearly all (90 percent) were involved in making decisions about how the allowance would be spent. Quite a significant proportion has also revealed their involvement in household decision-making after receiving the allowance.

Respect and Self-respect: The survey results show that nearly 93 percent have a sense of self-respect while the remaining 7 percent reported no change in their self-respect after getting the allowance.

Increased Social and Religious Activities: The survey results show that nearly four-fifths of the respondents (76 percent) reported they are involved in social and religious activities. It was also reported during the FGD and KII that their social and religious activities had increased after receiving the allowance.

Management and Financing of Social Security Allowance

- The budgetary allocation for the social security program shows a very high growth over the years, reaching about Rs. 7.6 billion (2.4% of total budget) in fiscal 2010/11. With the increase in the life expectancy of the people in the country, the amount will certainly grow further in the coming years. On top of this, with the reduction in the eligible age, as in the Karnali zone, and voices being raised to lower the age to 60 years in other deprived areas of the country too, the amount may sharply increase in the coming years. This raises the twin questions of how the fund will be managed and how the required fund will be financed.
- The present system of management by MoLD and distribution through the VDCs have raised a number of issues relating to the efficient delivery of services, mismanagement and misappropriation of funds. The limited manpower with pre-assigned tasks to deliver has been a major deterrent to the efficient delivery of services and management of this fund. Therefore, exploration of a proper institution for better management and service delivery is vital for immediate consideration.

- In many countries such funds are managed through Pension Boards or through the Tahasildar as in India. In Nepal, we have the Kousi-toshakhana that manages the pension of the civil servants. As these agencies are exclusive in nature, they are found to be managing it very efficiently. The possibility of assigning this task to the Kousi-toshakhana, of course by adding a separate section in the agency, to deal with this fund should be explored.
- At the grassroots level, it is difficult to find an alternative to the present distribution system through the VDCs. However, the increasing use of banks, microfinance institutions or remittance agencies should be tapped to replace the present system in a phase-wise manner for better and efficient distribution of the fund to the beneficiaries.
- The introduction of a computerized system for the overall management of the fund and issuance of a computer-based ID system should be explored. This will have a clear benefit that will not limit itself to a better recording of the beneficiaries and their tracking, better use of funds and proper auditing but will also result in better service delivery and abate misappropriation of funds and corruption.
- Financing of a growing non-contributory pension scheme such as the Social Security Scheme demands careful attention. Although, with more and more people covered by a regular pension scheme, and the improvement in the level of poverty, the number of people under the social security system may come down overtime, but the increase in the cost of livelihood and other forms of social security to its citizens by a responsible government may remain a big factor for an increase in the volume of such funds in the years ahead. Therefore, the issue of financing the social security fund will remain critical in the years ahead.

Chapter I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The International Social Security Association has defined social security as any program of social protection established by legislation or any other mandatory arrangement that provides an individual with a degree of income security when faced with income contingencies of old age, survivorship, incapacity, disability, and unemployment and rearing children. The development of social security is being supported by various international conventions and instruments, and the recognition of social security as a basic human right was enshrined in the 1948 Universal Declaration of Human Rights. Today, most countries in the world have some type of social security system. Worldwide, the most common type of program is for old-age, disability and survivors' pensions, among others.

The Social Security Minimum Standard Convention 102 of ILO mentions nine branches of social security which include: sickness, maternity, employment injury, unemployment, invalidity, old age, death, provision of medical care and provision for families with children (ILO, 1984). It states that these nine risk factors should be covered by social security. Social security is thus a primarily social insurance program providing social protection or protection against socially recognized conditions, including poverty, old age, disability, unemployment and others. Social security may also entail smoothing consumption and help in reducing risks or spreading income over the life cycle. Often there is a redistribution of income among groups with differing needs (Ahmad, 1991).

The objective of social security is to protect the poor and vulnerable and to ensure that they have an acceptable standard of living. Ahmad and others (1990) argue that social security is as indispensable to an equitable development strategy as to economic growth. Available literature has classified social security into three major types: (i) social insurance; (ii) income maintenance; and (iii) services provided by government for social security.

Among the three major types, *income maintenance* mainly refers to the distribution of cash in the event of interruption of employment, including retirement, disability and unemployment. This policy is usually applied through various programs designed to provide a population with income at times when they are unable to care for themselves. Income maintenance is based on a combination of five main types of programs: (i) social insurance; (ii) means-tested; (iii) non-contributory benefits; (iv) discretionary benefits; and (v) universal or categorical benefits.

The poor are most likely to be in need of social security. In the absence of publicly supported social security programs, the poor are likely to turn their production and consumption behavior towards risk avoidance instead of towards income maximization. In other words, the poor often cannot afford to be entrepreneurial - and may remain underproductive and poor. In order to counteract this, cash and in-kind transfers, and poverty-targeted programs - should be examined in a broad developmental context, while ensuring that the poor also have access to the gains from economic growth (World Bank, 1997).

Studies have revealed that a large segment of the Nepali people still live under difficult conditions with consistence poverty, unemployment and underemployment, and increasing social

and economic inequality (CBS, 2011). The growing number of destitute, abandoned and vulnerable people is a great threat to sustained development. It is difficult to expect sustainable peace and development unless we address the widespread risks and vulnerabilities existing in various forms and equip the people with effective means and strategies to cope with such adversities.

The Government of Nepal (GON) has initiated a number of measures over the last few years for the protection of the chronically poor, children, senior citizen, workers, people with disabilities, endangered ethnicities, conflict-affected people, single women and widows who are rendered vulnerable for one or the other reason. The Interim Plan and the successive Three-Year Plan have tried to address this issue through various programs and policies. Successive governments, after the declaration of the state as a republic, with deep concern and commitment towards maintaining social justice and equity, are trying to expand the effectiveness of the safety nets and social protection coverage.

As part of its social security arrangement, the government introduced the Social Security Program in fiscal year 1994/95. This is a *non-contributory benefit* of an income maintenance type of social security program where the government provides cash transfers to eligible beneficiaries. The scheme covers the disabled, widows aged 60 plus and elderly people who have completed 75 years of age. The age threshold was later revised to 60 plus in the case of senior citizens (Dalit) and 70 plus for others. Considering the life expectancy of the people living in the Karnali zone, the age threshold in the area was also fixed at 60 years. The program provides cash transfers as allowance to elderly citizens, helpless widows, disabled people and endangered ethnicities of Rs. 2,400, 1,800 and 2,400 per annum respectively. Considering the sharp rise in prices in the past few years, social security support has been raised to Rs. 500 per month. In 2010/11, the government disbursed Rs. 7.6 billion under the scheme.

The cost of providing social security benefits is beginning to impose an intolerable burden on the already stretched budget. With the growing rise in the budgetary allocation over the years to this program, there is a growing concern regarding the effectiveness of the program. Lack of citizenship certificate, lack of updated information and use of ghost names are some of the key issues associated with the effective implementation of the social security program. Therefore, the urgency of assessing the social security program has been felt at the policy level. It is against this backdrop that the present study has been carried out to examine the effectiveness of the program in the country.

1.2 OBJECTIVES OF THE STUDY

The overall objective of the study is to assess the outcome of the social security program. However, the specific objectives are to:

- Examine the effectiveness - area of use by recipients and sufficiency of amount - of the allowance distributed under the program;
- Assess the reliability - actual recipient, distribution time, location of delivery and actual spender of the distribution;
- Identify the problems associated with the program in relation to its reliability and effectiveness;
- Make recommendations for simplifying the allowance distribution process and enhancing its effectiveness and reliability;

1.3 METHODOLOGY

1.3.1 Nature and Sources of Data

The study is exploratory cross section in design. The study has employed both quantitative and qualitative approaches. The study mainly relies on primary data to meet the study objectives. However, secondary data have also been used to analyze the allocation and expenditure pattern in the distribution of social security allowance. The secondary sources of data include the red book of the Ministry of Finance, Economic Survey and other publications of the CBS and MoLD.

The required quantitative data have been gathered through a beneficiaries survey (BS) and institutional survey of the DDC and Municipality/VDC, while qualitative data have been obtained from narrative Focus-group discussions (FGDs), key informant interviews, case studies and interaction meetings. While quantitative data has been used for descriptive statistical analysis, qualitative information has been used to identify the issues, understand the depth of the issues, or in some case to support/refute the argument arising out of quantitative information.

1.3.2 Data Collection Approaches

Following data collection approaches have been used:

- a. Household/Beneficiary Survey
- b. Focus-group Discussion
- c. Key Informant Interview
- d. Non-beneficiary Survey and
- e. Case Study

The following Table 1.1 presents the different data collection approaches used for each of the objectives.

Table 1.1 Research Methods – Study Objectives Matrix

Objectives	Target population	Research Methods
Examine the effectiveness - area of use by the recipients and sufficiency of amount - of allowance distributed to elder groups;	SSA recipients of different types; DDC, Municipality, VDC Central level stakeholders (NPC, MoLD, UNDP); Village key informants	*Beneficiary Survey* NFGD with recipients*Case Studies, *Institutional Survey*Interaction Meeting*Key Informant Interviews (KII)
Assess the reliability - actual recipient, distribution time, amount and location of delivery and actual spender of the distribution	SSA recipients of different types DDC, Municipality, VDC Village key informants	*Beneficiaries Survey* NFGD with recipients*Case Studies*Institutional Survey*Key Informant Interviews (KII)
Identify the problems associated with the program in relation to its reliability and effectiveness	SSA recipients of different types DDC, Municipality, VDC Central level stakeholders (NPC, MoLD, UNDP) Village key informants	*Desk Review*Beneficiaries Survey * Non-beneficiary Survey * NFGD with recipients*Case Studies *Institutional Survey*Interaction Meeting*Key Informant Interviews (KII)
Make recommendations for simplifying the allowance distribution process and enhancing its effectiveness and reliability;	SSA recipients of different types DDC, Municipality, VDC Central level stake holders (NPC, MOLD, UNDP) Village key informants	*Desk Review *Beneficiaries Survey * Non-beneficiary Survey * NFGD with recipients *Case Studies, *Institutional Survey *Interaction Meeting *Key Informant Interviews (KII)

A. Household Beneficiary Survey

The Beneficiary Survey was carried out as a representative sample to examine the extent of awareness, sources of knowledge about the program, perceived benefits of the program, adequacy and use of the allowance amounts and problems experienced in receiving the allowances. Following the TOR, the present study covered four types of social security allowance recipients: (i) senior citizen(s); (ii) s (Dalits); (iii) single women; and (iv) disabled.

The information of the recipients by type was obtained from the sample village development committee, and the required sample from each type was drawn randomly based on predetermined sample size of the VDC (See sample design section). The survey data helped in understanding the program from the recipient's perspective. The actual sample performance of the beneficiary survey by recipient type and survey districts is presented in Table 1.2. The Beneficiary Survey questionnaire contained different sections seeking to capture the households, individuals as well as various aspects of the social security program in line with the objectives. The questionnaire is attached in Annex- I (i).

Table 1.2: Sample Performance by Beneficiary Type in Survey Districts

Survey Districts/ Beneficiary Type	Beneficiary Type				Total	
	Senior Citizen(s)	Single Women	s(Dalits)	Disabled		
<i>Mountain</i>						
Rasuwa	94	52	10	14	170	
Jumla	158	56	10	14	238	
<i>Hill</i>						
Bhaktapur	298	194	22	19	534	
Kaski	567	215	162	36	980	
Baitadi	215	117	69	13	414	
<i>Terai</i>						
Jhapa	752	321	74	30	1178	
Rautahat	489	357	112	15	973	
Banke	348	218	108	18	692	
Total	2921	1530	567	159	5179	

Source: Field Survey

B. Institutional Survey

Institutional Survey (semi structured) of the selected DDC and sample Municipality/VDC was carried out to gather data on enrolment (new and old), number of recipients by type, drop outs and associated reasons, amount distributed and major implementation challenges. The officials of the local bodies (DDC, Municipality and VDC) were interviewed in-depth to examine the flow of the fund mechanism of the annual allowance budget as well as other program-associated issues. The institutional survey questionnaire is attached in Annex-I (ii) and (iii)

C. Key Informant Interviews (KII)

In order to obtain the information from institutional/ providers/supply side prospective, Key Informant Interviews were conducted at both the central and local levels. At the center, it was more in the form of an interaction meeting with officials from the National Planning Commission (NPC), Ministry of Local Development (MoLD) and other stakeholders. Likewise, the KII at the community level included the CSO, village leaders, knowledgeable persons and teachers. The

checklist used in the KII is attached in Annex-I (iv). The data emanating from the KII helped us to understand the functioning of the program, its reliability, the overall impression of the program and measures and methods for its improvement.

D. Focus Group Discussion (FGD)

Quantitative data (Beneficiary Survey) were supplemented by qualitative data through narrative Focus Group Discussions (NFGDs). This has helped to validate the responses from the interviews through triangulation. NFGDs were conducted among the allowance recipients of different types covering both the sexes. The group included recipients who were not included in the sample of the beneficiary survey. Since the study covered four types of the social security program, NFGDs with these groups were attempted separately. For the senior citizens, a separate male and female FGD was conducted. A checklist used for the NFGD has been attached in Annex- I (v). The checklist was developed to ensure that important issues to be discussed were not left out. NFGDs were not conducted with a mixed category as participation by both the sexes in one FGD would dominate the voice of another group (especially women's voices).

E. Non-Beneficiaries Survey

The SSA program has been viewed as a symbol of respect to senior citizens, yet there are cases where eligible people were not willing to enroll and receive the allowance provided by the government. The Non-Beneficiaries Survey helped to understand the reasons for the non-participation and shed light on possible measures to make the program acceptable by all of the eligible population. The checklist used for the Non-Beneficiaries Survey is attached in Annex-I (vi). The distribution of the qualitative survey tools undertaken in the survey by survey districts is presented in Table 1.3.

Table 1.3: Number of KII, FGD and Case Study Conducted in the Survey

S N	Districts	Number of PSUs (VDCs/Municipality)	KII	FGDs	Non- beneficiary	Case Study
1	Jhapa	12	11	3-Male, 3-Female	2	1
2	Rasuwa	2	2	1-Male, 1-Female	x	1
3	Bhaktapur	5	4	1-Male, 1-Female	1	1
4	Jumla	3	3	1-Male, 2-Female	x	X
5	Banke	7	7	2-Male, 2-Female	1	X
6	Kaski	10	8	2-Male, 4-Female	x	1
7	Rautahat	10	7	3-Male, 2-Female	x	X
8	Baitadi	4	3	1-Male, 1-Female	x	X
Total		53	45	14-Male, 16-Female (30)	4	4

1.3.3 Selection of Districts, Population and Sample Size

Eight districts out of 75 have been selected based on an ecological development perspective. Accordingly, two districts were selected from the mountain region (Rasuwa and Jumla), three from the hills (Bhaktapur, Kaski and Baitadi) and three from the Terai (Jhapa, Rautahat and Banke). The distribution of selected districts across different development regions and ecological zones is presented in Table 1.4.

Table 1.4: Selected Districts by Ecological Belt and Development Region

Ecology/ Devt Region	Eastern	Central	Western	Mid-Western	Far- Western	Total
Mountain		Rasuwa		Jumla		2
Hill		Bhaktapur	Kaski		Baitadi	3
Terai	Jhapa	Rautahat		Banke		3
Total	1	3	1	2	1	8

In the present study, population is defined as the beneficiaries receiving different types of allowances – senior citizens, seniors (dalits), single women and the disabled. We arrive at the estimated number of beneficiaries using the Population Census 2001. While estimating the size of the beneficiaries, we assumed that almost 3.6 per cent of the population falls in the category. The sample size was then accordingly computed with the given proportion of beneficiary households along with the desired level of precision. The required sample size was estimated at 5,181. The distribution of the required sample size and actual sample performance by survey districts are given in Table 1.5.

Table 1.5: Sample Districts, Predetermined Sample Size and Actual Beneficiaries Surveyed

SN	Districts	Total HHs*	Estimated Beneficiary	% of Benf. HH	Actual Benf. Surveyed
1	Jhapa	125,947	30227	0.24	1178
2	Rasuwa	8,696	3478	0.40	170
3	Bhaktapur	41,253	15,264	0.37	534
4	Jumla	12,147	4859	0.40	238
5	Banke	67,269	14,340	0.21	692
6	Kaski	85,075	20,421	0.28	980
7	Rautahat	88,162	16,098	0.18	973
8	Baitadi	40,307	14,824	0.37	414
Total					5,179

1.3.4 Sample Design

A multi-stage sampling design has been used to identify the beneficiaries. With the purposive selection of the districts, VDCs/Municipality were selected during the first stage and the beneficiaries were chosen during the second stage from the sampled VDC and Municipality clusters.

A. Selection of Primary Sampling Unit (PSU)

A VDC or Municipality is defined as a Primary sampling unit (PSU). The PSU has been selected using the probability proportional to size (PPS) method. To determine the number of VDCs/Municipality to be selected from each district, we first calculated the expected number of beneficiaries in each PSU. We made the assumption that almost 3.6 percent of the population would be beneficiaries. This proportion includes all types of beneficiaries – senior citizens, seniors (dalits), single women and the disabled. The expected number of beneficiaries in each PSU averaged around 100. With 100 beneficiaries to be surveyed from each of the PSUs selected, the number of PSUs to be selected from each of the districts totals 67 VDCs from all the eight districts. The number of PSUs to be selected from each of the districts included 12 from Jhapa, 2 from Rasuwa, 5 from Bhaktapur, 3 from Jumla, 7 from Banke, 10 from Kaski, 10 from Rautahat and 4 from Baitadi. In order to capture the rural-urban divide, we further clustered a PSU as a

group of VDCs and a municipality. However, for the districts where there were no municipalities, no distinction was made.

Likewise, the required number of VDCs was selected from each district using the PPS. For this, we first sorted the name of the VDCs in alphabetical order along with the total population of each VDC as given in the 2001 Census. With the given population in each VDC, we calculated the expected number of beneficiaries, assuming 3.6 percent of the total population to be beneficiaries in each VDC. We, then, calculated the sampling interval (SI) as the ratio of the total number of beneficiaries in the district to the number of VDCs to be selected from that district. A random number (RN) is generated to identify the first VDCs within the sample interval, and each of the subsequent VDCs is identified by $RN + SI$, $RN + 2 SI$, $RN + 3 SI$ until the number of VDCs to be selected is exhausted. Details of the VDCs selected in each district is provided in Table 1.6

Table 1.6: Selection of VDCs and required sample size

SN	Districts	VDCs	PSUs/ VDCs	Sample Size	Sampl e / PSU
1	Jhapa	Rural: Anarmani, Bahundangi, Chackchaki, Dhajjan, Gauradaha Haldibari, Khajurgachhi, Lakhanpur, Pathariya, Sanischare, Shantinagar Urban: Damak Municipality	12	1179	98
2	Rasuwa	Bridhim, Langtang	2	170	85
3	Bhaktapur	Rural: Changunarayan, Duwakot, Katunje, Sudal Urban: Madhayapur Thimi	5	534	107
4	Jumla	Dillichaur, Mahabe Pattharkhola, Tatopani	3	238	80
5	Banke	Banakatawa, Hirminiya, Khaskusma, Naubasta, Paraspur, Samserganj, Nepalgunj NP	7	692	99
6	Kaski	Rural: Armala, Chapakot, Dhital, Hemaja, Kritinachne Chaur, Lwangghale, Nirmalpokhari, Semarang, Sildujure Urban: Pokhara UPA	10	980	98
7	Rautahat	Rural: Bhalohiya(Pipra), Dharari, Hajminiya, Kakanpur, Malahi, Pipara Pokhariya, Rajpur Farhadawa, Santapur (Dostiya), Tengraha, Urban: Gaur NP	10	974	97
8	Baitadi	Basantapur, Dhungad, Talladehi, Dashrath Chanda	4	414	103
Total			53	5,181	767

B. Selection of Beneficiaries

Since the list of the beneficiaries in the VDC/ Municipality is known at the district/ VDC/ Municipality level, the second stage of sampling, that is, selection of the beneficiaries was done in the field. For this, the list of beneficiaries for each selected PSU was obtained from the DDC or given VDC/Municipality. If the total number of beneficiaries exceeded the required sample size for a given PSU, a systematic random sampling technique was used to select the beneficiaries. In case the total number of beneficiaries was less than the required sample size, two adjoining VDCs were merged and the sampling technique was repeated. To apply a systematic random sampling, first the total number of beneficiaries in each VDC/ Municipality was obtained, followed by dividing the total number of beneficiaries by the required sample size provided the sample interval (SI). With a random start (RS) of the selection of the beneficiaries within the sample

interval, the consecutive beneficiary was identified as RS+SI, RS+2 SI, RS+3 SI and so on, until a full list of the required sample size was met.

C. Distribution of Sample Size among Beneficiaries

The different types of beneficiaries were selected using the proportional allocation method. For this, first, we determined the proportion of beneficiaries by type in each of the PSUs, and the same proportion was used in the distributing sample size among the different beneficiary types.

1.3.5 Field Planning and Management

A. Pre-test

A pre-test of the beneficiaries' survey questionnaire and tools for KII and FGDs was done before starting the field plan. The pre-test was conducted at Chhaimale VDC of Kathmandu district. The feedback received from the pre-test was incorporated and a final questionnaire was prepared.

B. Field Plan

In order to carry out the field survey efficiently, one field team comprising one supervisor and 4-6 enumerators were placed in one district depending on the size of the sample. Thus, there were in total six field teams. The field team of Bhaktapur was also assigned Rasuwa, and the Jhapa team was also assigned to cover Rautahat. The field survey began simultaneously in all the districts except in Rasuwa and Rautahat. The field survey began on September 16 and was completed on October 25. However, due to the Dasain and Deepawali holidays, it took more time to complete the field work than expected. Candidates having experience and previous training in qualitative (in-depth interview) and focus group discussions were recruited as supervisors and enumerators were hired locally and trained before the field data collection commenced. Candidates having knowledge of the local language were hired as enumerators for the field survey.

C. Training

The study team conducted a three-day extensive training for the supervisors and enumerators, during which they were given an orientation about the purpose of the study, sample design and sample selection as well as survey tools. It also covered a review of survey interview skills and qualitative interview skills including facilitation of FGD and note taking. Also in-depth interview skills were reviewed in the training. A mock interview was also conducted as part of the training. Officials from the National Planning Commission also imparted training to the survey team.

D. Supervision and Monitoring

Core team members monitored and supervised the field activities. All four core team members were involved in field supervision. Some of the core team members covered more than one district during the field supervision.

E. Ethics and Confidentiality

The purpose of the study was explained to all the stakeholders at the local level as a scientific study whose results would increase scientific knowledge and understanding of the SSA program. Prior consent was obtained from the respondents for their willingness to participate in the survey. Principles of ethics were imparted on the field enumerators and supervisors during the training.

Privacy of the subjects and confidentiality of the information obtained from the respondents were ensured.

F. Data Entry and Analysis

All the completed questionnaires were entered into the computers after manual editing and coding. The collected information from the beneficiary survey was entered into the Census and Survey processing system (CS Pro) version 4. CS Pro is basically the data entry application used for entering, editing, tabulating and disseminating census and survey data. After cleaning and consistency checks, the data were transferred to MS Excel and STATA 10 for analysis. Frequencies and cross tabulations and other necessary analyses were done using STATA 10.

A thorough review of all the data collected from the FGD through note taking/transcript was done. Notes from each of the FGDs were transcribed verbatim (word for word) in order to capture the exact words, phrases, etc. of the participants. The transcribed FGD notes were directly used for compilation and analysis. Data analysis involved classification of interviewer notes by topic and target groups. Content analysis has been used in order to capture the main theme under a particular issue. In the content analysis, data have been categorized under different topic heads, and all the responses under these topic heads.

1.3.6 Method of Analysis

The method of analysis is descriptive, analytical and inferential. Frequency tables, pie charts and bar diagrams for the variables were generated and analyzed. Moreover, to examine the distributional aspects of the social security allowance, cross tabulations of the various variables according to the sex of the beneficiary, living arrangements, districts, type of allowance and wealth quintiles were assessed. The wealth quintile was constructed from a composite wealth index, which in turn was computed from a set of household assets and consumer durables using the Principal Component Analysis (PCA) (See Annex 1 for details). Summary statistics like mean, standard deviation, range (minimum and maximum) and simple statistical tests like chi-square, t-test and one way ANOVA have been used in a few cases. Necessary statistical tests (chi-square tests) and binary logistic regression analysis have been performed on some conceptually important variables to examine the net effect of each of the independent variables on the dependent variables, while controlling for the other variables in the model.

1.4 ORGANIZATION OF THE REPORT

The study report is organized into eight chapters. Chapter I highlights the objectives, scope of work and methodology of the study, including selection of the districts for the field survey and field survey management. Chapter II tries to assess in brief the theoretical underpinnings and country practices. Chapter III deals exclusively with the security system in Nepal and the rules and processes followed in its implementation. Chapter IV then analyzes the social security program from the institutional perspective highlighting the implementation challenges and issues perceived by the different stakeholders. This is followed by the analysis and presentation of the findings from the beneficiary survey in Chapter V. This chapter also attempts to unravel some of the key correlates of perceived satisfaction from the SSA program using some quantitative techniques. The last chapter highlights the key issues in the system and the reform needed to make the system financially viable and sustainable.

Chapter II

SOCIAL SECURITY SYSTEM – THEORY AND PRACTICE

2.1 SOCIAL SECURITY SYSTEM AND ITS RATIONALE

Studies on old age and the security system carried out so far show that the living standards often decline for people at old age. Reduced economic opportunities and deteriorating health status frequently increase their risk of vulnerability to poverty as people age. The absence of resources or income sources increases the risk of individuals, households and communities falling below the poverty line due to insufficient consumption and access to basic services. For those who are already below the poverty line, the absence of an income source increases the risk to remain in or to fall further into poverty. Anti- vulnerability policies and programs are designed and implemented to reduce such risks of the individuals and also the communities at large. Social safety nets or social security systems are programs developed to reduce the vulnerability of an individual.

Studies conducted on the safety net shows basically four main reasons why a welfare government is concerned with social risk management. First, the fight against poverty and its vulnerability, that is, the increased probability of the old age group to become or to remain poor. Second, need for an improved consumption smoothing due to better arrangements to manage the income risks and also to improve the welfare distribution in society. Third, improved equity in the society with its importance increasing with the number and depth of income shocks. And last but not the least, risk management as an important bearing on economic development.

Social safety net programs are found to be reaching far beyond the walls of a household receiving the benefit. One of the most striking observations is the impact they have on economic growth. It is widely accepted, for example, that social pensions in European countries were an important contributing factor to their long-term economic growth. This has been echoed by several countries, both developed and developing, in recent years.

Social security consists of public interventions to assist individuals, households and communities in better managing income risks. The objectives of these interventions are to:

- Reduce the vulnerability of low-income households with regard to consumption and access to basic services; and
- Allow for better consumption smoothing over the lifecycle for all households and, consequently, for more equal welfare distribution of households.

It deals not only with social risks (sickness, old age, unemployment and social exclusion) but also with programs that secure income for the poor. It is seen that the presence of social security programs can maintain social cohesion and prevent irreversible losses of human capital. Moreover, there are several evidences to show that social protection policies have an impact on increasing growth and reducing inequality.

The goal of a social security system for old age people and the destitute is to help them better manage their life - they are prone to high risks and have almost no capacity to manage the risks by themselves. The intervention most often used is a direct transfer, in-kind or in-cash, by the

state. This lifts the individual, or for that matter the household, far above the “survival line” to allow them to take more risks and engage in higher return activities. Old age pension schemes and widow pension schemes are steps to ensure a dignified life and access to improved resources for those who have no access to the basic needs of life. With the changing demographic pattern and increased life expectancies, the number of pensioners is bound to increase over the years.

The reason why social pensions are so positive for the economy is that they boost the economic potential of the older people and their communities. For the older people themselves, the fact that they are receiving a regular and predictable income means they can plan for the future and invest in productive assets: something they would not be able to do if they live in poverty. Meanwhile, it also increases their purchasing power within the community, which boosts the demand for goods in the local economies and contributes to local and general economic growth.

