



**SIMPLIFYING DELIVERY
OF SOCIAL SECURITY
BENEFITS IN KARNATAKA**

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Implemented by



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R Manjula

FOREWORD

ಸಂಜೀವ್ ಕುಮಾರ್, ಛಾ.ಆ.ಸೇ.
ಸರ್ಕಾರದ ಅಪರ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿ

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Additional Chief Secretary to Government



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Labour Department
Government of Karnataka

FOREWORD

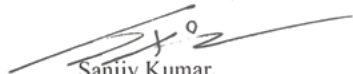
Sufficient and reliable access to formal social security among unorganised worker households is urgently needed for poverty and vulnerability reduction among these households. Effective delivery of social security to unorganised workers is a challenge to governments in view of fragmented social security delivery system. Many efforts are being made to bring convergence among social security schemes of the government to improve access, outreach and impact of such schemes. The Unorganised Workers Social Security Act, 2008, visualised Worker Facilitation Centres as Single Window Service Centres (SWSCs) at the sub-district level to improve access to social security schemes.

The Department of Labour, GoK, together with German International Cooperation (GIZ) has implemented a pilot project on Worker Facilitation Centres. An evaluation of the pilot project has revealed that SWSCs improve the awareness on and access to social security schemes among unorganised workers. Encouraged by these findings, the Department of Labour has expanded the project to one taluk in each of 30 Karnataka districts.

The Department of Labour and GIZ initiated a study on simplification of applications, supporting documents and sanctioning procedure adopted in the delivery of social security schemes in order to strengthen the backend activities of SWSCs. Accordingly, this study was initiated to map and review the process adopted from the stage of filling applications to their submission for key social security schemes in Karnataka, in order to identify those aspects in the delivery process (applications, documents and submission) that affect the access to social security schemes among unorganised workers. The study makes four recommendations that will be helpful in improving the delivery of social security schemes.

I appreciate Prof. D. Rajasekhar, Mr. K.S. Manjunath, and Ms. R. Manjula for undertaking the study, the project team for visualising the importance of such a study and all the field officers of various departments for enriching the study by sharing their experiences.

The study recommendations are important and require discussion across departments to achieve consensus on simplified delivery of social security without undermining the importance of an individual department. It is important, therefore, to take the dialogue with relevant stakeholders forward so that the study recommendations reach their logical end.


Sanjiv Kumar.
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FOREWORD

Institute for Social and Economic Change (ISEC)

Article 41 of the Indian constitution under the Directive Principles of State Policy directs the State to make provision for securing the right to work, to education and public assistance in cases of unemployment, old age, sickness, disablement and other cases of underserved want. In keeping with this provision, the central and state governments have launched a number of social security schemes. It is important to ensure that the benefits of these schemes reach the beneficiaries in time and in the manner intended. As the beneficiaries belong mostly to the poor and vulnerable sections of the society, the rules and procedures governing the schemes must be simple and easily understandable.

The Government of Karnataka has, from time to time, introduced a number of administrative reforms such as *Bhoomi* in respect of land records and *Sakala* for timely delivery of services. This study undertaken by ISEC with the support of GIZ aims at simplification of procedures for the delivery of social security benefits in Karnataka. The schemes studied pertain to scholarships to students, loans for employment and education, pensions to elderly and disabled and social

security for construction and other workers in the unorganized sector. The districts chosen for the study represent the regional variations in a large state like Karnataka.

Filling up lengthy application forms, be it for the purpose of obtaining a building or driving license, opening a bank account or securing a benefit from government is at best an unpleasant task. Where unnecessary information or a plethora of supporting documents is sought, the experience can be quite frustrating. More so in the case of uneducated persons forced to depend on agents. The suggestions made in this report to simplify the processes—such as eliminating superfluous information, developing common application forms for a group of schemes, minimizing the number of accompanying documents and enabling online submissions should, if implemented, go a long way in promoting what may be called the ‘ease of doing business’ in respect of welfare schemes.

I would like to compliment Prof D. Rajasekhar, Mr. K S Manjunath and Dr. R Manjula for bringing out a report containing useful data and pragmatic recommendations.

Dr. A. Ravindra,
Chairman, Board of Governors, ISEC
Retd. Chief Secretary, Government of Karnataka

FOREWORD

Indo-German Social Security Programme, GIZ

The task of providing appropriate social security to those in need begins with a better understanding of the challenges they face while accessing such benefits. Even though India has legislated to provide social security to the poor and vulnerable, there are large gaps in the actual delivery of benefits. As a result, a majority of Indians are not covered by even basic social protection against the major risks of life such as ill health, accidents, disability or old age poverty.

An important factor is the fragmentation of the social security system with numerous schemes being implemented by multiple agencies. As a result, the poor need to apply for benefits and produce supporting documents repeatedly for different schemes, thereby incurring huge transaction costs or simply facing the risk of being left out. Documenting the existing systems is a prerequisite to improve them and to identify loopholes that give rise to inefficiencies and the exclusion of legitimate beneficiaries.