Many countries across the globe have begun introducing the Social Security System known better as the "social pensions" in order to assure a minimum standard of living for its old age population. These pensions are non-contributory and are funded exclusively by the government - central or state or both - sharing the cost of such a program. Research into social pensions around the world clearly demonstrates their impact on improving the lives of the older people. In South Africa, a non-contributory pension which reaches 85% of the population has been responsible for reducing the poverty gap by 57% among households containing an older person. Pensions also have a knock-on effect on other members of a household, such as children cared for by their grandparents. Studies on the pensions in South Africa and Brazil have revealed significant improvements in the height of children living in households receiving a pension payment, principally due to improved nutrition.

It is observed in many countries that the poverty rate among older people is much higher than that of the population as a whole. This is preventing older people from fulfilling their potential to contribute to society and denying them their right to dignity and security later in life. Unless we address this issue now, an even greater number of the country's citizens will face poverty and destitution in old age.

Research into social pensions around the world clearly demonstrates their impact on improving the lives of older people. In South Africa, a non-contributory pension which reaches 85% of the population has been responsible for reducing the poverty gap by 57% among households containing an older person.

It is found that the elderly who live in larger households are less likely to be poor than elders living alone. A comparative analysis of surveys in different countries shows it ranging from 19% in Nepal to 32% in Nicaragua. The comparison between multigenerational households with elderly and households with no elderly shows that with the exception of Panama, households where the elderly are generally poorer than non-elderly households, with the poverty rates being anywhere from 1% to 29% higher in the households with elderly people. The elderly get even poorer when they are kept away from a pension.

The Pakistan Aging Study shows that the elderly who have less access to or control over any kind of resources are found poorer in contrast to those who have fixed source of resources or income sources. Evidence from Namibia also suggests that the pension of the elderly is used as a household coping device. When income for the household as a whole is low, the whole family exists on the pension of the elderly. It forms a stable source of income in circumstances where other income is highly variable. The stability of the income also allows family access to credit, which would otherwise not be available. However, the concurrent impact of recent change

towards the single family system, with its weakening of family bonds, combined with the increased number of elderly, suggest an urgent need to address the issue of old age security in developing countries.

Currently, the UN estimates that there are 606 million people in the world over the age of 60, roughly 10% of the population, with the number expected to more than double to 1.6 billion by 2050, reaching 19% of the world's future population. Of this elderly population, already 62% live in developing countries, but by 2050, 80% of the world's elderly will live in developing countries. Given the fragile nature of old age security arrangements in developing countries, many of these elderly face the risk of poverty in their old age. In fact, 80 per cent of the world's population does not have sufficient protection in old age to enable them to face health, disability and income risks (ILO, 2002). This would mean that in developing countries alone, about 342 million older persons currently lack adequate income security. That number would rise to 1.2 billion by 2050, if the coverage of current mechanisms designed to provide old-age income security is not expanded.

2.2 OLD AGE SECURITY SYSTEMS IN SOME SELECTED COUNTRIES

Many countries across the globe have begun introducing "social pensions" in order to assure a minimum standard of living for older people. These pensions are non-contributory and are funded from general taxation. Social pensions are practiced not only in the developed and rich countries but also in the developing and poor countries. This is found to be practiced in many countries of Asia, Latin America and Africa. Nepal started old age, widow and disable pensions since early 2000 and has made some changes since then, lowering the age limit for old age and widows for the entitlement and also increased the amount to Rs. 500 per month. Thailand's Old Age Allowance (OAA) scheme provides around US\$15 per month (500 baht) to the poorest older people. In India it is around Rs. 400 per month and so on.

Old Age Security Pension provides a monthly payment at age 65 if you have lived in Canada for at least 10 years. If you are a low-income senior, you may be eligible for other benefits as early as age 60. You must apply to receive OAS benefits. You do not have to be retired to receive the basic OAS Pension. Like most other retirement incomes, your basic Old Age Security Pension is a taxable income.

Currently no mandatory scheme of old age income protection exists in Hong Kong. The vigorous economy, high relative wealth and savings, and strong family networks have traditionally belied the establishment of a universal public scheme. At best, the government has addressed social security for the elderly through a system of non-contributory safety nets under the Social Welfare Department: The Comprehensive Social Security Assistance (CSSA) Scheme. This is a means-tested scheme designed to raise the income of elderly individuals and others in need. The Social Security Allowance Scheme (SSAS) is a non-means-tested scheme that provides flat-rate allowances for all elderly individuals and people with severe disabilities. Monthly benefits amount to HK\$ 675 for those aged 70 and over and HK\$ 595 for those aged 65-69. This scheme and the CSSA are mutually exclusive.

The Government of Tamil Nadu since 1962 has been implementing the old age, destitute and physically handicapped and widow's pension schemes through the Revenue Department to provide social security to the old aged/destitute persons in the State who neither have any means of subsistence nor any relative to support them. A monthly pension of Rs. 400 per month is disbursed through Money Order to the beneficiaries of the above pension schemes by the Special

Tahsildars (Social Security Scheme) of the Revenue Department. Under the old age pension scheme, pensions are granted to all old age persons who have neither any means of subsistence nor any relative to support them and has to be 65 years and above (60 years in case of destitute people who are incapacitated to earn a livelihood due to blindness, leprosy, insanity, paralysis or loss of limb). To become eligible for the grant of Old Age Pension under this scheme, a person

- a) Should not have any source of income or means of subsistence to support,
- b) Should not be a professional beggar,
- c) Should not be supported by a son or sons aged 20 years or above and
- d) Should not own property valued at above Rs. 5,000.

The Government of India contributed Rs. 200 out of the Rs.400 per month paid to the Old Age Pensioners covered under this scheme, which was part of the National Social Assistance Program. The balance of Rs. 200 was borne by the State Government. This scheme has been renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) with revised norms since 2007.

Physically handicapped destitute persons aged 45 years and above whose permanent disability is 50 percent or more are eligible for this pension. District Level Committees, constituted by the government in all the districts functioning under the chairmanship of the District Collectors in which the District Medical Officers and District Social Welfare Officers are members, examine applications received from physically handicapped people and sanction pension to them considering the individual hardship without reference to age limits prescribed by the scheme.

The scheme of Old Age Pension has been extended to benefit deserted wives / destitute women who are not less than 30 years of age and who have been deserted by their husbands for a period of not less than five years / obtained legal separation certificate from a competent court of law. Deserted wives having legal heirs who have completed 18 years of age are also eligible for pension under this scheme. An amount of Rs.400 is paid as pension under this scheme. The entire expenditure under this scheme is borne by the State Government.

Since its inception, the program in Bangladesh has received significant attention from policymakers and has accomplished substantial expansion both in terms of coverage and budgetary allocation. The program bears immense value to the country's poor older people by assisting them in meeting their basic needs, enhancing their status at home, and giving them mental relief by providing a reliable source of income. The program also has some spillover effect in terms of the benefits for other household members.

Chapter III

SOCIAL SECURITY SYSTEM IN NEPAL

3.1 HISTORICAL PERSPECTIVE ON SOCIAL SECURITY SYSTEM IN NEPAL

The history of social security began with pensions paid to retired and old persons. A pension is a lump sum given to service holders after their retirement from service. There is no documentary evidence about when the pension was first paid in Nepal, but it is found that a system to provide annual lump sums to wounded soldiers returning from the British Army was practiced during the First World War. In 1991 B.S., a Military Money Fund was established, and then Prime Minister Juddha Shumsher announced one fifth of the salary as pension for retired soldiers in 1998 B.S. In the civil service, it is found that one sixth of the salary was provided to the civil servants who had served 25 years as pension in 1999 B.S. At that time, the pension was distributed by the Land Revenue (Malpot) offices. From 2033 B.S., the Civil and Police services pension was distributed through the Nepal Rastra Bank (central bank), Rastriya Banijya Bank and Nepal Bank Limited (state run commercial banks). Civil Service Regulation 2050 Section 129 (A) entitled the Koushi Toshikhana to administer the pension for civil servants and the police force. From 2061 B.S., a pension for the community school teachers was also initiated. In 1993, a Labor Code was developed requiring private sector employers to pay 50% of the wages for the sick and leave of up to 15 days each year, and the employer was required to employ at least one year continuously. In 1992, the Civil Servant Act was enacted which provided maternity leave of 60 days to women before or after birth for up to two children.

The universal flat pension of Rs. 100 to all the elderly above 75 years was first announced in Nepal by the then Prime Minister of Nepal, Mr. Manmohan Adhikari (who led the Communist Party of Nepal- Unified Marxists and Leninists) on December 26, 1994. Five districts from the five development regions of Nepal were selected to pilot the scheme, and the first disbursement of the Old age Allowance Program (OAP) was made on July 2, 1995 for a six-month period from January to June. The implementation of the pilot project in five districts was carried out by the Ministry of Education and Sports and distributed at the grass-roots level by the Village Development Committees. During fiscal year, 1995-96, the OAP was extended to the entire country and was implemented by the Home Ministry. During 1995-96, Rs. 280 crores was released for the implementation of the program.

Since 1996-97, the Ministry of Local Development has been administering the OAP, and the allowances were distributed by the ward offices in the urban areas and VDCs in the rural areas. When the Nepali Congress came to power through a verdict of the electorate in 1996-97, it introduced two additional social security programs, namely the Helpless Widows Allowance for widows above 60 years of age and the disabled pension of Rs. 100 per month. In the International Year of Elderly Persons (1999), the ruling Nepali Congress raised the old age allowance from Rs. 100 to 150. Eligibility criteria: All Nepalese, men and women, who had completed 75 years of age and above were eligible for the pension. According to the directives issued by the Ministry of Local Development, the age mentioned in the Nepalese Citizenship Certificate is the basis for accessing the old age allowance. In 1996, the widow's allowance and disability pension were introduced.

3.2 COVERAGE UNDER SOCIAL SECURITY SYSTEM & SCHEMES FOLLOWED

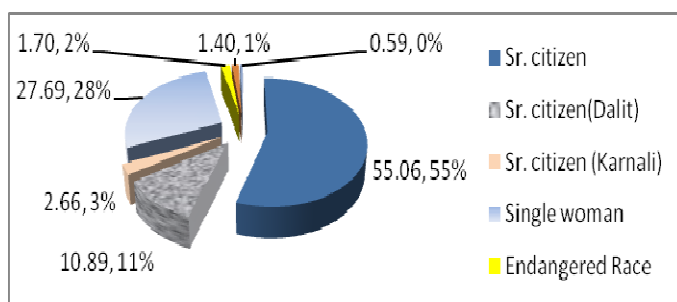
The government has been conducting programs to provide minimum incentives to old citizens, widows and the disabled (less able) continuously since 1994. In the spirit of the Interim Constitution 2063, and ILO Agreement 169 and other International Agreements, the Government of Nepal is committed to providing assistance for maintaining a minimum human livelihood to these groups. Since 2065/66, the government has been introducing allowances to single women, endangered races, while reducing the eligibility age threshold for Dalits and citizens of the Karnali Zone. In FY 2010/11, 3.01% of the total budget was allocated to Social Security Programs, amounting to a enormous Rs. 9.74 billion. In 2009/10, it was 2.97% of the total budget. Besides, other sectors (victims, neglected, Madhesi, Muslims and social inclusive) have also been identified for the social security program. Estimated beneficiaries by type in the country is presented in Table 3.1

Table 3.1: Estimated Number of Targeted Population by Type of Allowance, 2066/67-67/68

S.N	Allowances	2066/67	2067/68	Incremental
1	Senior citizen (s)	508,561	635,938	127,377
2	S (Dalit)	91,577	125,819	34,242
3	S (Karnali)	16,334	30,758	14,424
4	Single women	264,413	319,781	55,368
5	Endangered Race	15,690	19,681	3,991
6	Fully Disabled	13,089	16,202	3,113
7	Partially Disabled	6,947	6,875	-72
	Total	916,611	1,155,054	238,443

Source: Social Security Allowance Distribution: Principles/Behavior and Challenges, MoLD.

Figure 3.1: Estimated proportion of beneficiaries (in %)



The estimated number of recipients is increasing in all the categories except the number of partially disabled. This has happened because of ambiguity in the definition of partial disability. The proportion of different kinds of allowances is depicted in Figure 3.1.

Source: Social Security Allowance Distribution: Principles/Behavior and Challenges, MoLD.

Proportion of senior citizens for allowance is much higher than that of other allowances while partially disabled is the lowest. Social security allowance is distributed in all the 75 districts; the number of recipients according to type is varied. The highest and lowest number of recipients in the different districts, according to type of allowance, is presented in Table 3.2.

**Table 3.2: Districts with Maximum and Minimum
Number of Recipients by Allowance Type, 2067/68**

SN	Allowance	Maximum (District)	Minimum (District)
1	Senior citizen (s)	23,482 (Jhapa)	323 (Manang)
2	S (Dalit)	7,252 (Siraha)	49 (Mustang)
3	S (Karnali)	9,899 (Dolpa)	3,225 (Humla)
4	Single Women	11,957 (Dhanusha)	127 (Manang)
5	Total Number	33,943 (Morang)	450 (Manang)
6	Endangered Ethnic	5,927 (Jhapa)	1(Sunsari, Kapilvastu)
7	Fully Disabled	958(Morang)	11 (Bajhang)
8	Partial Disabled	150 (Jhapa,Morang,Sunsari, Saptari, Siraha, Dhanusha, Sarlahi, Rauthat, Bara, Nawalparasi, Rupendehi, Kailali)	20 (Kath Metro)

Source: Social Security Allowance Distribution: Principles/Behavior and Challenges, MoLD.

In general, maximum beneficiaries are in the Morang district and the minimum beneficiaries are in the Manang district.

3.3 SOCIAL SECURITY POLICY, ACTS AND REGULATIONS

Section 35 (9) of the Interim Constitution of Nepal has stated that the state will follow a policy to pay special attention to protect the interest of women, orphans, children, old age people, the disabled, incapable and endangered race. In Nepal, social security programs are in operation in line with various security-related acts and regulations. The major Acts and Regulations include: Labor Act 2048, Labor Regulation 2048, Civil Servant Act 2049, Civil Servant Regulation 2050, Trade Union Act 2049, Social Welfare Act 2049 and 2063, Besides, many other acts and regulations focused on specific targeted groups such as the Kamaiya, disabled, children and journalists are also in place. Different working procedures/directives, national work plans and policies have also been devised accordingly. The social security pension program currently operating in the country is governed by those acts and regulations.

3.4 OPERATIONAL MODALITY

The Government of Nepal has developed an operational modality for the social security programs. With the notion of expanding the social security right of citizens and to honoring it, the Social Security Program Operation Procedure 2065 has been formulated and implemented under the Local Self-Governance Act 2055, Section 236 (2). The procedure states the objectives of the program are as follows: (1) To define the target group (2) To ease allowance distribution (3) To maintain and update the information flow system (4) To maintain transparency (5) To monitor effectively.

3.4.1 Target group

The social security program has envisioned the following target groups:

- Three categories: those completing 70 years; those over 60 years (Karnali areas) and above 60 years (Dalit).
- Endangered races as stated by the State.
- Single women; widows, single unmarried and divorced single women.
- Disabled; fully disabled and partially disabled as defined by the State.

3.4.2 Age and eligibility is determined on following basis

- Citizenship.
- Identity card is valid only from forthcoming fiscal year.
- Last date of month will be taken if date is not mentioned and last month of year will be taken if only year is mentioned.
- Final decision on age will be taken by the District Administration Office if there is a controversy.

3.4.3 Identity Cards

- Eligible candidate must possess an ID card, and forms should be made available in the VDCs and municipalities free of cost. ID cards must be compulsorily renewed.
- VDCs and municipalities must notify the candidates to renew their ID cards within the first week of Marg.
- Eligible candidates must produce 2 passport size photographs and citizenship card for their ID card and an application must be submitted in standard format for renewal.
- VDCs and municipalities must facilitate those beneficiaries belonging to the endangered race in getting their ID card.

3.4.4 Committees

There is a provision to form a committee to probe applications for IDs and monitor the distribution of the social security fund at the local level. The committee is comprised of the chairperson of the VDC/municipality as chairman and 9 members from among single women, ethnic, unable, disabled, Dalit, development organizations, local teachers, ward chairman or representative as members and VDC/municipality secretary as member secretary. Similarly, the committee is also formed at the ward level. To operate the social security program effectively, a social security coordination committee is formed at the district level. The committee is composed of following members: Chairman of the DDC as coordinator, representative from the District Administration Office, local development officer, representative from the District Welfare Committee, representative from the ethnic group coordination committee, dalit upliftment coordination committee, NGO federation, local Chamber of Commerce, organizations working with the disabled, women development officer, district journalist federation, organization working for social mobilization, administrative officer/planning officer/or any other officer from the DDD as member secretary. Fifty percent of the DDC-appointed representatives must be women.

The coordination committee is empowered to distribute the quota of disabled and partial disabled citizens to the VDCs and municipalities, to coordinate the SS program with other related agencies, to conduct a transparency program for distribution of allowances, to increase awareness about SS programs, to assist in updating records, to verify applications and to make recommendations and take decisions to appoint banks, postal saving banks and cooperatives for the distribution of allowance.

At present no elected body exists in the VDCs, municipalities and DDCs. The VDC secretary, chief executive officer of the municipalities or the LDO in the DDC is in charge of the social security program.

3.4.5 Renewal and Registration

- Renewal is compulsory, the application must be duly checked and renewed within the end of Marg,
- The list of names for the new ID cards must be published within the second week of Poush with the consent of the Local ID Card Recommendation Committee, and the VDC and municipality must forward the list to the DDC within the third week of Poush, and the DDC must forward it to the Ministry of Local Development within the end of Magh.
- VDCs and municipalities must make the ID card available to single women, disabled and endangered races free of cost within the third week of Poush.
- ID cards are valid for one fiscal year, It can be used after renewal for the upcoming year also.
- The DDC is liable to provide funds for the ID card to targeted groups in coordination with the VDC and municipality.
- Allowance shall be counted from Shrawan 1 of the forthcoming year.

3.4.6 Allowance

The allowance amount to the target groups is as follows

A	Senior citizen	Rs. 500 per month
B	Single women	Rs. 500 per month
C	Fully Disabled	Rs. 1,000 per month
D	Partial Disabled	Rs. 300 per month
E	Endangered race	Rs. 500 per month

Person receiving benefits from other sources from the national coffer shall not be eligible for the allowance. Sources include government authorized organizations, salary from a company, allowance, pension or any other regular monthly drawing. Candidates must declare such information. If a beneficiary belongs to various categories, he/she will be included solely in the higher amount category.

3.4.7 Trends in Social Security Expenditure and Budget Release Procedure

A. Expenditure Trends

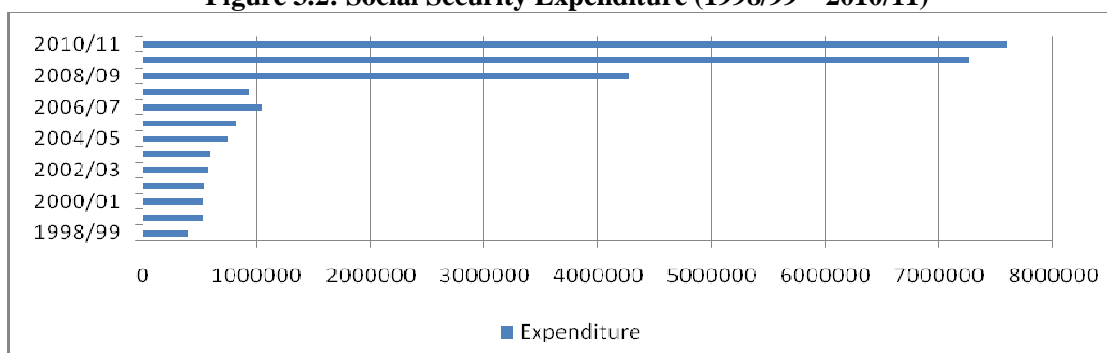
The government has been allocating a portion of its budget for the social security program that includes allowance to single women, endangered races and fully disabled and partial disabled citizens. The social security allowance expenditure, total budget expenditure and proportion of the allowance in the total expenditure from FY 1998/99 to FY 2010/11(revised) are presented in Table 3.3. Average growth of social security expenditure is 0.75%. There was an enormous jump in 2008/09 and 2009/10. The trend has been alarming (Figure 3.2). The proportion of social security allowance in the total budget expenditure is also growing sharply, putting pressure on the national budget. It has exceeded the total government's pension expenditure. The proportion of actual expenditure on social security in FY 2009/10 was 2.8%, which was higher than the actual expenditure on pensions given to the civil servants, police, teachers, constitutional bodies and others, which accounts for 2.5% of the total budget expenditure. The trend has been growing at an even higher pace in FY 2010/11.

Table 3.3: Annual Government Budget and Social Security Allowance Expenditure, 1998/99-2010/11 (Rs. in ‘000)

FY	Expenditure	Total Budget	% of Budget
1998/99	396,273	59,579,023	0.7
1999/20	523,230	6,627,2461	0.8
2000/01	525,297	79,835,098	0.7
2001/02	541,966	80,072,291	0.8
2002/03	571,395	84,006,081	0.7
2003/04	583,440	89,442,593	0.7
2004/05	734,051	102,560,471	0.7
2005/06	822,180	110,889,158	0.7
2006/07	1,038,251	133,604,606	0.8
2007/08	941,201	161,349,894	0.6
2008/09	4,265,184	219,661,918	1.9
2009/10	7,251,673	259,689,106	2.8
2010/11*	7,598,000	323,109,224	2.4

Source: Red Book of Various Years, Ministry of Finance* Revised Expenditure

Figure 3.2: Social Security Expenditure (1998/99 – 2010/11)



Source: Red Book of various years, Ministry of Finance

It may be interesting to list the districts receiving the maximum and minimum SS Allowance amounts. Districts with the maximum and minimum allocation by type of allowance in FY 2067/68 are presented in Table 3.4.

Table 3.4: Districts Receiving Maximum and Minimum Amount by Type of Allowance, 2067/68 (in Rs.)

S.N	Allowances	Maximum	Minimum
1	Senior citizen, s (dalit), s (Karnali) and Single women	203,658,000 (Morang)	2,700,000 (Manang)
2	Endangered Ethnicns	35,562,000 (Jhapa)	6,000 (Sunsari, Kapilvastu)
3	Fully Disabled	11,496,000 (Morang)	132,000 (Bajhang)
4	Partial Disabled	540,000 (Jhapa, Morang, Sunsari, Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Bara, Nawalparasi, Rupendehi and Kailali)	72,000 (Kath Metro)

Source: Social Security Allowance Distribution: Principles/Behavior and Challenges, MoLD.

Maximum allocation to senior citizens, s (dalit), s (Karnali) and single women allowances in total is in the Morang district and minimum is in the Manang district. Similarly, maximum endangered ethnic group and fully disabled allowances have been made in the Jhapa and the Morang districts respectively, and minimum in the Sunsari, Kapilvastu and Bajhang districts. Maximum allocation of partially disabled allowance are in the terai-based districts and the minimum is in Kathmandu Metropolitan City. The number of beneficiaries by type and total amount allocated for social security allowance across districts for FY 2010/2011 are presented in Annex 3-(i)

B. Budget Release Procedure

3.4.7.1 Fund

The government makes available funds to all the districts for the social security program based on the statement/proportion received from the districts. The DDCs release the funds to the respective VDCs and municipalities of the district on a trimester basis in advance. The DDC gives priority to the VDCs with less resources. The budget released must be distributed within the same fiscal year. The DDC, municipalities and VDCs can use their own funds to distribute the allowance if there is a shortfall. In the case of the disabled, if the number of recipients exceeds the quota, the local bodies can distribute to the rest of the disabled people from their own sources. The budget released for social security cannot be used for any administrative purposes.

3.4.7.2 Payment of Allowance

The DDCs must release the fund within 15 days of receiving the progress report and payment vouchers of the previous installment to the VDCs and municipalities. The VDCs and municipalities must distribute the first trimester allowance before the Dashain Festival, the second trimester allowance on Magh 12 (Martyr's Week) and the third trimester allowance on Jestha 15 (Republic Day). They must conduct promotional programs as well. Secretaries of the VDCs and municipalities can seek assistance from the staff of the district sectoral offices to distribute the allowance. The beneficiaries must receive the allowance before the end of the fiscal year. In the case of acutely disabled beneficiaries, the concerned offices must deliver the allowance to the beneficiaries' house. Provision of guardianship can be granted to fully disabled beneficiaries. If the coordination committee decides to make payments through the banking system, VDCs and municipalities are compelled to pay through the banks.

Beneficiaries who have migrated must produce the required documents in the new DDC to claim the allowances, and the DDC must make necessary arrangements to make payments from the concerned VDC and municipalities. The previous DDC must take out the outgoing beneficiary's name from the record. The concerned secretaries are responsible for the payment of the released social security allowance.

The DDC, VDCs and municipalities must follow the following procedure while making the social security allowance payment:

- The allowance must be distributed in the presence of at least five representatives of the political parties, local intellectuals, community-based organizations, and the list must be displayed on the notice board, and one copy must be preserved for auditing.
- Allowance can be paid in the following trimester if the beneficiaries are absent, but payment cannot be made the following year.
- The amount paid and the date duration must be written in the ID card.
- Payment vouchers must be submitted within 7 days to the DDC every trimester.
- The DDC must release the installment only after deducting the previous dues.

3.4.7.3 Allowance Release and Auditing System

- The Ministry of Local Development will send the Social Security Program Budget Authority within the month of Shrawan, and the DDC must collect the fund through the District Financial Controller Office.
- The District Financial Controller Office will provide the trimester fund whenever there is a demand from the DDC.
- The DDC must deposit the fund released from the FCO in the account of the respective VDCs and municipalities on the basis of the targeted number and proportion.
- The Auditor General's Office will audit the amount released to the DDC, the amount released to the VDCs and municipalities by the DDC and the payment made to the target group.
- Unspent funds will be frozen if they are not spent in the same fiscal year.

3.4.7.4 Documentation, Reporting, Transparency and Social Auditing

Documentation

- VDCs and municipalities must compulsorily update the record of the ID card holders.
- VDCs and municipalities must compulsorily submit the statement of those beneficiaries who have migrated or died to the DDC in the month of Poush and Jestha, and the DDC must submit the document within Magh and Asadh.

Reporting

- VDCs and municipalities must submit trimester & annual statements of payment to the DDC.
- VDCs and municipalities must submit a list of recipients to the DDC and bring it to the public's notice.
- This program is a priority program of the government (P1), so the DDC must submit the trimester report of the amount released to the VDCs and municipalities with the number of recipients to the Ministry of Local Development.

Transparency

- The list of names of the beneficiaries as Approved by the Local ID Card Recommendation Committee must be submitted to the MoLD via the DDC for the upcoming budget formulation. The list must be presented in the VDC or municipal councils.
- The DDC must publish the list of recipients in a book form within the month of Aswin and distribute the books to local organizations situated in the district, offices of the political parties, Ministry of Local Development, Ministry of Women, Children and Social Welfare and other related agencies.
- The DDC must review the release and expenditure in its trimester and annual reviews.
- Notification should be extensive at the time of distribution of the ID cards, renewal of the cards, distribution of the allowance with the help of local social organizations, NGOs and social mobilization organizations. The DDC must also make this information available through the FM radio and other media.

Publicity

- The VDCs and municipalities must publicize the following information in its trimester and annual reviews:

- New ID cards distribution
- Trimester allowance distribution
- Record of migration and deaths

ID Card Seizure

- The VDC and municipality chairperson can seize the ID card or stop allowance payment if false documents have been found in getting the ID card or if the beneficiary is drawing double payments. But the allowance shall be provided if the mistake is minor.

3.4.8 System of monitoring and evaluation

The Social Security Program Operation Directive 2065 has provisioned some points for monitoring and evaluation of the program. Major provisions include:

- The DDC shall supervise and monitor the allowance distribution procedure in coordination with the District Social Security Coordination Committee.
- The Ministry of Local Development, Ministry of Women, Children and Social Welfare and the Ministry of Finance, DDC, VDC and Municipal authority can regularly or intermittently monitor the program. The DDC must send a report after discussing such monitoring reports to the Ministry of Finance within one month after the completion of the report of the fiscal year.
- DDC, in coordination with other sectoral offices of the district and managing fund will adopt an Integrated Monitoring System.

3.4.9 New measures introduced for improvement

The Social Security Program Operation Directive 2063 has been terminated and the New Social Security Program Operation Work Procedure 2065 has been developed, and all the work done previously will be assumed to have been done under the new modality. The Ministry of Local Development can perform troubleshooting and amend the modalities to ease the implementation process.

The annual budget of FY 2067/68 had provisioned a separate fund to be created through a 1% tax on social security. The fund is to be used for contributing employees and social welfare of laborers. The fund is used by a managing committee comprised of representatives of workers, employers and the government.

In the budget of FY 2068/69, it is stated that single women will get social security allowances immediately after the death of the husband and the age bar has been abolished. Social security allowance being distributed through the banking system will be expanded to all the municipalities and VDCs situated in the headquarters. The government is planning to distribute the amount as in the government pension system to the beneficiaries. The amount will be given to the beneficiaries only. Database is being prepared in the Kanchanpur district for the social security allowance and the master software is being prepared for the district.

3.4.10 Critical issues in implementation of the scheme

Policy

There is lack of clarity in policies concerning social security programs. The programs are linked with social protection, so there is a problem in determining state accountability. The social security program is overshadowed by various indicators (age, single status, ability) other than

poverty and deficiency. Cash transfers (more than 3% of the total budget) are being handled by limited manpower.

Program Structure and Scope

The program involves cash and is highly distributive. The program is supply-oriented rather than need/priority based. The program has not visibly enhanced the lives of the Dalit, poor and weaker groups. There is problem of identifying the target group (age, citizenship, Dalit, ethnic group and disability). Local bodies are not enthusiastic to implement the program due to the lack of provision for administrative expenses.

Organization

The social security program is implemented through the local bodies and service agencies, but due to the lack of an integrated and coordinated organizational structure, necessary administrative set up, funding and management capacity, the program is not being effectively implemented, resulting in troubles in the program, delay in fund release and thus creating room for leakages. The local bodies are being run by government employees as a proxy for an elected body, so accountability, implementation, transparency and reach of the program have become weaker. The program is being implemented by limited manpower. Moreover, the VDC secretaries are mostly concentrated in the district headquarters due to the lack of security in the VDCs under their jurisdiction, so there is problem in the smooth distribution of allowances in most of the VDCs. The social security program is being regarded as extra work by the local service providers, and there is lack of education and awareness about the program.

Financial Resources

Quality service delivery still has not been achieved, though there is increment in the volume of allocation for the social security programs. The program is highlighted as a popular program, but it is claimed that sufficient budget is not allocated as per the number of target groups. Moreover, attention is not being given to develop an effective implementation mechanism, process and payment system. The disabled allowance is given under a quota system, so even eligible candidates are unable to receive it. The problem of discrimination also prevails.

Coordination

There are similar types of social security programs among various bodies, but a single window system is lacking. An inter-bodies coordination system is weak. There is a lack of uniformity in the structure and implementation between the donor and the government's program.

Due to lack of coordination between the center and service delivery agencies, statements are not received in time and neither is the progress report. There is a state of confusion on the status of the funds used, causing difficulty in estimating the allocation for the forthcoming years.

Process

Social security programs are implemented by various agencies, so some tend to benefit more while some are left out of the program. The administrative process of the programs is cumbersome, and the implementing administrative mechanism is weak. Due to the lack of awareness and education in the weaker sections, there is higher chance of being left out of the program.

Monitoring and Evaluation

Social security programs are not monitored effectively. No assessment has been made on how much the programs have contributed to poverty alleviation. Monitoring and evaluation indicators have not been developed at the center as well as at the local level.

Information and Statistics

There is lack of segregated baseline data regarding age, gender, ethnicity and race. The target of the social security program is to reach out to the poor and weaker groups, but due to the lack of data, how far the target groups have benefitted has not been identified. There is difficulty in getting an updated statement, so the problem is seen in the VDCs, municipalities, DDC and the ministry.

3.4.11 Challenges

Pressure on Budget and Distribution

Pressure on the budget is high and increasing each year. It is difficult to deliver the allowance in scattered areas with the existing capacity of the local bodies and limited manpower. The program is not well- aired, and due to procedural hic-ups, the social security program has not reached entire beneficiaries of all the target groups. Investigation reveals that dalits, weak and endangered groups have been left out of the program, which poses a challenge to the program's success.

Impact Evaluation

No study had been conducted on impact evaluation of the social security programs, so their virtues have not been assessed. Determining how much the target groups have benefitted is still a challenge.

Politicization

Social security programs are very popular, so political influence and pressure is widely prevalent. So there is a challenge in striking a balance between equity and resource management.

Ineffective Information System

There is a lack of an effective information system on the targeted number of beneficiaries, leftover numbers and data for projection. Sectoral ministries and concerned agencies at the center are not connected to the Management Information System. A vital registration program is not integrated into the program.

Dependency Tendencies

A dependency tendency has been increasing, so there is a risk of the beneficiaries being lazy and incompetent.

Limitation of service delivery

Victims of the conflict have migrated and are scattered in different parts of the country. There is a problem of identifying the beneficiaries. Moreover, frequent changes in the records due to political reasons are creating a challenge to the effective implementation of the social security programs.

Chapter IV

OPERATIONALIZING SOCIAL SECURITY SYSTEM: INSIGHTS FROM INSTITUTIONAL SURVEY DATA

In the present study, attempts are also being made to understand the views and the perceptions of the institutions involved in the execution and distribution of the social security allowance (SSA). As is known, two tiers of local governments (Local bodies), i.e., the DDC and municipality/VDC are involved in the execution of the SSA program and distribution of the allowances.

4.1 DISTRICT, MUNICIPALITY AND VDC COVERAGE

An institutional survey was carried out in the 8 sampled districts covering 8 DDCs, 6 municipalities and 47 VDC in total. The distribution of the institutions (Local bodies) covered in the survey by sampled districts is presented in Table 4.1

Table 4.1: DDCs, Municipalities and VDCs Covered in the Institutional Survey

Sample District	DDC	Municipality	VDC
Jhapa	1	1	11
Rautahat	1	1	9
Bhaktapur	1	1	4
Rasuwa	1	NA	2
Kaski	1	1	9
Banke	1	1	6
Jumla	1	NA	3
Baitadi	1	1	3
Total	8	6	47

Source: Field Survey

4.2 INSTITUTIONAL SURVEY

The institutional survey captured information such as the people registered for the allowance by subgroup, distribution of allowance by the subgroup, SSA distribution guidelines, committee formation, budget release procedure, implementation capacity and problems and issues associated with allowance management and distribution. In the present chapter, we examine all these elements by LG type.

4.2.1 Beneficiaries by Type in Surveyed Districts

The present study gathered information about the number of beneficiaries by type of allowance in all the surveyed districts for the last four years. The information obtained from the surveyed DDC is presented in Table 4.2.

There has been a gradual rise in the total number of beneficiaries over time in all the surveyed districts. Data presented in the table further revealed that in the Jhapa district, the number of senior citizens more than doubled during 2064/65 and 2065/66. Similarly in the Kaski district, it increased from 9,797 in 2065/66 to 17,994 in 2066/67. The decline in the number of single women in the Baitadi district between 2064/65 and 2065/66 raises doubts about the registration of

beneficiaries. Both the trends are difficult to explain considering the pre and post reference figures. It may be observed that classified data on the beneficiaries are poorly maintained. In Rautahat, classified data were not available until 2066/67. The distribution of beneficiaries across surveyed municipalities and VDCs is presented in Annex 4-1.

Table 4.2 Number of Beneficiaries by Allowance Type across Surveyed Districts, 2064/65 – 67/68

District	64/65				65/66				66/67				67/68			
	Sr. citizen	Dalit	Single women	Disabled	Sr. citizen	Dalit	Single women	Disabled	Sr. citizen	Dalit	Single women	Disabled	Sr. citizen	Dalit	Single women	Disabled
Baitadi	4146	NA	6284	75	5553	2636	3220	225	6565	3039	3507	305	6806	3187	3712	443
Banke	2233	NA	3134	100	2482	NA	3662	134	5490	2436	4305	356	6051	2957	4712	477
Bhaktapur	3184	NA	3421	75	6063	NA	2796	299	6263	NA	3008	385	5370	369	2625	320
Jhapa	8400	NA	7108	150	18623	1476	8629	171	19443	1819	8317	371	20622	2236	8962	480
Jumla	NA	NA	NA	NA	3352	480	946	469	4597	NA	1155	573	7107	NA	1339	620
Rasuwa	747	NA	557	50	1463	31	524	50	1651	62	501	50	1725	71	495	101
Rautahat	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	13478	6109	8237	392
Kaski	7996	NA	6250	102	9797	2985	3352	590	17994	2028	5987	99	18125	NA	5100	630

Source: Field Survey

4.2.2 New Entry, Dropout and Reasons for Dropout

The survey gathered data on new enrolment and dropout in the year 2067/68. Data on new enrolment indicate that the new enrolment is promising for all types of allowances in 2067/68 (Table 4.3). A total of 5,396 beneficiaries were found to have enrolled, the highest being in the Jhapa district with 2,015, senior citizens constituted a larger share in the new enrolment (59%). The new enrolment also accounts for a little less than 10 percent of the total recipients in 2067/68 in the surveyed districts. This is indicative of the growing popularity of the program.

The survey also obtained information about the dropouts from the program. The highest dropout was as expected among senior citizens followed by single women. And the major reason for the dropout was death of the recipients, which alone accounted for 77% of the total dropouts. It is interesting to note that the Jhapa district has been characterized as having the highest new enrolment (2,015), highest dropout (412), with deaths (316) as the major reason. But this seems natural given the size of the population among other survey districts. The other reason for the dropout is migration (10%). A tendency to switch over from one type to another type of allowance due to difference in the amount of allowance has also been reported. A total of 29 such cases were reported, the highest being again in the Jhapa district.

4.2.3 Budget Release for Social Security Allowance

The survey also attempted to gather data on the budget released by the surveyed DDCs and amount distributed by the municipalities and VDCs by allowance type in the last four years. Release and expenditure data across districts and sampled municipalities and VDCs are quite modest. Though it is mandatory on the part of the municipalities and VDCs to furnish the expenditure data by type of allowance, 17 VDCs out of the 47 VDCs and four municipalities out of the six surveyed did not have expenditure data properly maintained for 2067/68. No expenditure data were made available to the survey team in many of the surveyed DDCs as well. This has constrained our attempt to analyze the trends and patterns of social security allowance

expenditure in the surveyed DDCs. Whatever data the survey team could obtain are presented in Annex 4-2.

Table 4.3: New Entry, Dropout and Reasons for Dropout by Surveyed District and Allowance Type

Districts	Sr. citizen	S (Dalit)	Single Women	Disabled	Total
New Entry					
Baitadi	883	11	39	0	933
Banke	193	128	152	8	481
Banke	31	19	14	5	69
Bhaktapur	79	15	41	6	141
Jhapa	1221	239	467	88	2015
Jumla	66	14	24	31	135
Kaski	347	137	172	40	696
Rasuwa	34	13	41	0	88
Rautahat	347	117	280	94	838
Total	3201	693	1230	272	5396
Dropout					
Baitadi	37	14	8	2	61
Banke	40	15	7	1	63
Banke	14	0	10	0	24
Bhaktapur	53	11	4	26	94
Jhapa	307	10	94	1	412
Jumla	11	2	2	11	26
Kaski	78	20	19	27	144
Rasuwa	9	1	2	0	12
Rautahat	93	29	62	0	184
Total	642	102	208	68	1020

Reasons for Dropout

District	Dead	Migration	Change in Allowance Type	Married	Self
Baitadi	66	3	0	0	0
Banke	61	4	0	0	1
Banke	24	0	0	0	0
Bhaktapur	67	0	1	0	0
Jhapa	316	78	18	0	0
Jumla	15	0	0	0	0
Kaski	69	6	1	0	0
Rasuwa	10	3	0	0	0
Rautahat	159	5	9	0	0
Total	787	99	29	0	1

Source: Field Survey

4.2.4 SSA Operational Manual

The New Social Security Program Operation Work Procedure (Manual) 2065 is in operation. The previous manual of 2063 has been replaced by this new one. More recently, the work procedure

has been further amended to accommodate the new provisions announced in the new budget speech of FY 20068/69. The new provisions are associated with changed definitions of single women and payment of allowance through banks. Accordingly, MoLD issued a general circular to all the DDCs on Bhadra 19, 2068 regarding the changes.

Attempts were made to seek the opinion of officials from the Local bodies about the completeness of the manual. Questions were asked if they had received the manual on time and how they viewed the manual. Barring a few exceptions, all the surveyed LG officials had received the manual on time. In the case of a few VDCs due to the transfer of the VDC secretaries, the new secretaries were unaware of the receipt of the manuals.

4.2.4.1 Perception about the Operational Manual

While the DDC respondents admitted that the manual was quite clear, a few VDC secretaries observed that a few clauses of the manual were either unclear or confusing. Some rules relating to the classification of disabilities and definition of Dalits needed more clarity. They further opined that the definition of single women is also not very clear. Annex 11 of the manual is unclear as the definition of “others” category is not properly defined. They also stated that Annex 8 and 10 were unclear in many respects. The listing of Dalits of the hills/mountains and Madhesi (Annex 1) is not exhaustive, causing practical difficulties in implementation. Many caste groups, according to the secretaries, which have not been stated in Annex 1 claim to be Dalits. This has caused difficulties in registering such cases.

There were further enquiries as to how the manual had helped them in the management and distribution of the allowance. All the surveyed VDC secretaries echoed clearly that the eligibility criterion, entitlement of the amount for a specified category, allowance distribution time, requirement of the ID card and annual calendar of activities in the operational manual helped them in the smooth execution of the program. They further appreciated the application format of the manual. This had made their task easier to a large extent. They further observed that the reporting format had been very helpful in their task of data compilation and record keeping.

The working procedure was silent on the issue of “migrant households”. The officials were making decisions arbitrarily on this issue. They demanded that this issue be clearly defined in the manual so that the controversies could be resolved. The limitation of the working procedure is seen in the non-inclusion of Dalits in the Newar ethnic group although, among the Newars, many caste groups are considered as Dalits. Such cases have been noticed in the Thimi municipality.

4.2.4.2 Data Base and Updating of Eligible Person

All the surveyed VDCs and municipalities have records of their beneficiaries. LG officials during the interaction meeting reported that they adopted various measures to update the records of eligible people. New enrolment through public notice (once a year), migration certificate and death certificates are some of the documents on which the records are updated. As per the operational manual, to qualify for new enrolment through age and other criterion, a 15-day public notice is issued in the first week of Mangsir (November-December). All the eligible potential beneficiaries are required to submit the application with supporting documents such as citizenship certificates, recent photographs, and recommendations from the ward offices in the case of municipalities, death certificates of husbands in the case of widows, migration certificates for in-migrants and disability certificates for the disabled. Eleven VDC secretaries and one municipality official also reported that in many cases they honored the recommendations from the political parties in registering eligible beneficiaries.

Regarding the calendar for updating the records, little less than half (45%) of the surveyed VDCs and one-third of the municipalities observed that the beneficiaries' list is updated once a year while another one-third (32.6%) admitted they did so once every six months.

Procedurally, all applications thus received should be screened by a Local Identity Card Recommendation Committee. The committee scrutinizes the applications received and makes recommendations for enrolment. As stated earlier, in many surveyed VDCs and municipalities, such a committee has not been formed. Wherever it has been formed, it has not been functional. In such a situation, the responsible officials do the required scrutiny and finalize the list of eligible beneficiaries. Upon completion of this process, the list is finally updated. Such updated lists are furnished to the DDCs which, in turn, send the compiled list of all the VDCs and municipalities to the MoLD. Eligible beneficiaries are then issued ID cards, based on which they receive the allowance from the following fiscal year.

4.2.4.3 Renewal of ID Card

As categorically stated in the manual, the ID cards should be renewed annually to update the records. A large majority of the surveyed institutions (37 VDCs) reported that they renew the ID cards. Out of the six surveyed municipalities, three reported that they renewed the ID cards. The periodicity of the renewal, however, varies (Table 4.4). A large majority of the institutions adopt a public notice for renewal (25 VDCs) while others use different methods for the ID card renewals that includes renewal at the time of (first) quarterly allowance distribution and information about renewal during allowance distribution. Some also reportedly use NGOs and CBO as sources to inform the beneficiaries about renewals.

Although the manual specifies the need of annual renewal, the survey data revealed that ID cards in several institutions are renewed once every two years or once every three years. This indicates that the manual is not being strictly followed. During the field survey, attempts were made to verify if ID cards were regularly renewed. The physical verification of the ID card in many surveyed VDCs revealed that it is not renewed regularly as claimed by many VDCs.

Table 4.4: ID card renewal by surveyed institutions (In %)

Particulars	Municipality	VDCs
<i>ID Card Renewal</i>		
Yes	84.00	83.00
No	16.00	17.00
<i>Periodicity of Renewal</i>		
Yearly	67.00	92.00
Once in two years	NA	5.00
Once in three years	33.00	3.00
<i>Perceived benefits from renewal</i>		
Becomes easier for allowance distribution	66.66	5.40
Ensures if recipients are alive	NA	10.81
Helps to accurately update the records	33.33	70.27
Required as per the manual		2.70
Others		10.81

Source: Field Survey

4.2.4.4 Problems Experienced in Updating the Records

The survey also solicited problems experienced by institutions in updating the records. Lack of support staff and non-registration of deaths of the beneficiaries were the most commonly cited problems in updating the records. Some other less common problems reported were: too old to visit the office, difficulties in identifying those receiving government pension, tendency of age misreporting (reporting higher than actual), none reporting from migrant households and lack of timely contact by the beneficiaries (Table 4.5). The survey found that the list of beneficiaries was not updated as the list also included those beneficiaries who had already died. This was found during the visit of the sampled beneficiaries. A total of 92 cases of deaths were traced during the survey across eight sampled districts. This accounts for 1.78% of the total sampled beneficiaries.

Table 4.5: Problems experienced while updating records (In %)

Problems associated while updating records	VDCs	Municipality
Lack of support staff	34.09	50.00
Non-registration of deaths of beneficiaries	25.00	25.00
Non reporting from migrant households	13.63	
Lack of timely contact by beneficiaries.	9.09	
Beneficiaries too old to visit the office	4.54	
Difficulties in identifying pension receivers	4.54	
Age misreporting	2.27	
No problem	4.54	25.00

Source: Field Survey

4.2.5 Committees and their Tasks

Rule 5 (E) and 5 (F) of the operational manual has made provisions for a Social Security District Coordination Committee at the District and Local ID Recommendation Committee at the municipality/VDC level. The survey results show that the committee had not been formed in all the surveyed DDCs and municipalities/VDCs. This clearly shows that Local bodies are not strictly following the operational manual (Table 14). The “DDC did not feel the need” and “an all-party mechanism is in place and work is being carried out as per its instruction” are the most common reasons stated for the non-formation of the committees. Lack of consensus has been another reason cited for the non-formation of the committee at the VDC level. Wherever the committees have been formed, mixed reactions were reported about their activities. Committees thus formed have been reportedly to be very active - 100% in the municipalities, 71% in the VDCs and only 25% in the case of DDCs (Table 4.6).

Table 4.6: Formation of Social Security Allowance Coordination Committee (In%)

Social Security Allowance Coordination Committee	DDC	Municipality	VDC
SS District Coordination Committee formed in DDC			
Yes	4(50%)		
No	4(50%)		
Local ID Recommendation Committee formed in VDC and municipality			
Yes		5(84%)	26(55%)
No		1(16%)	20(45%)
How active is the committee?			
Very active and decides quickly		4(80%)	18(62%)
Not much active		1(20%)	8(28%)
Very inactive			1(3%)
Committee not formed			2(7%)

Source: Field Survey

4.2.6 Implementation Capacity

The survey also assessed the implementation capacity of the Local bodies. Question was asked as to how they assessed their implementation capacity. It may be noted here that majority of the surveyed DDCs, municipalities and VDCs reported that their implementation capacity was fairly good and satisfactory. A few VDCs, municipalities and DDCs, however, admitted their capacity as “weak”/poor. All the institutions reporting their capacity as weak or poor attributed this to the lack of human resources. The other cited reasons for the weak implementation capacity include the lack of updated information, poor infrastructure and poor record keeping (Table 4.7).

Table 4.7: Perceived Implementation Capacity and Associated Reasons

Implementation Capacity and Associated Reasons	DDC (N=8)	Municipality (N=5)	VDCs (N=42)
<i>Perceived Implementation Capacity</i>			
Good	75.00	20.00	42.00
Moderate	12.5	40.00	46.00
Weak	12.5	20.00	6.00
Poor	x	20.00	6.00
<i>Reasons for Weak/poor capacity</i>			
Lack of human resource	12.00	33.00	32.00
Lack of updated information	38.00		15.00
Poor record keeping	25.00		7.00
Lack of infrastructure	12.00		7.00
<i>Measures suggested for capacity improvement</i>			
Provide enough human resource	38.00	17.00	40.00
Timely release of budget	75.00	50.00	47.00
Release of adequate budget	38.00	17.00	17.00
Provide additional incentive for implementing officer	X	17.00	43.00

Source: Field Survey Total may exceed 100 due to multiple responses

The surveyed Local bodies were also solicited to suggest measures to improve their implementation capacity. Majority of the VDCs/municipalities suggested making provisions for separate manpower for SSA distribution, timely release of the budget, adequate amounts and provision of incentives to the distributors for improving the implementation capacity.

4.2.7 Modality of Payment of Social Security Allowance

Here we document in greater detail the modalities followed by the surveyed institutions in the distribution of allowances.

A. Recurrence of Distribution

The working procedure 2065 categorically specifies that the allowances be distributed each trimester starting from the month of Ashwin. The survey, however, revealed that different institutions distributed the allowances at different periods. It should be noted here that 16 VDCs reportedly distributed the allowances immediately upon receiving the amount. Only four VDCs and three municipalities have followed the working procedure and distributed the allowances on a trimester basis.

B. Location of Distribution

Majority of the VDCs have been distributing the allowances from the VDC office premise. Some other locations have been reportedly used by the officials considering the convenience of majority

of the beneficiaries. Many VDC secretaries and their assistants were also visiting homes to pay the allowances in the case of those who are too old to visit, physically disabled and sick. However, this practice is not free from risk. One bad experience of home visits for allowance payment has been noted.

Box 4.1: Case of Home Payment

This is the experience as narrated by Mr. Raja Ram Khatri, Office Assistant of Changu Narayan VDC in Bhaktapur district. While visiting the houses of five beneficiaries who were physically unable to visit the VDC office to collect their allowance, Mr. Khatri lost his wallet, including the Rs. 10,000 allowance amount that was to be distributed. He immediately reported the incident to the VDC secretary, but eventually he was forced to pay the amount. "In such cases why should we take unnecessary risks of carrying money for home delivery?" he questioned. He further recommended that some insurance scheme be introduced to address such unforeseen events.

C. Date of Distribution

When asked if there was any fixed date for the distribution of allowances, very few institutions (9 VDCs and 2 municipalities) were found to have fixed a date for the distribution (Table 4.8). A public notice/announcement has been the most popular method to inform the time and location of allowance distribution to the beneficiaries. Thirteen VDCs stated that the beneficiaries came to know about the date when they visited the VDC office in connection with other tasks.

D. Publication of List of Beneficiaries

Altogether 31 VDCs claimed that they had been publishing the list of the beneficiaries. This is indeed a very encouraging development to ensure transparency in the distribution of the allowances. KII results, however, did not support this claim. It is, however, quite distressing to note that a few institutions did not feel the need to publish the list at all.

Almost all the surveyed institutions reported that they sent the list of beneficiaries to the DDC. All the officials of the surveyed institutions observed that they received adequate amounts for distribution and that the payment was confirmed through thumb print (41 VDCs and 5 municipalities). It may be mentioned here that only 20 VDCs and two municipalities observed that they had fully distributed the allowance for FY 2067/68. The reasons for not fully distributing the allowance by a few VDCs for FY 2067/68 are not known.

E. Case of Absentees

In the case of absentees, some stated that it was paid to the designated person (9 VDCs) while others mentioned that it was paid to family members (15 VDCs) and still others observed that they visited the houses to deliver the allowance (31 VDCs). Some of the officials reported that the beneficiaries were informed to collect the allowances which they held until the payment was made (11 VDCs).

F. Transparency

It is encouraging to note that a sizeable number of VDCs have reportedly been following the public and social audit system in order to keep the distribution transparent. Seven VDCs mentioned that they displayed the list of beneficiaries on the notice board of the VDC office. This has, however, not been fully verified. Data from the key informant interview should shed light on this claim.

Table 4.8: Allowance Distribution Process (in number)

Allowance Distribution Process	Municipality	VDC
<i>Recurrence of Distribution</i>		
Monthly		2
Once in 3 months	2	17
Once in 4 months (Trimester)	2	6
Yearly	2	1
When money is received		19
<i>Location of allowance distribution</i>		
VDC/municipality office	3	39
Ward office (or other places in ward)	1	4
Other	1	2
At home		1
Has fixed date for distribution? Yes	2	9
<i>How does beneficiary know about time and location?</i>		
Time and location is pre-determined	1	7
Knows during visit to VDC office	1	15
Public notice/announcement	5	27
Others (including announcement through FM)	1	6
Name list of beneficiaries is published Yes	0	32
<i>Reasons for not publishing</i>		
Not followed this practice earlier	1	2
Not enquired from any quarter		2
Did not feel the need	3	5
Lack of time		2
Lack of support staff	1	1
Name list of beneficiaries sent to DDC Yes	6	46
Money is adequate for distribution Yes	6	43
Distributed all installments of FY 2067/68 Yes	1	23
<i>How do you confirm the payment of allowance</i>		
Thumb print	5	45
Signature	4	30
<i>What do you do to absentees</i>		
Give to family members	2	16
Give to designated person	1	10
Give at home	2	35
Keep and request to collect		12
Return to DDC	1	
<i>Transparency of distribution</i>		
Public/social audit	5	33
Notice at VDC/municipality		7

Source: Field Survey

4.2.8 Allowance Distribution through Banks

With an intention to address the problems of reported misuse of the SSA, MoLD has recently piloted the distribution of the allowance through the banking channel in a few districts¹. In its initial phase, the government had decided to make the allowance payment through the banks in 13 VDCs that are located in the district headquarter and 58 existing municipalities and 41 recently declared municipalities. The working procedure has been amended, and a circular has been made to the DDC specifying the name of the VDCs located in the district headquarters and 99

¹ It has also been reported in the media that MoLD in partnership with the World Bank is preparing to distribute the allowance on the basis of fingerprints and special identity cards. These modalities which rely on the banking channel for the distribution of allowances is being piloted under the Social Safety Net Project of the World Bank in six districts from FY 2012-13.

municipalities where payments through the bank has been introduced from FY 2068/69. It has been claimed that this measure will make the distribution transparent and convenient.

In this context, the survey gathered the opinion of the LG officials regarding the appropriateness of allowance distribution through the banks. Majority of the VDCs (61%) and municipalities (83%) were of the view that payments through the banks are not feasible (Table 4.9). Some are of the opinion that initially it may be a little problematic, but later on, it should be feasible. They further stated that efforts should continue.

Non-availability or limited availability of banking services in the rural areas has been the most common reason cited for considering payment through the banks “not feasible”. Other reasons cited are that its a costly affair to the beneficiaries as they must bear the transportation cost and there are limited banking facilities in the hilly areas. On the whole, there has been mixed reaction about this new arrangement. During the key informant interview (KII), some appreciated the payment through the banks while others questioned the practicability and feasibility of the new system. Some went beyond to comment on it as *khaya kha na khaya ghich* (take it or leave it) as the old and physically disabled cannot travel all the way to the banks.

Table 4.9: Allowance payment through banks (in %)

Allowance payment	VDC	Municipality
<i>Payment through banks</i>		
Feasible	39.00	17.00
Not feasible	61.00	83.00
<i>Reasons stating not feasible</i>		
Banks services are confined mainly in district headquarters	64.28	60.00
Not practical as bank services are limited in hilly areas, municipalities	10.71	20.00
Costly affair to the beneficiaries	25.00	20.00

Source: Field Survey

4.2.9 Institutional Relationship

The institutional relationship between the DDC and VDCs/municipalities in the management and distribution of the allowances has been examined. How the DDCs have supported them in the implementation of the program has been explored. The relationship on the whole appears to be cordial as majority of the VDCs (60%) admitted that they had received all kinds of required support from the DDCs. The other support they have been receiving includes the timely release of budget (34%), release of budget in adequate amounts (43%) and technical support to update the records (25%).