The present study “Simplifying Delivery of Social Security Benefits in Karnataka” is an excellent analysis of the current

way social security is provided in Karnataka and of the many possibilities to make it more inclusive. The Government of Karnataka is dedicated to enhance the public assistance for those who are in need and to facilitate access to the numerous schemes available. It is my sincere hope that this study will help to achieve these objectives and to improve the provision of social security for the poor.

I thank Professor D. Rajasekhar, Mr. K. S. Manjunath and Dr. R. Manjula from the Institute for Social and Economic Change (ISEC) Bangalore, for undertaking this highly relevant and exhaustive study. A special thanks goes to the officials of the Government of Karnataka, who not only lent support to the study, but also provided valuable feedback and agreed to implement many of the measures which have been suggested here. Finally, I am grateful to all those who were interviewed for this report and shared their views.

I wish the study wide dissemination and recognition.

Helmut Hauschild

Programme Director

Indo-German Social Security Programme

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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ABBREVIATIONS

AABY	<i>Aam Admi Bima Yojana</i>
BPL	Below Poverty Line
CDPO	Child Development Programme Officer
CEO	Chief Executive Officer
CVDS	Commercial Vehicle Drivers Scheme
CWWB	Construction Workers Welfare Board
DEDASC	Department for the Empowerment of Differently Abled and Senior Citizens
DISE	District Information System for Education
DMA	Directorate of Municipal Administration
DoL	Department of Labour
DSSP	Directorate of Social Security and Pensions
DWCD	Department of Women and Child Development
DWP	Destitute Widow Pension
EPIC	Electoral Photo Identity Card
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HM	Headmistress / Headmaster
IAS	Indian Administrative Service
IGNOAP	Indira Gandhi National Old Age Pension
ISB	Industries, Services and Business
ISEC	Institute for Social and Economic Change
KAS	Karnataka Administrative Service

MDC	Minorities Development Corporation
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MLA	Member of Legislative Assembly
NDC	No Due Certificate
NPS	National Pension Scheme
NULM	National Urban Livelihood Mission
PHP	Physically Handicapped Pension
PUC	Pre-University College
RBI	Reserve Bank of India
RR	Revenue Register
SC	Scheduled Caste
SDMC	School Development and Management Committee
SEP	Self-Employment Programme
SJRSY	<i>Swarna Jayanthi Shabri Rozgar Yojana</i>
SSLC	Secondary School Leaving Certificate
SSY	<i>Sandhya Suraksha Yojana</i>
ST	Scheduled Tribe
TEO	Taluk Extension Officer
TSWO	Taluk Social Welfare Officer
USEP	Urban Self-Employment Programme
WDC	Women's Development Corporation

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The idea of undertaking a research study on how to introduce cohesive delivery of social security by simplification of procedures and processes was first mooted by Mr. S. V. Ranganath, former Chief Secretary of the Government of Karnataka. We are grateful to him for being instrumental in the initiation of this study, as also providing constant advice and support.

This study was undertaken with the support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany's federal enterprise for economic cooperation. We would like to thank Mr. Hans-Christoph Ammon, former Director of the Indo-German Social Security Programme - Karnataka (IGSSP-K) and Ms. Namerta Sharma, team leader of IGSSP-K for seeing merit in this study and providing financial support.

We are also thankful to Mr. Helmut Hauschild, Programme Director of IGSSP for kindly agreeing to publish this study under the Indo-German Social Security Paper Series. Our thanks to Ms. Tanushree Sengupta of IGSSP for her support in bringing out this Paper.

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We have shared the findings with Secretaries and relevant officials of the departments covered in this study and obtained their reactions. Our heartfelt thanks to Mr. P B Ramamurthy, IAS,

Mr. M S Ravi Shankar, IAS, Dr. Shalini Rajneesh, IAS; Mr. N Manjunath Prasad, IAS, Mr. Anil Kumar, IAS, Mr. Basavaraju, IAS and Mr. P R Siva Prasad, KAS, for their support and comments / suggestions on the study.

We presented the findings of this study in an international conference on 'Single Window Services: Social Security and Youth Employability' held in Bangalore in February 2014. We are thankful to participants of the conference, especially to Ms. Gabrielle Ramm and Ms. Valerie Schmitt, for their helpful comments.

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INTRODUCTION

The central and state governments in India have initiated several social security schemes for unorganised worker households. However, they do not have sufficient and reliable access to these schemes because of several factors. First, social security schemes have been formulated for specific target groups addressing specific contingencies. Unorganised workers, being illiterate, isolate and preoccupied with livelihood concerns, find it difficult to obtain information on, and gain access to, these schemes. Second, the process of filling up an application form, obtaining supporting documents from many offices located at different places, submission of application forms at offices located far away from homes and follow-up on their progress, is usually long and cumbersome. This causes considerable hardship and stress to the households. Third, the tedious process to access social security schemes contributes to high opportunity costs and increased transaction costs to the poor. This results in them either not applying or depending on exploitative middlemen or officials. In either case, the welfare loss for the poor is considerable.