Some of the DDCs, however, noted they were not receiving the required cooperation from the municipalities. They complained that there was a tendency to demand the allowance amount on an ad hoc basis. There is also lack of initiative to clear the advances on time. Incomplete documents are submitted resulting in administrative complications.

There seems to be a weak institutional relationship between the VDCs/municipalities and local CBOs and NGOs. Survey data reveal that only 25% of the VDCs have received support from the CBOs and NGOs in the distribution of the allowance.

4.3 CONTRIBUTION OF DDC, MUNICIPALITY AND VDC TO SOCIAL SECURITY FUND

In the present survey, attempts were made to assess the extent of contributions made by the DDC and VDC/municipality from their internal resources to the SSA. None of the surveyed institutions have contributed to the SSA. Local bodies are not topping their internal resources to the fund they have received for distribution. This may not be a major issue as they must be receiving adequate amounts as per the records. A few institutions, however, noted that they were supporting programs associated with senior citizens, disabled people and single women. Notably, the Pokhara municipality has initiated the following programs worth Rs. 450,000 from its internal resources.

- Self-employment and skill-oriented training program to single women – Rs. 150,000.
- Disabled self-employment program – Rs. 150,000.
- Senior citizen rehabilitation and support program – Rs. 50,000.
- Support to senior citizen shelter – Rs. 100,000.

Some support programs were carried over while some have been recently introduced from FY 2067/68. The Duwakot VDC of Bhaktapur has been providing allowances from its own internal resources allowances to five eligible beneficiaries who were deprived of the allowance due to lack of supporting documents. On the whole, the contribution of the local bodies to the SSA has remained insignificant. This could be due to the limited resources and competing needs.

4.4 ISSUES IN OPERATIONALIZING SOCIAL SECURITY SCHEME

4.4.1 Problems Experienced by Institutions in the Operation and Management of SSA

With an intension of getting a firsthand insight into the various issues associated with the SSA, an open ended question was raised to list all the problems they have experienced in the SSA. The major issues revolve around institutional capacity, frequent transfer of office bearers, registration calendar, budget release, qualifying age for entitlement, definitional clarity, training needs on SSA execution, etc. The most commonly experienced problems are listed below:

- VDC lacks support staff and resources to update records and manage the SSA program.
- Budgets are often not released on time.
- VDC secretaries are overburdened to distribute the allowance on time as some have to look after more than one VDC.
- Frequent transfer of the VDC secretary has caused problem in the operation of bank accounts, resulting in delays in allowance distribution.
- Problem of security in carrying funds physically.
- VDC staff is not given any training on SSA operation and management. In the absence of training, some officials are unable to internalize the working procedure.
- The program has ignored the equity aspect as both rich and poor are treated equally.
- The qualifying age difference for Dalits and senior citizen has been questioned as it has created discrimination in the society.
- Non-cooperation from the political parties.
- Age criterion of widows has caused problem.
- There is no incentive to the allowance distributor.

- The new working procedure lacks clarity on some issues.
- It has been widely claimed that the beneficiaries should be paid allowance till the date he has survived in the event of his death. The working procedure is silent on this issue.
- The provision of registration of potential beneficiaries once a year has caused dissatisfaction among people.
- In the Kaski district, the beneficiaries are highly mobile and also have dual residences, causing problems in timely distribution.
- The quota system for full and partial disability has complicated the matter as there are more eligible people than the quota fixed.
- Deaths of the beneficiaries are not registered on time, causing problem in updating records.
- Though in the manual a “Lohar” is not included as a Dalit, in practice they have also been treated as Dalits and allowance are distributed.
- Another limitation of the working procedure is the non-inclusion of Dalits in the Newar ethnic group although among Newars, many caste groups are considered Dalits. Such cases have been noticed in the Thimi municipality.

4.4.2 Suggestions Made by Local Government Officials

Surveyed institutions were also asked to provide suggestions for improvement, based on their experience. During the KII, the interviewees were also requested to suggest measures for improvement. Below are suggested measures for the improvement of program.

- Additional support should be made at the VDC/municipality wards for updating the records and the timely and smooth distribution of the allowance.
- Authorization and budget should be released on time and in adequate amounts, and LG officials should be given training on the working procedure of the SSA.
- The present practice of once a year registration is problematic as it increases the chances of omission. The registration should, therefore, be open twice a year.
- Any amendments in the working procedure should be made available on time.
- A clear operational definition of complete and partial disability is required. Lack of a clear definition has caused problems in implementation.
- All widows irrespective of age should receive the allowance. This suggestion has been given due consideration in the budget speech of FY 2068/69.
- Adequate security should be provided to avoid possible looting of the fund.
- VDC secretary should not be overburdened with the responsibility of many VDCs.
- Not only the beneficiaries but the CSO and key informants also strongly recommended that the amount of allowance be increased. Majority of the key informants stated that it should be increased to Rs. 1,000 - 3,000.
- In the case of disabled citizens, it is recommended that instead of an allowance, a rehabilitation center would be a better idea as it would solve the problem of the caretakers whom cannot attend work.
- Incentives should be provided to the distributing officials to make them more accountable.
- Payment through the banking system should be introduced.
- There should be timely settlement of the undistributed returned amount.
- To address the problem of possible threat and insecurity, there should be a life insurance plan for the VDC secretary.

CHAPTER V

OPERATIONALIZING SOCIAL SECURITY SYSTEM: ANALYSIS OF BENEFICIARY SURVEY

This chapter reports the major findings of the beneficiary survey with an attempt to assess the effectiveness and reliability of social security in Nepal, along with the problems perceived and reported by the beneficiary. Besides frequency tables, different outcome variables have been cross tabulated with reference to other variables like sex of respondent, allowance type, wealth quintile, districts, and living conditions of the beneficiary especially to assess the distributional implication of the social security allowance program in Nepal.

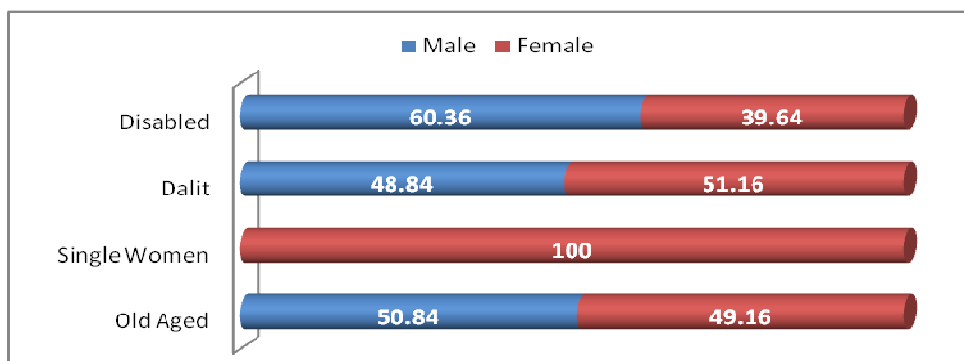
5.1 EXAMINING EFFECTIVENESS OF SOCIAL SECURITY ALLOWANCE PROGRAM

In this section, an attempt has been made to assess the effectiveness of the social security program by examining a number of variables. The variables assessed include the nature and characteristics of the beneficiary, awareness, access, amount received and sufficiency of amount according to different types of allowance, living arrangements, wealth quintile, districts and sex of the respondent.

5.1.1 Nature and Characteristics of Beneficiaries

Out of the total beneficiaries surveyed, 61 percent of the respondents were female and 39 percent male. The significant proportion of females among respondents is mainly because of the inclusion of single women as a separate category of beneficiaries for the survey. As such, the sampling technique followed for the survey also allowed for the inclusion of female respondents in other categories as well. The female respondents for other categories of beneficiaries are 39.64 percent, 51.2 percent and 49.26 percent for Disabled, Dalit and Old Age categories respectively (Figure 5.1). Of the total beneficiaries surveyed, a significant proportion (58.3 percent) is of the Old Age category while 26.9 percent is of Single Women followed by Dalits (11.9 %) and the Disabled (2.9 %) (Table 5.1).

Figure 5.1 Sex of Respondent by Type of Allowance (in percent)



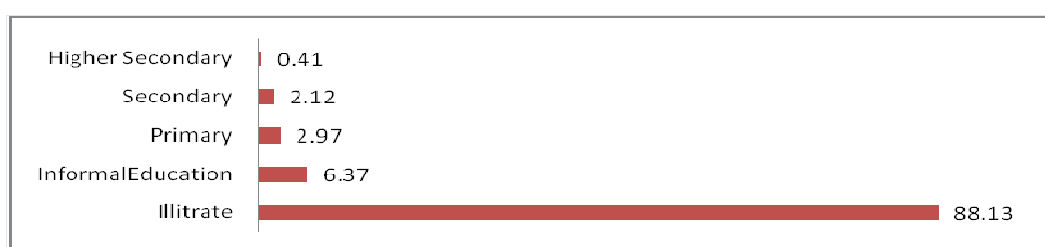
Source: Beneficiary Survey, 2011

The marital status shows that 40.5 percent of the beneficiaries are married. Only 4 percent revealed their marital status as unmarried while nominal (0.3 percent and 0.1 percent) reported as separated and divorced respectively. Since a significant proportion of the beneficiaries includes single women, nearly more than half (55.1 percent) are found to be widows (including single women and men). Regarding the religion being practiced by beneficiary, nearly 90 percent reported to adapt the Hindu religion followed by Buddhism (4.6 percent), Islam (4.2 percent) and Christianity (0.5 percent). Only less than 1 percent reported to be not practicing any religion (Annex Table 5.1).

Age-wise composition of the beneficiaries shows that majority (45%) are in the age group 70-80. The reason is quite obvious as the majority of the respondents are beneficiaries of old-age allowance (58.3 %), and this group is eligible for the allowance only after the age of 70 years. Still, 31.1 percent of the respondents are found to lie in the age group 60-70 (which includes Dalit, Single Women and Disabled) followed by 17.8 percent in the age group 80-90 and 3.3 percent in the age group 90 years plus. It should also be noted that 2.38 percent of the beneficiaries are found to be of an age that is less than 60 years, who make up the Disabled category as for this group, as age is not an eligibility criterion (Annex Table 5.2).

The distribution of educational attainment of the respondents reveals that almost 88 percent are illiterate while only a negligible proportion (12 percent) is found to have some sort of literacy. Among the literate individuals, a significant proportion is found to have an informal education (6 percent) followed by primary (3 percent) and secondary (2.1 percent). Less than 1 percent (0.4 percent) was found to have an educational attainment of higher secondary or more (Figure 5.2)

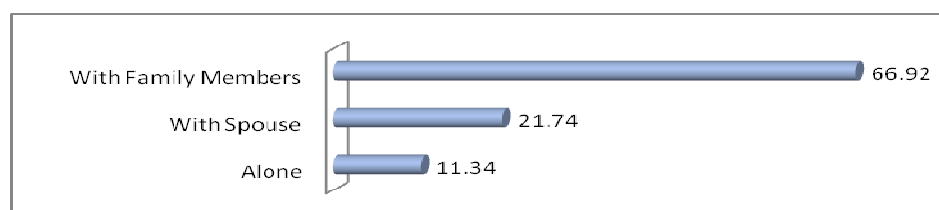
Figure 5.2 Educational Attainment of Beneficiaries (in Percent)



Source: Beneficiary Survey, 2011

The living arrangement of the beneficiaries shows that two thirds (68 percent) are living with other family members. The family members include their son and daughter-in-law, grandson and daughter, daughter and daughter-in-law, and their parents in some cases. This living arrangement not only reflects the characteristics of Nepalese society where the preferred values are to live together with the family, but also indicates the effect of the social security allowance on their family members as well. Likewise, about 18 percent are found staying with their spouses. It is important to note that still 13 percent of the beneficiaries are living alone (Figure 5.3).

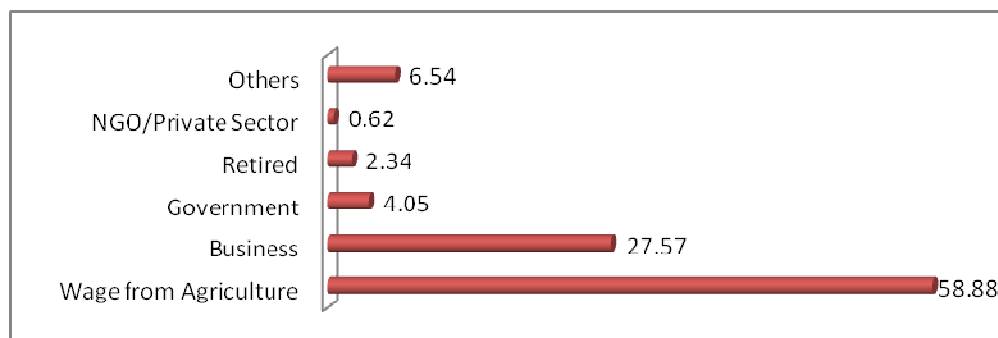
Figure 5.3: Living Arrangements of the Beneficiaries (in percent)



Source: Beneficiary Survey, 2011

It can be assumed that the beneficiaries generally fall in the economically inactive group due to their age (old age) or physical constraints (disability). Still the results show that nearly 11 percent are still active in economic activities pertaining to income and wages. These activities include wage from the agriculture sector, small businesses, employment in the private and NGO sectors, and surprisingly even in the government sector. Figure 5.4 shows that majority of those employed are engaged in agriculture (58.88 percent). The other sectors employed are in business (27.6 percent), government (4.1 percent), NGO/private sector (0.6 percent) and others (6.5 percent). About 2.3 percent reported receiving regular income from pension/retirement funds.

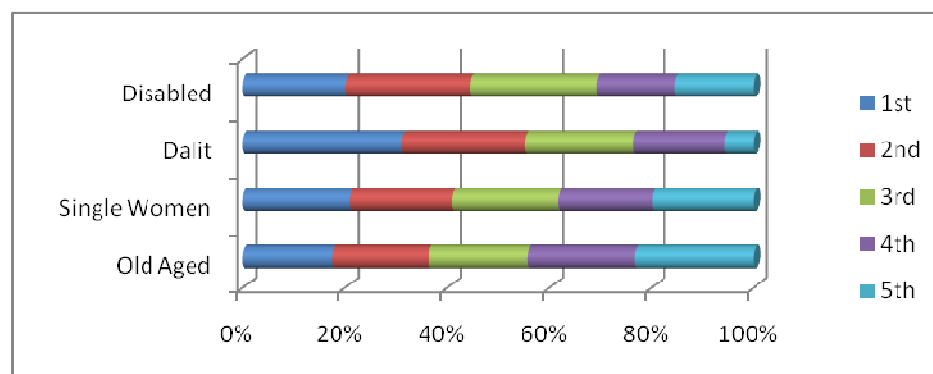
Figure 5.4 Source of Income by Economically Active Beneficiary (in percent)



Source: Beneficiary Survey, 2011

Likewise, in an attempt to examine the beneficiaries according to their wealth quintile, there are beneficiaries in each wealth quintile. The results show that a higher proportion of the Dalits fall in the lower wealth quintile and only about 5 percent of the Dalit beneficiaries are from the richest quintile of the distribution (Figure 5.5). This is an anticipated result given the socio-economic background of Dalits in Nepal, who are regarded as a marginalized group. Likewise, single women and disabled beneficiaries were also found to be belonging to the poorer quintile in comparison to the old age allowance beneficiaries.

Figure 5.5: Beneficiaries by Wealth Quintile (in percent)



Source: Beneficiary Survey, 2011

5.1.2 Household Characteristics of Beneficiaries

Economic characteristics of the beneficiary have been assessed looking at the ownership of tangible assets and wealth such as land, consumer durables and a house as well as income, expenditure and savings. Table 5.1 reports the economic status of the beneficiaries.

The survey results show that almost 96 percent of the beneficiaries have their own home. Majority of the beneficiaries (42 percent) reported their houses were made of bricks or stone bonded by clay. Likewise nearly 20 percent were found to have houses that were a cement-bonded structure or a mud structure only. This is followed by the *jhupadi* (14 percent). In terms of land ownership, 75 percent of the respondents are found to have their own land with an average land holding size of 0.6 bighas.

The beneficiaries were found to have an average monthly income of Rs. 7,883 ranging from as low as of Rs. 100 to as high as of Rs. 100,000 per month. The income seems quite high as compared to the CBS recent estimates of Rs. 22,000 per year from NLSS III. Likewise, the average monthly household expenditure is reported to be Rs. 8,164 ranging from Rs. 150 to Rs. 120,000 per month. As can be seen in both, the higher standard deviation of both income and expenditure suggests a greater degree of scatterings in data and indicates the influence of an outlier on the data. The average expenditure figure is found to be higher than that of the income. Nearly 16 percent of the respondents reported saving part of their income. Still, 43 percent of the respondents revealed sufficiency of income to meet their monthly expenditure needs.

Table 5.1 Economic Characteristics of Beneficiaries (Summary Statistics)

Variable	Mean	Std. Dev.	Min	Max
Ownership of Assets				
Ownership of House (1 if Yes)	1.0	0.2	0	1
Land Ownership (1 if Yes)	0.8	0.4	0	1
Land (in Bigha)	0.01	0.6	0	32
Income, Expenditure and Saving				
Monthly Income (in NPR)	7883.4	8331.5	100	100000
Monthly Expenditure (in NPR)	8164.9	7633.0	150	120000
Saving (1 if Any)	0.2	0.4	0	1
Monthly Saving (in Rs.)	4328.81	5562.21	50	50000
Sufficiency of Income to Meet Consumption Expenditure (1 if Yes)	0.4	0.5	0	1
Ownership of Consumer Durables				
Radio (1 if Yes)	0.5	0.5	0	1
TV (1 if Yes)	0.4	0.5	0	1
Refrigerator (1 if Yes)	0.1	0.3	0	1
Telephone (1 if Yes)	0.1	0.3	0	1
Mobile (1 if Yes)	0.6	0.5	0	1
Computer (1 if Yes)	0.1	0.3	0	1
Cycle (1 if Yes)	0.3	0.5	0	1
Motorcycle (1 if Yes)	0.1	0.3	0	1
Four Wheeler (1 if Yes)	0.02	0.1	0	1

Source: Beneficiary Survey, 2011

Most of the beneficiaries are found to own the common forms of consumption durables. Just more than half (53 percent) are found to have a radio and just below half (44 percent) owned a television set. It is quite interesting to observe that nearly 60 percent of the households have a

mobile phone, while just 11 percent of the households own a land line phone. A significant proportion (32 percent) of respondents reported having a cycle at home while 11 percent said they owned a motorbike. However, only 8 percent, 7 percent and 2 percent of the respondents said they owned a refrigerator, computer and a four wheeler respectively.

5.1.3 Awareness about Social Security Program

Since the beneficiary survey was conducted among those who were receiving some kind of allowance, it is assumed that they were aware of the type of allowance that they were benefiting from. So we asked them about their awareness about the amount that they were receiving. The survey results reveal that the respondents are almost universally aware (97%) of the amount they are receiving. All the candidates from the old age, Dalits and single women groups said that they received Rs. 500 in social security allowance from the government. The figure shows that 97 percent of the respondents are aware of the amount they are receiving per month. We also found that there is variation in the awareness level of the respondents by sex of the beneficiary, district and type of allowance (Annex Table 5.3).

The awareness level by sex of the respondents shows that male beneficiaries are more aware than the female beneficiaries. This is anticipated as women in Nepalese society are often regarded as having less access to information and formal education, among others, which could impact their awareness level. In line with similar findings, Dalits and the disabled are found to be less aware of the amount they are receiving in comparison against old aged and single women. In the case of Dalits, who are considered as a marginalized and deprived segment when it comes to their access to social and economic opportunities, it was natural to find a relatively high proportion of Dalits being unaware of the allowance amount that they were receiving per month. The result suggests that even a higher proportion of the disabled are not aware of the amount they are receiving. While their awareness could be associated with other socio-economic determinants, the large procedural issues, as indicated during the focused group discussion, the variability on the allowance amount could be one of the primary reasons.

The awareness level according to living arrangements shows that the beneficiaries living with a family are found to be more aware in comparison to those living alone. This is quite intuitive as family members are the source of information. The family could have more educated or aware members or could include school-going children which could ultimately impact the awareness level of the beneficiary. Contrary to anticipation, the beneficiaries of the higher wealth quintile were found to be less aware as compared to the beneficiaries from the lower wealth quintiles. One of the reasons could be the observation that the allowance as such is of little importance (e.g. economically) to them and are thus ignorant of the allowance. Likewise, there is also a variation in the awareness level by districts. The proportion of unaware beneficiaries range from less than 1

Box 5.1: Case Study: Non-Beneficiary

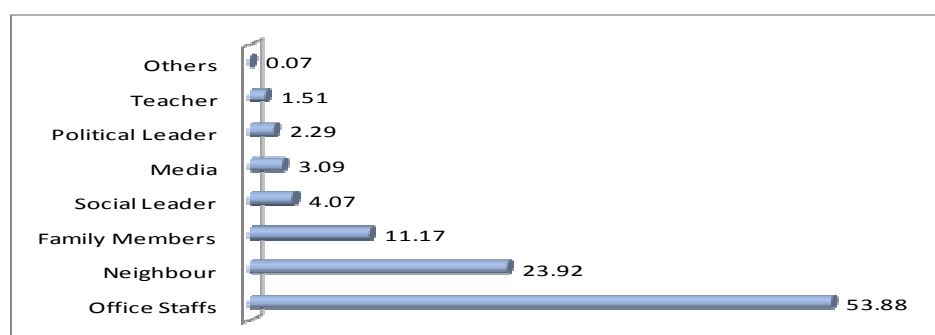
Krishna Charan Shrestha, aged 72 of Thimi municipality of Bhaktapur district. Though he is qualified, he has not formally applied for the allowance.

"I have not applied for registration as the process is cumbersome. Since it is claimed that the SSA is a symbol of respect to the senior citizens, why should we go and apply? The government should mobilize its machinery to identify such people and request them to accept the allowance. The government or the LGs could use the voters list to identify the eligible beneficiaries. If the municipality officials were to come to my house and ask for my citizenship certificate and proof of age, I'm prepared to provide the document, but I myself will not go to the municipality ward office for the allowance. It is not because the amount is small but because I want senior citizens to be respected."

percent to as high as 20 percent. One fifth of the respondents of Bhaktapur (20 percent) were found to be unaware. This was followed by the Rasuwa district, where almost 10 percent of the beneficiaries were unaware. While there is no observed pattern across east to west or north to south, there could be a number of other socio-economic factors affecting the awareness level.

While most of the beneficiaries reported being aware about their allowance amount, almost half revealed the office staff at the VDC or municipality as the first source of information. This indicates that the office staff is instrumental in providing and disseminating information to the beneficiaries. About another one - fifth (23.9 percent) said that neighbors were the first source of information about the social security allowance. Family members as a source of information accounted for just 11.2 percent. The social leader, political leader and media shared around 3 percent in providing information to the beneficiaries. This indicates that the role of the media and mobilization of social and local political leaders have not been very effective in providing information. The survey shows that teachers are another source of information.

Figure 5.6: First Source of Information about Social Security Allowance



Source: Beneficiary Survey, 2011

5.1.4 Access to Social Security Allowance and Non-Beneficiary

It was found that all the candidates eligible for the allowance are actually registered and are receiving the social security benefits. This is also evident from the fact that very few cases were reported where an eligible candidate was not receiving the allowance. Out of the 5,181 beneficiaries surveyed, we just found 17 such cases (Table 5.2). It was found later that such individuals claim themselves to be eligible candidates, but are typically a reflection of their perception. Indeed, the legal documents (for example citizenship card) that qualify an individual for the allowance were the constraining factors for not being able to get the allowance. It is found that the difference in the age mentioned in the citizenship card and perceived by a candidate has been a major problem for a person in registering for the allowance program. In case of eligible candidates supported by legal documents that need to be submitted while registering for the allowance, both access and coverage are almost universal.

Table 5.2: Non-Beneficiary by Type of Allowance

Category	Frequency	Percent
Senior Citizen	14	82.4
Single Women	1	5.9
Disabled	2	11.8
Total	17	100

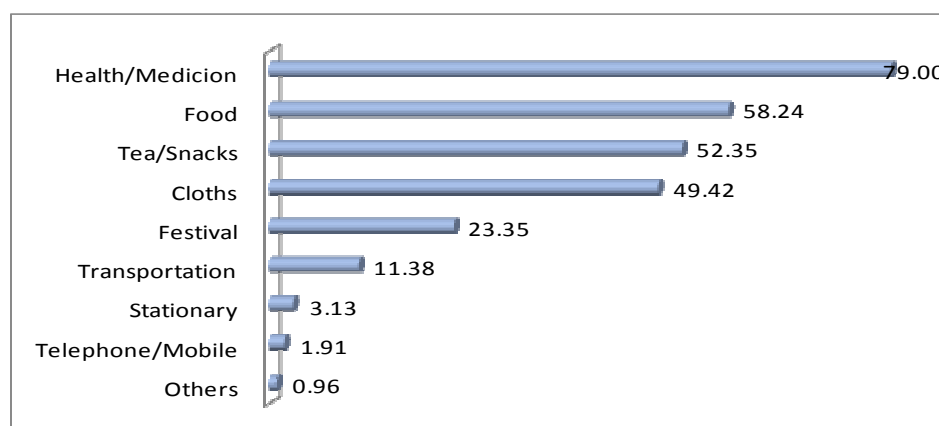
Source: Beneficiary Survey, 2011

5.1.5 Area of Use of Allowance

It was found that the allowance received by the beneficiaries is spent on themselves, on family members and to meet the household expenditure. Nearly 58 percent of the respondents reported that they spent their amount on themselves while another 40 percent revealed that they spent the allowance on both family members and themselves. This indicates that almost all of the beneficiaries spent their allowance either on the family members or on themselves. A large majority of the beneficiaries reporting spending their amount also indicates that they have a prime role in making decisions regarding how the allowance is to be spent. The result also showed that the allowance is spent mainly on the spouse, son and daughter-in-law and grandchildren.

On where they spent their allowance (Figure 5.7), a large number of beneficiaries - (79 percent) - reported that the allowance is spent on the purchase of health services and medicines. This figure is followed by food (58 percent), tea and snacks (52.4 percent) and clothes (49 percent). The allowance is also spent on festivals (23.4 percent), transportation (11.4 percent), stationery (3.1 percent) and telephone/mobile (1.9 percent).

Figure 5.7: Area of Expenditure of the Allowance (in percent)*



Source: Beneficiary Survey, 2011

*multiple response

The areas of use of allowance clearly demonstrate its contribution to household expenditures like (food) and personal expenditure (for fruits, snacks and transportation). As majority of the beneficiaries said the allowance was used to purchase health services and medicines, it clearly indicates the important of such an allowance to this group of the society.

The survey also shows that while the allowance has been a source of livelihood for a majority of the beneficiaries, a few have even managed to save and hence contribute to their future earnings. Out of the 3 percent of the beneficiaries who reported investing their allowance on income earning activities, 71 beneficiaries said they used it to lend in order to earn interest. Likewise, majority of other beneficiaries said that they had started small businesses. Yet, another handful of beneficiaries comprising single women were found depositing the allowance in the women's saving and cooperatives groups.

5.1.6 Sufficiency of Amount

As just discussed, the allowance is spent on meeting personal and household expenditures. It is quite expected to find that the majority of the beneficiaries reported an insufficiency of the amount. Nearly 80 percent of the beneficiaries reported an insufficiency of the allowance. During

the focused group discussion, increase in prices over the years was attributed to being the sole rational for demanding an increment in the allowance. It is important to understand that most of the beneficiaries take the allowance as another permanent source of income (most reported they regard it as a pension) rather than a transitory or a windfall. Obviously, it helps to smoothen their consumption expenditure. Against this background, it is quite natural to expect a hike in the allowance by the beneficiary.

As we do expect the sufficiency of amounts to vary according to their socio-economic background, the survey results indicate that poor, women and Dalits are in more need of an increased allowance (Table 5.3). The female beneficiaries were found to be reporting an insufficiency of amounts marginally higher as compared to the male beneficiaries. Likewise, a higher proportion of the beneficiaries belonging to the lower quintiles reported insufficiency of the allowance when compared to beneficiaries from the highest wealth quintile. By type of allowance, more proportion of Dalits reported an insufficiency of amounts followed by single women, old age and then the disabled.

Table 5.3: Average Amount of Expectation

Variable		Observation	Mean	Median	Std. Dev.	Min	Max
Sex	Male	1821	1718.9	1000	1126.6	200	9000
	Female	2846	1785.4	1200	1163.7	300	9000
Allowance Type	Sr. citizen	2679	1669.0	1000	1116.8	200	9000
	Single women	1272	1844.8	1500	1166.6	500	8000
	Dalit	593	1875.1	1500	1201.1	500	6000
	Disabled	125	2307.2	2000	1184.5	500	5000
Living Cond.	Alone	551	1680.6	1000	1068.2	300	9000
	Spouse	1020	1701.1	1000	1151.0	500	9000
	With family	3045	1790.5	1500	1160.5	200	9000
	Others	50	2020	1500	1303.4	500	5000
Wealth Quintile	Bottom	995	1925.5	1500	1208.8	300	9000
	2 nd	858	1864.2	1500	1204.9	500	9000
	3 rd	971	1822.4	1500	1153.7	300	8000
	4 th	949	1586.6	1000	1065.1	200	9000
	Highest	896	1593.3	1000	1066.1	500	9000
District	Jhapa	987	1262.5	1000	895.7	200	9000
	Rautahat	1081	2516.6	2000	1365.0	500	9000
	Bhaktapur	518	1863.9	1500	1167.7	500	9000
	Rasuwa	154	2196.1	2000	1190.6	700	6000
	Kaski	962	1348.7	1000	830.5	500	9000
	Banke	661	1702.9	1500	815.1	700	5000
	Jumla	73	1578.1	1500	515.7	500	3000
	Baitadi	233	1758.6	1500	1065.9	300	6000
All		4669	1760.2	1000	1150.1	200	9000

Source: Beneficiary Survey, 2011

5.1.7 Satisfaction from Social Security Allowance Program

How do the beneficiaries perceive the current distribution system? We attempted to assess the perceived satisfaction with the current distribution system. More than two-thirds of the beneficiaries are satisfied with the current distribution system. Nearly 66 percent reported that they were satisfied with the system along with another 9 percent who indicated they were highly satisfied with the system. About 17 percent revealed they were indifferent of the system. Yet, nearly 10 percent reported they were not satisfied with the system. From the interaction during the FGD, it was learnt that everyone was happy about the program as such. If there was any dissatisfaction, it was about the distribution system, time and amount in general. Nevertheless, one-tenth of the beneficiaries were found to be unsatisfied.

We also made an attempt to examine how the satisfaction level varies with other socio-economic variables. We find that males seem more satisfied (combining both satisfied and highly satisfied) as compared to females. Likewise, Dalits and single women were found to be less satisfied than the old age beneficiaries while the disabled category was found to be most satisfied among the categories. In terms of living arrangements, beneficiaries living with family members were found to be more satisfied than those who were living with their spouse or living alone. This could possibly be because the beneficiaries find themselves less dependent (less dependent economically and more freedom and choices about where to spend) on the family after receiving the allowance. Regarding the variations with respect to their wealth rankings, the beneficiaries of the lower wealth quintiles are found to be more satisfied as compared to those belonging to the higher wealth quintiles. Majority of the beneficiaries (62%) in the Rasuwa district are not satisfied with the current distribution system while in Bhaktapur it is equally balanced. In the case of the remaining six districts, Jumla ranked first with the largest number of beneficiaries reporting being “satisfied” (95%) followed by Rautahat (85%) and Banke (85%). This clearly shows that with the exception of Rasuwa, all the remaining districts are reportedly satisfied with the current allowance distribution system (Annex Table 5.4 and 5.4a).

5.2 ASSESSING RELIABILITY OF SOCIAL SECURITY ALLOWANCE PROGRAM

In this section, an attempt has been made to assess the reliability of the social security problem in Nepal. In order to assess the reliability, different variables namely, information about distribution time, its regularity, recipient and spender of the allowance, have been examined.

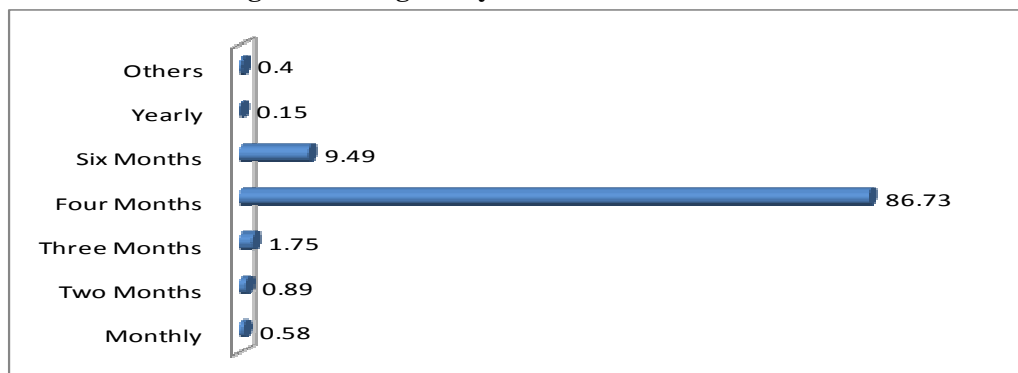
5.2.1 Regularity of Allowance Distribution

The Social Security Program Working Procedure 2065 clearly states that the allowance be distributed once every four months during a fiscal year: first in the month of Ashwin (Sept-Oct), second in the month of Magh (Jan-Feb) and the last installment in Jestha (May-June). To assess the regularity of the allowance distribution, the recipients were asked with what regularity they received the allowance. As expected, a large majority of the recipients (87%) reported that they were paid every trimester (once every four months). About one-tenth of the beneficiaries reported that they received the allowance once every six months (Figure 5.8). Though the SSPWP-2065 has given directives to distribute the allowance every four months, the variations in the distribution time, as seen in the figure, can be attributed to both institutional and individual problems.

As discussed during the KII and FDG, the VDCs and municipalities have in general been able to provide the allowance every four months as guided by the SSPWP-2065. However, the variations

are felt due to the delayed release of the funds by the DDC to the VDCs/municipalities. There were also reported cases where two or three installments were released at once. Likewise, since the beneficiaries can collect the allowance anytime they wish, the allowance is collected as per their convenience. This has also contributed to a variation in the allowance distribution time. Nevertheless, receipts of the allowance for less than four months could possibly be because of their unawareness about the allowance, amount of allowance and distribution time. There were no cases where the local government officials mentioned distributing the allowance monthly or in less than four months.

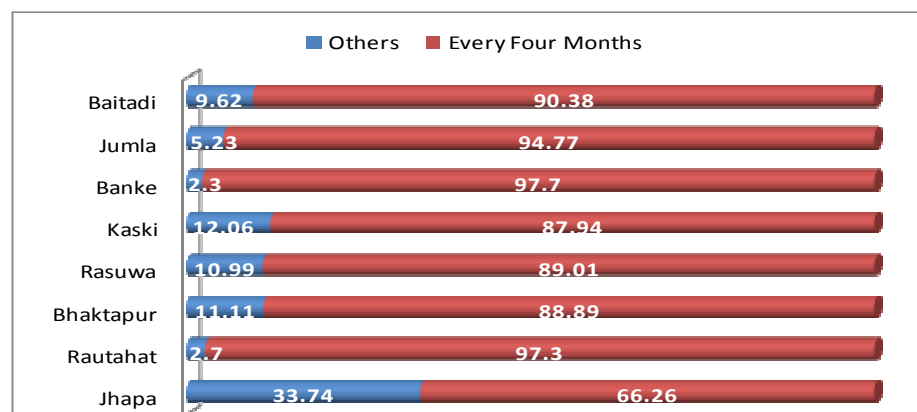
Figure 5.8: Regularity of Allowance Distribution



Source: Beneficiary Survey, 2011

The regularity of this payment, however, varied by surveyed districts (Figure 5.9). More noteworthy is the case of Jhapa district, where only two-thirds of the recipients (66%) stated that they were paid each trimester while in the other districts of Baitadi, Jumla, Banke and Rautahat, such a proportion ranges between 90 and 97 percent. Some other recipients (less than 10%) admitted that they were paid once in six months. From the data, it is clear that regularity of the allowance distribution is different across districts. It can thus be inferred that institutions are distributing the allowance depending upon their own convenience without strictly complying with the working procedures. Previous studies have also supported this finding (NEPAN, 2011).

Figure 5.9: Time of Allowance Receipt by District



Source: Beneficiary Survey, 2011

When there was no specific date and time for the distribution of the allowance, the recipients were asked what the payment mechanism was. Overwhelmingly, the majority of the recipients

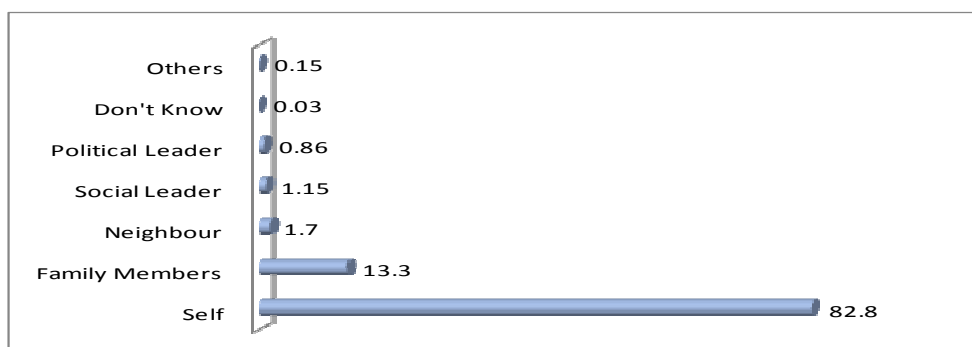
(86%) stated that each time, they were informed in advance about the date of allowance distribution while one in eight recipients admitted that they could collect the allowance at “any time”. The later finding raises the systematic problem in allowance distribution. As soon as the beneficiaries are informed, they collect the allowance immediately (96%), which clearly indicates the significance of the allowance to the beneficiaries.

5.2.2 Actual Recipient of Allowance

This paper aims at examining the actual recipient and spender of the social security program. During the KII and FGD, cases were mentioned where the actual beneficiary did not receive the allowance. The allowance was collected by others -family members in most cases - who did not hand over the money to the beneficiary. Therefore, it is interesting to examine the actual recipient of the allowance, that is, if the allowance is actually being received by the beneficiary or not.

The survey result shows that the allowance is collected by the beneficiaries (83%) themselves followed by relatives (13%). There were only a few cases where the allowance was collected by others than the beneficiaries and family members (Figure 5.10). They include neighbors, social leaders and political leader, among others. This is indeed an encouraging result to reckon. Such an arrangement maximizes the intended benefits of the program - a clear indicator of the effectiveness of the program. Nevertheless, in the case of almost 15 percent of the beneficiaries, they themselves were not receiving the allowance. The SSPWP-2065 has indeed clearly directed the concerned offices to provide the allowance to the beneficiary only.

Figure 5.10: Collection of the Allowance



Source: Beneficiary Survey, 2011

In an attempt to analyze the actual recipient of the allowance by type of allowance, the survey result revealed that a little less than half (44%) of the disabled beneficiaries receive the allowance by themselves and the remaining 55 % is being collected by “Others”. The finding is as expected due to the fact that it is difficult for disabled beneficiaries to go to the place of delivery to collect the allowance because of their physical disability constraints. Similarly, in case of the old aged beneficiary, almost 19 percent reported that they don’t go to collect allowance at the place of distribution. This figure is followed by Dalit (13.3 percent) and Single Women (12.4 percent) (Annex Table 5.7).

The distribution by districts shows that in Rasuwa 26 percent of the beneficiaries are not receiving their allowance themselves. This is closely followed by Jhapa, where nearly one-fourth of the beneficiaries reported that others collected the allowance. In Jumla, Baitadi, Bhaktapur and Kaski, the proportion of the beneficiaries not receiving the allowance themselves ranges from 15

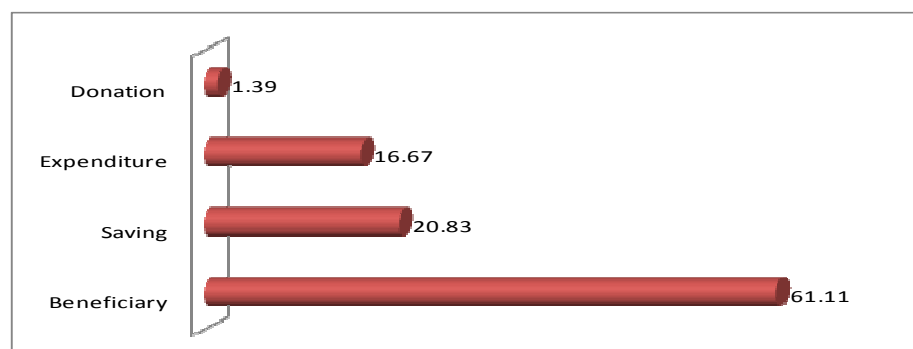
to 20 percent. Only less than 15 percent of the beneficiaries from Banke and Rautahat reported that they were not collecting the allowance themselves.

It is found that geographical remoteness does not systematically affect the decision of where to collect the allowance by the beneficiary. For example, except in Rasuwa, the beneficiaries from other remote areas like Jumla and Baitadi reported a less proportion of the beneficiaries not going themselves to collect the allowance as compared to the geographically better accessible district, Jhapa. This indicates that other factors (for example-socio economic determinants) might be influential in determining who goes to collect the amount (Annex Table 5.7).

As for the decision to collect the allowance depending upon the living conditions of the beneficiary, the results are as expected. 'Others' collect the allowance more in the case of those living with family members. Nearly 18 percent of the beneficiaries living with family members said that others go to collect the allowance while 16.1 percent of those living with a spouse reported the same. Among beneficiaries living alone, only 10 percent reported others went to collect on their behalf.

When the beneficiaries themselves were not going to collect the allowance, we asked them whether or not those who received the allowance on behalf of the actual beneficiaries handed over the sum to the beneficiaries should be a matter of policy concern. Almost 90 percent of the beneficiaries reported that the payment received on behalf of them was duly returned to them. Still 10% failed to receive the amount. Since the allowance not returned to the beneficiary could again be spent for the beneficiary, we asked if they were aware about how the allowance was spent. In response, nearly 60 percent reported that they were not aware of where their allowance was spent while the remaining 40 percent reported that they were indeed aware. Nevertheless, almost 60 percent of the beneficiaries reported that the allowance was spent for the beneficiaries. Nearly one fifth (21 percent) reported it was saved for the beneficiary while 16.67 percent reported it was spent on household expenditure. Nearly 1.4 percent reported that the allowance was used as a donation on behalf of the beneficiary (Figure 5.11).

Figure 5.11: Use of Allowance if not Returned (in percent)



Source: Beneficiary Survey, 2011

5.2.3 Location of Delivery and Time of Allowance Collection

The SSPWP-2065 indicates that the allowance must be distributed from the VDC or municipality offices. Under a recent provision, the allowance is to be collected from the banks. However, we failed to capture this as the survey was conducted just amidst the announcement of the provision. The survey results also show that the majority of the beneficiaries received the allowance from

the VDC and municipality offices. These alone constitute nearly 80 percent of the beneficiaries reporting it. However, nearly 17 percent of the beneficiaries reported that they were getting the allowance from the ward office of the municipalities and VDCs. Even though, a few municipalities have issued the allowance from their ward offices, during the institutional survey, we did not come across any VDC reporting that it was issuing the allowance from their ward offices. But 12 percent of the beneficiaries reported that they were receiving the allowance from the ward offices. This could be mainly because of their lack of awareness about the place and allowance. During the FGD, it was also said that there was a practice of handing over the allowance to the beneficiaries at their own homes, and this could be perceived as allowance delivery from the ward offices itself. The survey results also showed that nearly 9 percent received their allowance at their own homes. About less than 1 percent reported receiving the allowance from the DDC as well. This case might be valid in the case of the disabled.

In an attempt to see the transaction costs involved to receive the allowance (Table 5.4), we asked about the time needed to collect the allowance, waiting time and transportation cost, among others. The results show that it takes nearly 26 minutes to reach the office to collect the allowance and almost the same amount of time to go back home. The average waiting time at the office is found to be 52 minutes again. That means that nearly two hours are spent on collecting the allowance. While no significant opportunity costs are lost by this group due to their physical and psychological limitations, the physical problems that the segment faces during their hour-long walk is noticeable. It is also noticeable that those who use a vehicle for transportation spend about Rs. 60 to collect the allowance.

Table 5.4: Summary Statistics Transaction Costs

Variable	Observations	Mean	Std. Dev.	Min	Max
Reach Office	4272	26.6	21.9	0	120
Time to Return	4274	26.1	20.9	0	92
Transportation Cost to Reach Office	266	38.5	55.4	0	300
Transportation Cost to Return from Office	261	31.0	46.6	0	315
Waiting Time at Office	2146	52.6	48.4	3	600

Source: Beneficiary Survey, 2011

5.3 IMPACT OF SOCIAL SECURITY ALLOWANCE

Providing social security allowance benefits an individual in various respects - from psychological benefits to enhanced economic livelihoods. From an economic point of view, the benefits are visible not only in terms of smoothing the current consumption for an economically inactive individual, but also on reducing economic dependency, contributing to the family or household expenses and thereby impacting on the overall livelihood of the beneficiary. The benefits might be the self-respect that one feels or the ability to participate in different social gatherings, added confidence and a sense of respect from family members, which vividly are linked to psychological, physical and emotional wellbeing.

5.3.1 Economic Wellbeing

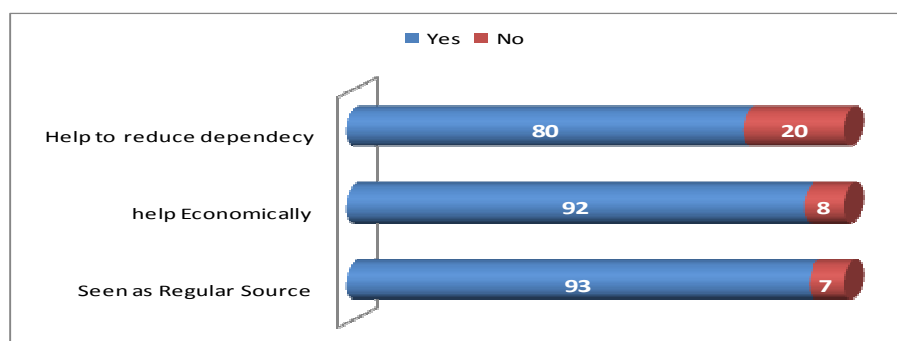
The survey results show that the social security allowance has helped to enhance the economic wellbeing of the beneficiaries by not only to filling the gap of their personal expenses but also by contributing to meet their household expenditure and even to save, in a few cases. This clearly indicates that social security has economic implications for the family and households as well.

Almost 80 percent of the respondents are using their allowance to meet their regular household expenditure. That means that the majority of the beneficiaries pooled their allowances together with other sources of income to meet their expenses. This highlights the importance of the allowance in smoothing their household expenses. About one-fifth (22 percent) reported that they were spending the allowance to meet their own needs only.

The significance of the allowance in meeting the household expenses can be seen from the contribution of the allowance to their household expenditure. The ratio of allowance (monthly amount received) to monthly household expenditure shows that the allowance is crucial to meeting the household expenditure. In response to a question as to whether the allowance helped to meet the household expenditure, a little more than one fifth (21.7 percent) reported the allowance's contribution to the household expenditure to be significant. The majority (58.5 percent) revealed a moderate contribution to their household expenses. Still, 19.8 percent of the beneficiaries reported no contribution of the allowance in meeting their household expenditure. It is also equally important to consider that the allowance is contributing to their personal expenses even when the allowance is not directly contributing to the household expenditure.

Despite the observation that about 20 percent reported no contribution to their household expenses, the majority reported that the allowance had helped economically and the beneficiaries perceived they were less dependent on the family for their expenses. Of the beneficiaries, 80 percent said that the allowance had helped to reduce the dependency on the family for their expenditure needs. Likewise, 92 percent revealed that the allowance had helped them economically. The most important fact perceived by the respondents is that the allowance is seen as a regular source of income (Figure 5.2).

Figure 5.12: Allowance and Economic Well-being Perceived by Beneficiary (in percent)



Source: Beneficiary Survey, 2011

The beneficiaries revealed that the allowance was helping in their economic wellbeing. The share of the allowance to the household expenditure, indeed, justifies the importance of the allowance in meeting the household expenditure. The survey results show that the average contribution of the allowance to the household expenditure is as high as 13 percent, ranging from less than one percent to meeting all the expenses. Given the large variance on the contribution, possibly because of a

Box 5.2

Only Source of Livelihood

This is the case of Mr. Uttam Khanal, of Changu Narayan VDC, Ward No. 9, who is disabled. He greatly values the Rs. 1,000 allowance he gets as it is the only source of livelihood for him. He has a very big family, and because he is unemployed, he faces hardships round the year. The allowance helps him buy milk as he cannot eat solid food.

few outliers, the figure adjusted to the median contribution is still 8 percent. These figures are not only supportive of the hypothesis that the allowance contributes sizably to meeting the consumption expenditure but also indicates the dependency of the beneficiary on the allowance. In this connection, it is important to note that the distributional implications of the contribution of the social security allowance to meeting the household expenditure. The results show that the contribution is significant among the females, disabled, and beneficiaries living in the poorest quintiles.

The results show that the average contribution of the allowance to household expenditure is marginally higher among the females as compared to the male beneficiaries. The average contribution is 13.7 percent in the case of female beneficiaries, while the contribution is relatively lower at 12.4 percent among the males. The contribution ranges from less than a percent to as high as 300 percent among male and female beneficiaries.

The contribution according to allowance type also varies significantly. The disabled are found to be more dependent on the allowance in meeting their household expenses followed by Dalits and single women. The average contribution for the disabled is 20.6 percent which gradually declines to 15.0 percent for the Dalits, 13.4 percent for single women and 12.4 percent for old age beneficiaries. This clearly indicates that the allowance is economically more important for the Dalits and disabled which are often regarded as marginalized groups.

Likewise, the contribution, according to the living arrangements of the beneficiaries, shows that those who are living alone are more dependent on the allowance in meeting their household expenses as compared to those living with their families and spouses. The allowance accounts for almost one-fourth (25.4 percent) of the household expenditure for the beneficiaries living alone. For those living with their spouses, the contribution is 13.9 percent. This proportion (11.1 percent) is lower among the beneficiaries living with family members.

The contribution of the allowance by wealth quintile shows that it benefits the beneficiaries belonging to the lower wealth quintile more. The average contribution of the allowance to the household expenditure of the bottom quintile of the surveyed beneficiaries is as high as 21.3 percent. As expected, the contribution of the allowance gradually declines in the higher wealth quintiles. The contribution is 15.3 percent for the second quintile followed by 12.3 for the third quintile, 9.8 for the fourth and 7.6 percent for the highest wealth quintile of beneficiaries of the survey. This is a clear indication that the allowance is contributing more to the poorer classes of the beneficiaries. It also shows a high dependency of the poorer classes on the allowance in meeting their expenditure and reflects the vulnerability of such classes in the absence of the allowance.

The contribution also varies significantly across districts. Though there is no systematic pattern of variation from north to south or east to west, the contribution ranges from as low as of 9.6 percent in Rautahat to as high as of 29.2 percent in Banke. The contribution in Rasuwa averaged around 18.7 percent, whereas the contribution for the rest of the districts varies between 10 to 13 percent.

Table 5.5: Contribution of Allowance to Household Expenditure (in percentage)

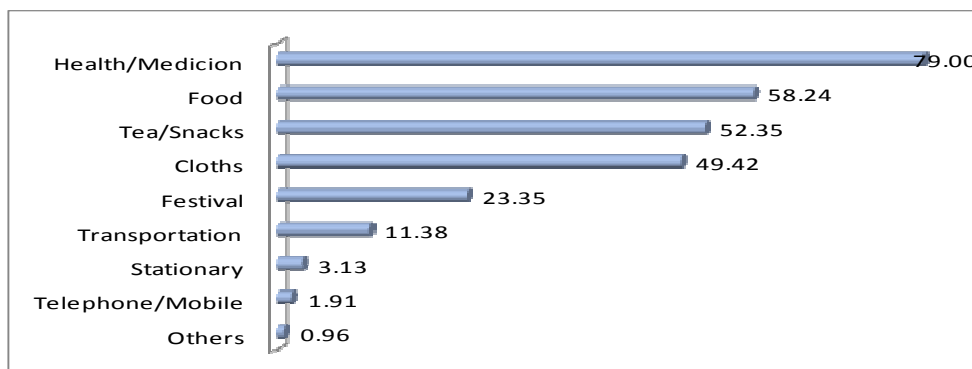
Category		Mean	Std. Dev.	Min	Max
<i>Sex of the Beneficiary</i>					
	Male	12.4	15.6	0.5	333.3
	Female	13.7	19.1	0.4	333.3
<i>Type of Allowance</i>					

Senior Citizen	12.4	17.5	0.4	333.3
Single Women	13.4	16.0	0.5	250.0
Dalit	15.0	20.8	1.1	333.3
Disabled	20.6	22.2	0.9	100.0
Living Arrangements				
Living Alone	25.4	25.0	0.5	166.7
With Spouse	13.9	18.5	1.0	333.3
With Family Members	11.1	15.2	0.4	333.3
Wealth Quintile				
Bottom	21.3	21.7	0.5	166.7
2 nd	15.3	21.4	0.5	333.3
3 rd	12.3	17.9	0.4	333.3
4 th	9.8	11.9	1.0	250.0
Highest	7.8	9.5	0.4	125.0
Districts				
Jhapa	11.3	13.0	0.4	125.0
Rautahat	9.6	10.9	0.4	250.0
Bhaktapur	11.2	18.9	0.5	166.7
Rasuwa	18.7	22.6	1.7	100.0
Kaski	10.7	12.0	0.6	125.0
Banke	29.2	32.3	1.5	333.3
Jumla	13.1	13.7	1.0	100.0
Baitadi	10.6	12.9	0.5	100.0
Overall	13.2	17.8	0.4	333.3

Source: Beneficiary Survey, 2011

The allowance has not just helped to meet the household expenditure and lessen the economic dependency on the family; rather it has also contributed to meeting some important expenses like health and medicine and even saving in some cases. Figure 5.13 shows that almost 80 percent of the respondents spend their allowance on health services. Likewise, 58.2 and 52.4 percent were found to use their allowance on the purchase of food and tea/snacks respectively. The figure is closely followed by the clothing category (49.4 percent). The other categories include expenses for festivals (23.4 percent), transportation (11.4 percent), stationery (3.1 percent), and telephone and mobile (1.9 percent). This fact again highlights the importance of the allowance even in purchasing health and medical services to those segments of society that are constrained by age, physical and psychological factors.

Figure 5.13: Area of Expenses of Allowance (in percent)*



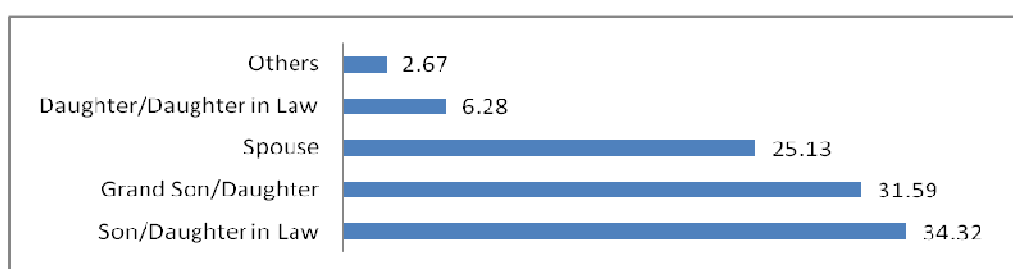
Source: Beneficiary Survey, 2011 * total may not add up to 100 percent due to multiple answers

It is equally important to observe that the allowance has not only helped to meet the personal and household expenditure but also contributed to meeting the expenses of the family members as well. It indicates the family members' dependency on the allowance and shows that the allowance also affects the economic life of the family members as well.

Nearly three-fifths (60 percent) of the beneficiaries are spending their allowance to meet their own needs. However, it is important to note that the allowance is spent on the self and family members jointly. Almost 38 percent reported the same. This suggests the family members' dependency on the social security allowance. The figure also shows that the allowance is spent solely on the members (2 percent).

Among the beneficiaries who reported spending their allowance on the family members as well, the majority spent the allowance on their son and daughter-in-laws. The allowance spent on the grandson/daughter is nearly 32 percent followed by the spouse (25.1 percent) and daughter/daughter-in-law (6.3 percent). Only a nominal number of respondents reported spending the allowance on others (Figure 5.14)

Figure 5.14: Expenses Made for Family Members (in percent)



Source: Beneficiary Survey, 2011

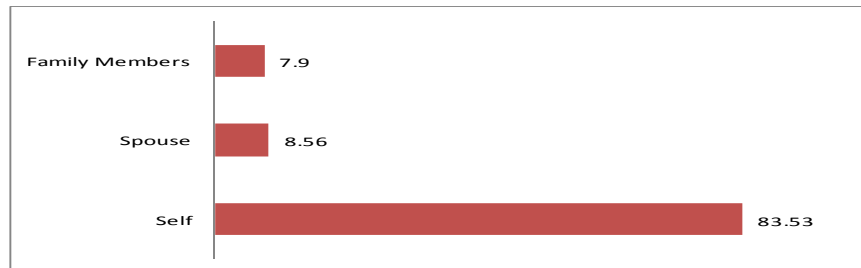
5.3.2 Role in Decision Making

As discussed, the social security allowance could contribute to household decision making, and family members might seek suggestions from the beneficiaries. As such, the survey result shows that 87 percent of the beneficiaries are engaged in some kind of household decision-making. The results seem to justify the belief that in the context of Nepalese society, there is a tendency to listen to the elderly and respectable persons. Regarding the engagement of the beneficiaries in household decision-making, almost 60 percent of the respondents replied that the beneficiaries themselves took household decisions. Nearly one-third reported that the family members discussed with the beneficiaries before making any decision. Likewise, 7 percent revealed that family members discussed with them before making a decision. One percent of the respondents said that family members sought the beneficiaries' suggestions but acted on their own. The results, nevertheless, suggest that the beneficiaries have a crucial role in household decision making as the respondents almost universally accepted that they were consulted in whatever form in household decision-making.

In an attempt to assess the decision taken while spending the allowance, we asked respondents how they decided on spending the allowance they were receiving. The results show that about 83 percent of the respondents themselves took the decision on how to spend the allowance. However, a significant proportion of the respondents reported that their family members made the decision. For example, about 9 percent revealed that the beneficiary's spouse (husband or wife)

made the decision about how to spend the allowance. Likewise, around 8 percent reported that their family members made the decision about how to spend the allowance (Figure 5.15).

Figure 5.15: Decision to Spend Allowance (in percent)



Source: Beneficiary Survey, 2011

With the objective of examining the variations in the decision to spend the allowance, it's been cross tabulated with various socio-economic indicators affecting decision making and reported in Annex 5.9.

Decision making according to the beneficiary's sex shows significant variation (As suggested by Chi-2 statistical test of independence). Almost 56.2 of the male beneficiaries reported their wives made the decision while only 43.8 percent of the females reported their husbands did so. Likewise, it is found that family members making decisions about the allowance in the case of female beneficiaries were more in comparison to the male beneficiaries. These figures suggest that female beneficiaries are more likely to make decisions on their own as compared to their male counterpart.

5.3.3 Respect and Self Respect

Social security allowance could contribute to self-respect as it makes the recipient economically better off while reducing the dependency on the family and its members or society, at the same time. In our survey, we found that nearly 93 percent had a sense of self-respect while the remaining 7 percent reported no change in self-respect after receiving the allowance.

In an attempt to assess the distribution of change in self-respect after getting the allowance, the survey results show no variation in terms of sex of the beneficiary, their living arrangements and type of allowance. The figure shows that the males (93.1 percent) experiences marginally more self-respect than the females (91.9 percent). The results are similar with reference to type of allowance. It is found that 92.6 percent of the old age beneficiaries experienced more self-respect followed by 92.5 percent of single women, 91.3 percent of Dalits and 91.1 percent of the disabled. Though there seems to be a nominal difference in the figures, they are, however, not statistically significant as indicated by chi-2. According to the living arrangements, the beneficiaries living with family members (92.6 percent) reported experiencing marginally greater self-respect in comparison to those living with a spouse (92.3 percent) and those living alone (90.8 percent) (Annex Table 5.9).

Regarding self-respect in terms of wealth quintile, quite contrary to our expectation, beneficiaries belonging to the relatively lower wealth quintiles reported a lesser increase in self-respect in comparison to those belonging to the higher wealth quintiles. Of the bottom two quintiles, 91.4 and 87.9 percent respectively reported an increase in self-respect in comparison to those of the 4th and highest quintile in which 93.8 and 94.4 reported the same. This could indicate that the

allowance provides satisfaction not only in terms of its economic benefit but also in terms of a sense of security in other dimensions and dignity (Annex Table 5.9).

The district-wise distribution also reveals variations in the perceived increase in self-respect after getting the allowance. The beneficiaries from Jumla (98 percent) reported increase in self-respect. The figure is followed by Rautahat, Rasuwa and Kaski districts where almost 96 percent of the beneficiaries reported an increase in self-respect. Some 95 percent of the beneficiaries from Jhapa and Bhaktapur reported an increase in self-respect. However, surprisingly, a relatively higher proportion of beneficiaries from Banke and Baitadi revealed no change in self-respect. As against the average of 93 percent, only 75 and 79 percent of the beneficiaries from Baitadi and Banke sensed an increase in self-respect. These differences could possibly be because of other socio-economic determinants (Table Annex 5.10).

5.3.4 Social and Religious Activities

In receiving the allowances, it can be anticipated that there is more active and growing participation of the beneficiaries in social and religious activities. These hypotheses tend to be supported by the donation of a proportion of their allowance to social and religious activities. The survey results show that nearly four-fifths of the respondents (76 percent) reported being involved in social and religious activities. It was also reported during the FGD and KII that social and religious activities have increased following the receipt of the allowance.

In an attempt to examine its relation with other socio-economic determinants, we find no significant difference by the respondent's sex. Nearly 76 percent of both males and females reported being engaged in social and religious activities. Likewise, with respect to the living arrangements of the beneficiaries, nearly 75 percent - those living alone, with spouse or with family members - reported their involvement in social and religious activities. In terms of the wealth quintile of the beneficiaries, though there is no statistical evidence of differences, beneficiaries of the lower wealth quintiles are found to be more involved in those activities in comparison to those of the higher wealth quintiles. This means that the allowance is important to the lower segments of the wealth distribution to involve them in social and religious activities.

In type of allowance, it was quite interesting to observe that nearly 77 percent of the Dalits reported their involvement in social and religious activities, marginally more than old age and single women beneficiaries. However, a significant proportion (46 percent) of the disabled reported no involvement in those activities. This could be because of their physical limitations. This could also be linked with the observation that the disabled belong to a relatively lower age group. It is generally believed that involvement in social and religious activities increases with increase in age.

We also find varying involvement of the beneficiaries in social and religious activities by districts. A lowest proportion (37 percent) of the beneficiaries from Rasuwa reported being involved in those activities while the figure was nearly 94 percent from Jumla. The participation in such social events averaged around 80 percent in the remaining districts. While there is no clear inference that can be drawn from the distribution, it certainly indicates that there are other socio-economic variables playing an important role in their involvement.

In response to the duration of their involvement in the social events, the majority replied that they had been participating in them for more than two years. Only a few respondents said they were recently involved in those events. However, it is quite interesting to observe that nearly 4 percent of the beneficiaries reported their involvement in such activities only after getting the allowance. Among those who joined such social events after getting the allowance, there is no significant

difference by sex of the beneficiary, type of allowance and living arrangements of the beneficiary. However, it is found that relatively a larger fraction of the beneficiaries belonging to the higher wealth quintiles have joined such events after getting the allowance as compared to those beneficiaries of the lower wealth quintiles.

Not surprisingly, nearly 75 percent of the beneficiaries said that the allowance was sometimes used for social and religious activities. This suggests that the beneficiaries have been able to spend a portion of their allowance on those events which obviously promotes interaction of this segment of society with the rest. The use of the allowance for such activities is found marginally higher (75 percent) among the female beneficiaries as compared to their male counterparts (73 percent). Likewise, as expected, the beneficiaries belonging to the old age and single women categories are found to use their allowance for such activities more than the Dalits and the disabled. Nearly 76 percent of single women revealed the use of the allowance on such activities followed by old age beneficiaries (75 percent). The proportion of such responses is quite low in the case of Dalits (71 percent) and this drops significantly in the case of the disabled (61 percent). These figures add credence to the observation that old age people and single women participate more in religious and social activities.

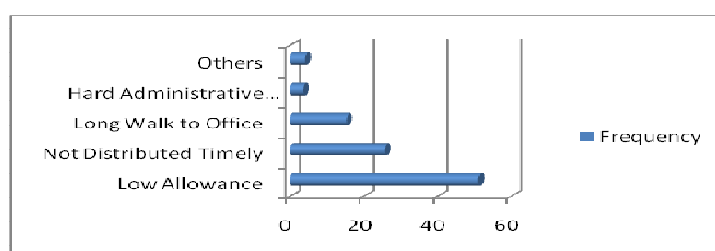
5.4 PROBLEMS REPORTED BY THE BENEFICIARY

Problems reported by the beneficiaries range from institutional arrangements and procedures to the allowance amount. Some of the problems reported by the beneficiaries are also related to the effectiveness and reliability of the social security allowance program in Nepal. The major issues, problems and concerns reported by the beneficiaries are as follows.

- **Low Allowance Amount:** Majority of the beneficiaries reported that the allowance amount was insufficient to meet their personal and household expenditure. It was revealed during the FGD that the allowance was not sufficient to meet their expenses due to increasing market prices. This observation seems rational as most of the beneficiaries consider their allowance as a regular source of income, and its contribution to their expenditure is quite significant. This is also evident from the fact that almost 80 percent of the beneficiaries reported that the allowance was insufficient. Likewise, they also reported that the amount was not sufficient in the context of ever increasing inflation.
- **Allowance is not distributed in time:** The beneficiaries showed concern that the allowance was not distributed in time. While the perception about what is the right time varies among the beneficiaries, yet allowance distribution is not regular as directed and guided by SSAPWP-2065, whose guideline stipulates that the allowance must be distributed every four months. Sometimes delays can be extended over many months. A few beneficiaries raised concerns about the untimely release of the allowance to the VDC/municipality while others reported delays in the distribution of the allowance by the VDC and municipality. During interaction with the beneficiaries, they blamed the VDC secretary for not distributing the allowance in time even when the DDC released the funds to the VDC. The interaction with the DDC/VDC/municipality officials revealed that allowance distributions got delayed due to the untimely release of the allowances from the center to the districts and then to the VDC/municipality.
- **Long Walking Distance to Get Allowance:** Allowance recipients also reported that they had to walk long distances to collect the allowance. The survey itself shows that a beneficiary on average walks about 52 minutes to get to the allowance distribution point. This in some cases could be as high as 3.5 hours. The participants of the FGD revealed that it was really difficult to walk in their old age to collect the allowance.

- **Allowance is not Distributed Monthly:** As revealed by the survey, most of the beneficiaries wanted the allowance to be released monthly. The beneficiaries perceived it as a problem when the allowance was not distributed on a monthly basis. The beneficiaries opined that they needed the allowance every month in order to meet their monthly expenses.
- **Difficult to Collect Allowance:** While most of the beneficiaries talked of the difficulties in reaching the point of delivery, one of the outcomes of the survey shows that they need to wait at the office on average for about 52 minutes, at times even up to 8 hours. Besides the waiting time, some also reported about the lengthy administrative procedures to get the allowance issued. Also related to the same issue is the administrative hassle the beneficiaries said they had to confront.

Figure 5.16: Major Problems Reported by Beneficiary (in percent)



Source: Beneficiary Survey, 2011

- **Difficult Registration and Renewable Process:** Most of the beneficiaries were of the opinion that the registration process was quite lengthy and untimely. Their major concern was that the registration process takes place once a year and an eligible candidate needs to wait for a year for the registration process, and the renewal of registration card did not take place on time. It was also reported that there was no photo studio nearby to take photos for the registration cards. A few mentioned that it was hard to get the card re-issued once it was lost.
- **Hard to Obtain Citizenship Card:** Most of the beneficiaries said they faced problems in getting the citizenship card. First, it is hard to get the citizenship card, and second, it is even harder to correct particulars in the citizenship card if a correction was needed.
- **Unavailability of VDC Secretary in the Office:** A few beneficiaries said the VDC secretary was unavailable in the VDC office. They said that the VDC secretary was not there when one went to collect the allowance, get the registration done and/or seek other necessary support.
- **Different Age Threshold for Different Groups:** A few people showed their dissatisfaction with the different age bars to be eligible for the allowance. They were in favor of a uniform age (60 years) bar for all classes of people in the country. They said the current age limit for the old age group (70 years) should be lowered to 60 years and be made uniform across different castes.
- **Low Level of Awareness:** The beneficiaries themselves reported the low level of awareness regarding the registration for allowance eligibility, the process and even the amount.

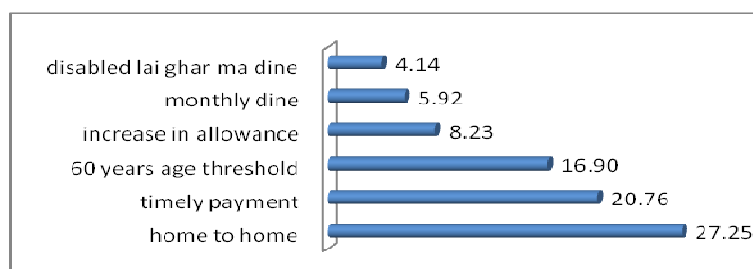
5.5 SUGGESTIONS AS PERCEIVED BY BENEFICIARY

- The beneficiaries said that it would be better if the allowance was delivered at home. It was found that those receiving the allowance at home (found in some cases) were especially

thankful to the government and the government entity. They opined that the allowance should be delivered at home to those who are unable to walk.

- The beneficiaries suggested that there be timely payments of the allowance. Since they are highly dependent on the allowance for their household and personal expenses, timely distribution of the allowance was expected.

Figure 5.17: Suggestions Made by Beneficiary



Source: Beneficiary Survey, 2011

- Most of the beneficiaries said that it would be better if the allowance was distributed monthly instead of the current practice of distributing it once every four months.
- They also suggested that the allowance should be delivered at home to those who are disabled and can't walk to the VDC office.
- They suggested simplifying the registration procedure, especially by finding solutions to the issues related to citizenship.
- The allowance should be distributed to the poor segment only. They suggested that the allowance should be given only to those who need it, not to those who receive pensions or have sufficient other income sources.
- Since the allowance is given as a recognition and respect to the elderly people, they opined that the age threshold should be uniform and that there should not be any differentiation on the basis of ethnicity and caste.
- They suggested that the allowance amount be revised and increased. The government needs to take into account the inflation while making such an increment.
- The beneficiaries were of the opinion that there were malpractices in that allowances were being distributed to those already deceased or to people who have migrated, so there is a need for strong regulation and monitoring by the authorities.

Analysis of the respondents on the level of satisfaction and other measures of the Social Security System

A Logit regression analysis was carried out to better quantify the response of the beneficiaries on different aspects of the Social Security System in the country. The following are the results of this quantitative analysis. Although the results do not show much significance in many cases, it, however, tries to capture the sentiment of the beneficiaries regarding the scheme.

5.5.1 Satisfaction Level of the Beneficiary

The overall satisfaction level of the beneficiaries about the scheme is found to be very low. This relates primarily to the amount provided to the beneficiaries. The results show that women are less satisfied than men, and as age increases, people seem to be less satisfied. Among the beneficiaries in the districts surveyed, people in Jhapa and Kaski are found to be relatively more satisfied than elsewhere.

Satisfaction Level (1 if Satisfied)	Coefficient	Std. Err.	z	P>z
Sex of Respondent	-0.1338	0.1475	-0.9100	0.3640
HH size	-0.0732***	0.0218	-3.3500	0.0010
Age of Beneficiary	-0.0291	0.0845	-0.3400	0.7300
Wealth Ranking	-0.0518	0.0438	-1.1800	0.2360
Allowance Type Dummies (Reference category Disabled)				
Senior Citizen	-0.2562	0.4219	-0.6100	0.5440
Single Women	-0.2225	0.4194	-0.5300	0.5960
Dalit	-0.2852	0.4349	-0.6600	0.5120
Living Arrangement Dummy(1 if living alone)	-0.1707	0.2146	-0.8000	0.4260
Education Dummy (1 if Literate)	-0.5295***	0.2044	-2.5900	0.0100
Economic Earning (1 if Earning)	-1.0097***	0.1524	-6.6300	0.0000
Districts Dummy (Reference District Rasuwa)				
Jhapa	1.5800***	0.5623	2.8100	0.0050
Rautahat	-1.4566***	0.4681	-3.1100	0.0020
Bhaktapur	-0.1020	0.5349	-0.1900	0.8490
Kaski	0.4308	0.5365	0.8000	0.4220
Banke	-2.1869***	0.4674	-4.6800	0.0000
Jumla	-1.5374***	0.5096	-3.0200	0.0030
Baitadi	-0.5942	0.5086	-1.1700	0.2430
Constant	4.4618***	0.6560	6.8000	0.0000
No of Observation				4262
Pseudo R²				0.16

*** Significant at one percent

5.5.2 Decision about Use of Allowance

On the use of the allowance, the beneficiaries themselves are mostly found to be deciding on how to use the allowance. However, with age increasing, others, such as family members, are found to be playing an important role in deciding how to use the allowance.

Decision About Expenditure of Allowance (1 if decided by self)	Coef.	Std. Err.	z	P>z
Sex of Respondent	0.0062	0.0912	0.0700	0.9460
HH Size	0.0176	0.0170	1.0300	0.3020
Age of Beneficiary	-0.0653	0.0569	-1.1500	0.2510
Wealth Ranking	0.0583	0.0259	2.2500	0.0250
Senior Citizen	1.5625	0.2060	7.5900	0.0000
Single Women	2.0346	0.2070	9.8300	0.0000
Dalit	1.6330	0.2144	7.6200	0.0000
Living Arrangement Dummy(1 if Living alone)	2.0668	0.2364	8.7400	0.0000
Education Dummy (1 if Literate)	0.0627	0.1253	0.5000	0.6170
Economic Earning (1 if Earning)	-0.1079	0.1284	-0.8400	0.4010

Jhapa	0.1962	0.2105	0.9300	0.3510
Rautahat	-0.0049	0.2026	-0.0200	0.9810
Bhaktapur	0.1142	0.2345	0.4900	0.6260
Kaski	-0.2839	0.2687	-1.0600	0.2910
Banke	-0.4996	0.2063	-2.4200	0.0150
Jumla	0.7420	0.2283	3.2500	0.0010
Baitadi	-0.5013	0.2219	-2.2600	0.0240
Constant	-0.0149	0.2983	-0.0500	0.9600
No of Observation				5153
Pseudo R2				0.07

5.5.3 Sufficiency of the Amount Provided

On the sufficiency of the amount provided, female beneficiaries seem to be more dissatisfied than the male, and also single women and Dalits are found to be dissatisfied with the amount provided.

Sufficiency of Allowance (1 if decided by self)	Coef.	Std. Err.	z	P>z
Sex of Respondent	-0.0585	0.0982	-0.6000	0.5520
HH Size	0.0237	0.0177	1.3400	0.1790
Age of Beneficiary	0.1021	0.0581	1.7600	0.0790
Wealth Ranking	0.0807	0.0236	3.4200	0.0010
Senior Citizen	-0.2628	0.2494	-1.0500	0.2920
Single Women	-0.0869	0.2470	-0.3500	0.7250
Dalit	-0.5268	0.2644	-1.9900	0.0460
Living Arrangement Dummy(1 if Living alone)	-0.1793	0.1439	-1.2500	0.2130
Education Dummy (1 if Literate)	-0.0078	0.1201	-0.0600	0.9480
Economic Earning (1 if Earning)	0.5379	0.1216	4.4200	0.0000
Jhapa	0.5480	0.2389	2.2900	0.0220
Rautahat	-1.0700	0.2681	-3.9900	0.0000
Bhaktapur	-0.3890	0.2682	-1.4500	0.1470
Kaski	0.1885	0.2441	0.7700	0.4400
Banke	-0.8661	0.2771	-3.1300	0.0020
Jumla	2.9411	0.2756	10.6700	0.0000
Baitadi	1.8514	0.2496	7.4200	0.0000
Constant	-1.9448	0.3557	-5.4700	0.0000
No of Observation				5157
Pseudo R2				0.16

5.5.4 Use of Allowance for Sustenance

Irrespective of the type of beneficiary, all those receiving allowances have the feeling that the program has supported their livelihoods. Such a feeling, however, persists less in the Banke and Bhaktapur districts in comparison to the others. Women respondents, however, were less positive. There is a strong voice for increasing the amount up to Rs. 1,000 per month if the government really wants them to maintain a minimum level of livelihood.

Help Economically (1 if has helped Economically)	Coef.	Std. Err.	z	P>z
Sex of Respondent	-0.3499	0.1351	-2.5900	0.0100
HH Size	-0.0082	0.0229	-0.3600	0.7190
Age of Beneficiary	-0.0694	0.0776	-0.8900	0.3710
Wealth Ranking	-0.1197	0.0301	-3.9800	0.0000
Senior Citizen	0.2774	0.3215	0.8600	0.3880
Single Women	0.5404	0.3173	1.7000	0.0890
Dalit	0.4121	0.3456	1.1900	0.2330
Living Arrangement Dummy(1 if Living alone)	-0.0353	0.1947	-0.1800	0.8560
Education Dummy (1 if Literate)	-0.1698	0.1778	-0.9500	0.3400
Economic Earning (1 if Earning)	-0.1670	0.1901	-0.8800	0.3800
Jhapa	1.5815	0.2685	5.8900	0.0000
Rautahat	2.3073	0.3309	6.9700	0.0000
Bhaktapur	-0.2474	0.2493	-0.9900	0.3210
Kaski	1.9648	0.2989	6.5700	0.0000
Banke	-0.2158	0.2415	-0.8900	0.3710
Jumla	1.5110	0.4271	3.5400	0.0000
Baitadi	0.5275	0.2815	1.8700	0.0610
Constant	2.1757	0.4312	5.0500	0.0000
No of Observation				5157
Psedo R2				0.13

Chapter VI

REFORMING SOCIAL SECURITY SYSTEM IN NEPAL

6.1 SUMMARY OF MAIN FINDINGS

Nepal's Old Age Allowance, a universal and non-contributory social pension, provides the central pillar for the country's social protection system. The government has built on this instrument's success in tackling poverty, vulnerability and social exclusion to evolve an integrated system of cash transfers protecting many vulnerable groups.

Empirical studies have shown that the Old Age Allowance effectively tackles poverty and vulnerability, raises the status of older people and contributes to a range of developmental outcomes in poor households. The benefits are well-targeted at the intended beneficiaries, with low inclusion and exclusion errors compared to other social transfer programs around the world.

Recent increases in benefit size and coverage reflect the government's recognition of the program's success and political popularity. The government employs transparent registration and delivery systems that, while facing important challenges in Nepal's difficult environment, demonstrate the potential of a rights-based non-contributory pension to promote social protection objectives. The government appears committed to lowering the eligibility age as and when resources permit, which would improve the program's pro-poor impact and strengthen its delivery of social protection for older people.

6.2 MAJOR ISSUES AND CHALLENGES

Major issues emanating from the study could be broadly classified as procedural, implementation capacity, security, policy matters, coordination, information system etc. The major issues associated with the program are examined below:

A. Limited Institutional Capacity

The results of the institutional survey have shown that many institutions have limited capacity due to the lack of support staff to act towards the overall improvement in the allowance distribution process. VDC secretaries in many hill districts are burdened with the responsibility of more than one VDC and even lack support staff, even office assistants. Besides their day to day work, they have been assigned the responsibility of allowance distribution. Against the backdrop of the limited institutional capacity, allowance distribution has remained a challenge for them.

B. Ghost Names

The survey also revealed the problem of "ghost names" in the list of beneficiaries. In Talla Devi VDC alone (Baitadi district), 40 ghost names were found by the survey team out of the 300 beneficiaries in total. This clearly signifies the severity of the problem.

C. Records Updating

Records of the beneficiaries have not been updated. The list of beneficiaries provided to the survey team also included many beneficiaries who had already died but their allowances were still being paid. This has been reported and also been traced during the field survey in many

districts. Likewise, those who have migrated to other locations have not been removed from the lists. This has increased the possibility of misuse of funds.

D. ID Card and Its Periodic Renewal

Working Procedure 2065 clause 5(H) clearly mentions that the ID card should be renewed by the end of Mangsir. But in many cases, this guideline has not been adhered to. During the field survey, we audited the ID cards to examine if periodic renewals had been made. In many surveyed VDCs, we found there was no process to renew the ID cards annually. In two VDCs of Jumla district, no ID card had even been issued.

E. Dalits vs. Non-Dalits Issue of Discrimination

The separate age threshold for Dalits and non-Dalits has reportedly created the problem of social discrimination. The findings from KII, institutional survey and beneficiary's survey have clearly revealed that the difference in the age threshold in favor of Dalits has been questioned. It has rather been suggested that if the government wants to promote Dalits, it can be done through separate programs exclusively targeting them but not through a separate age threshold.

F. Age Threshold for eligibility

The government has specified the age threshold of 60+ for Dalits and residents of Karnali zone and 70+ for others as the criterion for allowance entitlement. This has been a major issue. There has been a growing demand not only from the beneficiaries but also from key informants that the age threshold should be reduced to 60+ for all.

G. Adequacy of Amount

The present amount of Rs. 500 has been considered grossly inadequate and should be increased. However, there is a lack of consensus on the amount to be increased. The demand ranges from Rs. 1,000 to 3,000 per month. It has been argued that if the misuse of funds could be checked, such an increment is possible.

H. Allowance Payment through Banks

Mixed opinions have been found regarding the proposed arrangement to make payments through banks. Very few are found to be in favor of this arrangement.

I. Transparency

In the manual, it has been clearly stated that the list of beneficiaries should be made public. This has not been strictly followed in many surveyed VDCs.

J. Security/Insurance

The risk involved while carrying funds for distribution has been empathetically reported. This has resulted in the demand for their insurance for any kind of contingency.

K. Advance Settlement

It has been reported that advances are not settled on time causing difficulties in the release of the following trench/installment. The reason cited for the delay in the settlement of advances is the failure to distribute the allowances on time due to many absentees.

L. Cross Border Problem

In Bahun Dangi VDC in Jhapa, the beneficiaries mostly reside across the border in India, but at the time of allowance distribution they come and collect their allowance.

M. Duplication of Names

In Dhaibung VDC of Rasuwa, the name of one beneficiary was found in three places on the same sheet, and the allowance was also distributed.

N. Registration

Registration is done once a year in the month of Mangsir. There has been a demand from various quarters that registration be made twice in a year to reduce the chances of omission.

6.3 REFORMING SOCIAL SECURITY SYSTEM: POLICY RECOMMENDATIONS

The following recommendations have been made to address the problems and bring an improvement in the operation and management of the SSA distribution program:

- As demanded by the respondents, registration should be provisioned for twice in a year.
- The ID card renewal system should be strictly enforced and made mandatory in order to reduce the misappropriation of funds.
- The DDCs should develop regular monitoring system of the program.
- Growing disputes have been reported on the demand of partial payment of the allowance for the period the beneficiary survives in the event of his/her death. The MoLD should, therefore, adopt a policy to address this issue.
- Local bodies' officials should be given training on the working procedure of the SSA.
- Since both municipalities and VDCs are autonomous local bodies, the government should seriously consider directly sending the authorization to them. This will ensure a timely release and distribution of the allowance.
- More clarity is required on the definition of disability – for fully disabled and partially disabled.
- The MoLD has been implementing allowance payments through banks in order to test the efficacy of the model. A comprehensive research to avoid a possible setback in future is needed.
- Since family nucleation has become more common, the government's responsibility for the welfare and security of the aged population by offering them alternative support systems has become all the more significant. In the context of the rising cost of living, the government should consider revising the amount of allowance.
- Differences in the age threshold exclusively for the senior citizens of the Karnali zone (60+) and the rest of the country (70+) has been questioned. It is being argued that there are many regions of the country where life expectancy is similar to the Karnali zone, and that there is a growing demand that in all such areas the age threshold should be lowered to 60 years. This concern holds strong merit and the government should reconsider the age threshold.

- Providing senior citizen allowance solely on the basis of age criterion is completely faulty. As the allowance is provided to support the probability of old people not being able to maintain a minimum livelihood, it would be more appropriate if the allowance was distributed on the basis of poverty mapping or as per the income level of the household or person.
- Since the present system comprises of management by the MoLD and distribution through the VDCs, it is a heavy load for the respective agencies in smoothly carrying out the assignment, therefore a separate mechanism should be explored for the efficient management of funds.
- At the grassroots level, it is difficult to find an alternative to the present distribution system through the VDCs. However, the increasing usage of banks and financial institutions should be tapped to replace the present system in a phase-wise manner.
- Better management of the fund requires the introduction of a computerized system that will have clear benefits not only limited to better recording of the beneficiary and its tracking, use of fund and proper auditing but also resulting in a system of better service delivery and lesser misappropriation of funds and corruption and thereby, enhancing the entire program and system.

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ANNEXES

Principal Component Analysis and Composite Wealth Index

Principal component analysis is a multivariate statistical technique used to reduce the number of variables in a data set into a smaller number of variables in a data set into a smaller number of dimensions. In mathematical terms, from an initial set of n correlated variables, PCA creates uncorrelated indices or components, where each component is a linear weighted combination of the initial variables. For example, from a set of variables x_1 through to x_n .

$$PC_1 = a_{11} x_1 + a_{22} x_2 + \dots + a_{1n} x_n$$

$$PC_m = a_{m1} x_1 + a_{m2} x_2 + \dots + a_{mn} x_n$$

Where a_{mn} represents the weight for the m^{th} principal component and the n^{th} variable.

The weights for each principal component are given by the eigenvectors of the correlation matrix, or if the original data were standardized, the covariance matrix.

The variance for each principal component is given by the eigenvalue of the corresponding eigenvector. The components are ordered so that the first component (PC1) explains the largest possible amount of variation in the original data, subject to the constraint that the sum of the squared weights (μ) is equal to one. As the sum of the eigenvalues equals the number of variables in the initial data set, the proportion of the total variation in the original data set accounted by each principal component is given by μ/n . The second component (PC2) is completely uncorrelated with the first component, and explains additional but less variation than the first component, subject to the same constraint. Subsequent components are uncorrelated with previous components; therefore, each component captures an additional dimension in the data, while explaining smaller and smaller proportions of the variation of the original variables. The higher the degree of correlation among the original variables in the data, the fewer components required to capture common information.

Construction of Composite Index

Each indicator of access to information and gender empowerment is assigned a weight (factor score) generated through principal component analysis, and resulting score were standardized in relation to a normal distribution with mean zero and standard deviation of one. Each household was then assigned a score for each indicator and the scores were summed for each household. HHs were ranked according to the score. In this study, the variables used to construct a composite wealth index are ownership and possession of land, structure of house, ownership of consumer and other durable assets like Radio, Television, Refrigerator, Telephone (Landline), Mobile Telephone, Computer, Cycle, Motorbike and a four wheeler vehicle. The summary statistics of composite wealth index calculated using PCA is given on Table A 1.1.

Table A 1.1 Summary Statistics of Composite Wealth Index Quintile

Variable	Obs	Mean	Std. Dev.	Min	Max
1st Wealth Quintile	1165	-1.688	0.097	-1.950	-1.444
2nd	1169	-1.145	0.152	-1.431	-0.861
3rd	1175	-0.472	0.221	-0.848	-0.034
4th	1150	0.350	0.321	-0.033	1.092
5th Wealth Quintile	1164	2.970	1.704	1.093	7.808

Annex 1-(I)

**ASSESSMENT OF SOCIAL SECURITY PROGRAM INFORMATION
RECORD SHEET FOR DISTRICT DEVELOPMENT COMMITTEE**

District: District Code:
Name: Designation:
Contact No: Land line: Mobile:
Date:

1.1 No of Beneficiaries Receiving Social Security Allowance by Type in FY 2064/65 – 2067/68 NUMBER

FY	Social Security Allowance Type				Total
	Senior Citizen(s)	Single Women	s(Dalits)	Disabled	
2064/65					
2065/66					
2066/67					
2067/68					

1.2 Social Security Allowance Released during last four years by Type (in Rs) AMOUNT

FY	Social Security Allowance Type				Total
	Senior Citizen(s)	Single Women	s(Dalits)	Disabled	
2064/65					
2065/66					
2066/67					
2067/68					

1.3 Social Security Allowance Distributed during last four years by Type (in Rs) AMOUNT

FY	Social Security Allowance Type				Total
	Senior Citizen(s)	Single Women	s(Dalits)	Disabled	
2064/65					
2065/66					
2066/67					
2067/68					

1.4 SS Allowance Guidelines/Manual

Have you received the SS Allowance Guidelines/Manual?

Yes

No

Don't know that manual has been prepared

If no why you have not received so far?

Reasons:

Is full amount is released? If not why ?

What are the problems in making a timely release of the Allowance Fund to VDC/Municipality?

More recently MLD has piloted in selective districts payment of allowance through bank transfer. What is your opinion on this?

Comments:

1.7 Implementation Capacity

How do you assess your capacity to implement the SS Allowance distribution?

a. Good () b. Fair () c. Poor () d. Very bad ()

How do you consider good?

- Have enough staffs
- VDC Secretary also helps

Why do you consider poor and very bad?

- No provision of separate staffs
- Information is not up to date
- Budgets are not released on time
- Insufficient budget are often released

How your capacity can be developed so that you can deliver the services smoothly?

- Make arrangement of staffs exclusively for SS Allowance distribution
- Timely release of fund
- Release adequate fund
- Make provision of incentive for the staffs involved in the implementation of the program.

1.8 Problems and Suggestion

Q I 1. List the problems you are experiencing in the distribution and management of the allowance.

Q I 2. What do you suggest to improve the distribution system of the allowance? (Focusing on guidelines, problems associated with new enrolment, updating data base, fund release system, fund adequacy, management of undistributed amount, auditing etc)

Annex 1-(II)**ASSESSMENT OF SOCIAL SECURITY ALLOWANCE PROGRAM
INFORMATION RECORD SHEET MUNICIPALITY AND VDC**

District: Municipality VDC:
 Name : Designation
 Contact No: Land line: Mobile:
 Date:

A. Beneficiaries and New Enrolment**Q A1. No of recipients by Type for FY 2067/68**

Ward #	Social Security Allowance Type								
	Senior Citizen		Dalits		Single Women	Disabled		Total	
	Male	Female	Male	Female		Male	Female	Male	Female
1									
2									
3									
4									
5									
6									
Total									

Q A 2. New Enrolled by Type and Gender for FY 2067/68

Ward #	Social Security Allowance Type								
	Senior Citizen		Dalits		Single Women	Disabled		Total	
	Male	Female	Male	Female		Male	Female	Male	Female
1									
2									
3									
4									
5									
6									
9									
Total									

Note: If new enrolled data for 2067/68 not available by ward then get the total only by type

Q A 3. How many were dropped in the last year? 2067/68

Type	Dropped		
	Male	Female	Total
(Dalit)			
Single Women			
Disabled			

Q A 4. Reasons for Drop Out in last FY 2067/68

Reasons for Drop out	SS Allowance Type				
	Senior Citizen	Dalits	Single Women	Disabled	Total
Death					
Migration					
Shift to another type					
Marriage/Remarriage					
Voluntarily withdrawn					

Q A 5. No of recipients by Type

FY	Social Security Allowance Type								
	Senior Citizen		Dalits			Disabled		Total	
	Male	Female	Male	Female		Male	Female	Male	Female
2064/65									
2065/66									
2066/67									
2067/68									

B. Amount Distributed

Q. B 1. Social Security Allowance Distributed by Type (in Rs)

Year	Social Security Allowance Type				Total
	Senior Citizen	Dalits	Single Women	Disabled	
2064/65					
2065/66					
2066/67					
2067/68					
Amount distributed last time (specify months)					
Amount demanded for FY 2068/69					

Q B 2. In the last Fiscal Year (FY) 2067/68 how many new cases were registered and how many have received the allowance?

SS Allowance Type	No Registered (<i>Check with Q # 2</i>)	No of Recipients
Senior Citizen		
Dalits		
Single Women		
Disabled		

C. Social Security Allowance Guidelines/Manual

Q C.1 Have you received the SS Allowance Guidelines/Manual?

Yes (Go to Q 8.4) No Don't know that manual has been prepared

Q C.2 If no why you have not received so far?

Reasons:

.....
.....

Q C.3 If you have not received how you are enrolling eligibles and distributing the allowance?

Q C.4 Did you receive the guidelines on time?

Yes () No ()

QC.5 You said that you have received the guidelines, how do you find the guidelines?

Very clear and helpful ()
Lot of unclear clauses ()
Too lengthy ()
Many contradictions ()
Other (specify) ()

Q C.6 If the guideline is unclear with many contradictions could you please specify them?

Q C.7 Has the guidelines eased your task? How?

D. Identification and Enrolment

Q D 1. Please tell us the process you follow for new enrollment. Write step by step procedure (Announcement, Submission of application, Verification, Publication of the name of eligible candidate) by time line as specified in the manual.

Q. D 2. How do you enroll the people in the SSA Program or how the eligible are identified?

- Citizenship Certificate ()
- Citizenship certificate and recommendation from Ward office ()
- Recommendation from Political parties ()
- Death Certificate for widow ()
- Disability certificate for disabled ()
- Follow operational manual ()
- Physical verification of evidence ()
- Others, please specify ()

Q. D2. Why do you enroll on the basis of the recommendation from the political parties?

Q D3. How do you decide the eligibility of the enrolled candidate? **(Multiple response possible)**

- We have a ID Recommendation Committee that decides
- I verify all the documents and decide
- Others (specify)

Committee and Its Functionality

Q D 4. Is the ID Recommendation Committee has been constituted in your VDC/Municipality?

- a. Yes b. Not yet

Q D.5. If not constituted yet why? Reasons

Q D 6 You said that you have an ID Recommendation Committee already constituted how functional is the Committee?

- Very functional, makes timely decision
- Not so functional
- Non functional
- Not constituted yet

Q D 5. What is the reason for being not so functional or nonfunctional?

Issuing Identification Card

Q D 6. Is the eligible beneficiaries are given the ID card?

Yes () No ()

Q D 7. If ID cards are given does it have photo on it?

Yes () No ()

Q D 8. Is it mandatory to have an ID for receiving allowance?

Yes () No ()

Q D.9 If IDs are not given why?

Reasons

- ID Card not received yet ()
- No photo studio to take pictures ()
- People do not cooperate ()
- All part decision not to issue ID ()

Q D 10. Is the ID card renewed? Yes () No ()

Q D 11. If yes when is it renewed?

- a. Every year () b. once in two year () once in three year ()

Q D 12. Why is it required to renew the ID card? Please specify the reason.

Reasons:

.....

.....

Q D 13. How do you notify public about ID distribution and renewal?

- A. Issue public notice B. Seek the help of CSO. NGOs, Social mobilizers
C. Any other

E. Social Security Allowance Distribution:

Place and Time

Q E 1. Where do you generally distribute the allowance?

- VDC Office
- Ward Office
- Municipality Ward office
- Others (specify)

Q E 2. How they are distributed?

- Once in a month
- Quarterly
- Half-yearly
- Annually
- No such specific periodicity as and when amount is released
- Others(specify)

Q E 3. Did you set aside any specific date for SSA distribution?

Yes () No ()

Q E 4. If yes what is that date? Date

Q. E 5. For those who do not turn up on that date what do you do?

- Give whenever they visit
- Others

Q E 6. How do people know about the place and date of the distribution?

- Already Fixed a date and all know
- Get information when they visit to VDCs for some other work
- We provide circular through messenger
- Public announcement
- Stick notice at important places of the VDCs/Municipalities ward
- Any other (specify)

Q E 7. Once the allowance is distributed do you publish the name of the recipients in your notice board for public notice?

Yes () No ()

Q E 8. If no why it is not made public?

Q E 9. Do you also send a copy to DDC with list of the recipients once allowance is distributed?

Yes () No ()

Beneficiaries and Amount

Q E 10. What do you do to those who do not come to receive the allowance?

- Give to family member
- We give to the person they authorize
- We go their house to deliver
- Hold and asked them to personally come if they can.

Q E 11. Do you get adequate allowance to distribute full amount?

Yes () No ()

Q E 12. If you do not receive the full amount you require why?

Reasons.....

Q E 13. In such cases how do you manage?

- Whatever I get I distribute equally among all
- Distribute full amount on the basis of first come first serve basis and provide rest when you receive the amount.
- Any other (specify)

Q E 14. Did you pay all the installments for last FY 2067/68? (If not available get for 2066/67)

Yes () No ()

Q E 15. If yes were they paid on time?

Yes () No ()

Q E 16. If not paid on time why?

- Amount not released on time
- Amount released was not adequate
- Busy on other urgent task of the VDC
- Any other (specify)

Q E 17. If all the installment was not paid how many installments were paid?

No of Installments paid:

Q E 18. Why all the installments were not paid?

Reasons:

.....

.....

Q E 19. While paying allowance what certification you follow?

- Thumb
- Signature
- Both

Q E 20. Do you seek the cooperation of local NGOs for distributing the allowance in terms of management of recipients?

Yes () No ()

Q E 21 If not why?

Q E 22. What measures you have adopted to make the distribution of allowance transparent?

- Public/Social Auditing
- Public notice of the list of recipients in the VDC/Municipality ward

Q E 23. More recently MLD has piloted in selective districts payment of allowance through bank transfer how do you find it feasible in your case?

Comments:

F. Documentation and Record Keeping and Updating

Q F 1. Who provides you the list of beneficiaries?

a. Center b. DDC c. Other (specify)

Q F 2. If they provide, do they provide you the total number alone or detail list?

a. Only total number b. Detail list

Q F 3. If they provide you the total number then how do you prepare the list of recipients'?

Q F 4 How do you update the list of beneficiaries?

- We adjust those who have died on the basis of death certificate
- We adjust those who have migrated from the VDC
- We simply add the new enrolled candidate
- We do not update

Q F 5. If you update the list how periodically it is done?

- Quarterly
- Half-yearly
- Annually

Q F 6. You said that you do not update the list why?

- No manpower
- No time to do that
- This is the extra work for us and there is no incentive
- Any other (specify)

Q F 7. What problem do you face in updating your data base?

Q F 8. Please mention the forward and backward linkages of the flow of information of recipients.

G. Implementation Capacity

Q G1. How do you assess your capacity to implement the SS Allowance distribution?

Good ()

Fair ()

Poor ()

Very bad ()

Q G 2. How do you consider good?

- Have enough staffs
- VDC Secretary also helps

Q G 3. Why do you consider poor and very bad? (**Multiple response possible**)

- No provision of separate staffs
- Information is not up to date
- Poor record keeping
- Inadequate infrastructure to manage the beneficiaries (rooms & other logistic supports)

Q G 4. How your capacity can be developed so that you can deliver the services smoothly?

- Make arrangement of staffs exclusively for SS Allowance distribution
- Timely release of fund
- Release adequate fund
- Make provision of incentive for the staffs involved in the implementation of the program.

H. Information about Non Beneficiary

Q H 1. Do you have knowledge about those who are eligible but do not want to be enrolled and receive the allowance?

Yes () No ()

Q H.2 if yes could you provide the list and address of those? (Get the list)

QH 3 why do you think they are not interested to receive the allowance?

- They are well to do ()
- Amount is meager and do not attract them ()

- Family members do not allow ()
- Social stigma ()
- Other (specify) ()

I. Institutional Relationship

Q I.1 What kind of supports you have received from DDC for SSA management distribution?

- Timely release of fund
- Timely release if adequate fund
- Provides backup support if needed
- Provide technical support in updating data base

Q I 2. How do you assess the cooperation you have received from DDC?

J. Problems and Suggestion

Q I 1. List the problems you are experiencing in the distribution and management of the allowance.

Q I 2. What do you suggest to improve the distribution system of the allowance? (Focusing on guidelines, problems associated with new enrolment, updating data base, fund release system, fund adequacy, management of undistributed amount, auditing etc)

**ASSESSMENT OF SOCIAL SECURITY ALLOWANCE PROGRAM KEY
INFORMANT INTERVIEW (CSO, LEADER OF THE POLITICAL PARTIES,
TEACHERS/KNOWLEDGEABLE PERSONS) CHECKLIST**

District:	VDC/Municipality:
Ward No:	Name:
Sex:	Marital Status:
Position if any:	Date of Interview:
Name of the Interviewer:	

1. How are you engaged in providing income security and social protection to s in your area?
2. What is your opinion about the Government's SSA program? (Good program, Program is good implementation is weak, Not needed, Symbolizes the respect given to the s)
3. Tell us about their scope, coverage, and budget
4. As a member of the community how do you assess the process of enrollment and distribution of SSA in your community? (Eligibility of the beneficiaries and their enrollment, distribution modalities etc)
5. You have any comments on the process of enrolment and distribution followed by VDC?
6. What tangible impact do you see in the community of this program?
7. What are the practical difficulties in your view in the implementation of this program?
8. What are your suggestions to improve the SS Allowance Programs (Increase the amount, Simplify the procedure, reduce the age threshold, provide door to door payment service for disabled and those we cannot travel to VDC/Municipality ward
9. What other social assistance/protection program available for s in your area?
10. What are the current needs and concerns of s in this area? How could they be best addressed?

**ASSESSMENT OF SOCIAL SECURITY ALLOWANCE PROGRAM
NARRATIVE FOCUSED GROUP DISCUSSION (FGDS) WITH
BENEFICIARIES DISCUSSION CHECK-LIST**

A. BASIC INFORMATION

Gather following basic information before the discussion begins

- a. District
- b. VDC/Municipality
- c. Place of Meeting:
- d. No of Participants with name, age and marital status
- e. Current activity status
- f. Living arrangement of group members

B. AWARENESS ABOUT ALLOWANCE

1. Do you know how much you receive per month?
2. Whether you get full amount of what you need to get or [name] deduct some amount?
3. What was the amount deducted and why

C. ALLOWANCE DISTRIBUTION TIME AND RECEIPT

1. How do you get the information about the distribution of allowance?
2. Is there any fixed date for distribution of allowance?
3. Who generally goes to collect the allowance?
4. If you all do not go by yourself why do you send someone?
5. Are you all satisfied with current distribution practice?
6. Which distribution practice you like? (Monthly, Quarterly, Half yearly, yearly)
7. Is the amount you receive is adequate as an allowance? If not how much do you think the appropriate amount?

D. EXPENDITURES DECISIONS

1. Do you spend your allowance for yourself or spend for other family members/relatives as well? Who decides?
2. Do you all contribute this allowance to meet daily expenditure of household?
3. On which items you generally spend your allowance?
4. Are you involved in any household decision making?

E. ACCESS TO SERVICES

1. How has it increased your access to services?
2. What difference has it made in your life? (On physical, emotional and psycho-social wellbeing)

F. SATISFACTION LEVEL, SELF ESTEEM, IMPACT ON LIVELIHOODS

1. Do you feel that your financial dependency to others has decreased due to allowance?
2. Did the allowance help you in any ways to get involved in social and religious activities? (Cover commuting expenses, able to make whatever small help possible)
3. Do you think as a , you get more respect now that you receive allowance?

G. CONCERN AND PROBLEMS

As recipients of SS Allowance what concerns you all have?

- a. Amount is very negligible
- b. Allowance is not timely distributed
- c. Lots of administrative hassles to enrolment
- d. Did not get ID card on time depriving us from getting the allowance
- e. Do not get paid full allowance amount
- f. Difficulties due to our age to travel to VDC to collect the allowance
- g. Other if any

SUGGESTIONS:

You have any suggestions to improve the program

**ASSESSMENT OF SOCIAL SECURITY ALLOWANCE PROGRAM IN-
DEPTH INTERVIEW CHECKLIST WITH NON-BENEFICIARY**

A. Basic Information

District:

VDC/Municipality:

Ward No:

Name:

Sex:

Marital Status:

No of Family Members:

Position if any:

Date of Interview:

Name of the Interviewer:

Instruction: To be interviewed in-depth only to those who are eligible but not willing to enroll and receive the allowance – Check with VDC Secretary for identification of Non-beneficiary

B. Areas of Inquiry

Q No 1. With whom do you live (living arrangement?)

Q No 2. What is your present source of livelihood? (Farm/non-farm income, Own saving, government pension, support from siblings etc)

Q No 3. Is the source of livelihood is enough to cover all your annual expenses?

Q No 4. We got the information that you've not enrolled in the SSA program. Why are you not willing to receive the allowance? *Seek reasons as detail as possible*

(Social Stigma, Siblings do not want, Complex procedure, inadequate amount, High cost of travel etc, No specific payment date scheduled)

Q No 5. What will make you to enroll in the program?

Q No 6. What is your opinion about the governments SSA program?

- ◆ Good program,
- ◆ Program is good implementation is weak,
- ◆ Not needed,
- ◆ Respect to the s

Q. No 7. As a member of the community how do you assess the process of enrollment and distribution of SSA in your community?

(Eligibility of the beneficiaries and their enrollment, distribution modalities etc)

Q No.8. What are your suggestions to improve the SS Allowance Program

- ◆ Increase the amount
- ◆ Simplify the procedure
- ◆ Reduce the age threshold,
- ◆ Provide home service (payment) for disabled and those unable to travel to VDC/Municipality ward
- ◆

Annex 3-(i)

FY 2067/68 District-wise Number of Beneficiaries and Budget Allocation

S N	District	Senior citizen	Senior citizen (Dalit)	Senior citizen (Karnali)	Single woman	Total No.	Amount	Endang ered Race	Amount	Fully Disabled	Amount	Partially Disabled	Amount	Allocation to target group
1	Taplejung	4631	592		2289	7512	45072000			11	132000	75	270000	45474000
2	Pachthaar	6229	464		3018	9711	58266000			11	132000	75	270000	58668000
3	Illam	10508			1955	12463	74778000	3167	19002000	526	6312000	75	270000	100362000
4	Jhapa	23482			9215	32697	196182000	5927	35562000	340	4080000	150	540000	236364000
5	Sankhuwasabaa	5397	645		2699	8741	52446000			60	720000	75	270000	53436000
6	Therathum	5057			1369	6426	38556000			41	492000	75	270000	39318000
7	Bhojpur	7801	727		3362	11890	71340000	5	30000	240	2880000	75	270000	74520000
8	Dhankuta	5297	809		1872	7978	47868000			184	2208000	75	270000	50346000
9	Morang	21581	2830		9532	33943	203658000			958	11496000	150	540000	215694000
10	Sunsari	12531	2365		8944	23840	143040000	1	6000	117	1404000	150	540000	144990000
11	Sulukhumbu	2569	1619		2930	7118	42708000			70	840000	75	270000	43818000
12	khotang	5628	3470		4117	13215	79290000			86	1032000	75	270000	80592000
13	Okhaldhunga	6019	652		3211	9882	59292000			95	1140000	75	270000	60702000
14	Udayapur	9026			3344	12370	74220000	31	186000	171	2052000	75	270000	76728000
15	Saptari	8463			10491	18954	113724000			413	4956000	150	540000	119220000
16	Siraha	11262	7252		6078	24592	147552000			368	4416000	150	540000	152508000
17	Dolkha	9117	1373		2470	12960	77760000	165	990000	42	504000	75	270000	79524000
18	Ramechhap	9277			3964	13241	79446000	897	5382000	605	7260000	75	270000	92358000
19	Sindhuli	9899			3990	13889	83334000	1652	9912000	297	3564000	75	270000	97080000
20	Dhanusha	11783			11957	23740	142440000					150	540000	142980000
21	Mothari	8618	3255		8186	20059	120354000	20	120000	240	2880000	150	540000	123894000
22	Sarlahie	11024	3000		7329	21353	128118000	24	144000	470	5640000	150	540000	134442000
23	Rasuwa	1887			544	2431	14586000			181	2172000	50	180000	16938000
24	Dhading	17647			4528	22175	133050000			487	5844000	100	360000	139254000
25	Nuwakot	12137	1453		4103	17693	106158000			191	2292000	75	270000	108720000
26	Kathmandu	9914	172		4409	14495	86970000	32	192000	305	3660000	130	468000	91290000
27	Bhaktapur	6263	369		3008	9640	57840000			283	3396000	75	270000	61506000
28	Laitpur	8349			3984	12333	73998000	4	24000	85	1020000	100	360000	75402000
29	Kavraplanchok	13379			5921	19300	115800000	50	300000	327	3924000	100	360000	120384000
30	Sindupalchok	12859	1376		3933	18168	109008000			305	3660000	100	360000	113028000
31	Makwanpur	10189	729		4309	15227	91362000	65	390000	150	1800000	100	360000	93912000
32	Routhat	13408	5909		8580	27897	167382000			151	1812000	150	540000	169734000
33	Bara	8794	3602		9945	22341	134046000			190	2280000	150	540000	136866000
34	Parsa	7865	3433		5665	16963	101778000			391	4692000	100	360000	106830000
35	Chitwan	17761	2601		5198	25560	153360000			186	2232000	100	360000	155952000
36	Gorkha	14470	3445		4485	22400	134400000	6	36000	237	2844000	75	270000	137550000
37	Manang	323			127	450	2700000			18	216000	50	180000	3096000

38	Lamjung	8349	2263		2625	13237	79422000			178	2136000	75	270000	81828000
39	Kaski	18115			5046	23161	138966000			524	6288000	100	360000	145614000
40	Tanahau	12196	3669		4385	20250	121500000	3	18000	270	3240000	100	360000	125118000
41	Syanja	14815	3639		5222	23676	142056000			167	2004000	100	360000	144420000
42	Gulmi	12161	4250		5860	22271	133626000			305	3660000	75	270000	137556000
43	Palpa	9035	2091		4571	15697	94182000	28	168000	28	336000	75	270000	94956000
44	Argahkhachi	8695	2800		3262	14757	88542000			324	3888000	75	270000	92700000
45	Nawalparasi	12795	4082		7038	23915	143490000			321	3852000	150	540000	147882000
46	Rupandehi	21069	4808		5760	31637	189822000			146	1752000	150	540000	192114000
47	Kapilvastu	9167	4947		4333	18447	110682000	1	6000	85	1020000	100	360000	112068000
48	Mustang	564	49		296	909	5454000			17	204000	100	360000	6018000
49	Mayadi	4910	2326		1978	9214	55284000			381	4572000	75	270000	60126000
50	Baglung	14839			3255	18094	108564000			526	6312000	75	270000	115146000
51	Parbat	6874	2612		4152	13638	81828000			85	1020000	75	270000	83118000
52	Rukum	2614	1303		3022	6939	41634000			416	4992000	75	270000	46896000
53	Rolpa	5154			2503	7657	45942000	454	2724000	223	2676000	75	270000	51612000
54	Pyuthan	4649	2107		2587	9343	56058000			56	672000	75	270000	57000000
55	Salyan	4432			2593	7025	42150000	16	96000	150	1800000	75	270000	44316000
56	Dang	16069			7895	23964	143784000	30	180000	500	6000000	100	360000	150324000
57	Dolpa			9899	3990	13889	83334000	1652	9912000	157	1884000	50	180000	95310000
58	Mugu			3972	1054	5026	30156000			55	660000	50	180000	30996000
59	Jumla			4645	1150	5795	34770000			310	3720000	50	180000	38670000
60	kalikot			9017		9017	54102000			210	2520000	75	270000	56892000
61	Humla			3225	1001	4226	25356000			102	1224000	50	180000	26760000
62	Jajarkot	1373	1498		1914	4785	28710000			83	996000	75	270000	29976000
63	Dailekh	8482			2287	10769	64614000	149	1788000	26	312000	75	270000	66984000
64	Surkhet	5396	3750		3524	12670	76020000	1294	7764000	75	900000	75	270000	84954000
65	Banke	6051	2957		4712	13720	82320000	344	2064000	347	4164000	100	360000	88908000
66	Bardia	7779			3875	11654	69924000	985	5910000	97	1164000	100	360000	77358000
67	Bajura	2952	1957		1688	6597	39582000			90	1080000	75	270000	40932000
68	Aachham	6432	5104		6353	17889	107334000			76	912000	75	270000	108516000
69	Bajang	5233	2530		2835	10598	63588000			11	132000			63720000
70	Doti	3034	2219		4292	9545	57270000	29	174000	27		75	270000	57714000
71	Kailali	9528	4207		6745	20480	122880000	2037	12222000	120	1440000	150	540000	137082000
72	Darchula	3914			2562	6476	38856000	53	636000	175	2100000	75	270000	41862000
73	Baitadi	7107	3576		3776	14459	86754000			360	4320000	75	270000	91344000
74	Dadeldhura	2811	2130		2471	7412	44472000	343	4116000	167	2004000	75	270000	50862000
75	Kanchanpur	7971	2803		3761	14535	87210000	193	1158000	180	2160000	100	360000	90888000
76	KMC	10929			4347	15276	91656000	24	144000			20	72000	91872000
	Total	635938	125819	30758	319781	1112296	6673776000	19681	121356000	16202	194100000	6850	24660000	7013892000

Annex 4-1

**Number of Beneficiaries by Types of Allowance Across sampled Municipality and VDCs,
2064/65-67/68**

District/VDC Municipality	64/65				65/66				66/67				67/68			
	Senior citizen	Dalit	Single women	Disabled	Senior citizen	Dalit	Single women	Disabled	Senior citizen	Dalit	Single women	Disabled	Senior citizen	Dalit	Single women	Disabled
Baitadi																
Dasrathchand NP					329		896	11	759		298	11	858		366	66
Basantapur	38		53		59	20	49	4	54	15	54	4	67	18	46	5
Talladevi																
Dhungad																
Banke																
Nepalgunj NP	192		376	16	355	35	470	12	441	14	496	36	445	57	568	46
Khaskusma	43	21	37	2	53	84	57	6	58	84	55	11	92	48	70	11
Samsergunj																
Hirminiya									95	87	68	2	98	100	75	3
Bankatuwa													226	182	147	9
Nauwasta	45		137	1	65		163	15	180	79	199	21	217	94	211	23
Paraspur													82	72	53	1
Bhaktapur																
Madhyapur Thimi NP																
Duwakot														182	71	21
Katunje	87		115	2	197		52	9	149	47	50	9	152	47	59	9
Sudal			72	14	223		85	14	209	15	85	14	203	15		
Changunarayan	58	1	110	2	133	30	81	9	133	30	86	9	133	30	86	8
Jhapa																
Damak NP	1259		298	7	1652	124	363	8	1565	210	321	30	1754	277	380	40
Bahundagi	666	88	366	5	768	88	393	6	703	109	428	6	718	133	440	11
Sanischare	275	98		2	448	198		2	617	230		5	340	201		6
Anarmani	295	21	130	3	330	25	158	12	390	27	170	11	455	29	215	11
Haldibari	150				130		105	2	174	15	103	2	189	14	105	2
Chakcaki					187	14	102	3	309	15	103	4	342	19	136	8
Dhaijan	155		118	2	249	44	71	2	261	46	75	7	307	58	97	9
Pathriya	113		143	8	212	5	156	8	209	19	154	13	242	25	179	18
Khajurgachhi	83		173	2	168	20	130	2	176	23	129	10	184	27	141	16
Lakhanpur	324		195	3	645	77	203	4	667	79	208	4	732	89	222	15
Shantinagar	226		184	4	212		189	4	513	69	173	6	548	84	183	12
Gauradaha	224		188	3	478	37	158	3	514	46	164	6	498	50	172	6
Jumla																
Dillichaur					112	12	25	15	120	12	25	15	141	12	35	15
Mahakptha																

Tatopani	15	3	6	3	24	17	16	5	99	35	101	7	128	53	102	14
Kaski																
Pokhara NP													3101	556	1254	172
Saimaran	50	11	26	2	21	26	5		8	2	7		3	1	1	8
Capakot	129	76	28	2	140	90	31	7	139	93	36	7	160	105	25	6
Lawangghalel									207	88	36	14	189	87	45	16
Hamja									275	73	124	12	286	80	132	20
Amarla	154		104	2	160		122	2	303	89	90	16	309	104	90	18
Krisnibore	2								271	81	110	2		80	126	14
Silbujure	112		92	2	270		60	8	185	84	54	12	196	89	55	12
Dhital	73	37	81	2	163	78	49	6	159	78	49	12	152	77	54	12
Nirmalpokhari	161		104	2	267	48	69	2	320	66	70	7	287	103	72	13
Rasuwa																
Dhunche																
Dhaibung	98		74	11	159	17	59	11	186	32	47	11	202	33	54	25
Rautahat																
Gaur NP																
Malahi	23		31	2	47	55	30	2	59		34	3	58		38	3
Kanchanpur					106	27	53		7	1	2		26	19	19	
Hajmuniya	19	9	11		28	16	9		24		8		7	1		
Volohiya																
Dharihari																
Santapur	224		126	14	122	92	122	4	156	94	200					
Rajpur																
Tengraa																
Pipra Pokhariya	133		101		179		101	3	171		100		179		91	

Annex 4-2

Budget Release for Social Security Allowance Distribution by Surveyed DDCs, 2064/65-67/68

District	64/65					65/66					66/67					67/68				
	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total
Baitadi					16830			0	0	69335	0	0	0	0	95677	0	0	0	0	112269
Banke								0	0	0	0	0	0	0	0	0	0	0	0	0
Bhaktapur								0	0	0	0	0	0	0	0	0	0	0	0	0
Jhapa						65181	5166	30202	462	101010	116658	10914	49902	3192	180666	123731	134160	53772	4500	316163
Jumla						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rasuwa						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rautahat						0	0	0	0	0	0	0	0	0	0	0	80868	36654	49422	166944
Kaski						0	0	0	0	0	37108	4056	11994	119	53277	0	0	0	0	0

Source: Field Survey

Annex 4-2a

Social Security Allowance Distribution by Surveyed Municipalities and VDCs, 2064/65-67/68

NPR in '000'

District/VDC Municipality	64/65					65/66					66/67					67/68				
	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total	Senior citizen	Dalit	Single women	Disabled	Total
<i>Baitadi</i>																				
Dasrathchand	0	0	0	0	1887	0	0	0	0	6018	0	0	0	0	8884	0	0	0	0	10221
Basantapur	68	0	80	0	0	309	100	261	40	0	324	90	324	48	0	408	104	256	60	0
Talladevi	0	0	0	0	418	0	0	0	0	534	0	0	0	0	161	0	0	0	0	1601
Dhungad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	614
<i>Banke</i>																				
Nepalgunj NP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Khaskusma	43	0	44	48	135	288	504	342	102	124	348	522	330	102	1302	184	94	140	33	453
Samsergunj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	666	444	672	91	187
Hirminiya	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bankatuwa	0	0	0	0	0	0	0	0	0	0	172	1280	984	744	4076	1378	1126	890	828	3477
Nauwasta	78	0	181	2	261	260	0	652	2	914	1286	588	1552	240	3666	1180	554	1222	276	3232
Paraspur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Bhaktapur</i>																				
Madhyapur Thimi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Duwakot	0	0	0	0	0	0	0	0	0	1706	0	0	0	0	1904	0	0	0	0	1892
Katunje	209	0	207	0	416	1182	0	312	24	1518	1080	96	300	84	1560	1194	0	354	0	1548
Sudal	0	0	0	0	532	0	0	0	0	1577	0	0	0	0	1906	0	0	0	0	0
Changunarayan	0	0	0	0	288	0	0	0	0	11962	0	0	0	0	15322	0	0	0	0	14516
<i>Jhapa</i>																				
Damak NP	5616	396	328	26	9314	9030	1260	1908	301	12499	9390	1242	1926	301	12859	10394	1658	2284	421	14757
Bahundagi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sanischare	0	0	0	0	617	0	0	0	0	3361	0	0	0	0	531	0	0	0	0	5418
Anarmani	1770	126	780	19	2695	1980	156	948	127	3211	2340	162	1020	115	3637	2730	174	129	115	3148
Haldibari	348	0	0	0	348	1127	0	0	0	1127	930	60	636	16	0	1056	72	618	16	0
Chakcaki	0	0	0	0	0	1122	84	612	47	1865	1854	90	618	47	2609	2052	114	816	71	3053
Dhaijan	372	0	212	7	592	1494	264	426	7	2191	1566	276	450	67	2359	1842	348	582	852	2846
Pathriya	271	0	257	29	557	1272	30	936	29	2267	1254	114	924	113	2405	1452	150	1074	166	2842
Khajurgachhi	0	0	0	0	295	1158	120	780	7	2065	1056	138	774	10	208	1104	162	846	103	2215
Lakhanpur	347	0	102	1	451	3225	385	1015	2	4644	4002	474	1248	23	574	4392	535	1332	155	6414

Shantinagar	0	0	0	0	529	0	0	0	0	3423	0	0	0	0	7012	0	0	0	0	5999
Gauradaha	1344	0	1128	11	2483	2868	222	948	11	405	3084	276	984	47	4391	299	300	1032	47	4367
Jumla																				
Dillichaur	660	54	108	0	0	720	72	150	0	822	846	72	210	121	10632	0	0	0	2122	1249
Mahakptha	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tatopani	90	18	36	11	155	120	102	96	18	336	594	210	606	29	1439	768	318	612	50	1748
Kaski																				
Pokhara NP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saimaran	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capakot	697	380	148	7	1232	840	540	186	67	1633	834	558	216	67	1675	960	630	150	64	1804
Lawangghalel	0	0	0	0	0	0	0	0	0	0	1242	528	216	151	2130	1152	528	270	123	2173
Hamja	0	0	0	0	517	0	0	0	0	2637	0	0	0	0	3203	0	0	0	0	3289
Amarla	61	204	180	664	1800	6044	202	178	664	608	582	202	178	664	536	1800	608	536	199	199
Krisnibore	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Silbujure	67	0	83	5	155	16	0	54	7	77	1110	504	336	127	2077	1176	534	342	127	2179
Dhital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nirmalpokhari	366	0	181	5	552	1364	240	371	7	1982	1884	396	420	67	2767	1658	592	432	139	2821
Rasuwa																				
Dhuncha	0	0	0	0	76	0	0	0	0	332	0	0	0	0	414	0	0	0	0	48
Dhaibung	0	0	0	0	263	0	0	0	0	1279	0	0	0	0	1630	0	0	0	0	1941
Rautahat																				
Gaur NP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malahi	0	0	0	0	116	0	0	0	0	451	0	0	0	0	574	0	0	0	0	595
Kanchanpur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hajmuniya	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Volohiya	0	0	0	0	207	0	0	0	0	789	0	0	0	0	922	0	0	0	0	346
Dharahari	0	0	0	0	137	0	0	0	0	537	0	0	0	0	730	0	0	0	0	924
Santapur	0	0	0	0	586	0	0	0	0	1507	0	0	0	0	1861	0	0	0	0	1753
Rajpur	0	0	0	0	0	0	0	0	0	323	0	0	0	0	2373	0	0	0	0	3112
Tengraa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pipra Pokhariya	0	0	0	0	1415	0	0	0	0	2717	0	0	0	0	2711	0	0	0	0	2668

Annex Table 5.1: Types of Beneficiaries

<i>Variable</i>	<i>Number</i>	<i>Percent</i>
Sex		
Male	2009	38.8
Female	3170	61.2
Total	5179	100
Beneficiary Type		
Senior Citizen	2977	57.5
Single Women	1361	26.3
Dalit	605	11.7
Disabled	236	4.6
Total	5179	100
Living Conditions		
Alone	652	12.6
With Spouse	958	18.5
With Family Members	3297	63.7
Daughter/ Son-in-Law	226	4.4
Total	5179	100
By Education		
Illiterate	4564	88.1
Informal Education	330	6.4
Primary	154	3.0
Secondary	110	2.1
Higher Secondary	21	0.4
Total	5179	100
Marital Status		
Widow	2854	55.1
Married	2098	40.5
Unmarried	207	4.0
Separated	13	0.3
Divorced	7	0.1
Total	5179	100
By Religion		
Hindu	4643	89.6
Buddhist	238	4.6
Muslim	215	4.2
Christian	27	0.5
Not Mentioned	18	0.4
Others	38	0.7
Total	5179	100

Source: Beneficiary Survey, 2011

Annex Table 5.2: Age Category by Type of Allowance

Age	Type of Allowance				Total
	Senior Citizen	Single Women	Dalit	Disabled	
Less than 60 Yrs.	0	0	0	123	123
% row	0	0	0	100	100
% Col	0	0	0	78.34	2.38
60-70 Yrs.	340	888	350	24	1,602
% row	21.2	55.5	21.8	1.5	100
% Col	11.7	58.0	62.1	15.3	31.1
70-80 Yrs.	1,646	528	165	7	2,346
% row	70.2	22.5	7.0	0.3	100
% Col	56.6	34.5	29.3	4.5	45.5
80-90 Yrs.	776	97	42	3	918
% row	84.5	10.6	4.6	0.3	100
% Col	26.7	6.3	7.4	1.9	17.8
More than 90 Yrs.	145	18	7	0	170
% row	85.3	10.6	4.1	0	100
% Col	5.0	1.2	1.2	0	3.3
Total	2,907	1,531	564	157	5,159
% row	56.4	29.7	10.9	3.0	100
% col	100	100	100	100	100

Annex Table 5.3 Awareness about Social Security Program

Variable	Yes	No	Total
Male	2,090	155	2,245
%	93.1	6.9	100
Female	3,284	290	3,574
%	91.9	8.1	100
Total	5,374	445	5,819
%	92.4	7.6	100
Old Aged	3,141	252	3,393
%	92.6	7.4	100
Single Women	1,449	118	1,567
%	92.5	7.5	100
Dalit	632	60	692
%	91.3	8.7	100
Disabled	154	15	169
%	91.1	8.9	100
Total	5,376	445	5,821
%	92.4	7.6	100
Old age-living alone	599	61	660
%	90.8	9.2	100
With Spouse	1,166	98	1,264
%	92.3	7.7	100
With Family Members	3,607	286	3,893
%	92.7	7.3	100
Total	5,372	445	5,817
%	92.4	7.6	100
Bottom 1	1,065	100	1,165
%	91.4	8.6	100
Quintile 2	1,027	141	1,168
%	87.9	12.1	100
Quintile 3	1,107	68	1,175
%	94.2	5.8	100
Quintile 4	1,079	71	1,150
%	93.8	6.2	100
Highest 5	1,098	65	1,163
%	94.4	5.6	100
Total	5,376	445	5,821
%	92.36	7.64	100
Jhapa	1,248	65	1,313
%	95.1	4.9	100
Rautahat	1,106	43	1,149
%	96.3	3.7	100
Bhaktapur	557	28	585
%	95.2	4.8	100
Rasuwa	177	7	184
%	96.2	3.8	100
Kaski	1,091	37	1,128
%	96.7	3.3	100
Banke	556	141	697
%	79.8	20.2	100
Jumla	282	5	287
%	98.3	1.7	100
Baitadi	359	119	478
%	75.1	24.9	100
Total	5,376	445	5,821
%	92.4	7.6	100

Annex Table 5.4a Satisfaction about Social Security Program

	Highly Satisfied	Satisfied	Indifferent	Dissatisfied	Highly dissatisfied	Total
Male	205	1,580	383	129	16	2,313
%	8.9	68.3	16.5	5.6	0.7	100
Female	339	2,291	618	248	12	3,508
%	9.7	65.3	17.6	7.1	0.3	100
Total	544	3,871	1,001	377	28	5,821
%	9.3	66.5	17.2	6.5	0.5	100
Old Aged	299	2,301	574	206	14	3,394
%	8.8	67.8	16.9	6.1	0.4	100
Single Women	146	1,060	244	111	7	1,568
%	9.3	67.6	15.6	7.1	0.4	100
Dalit	77	400	157	54	4	692
%	11.1	57.8	22.7	7.8	0.6	100
Disabled	22	112	26	6	3	169
%	13.0	66.3	15.4	3.5	1.8	100
Total	544	3,873	1,001	377	28	5,823
%	9.3	66.5	17.2	6.5	0.5	100
Old age – living alone	80	400	142	36	2	660
%	12.1	60.6	21.5	5.5	0.3	100
With Spouse	151	813	247	49	5	1,265
%	11.9	64.3	19.5	3.9	0.4	100
With Family Members	312	2,618	604	286	20	3,840
%	8.1	68.2	15.7	7.5	0.5	100
Other	1	40	6	6	1	54
%	1.9	74.1	11.1	11.1	1.8	100
Total	544	3,871	999	377	28	5,819
%	9.3	66.5	17.2	6.5	0.5	100
Jhapa	25	1,210	66	12	0	1,313
%	1.9	92.2	5.0	0.9	0	100
Rautahat	23	846	120	159	1	1,149
%	2.0	73.6	10.4	13.8	0.1	100
Bhaktapur	15	352	202	16	1	586
%	2.5	60.1	34.5	2.7	0.2	100
Rasuwa	58	113	7	6	0	184
%	31.5	61.4	3.8	3.3	0	100
Kaski	26	684	403	12	3	1,128
%	2.3	60.6	35.7	1.1	0.3	100
Banke	82	371	110	130	4	697
%	11.8	53.2	15.8	18.6	0.6	100
Jumla	28	166	60	16	17	287
%	9.8	57.8	20.9	5.6	5.9	100
Baitadi	287	131	33	26	2	479
%	59.9	27.4	6.9	5.4	0.4	100
Total	544	3,873	1,001	377	28	5,823
%	9.3	66.5	17.2	6.5	0.5	100
Bottom quintile	101	806	174	74	10	1,165
%	8.7	69.2	14.8	6.4	0.9	100
2nd Quintile	242	668	158	95	6	1,169
%	20.7	57.1	13.5	8.1	0.5	100
3rd Quintile	97	760	221	89	8	1,175
%	8.3	64.7	18.8	7.6	0.7	100
4th Quintile	54	831	196	68	1	1,150
%	4.7	72.3	17.0	5.9	0.1	100
Highest quintile	50	808	252	51	3	1,164
%	4.3	69.4	21.6	4.4	0.3	100
Total	544	3,873	1,001	377	28	5,823
%	9.3	66.5	17.2	6.5	0.5	100

Annex Table 5.4b: Satisfaction from Program by Various Categories

	Highly Satisfied	Satisfied	Indifferent	Dissatisfied	Highly Dissatisfied	Total
Male	205	1,580	383	129	16	2,313
% Male	8.9	68.3	16.6	5.6	0.7	100
Female	339	2,291	618	248	12	3,508
% Female	9.7	65.3	17.6	7.1	0.3	100
Total	544	3,871	1,001	377	28	5,821
Old Aged	299	2,301	574	206	14	3,394
% OA	8.8	67.8	16.9	6.1	0.4	100
Single Women	146	1,060	244	111	7	1,568
% SW	9.3	67.6	15.6	7.18	0.5	100
Dalit	77	400	157	54	4	692
% Dalit	11.1	57.8	22.7	7.8	0.6	100
Disabled	22	112	26	6	3	169
% Disabled	13.0	66.3	15.4	3.6	1.8	100
Total	544	3,873	1,001	377	28	5,823
Alone	80	400	142	36	2	660
% Alone	12.1	60.61	21.52	5.45	0.3	100
With Spouse	151	813	247	49	5	1,265
% Spouse	11.94	64.3	19.5	3.9	0.4	100
Family Members	312	2,618	604	286	20	3,840
% FM	8.1	68.2	15.7	7.5	0.5	100
Other	1	40	6	6	1	54
% Other	1.9	74.1	11.1	11.1	1.9	100
Total	544	3,871	999	377	28	5,819
Jhapa	25	1,210	66	12	0	1,313
% Jhapa	1.9	92.2	5.0	0.9	0	100
Rautahat	23	846	120	159	1	1,149
% Rautahat	2	73.6	10.4	13.8	0.1	100
Bhaktapur	15	352	202	16	1	586
% Bhaktapur	2.6	60.1	34.5	2.7	0.2	100
Rasuwa	58	113	7	6	0	184
% Rasuwa	31.5	61.1	3.8	3.3	0	100
Kaski	26	684	403	12	3	1,128
% Kaski	2.3	60.6	35.7	1.1	0.3	100
Banke	82	371	110	130	4	697
% Banke	11.8	53.2	15.8	18.7	0.6	100
Jumla	28	166	60	16	17	287
% Jumla	9.8	57.8	20.9	5.6	5.2	100
Baitadi	287	131	33	26	2	479
% Baitadi	59.9	27.4	6.9	5.3	0.4	100
Total	544	3,873	1,001	377	28	5,823
Bottom quintile	101	806	174	74	10	1,165
% Bottom	8.7	69.2	14.9	6.4	0.9	100
2nd Quintile	242	668	158	95	6	1,169
% 2nd	20.7	57.1	13.5	8.1	0.5	100
3rd Quintile	97	760	221	89	8	1,175
% 3rd	8.3	64.7	18.8	7.6	0.7	100
4th Quintile	54	831	196	68	1	1,150
% 4th	4.7	72.3	17.0	5.9	0.1	100
Highest quintile	50	808	252	51	3	1,164
% Highest	4.3	69.4	21.7	4.4	0.3	100
Total	544	3,873	1,001	377	28	5,823

Annex Table 5.5 Sufficiency of Amount

Overall		Sufficient	Not Sufficient	Total
Male		478	1,835	2,313
%		42.5	39.1	39.7
Female		647	2,860	3,507
%		57.5	60.9	60.3
Total		1,125	4,695	5,820
%		19.3	80.7	100.0
<i>By Types of Social security</i>				
Old Aged		704	2,690	3,394
%		20.7	79.3	100.0
Single Women		287	1,280	1,567
%		18.3	81.7	100.0
Dalit		93	599	692
%		13.4	86.6	100.0
Disabled		41	128	169
%		24.2	75.8	100.0
Total		1,125	4,697	5,822
<i>Old age – by type of living</i>				
Old age-living alone		109	551	660
%		16.5	83.5	100.0
With Spouse		237	1,028	1,265
%		18.7	81.3	100.0
With Family Members		774	3,065	3,839
%		20.2	79.8	100.0
Other		4	50	54
%		7.4	92.6	100.0
Total		1,124	4,694	5,818
<i>By District</i>				
Jhapa		321	992	1,313
%		24.4	75.6	100.0
Rautahat		59	1,090	1,149
%		5.1	94.9	100.0
Bhaktapur		65	521	586
%		11.1	88.9	100.0
Rasuwa		28	156	184
%		15.2	84.8	100.0
Kaski		166	961	1,127
%		14.7	85.3	100.0
Banke		43	654	697
%		6.2	93.8	100.0
Jumla		212	75	287
%		73.9	26.1	100.0
Baitadi		231	248	479
%		48.2	51.8	100.0
Total		1,125	4,697	5,822
<i>By Wealth Quintile</i>				
Bottom quintile		169	996	1,165
%		14.5	85.5	100.0
2nd quintile		296	873	1,169
%		25.3	74.7	100.0
3rd quintile		198	977	1,175
%		16.8	83.2	100.0
4th quintile		200	949	1,149
%		17.4	82.6	100.0
Highest quintile		262	902	1,164
%		22.5	77.5	100.0
Total		1,125	4,697	5,822

Annex Table 5.6: Regularity of Distribution of the Allowance

Timing	Every Four Months	Others
Jhapa	66.3	33.7
Rautahat	97.3	2.7
Bhaktapur	88.9	11.1
Rasuwa	89.0	11.0
Kaski	87.9	12.1
Banke	97.7	2.3
Jumla	94.8	5.2
Baitadi	90.4	9.6

Annex Table 5.7: Actual Recipient of Allowances

District	Self	others
Jhapa	75.2	24.8
Rautahat	88.0	12.0
Bhaktapur	82.8	17.2
Rasuwa	73.9	26.1
Kaski	82.0	18.0
Banke	91.7	8.3
Jumla	81.9	18.1
Baitadi	83.5	16.5

Annex Table 5.8: Allowance and Economic Dependency

District	Has Helped	Same Previous	Total
Jhapa	1,259	54	1,313
%	95.9	4.1	100
Rautahat	1,128	21	1,149
%	98.2	1.8	100
Bhaktapur	456	129	585
%	77.9	22.1	100
Rasuwa	156	25	181
%	86.2	13.8	100
Kaski	1,099	29	1,128
%	97.4	2.6	100
Banke	575	122	697
%	82.5	17.5	100
Jumla	277	10	287
%	96.5	3.5	100
Baitadi	428	47	475
%	90.1	9.9	100
Total	5,378	437	5,815
%	92.5	7.5	100

Annex Table 5.9: Respect and Self Respect by Different Category

Sex	Yes (%)	No (%)	Total
Male	2,079 (93.1)	116 (6.9)	2,195 (100)
Female	3,220 (91.89)	206 (8.11)	3,426 (100)
Total	5,299	322	5,621
<i>Beneficiary Type</i>			
Old Aged	3,113 (92.57)	185 (7.43)	3,298 (100)
Single Women	1,411 (92.47)	91 (7.53)	1,502 (100)
Dalit	626 (91.33)	37 (8.67)	663 (100)
Disabled	150 (91.12)	9 (8.88)	159 (100)
Total	5,300	322	5,622
<i>Living Arrangements</i>			
Alone	482 (90.76)	94 (9.24)	576 (100)
With Spouse	1,181 (92.25)	60 (7.75)	1,241 (100)
Family Members	3,634 (92.65)	168 (7.35)	3,802 (100)
Total	5,297	322	5,619
<i>Wealth_Score</i>			
Bottom	985 (91.42)	86 (8.58)	1,071 (100)
2nd Quintile	1,045 (87.93)	82 (12.07)	1,127 (100)
3rd Quintile	1,098 (95.4)	53 (4.6)	1,151 (100)
4th Quintile	1,070 (93.83)	57 (6.17)	1,127 (100)
Highest	1,102 (94.41)	44 (5.59)	1,146 (100)
Total	5,300	322	5,622

Annex Table 5.10: Decision Making about Use of Allowance

Districts	Self	%	Spouse	%	Family Members	%	Total
Jhapa	1013	23.4	93	20.99	72	17.6	1178
Rautahat	816	18.9	76	17.16	81	19.8	973
Bharatpur	462	10.7	26	5.87	45	11	533
Rasuwa	132	3.1	13	2.93	25	6.11	170
Kaski	756	17.5	151	34.09	74	18.09	981
Banke	631	14.6	28	6.32	31	7.58	690
Jumla	194	4.5	22	4.97	22	5.38	238
Baitadi	318	7.4	34	7.67	59	14.43	411
Total	4322	100	443	100	409	100	5174
%	83.5		8.6		7.9		100
<i>By Wealth Quintile</i>							
Bottom quintile	879	20.3	97	21.9	63	15.4	1039
2nd Quintile	897	20.7	94	21.2	101	24.7	1,092
3rd Quintile	826	19.1	87	19.64	86	21.0	999
4th Quintile	862	19.9	82	18.5	66	16.1	1,010
Highest quintile	858	19.8	83	18.7	93	22.7	1034
Total	4322	100	443	100	409	100	5174
%	83.5		8.6		7.9		100
<i>By types of living</i>							
Living Alone	628	96.6	11	1.7	11	1.7	650
With Spouse	660	68.9	268	28.0	30	3.1	958
With Family	3032	85.1	164	4.6	367	10.3	3563
Total	4320	83.5	443	8.6	408	7.9	5171