It is in this context that a study was undertaken by the Institute for Social and Economic Change (ISEC). The study mapped and reviewed the process adopted from the stage of filling applications to their submission for key social security schemes in Karnataka, in order to identify those aspects in the delivery process (applications, documents and submission) that affect access to social security schemes among unorganised workers.

In this study, 29 social security schemes implemented by 11 government departments and corporations are examined. These schemes are divided into four categories:

- 1 Pre- and post-matric scholarship for students belonging to disadvantaged caste groups and the disabled;
- 2 Loan schemes for self-employment and education of persons belonging to disadvantaged groups;
- 3 Pensions to the elderly, widows, the disabled and single women; and
- 4 Social security for construction workers, drivers of commercial vehicles, conditional cash transfers to the girl child, and insurance for unorganised workers.

The study covers the four districts of Bellary, Dakshina Kannada, Gulbarga and Mysore. The methodology was to hold discussions with district level officials implementing these schemes, and collection of primary data from 440 households in 44 villages benefiting from at least one scheme. The households were asked about their experience in accessing social security schemes and transaction costs (amount and time spent) incurred by them in gaining access. The findings were also shared with state level officials of each implementing department for their feedback, which forms part of this report.

MAIN FINDINGS AND RECOMMENDATIONS

Reduce superfluous information

- A review of application forms showed that much of the information collected through applications is not used to decide on sanctioning. Although some departments have worked towards simplifying and developing common application forms, many still insist on superfluous information, which need to be removed.

Standardise and converge application process

- Application forms differ from one district to another even in cases where the implementing department is the same. There is therefore a need to standardise application forms across the districts.
- There is also need to develop common application forms for a group of schemes. This is because the critical information required from the applicants for taking the decision to sanction schemes like scholarship or self-employment schemes is almost the same.
- A common web portal can also be set up for submission of applications for a group of schemes. Such a reform is particularly suitable for scholarship and self-employment schemes mentioned above.

Use Information Technology (IT) for efficiency

- IT is not used effectively in the delivery of benefits. Though some of the departments have adopted online submission of applications, many departments follow the manual system. They believe that the time is not yet ripe for online submissions because of low literacy levels and absence of internet facilities in rural areas. However, given the availability of internet facilities in many villages, especially the large ones, there is need to think of ways in which online submission of application forms can be encouraged to reduce the hardship to unorganised worker households. Enabling online submissions will also help the departments for better monitoring of the schemes in terms of enrolment or utilisation.

Rationalise demand for supporting documents

- There is need to reduce or eliminate unnecessary supporting documents demanded by the implementing departments. Beneficiary households have to run around and spend money to acquire the supporting documents, causing an additional barrier to accessing social security.

THE CONTEXT

Of 474 million workers in India during 2011-12, 92 percent were unorganised workers. Although, the unorganised sector contributes to 56 percent of India's Gross Domestic Product, workers in these sectors do not have sufficient and reliable access to social security. The central and state governments in India have initiated several social security schemes for the benefit of unorganised worker households. Yet, these households do not have sufficient and reliable access to government social security schemes because of the following factors. First, social security schemes have been formulated for a specific target group addressing a specific contingency. This means that each scheme is different in objectives, benefit package, eligibility criteria, application and sanctioning procedures. Unorganised workers, being non-literate, isolate¹ and preoccupied with livelihood concerns, find it difficult to access these schemes. Second, the application process is difficult for unorganised worker households. Filling the application form, obtaining supporting documents from numerous offices located at different places, submission of application forms at offices located far away from homes and follow-up on the status of the application is usually long and cumbersome. This causes considerable hardship and stress to the households. Third, the tedious process to access social security schemes contributes to high opportunity costs and increased transaction costs for the poor. Therefore they either don't apply for these schemes or depend on exploitative middlemen or officials. In either case, there is considerable welfare loss for the poor.

Even though the Indian government has been making efforts to meet both promotional and protective social security needs such as housing, food and nutrition, education, health, old

age, disability and death, "a coherent social protection policy framework is not yet in place"². The provision of social security is not yet universal, and is extended through a number of schemes implemented by different departments.

A compendium of schemes³ prepared by GIZ (formerly GTZ) revealed that there were over 50 social security schemes implemented by different departments in Karnataka. As of 2015, 38 schemes implemented by 14 departments address different social security needs of the poor. Of them, six provide pension benefits to elderly, widows, the disabled and single women as social assistance; two schemes provide health insurance – one of them adopting a social insurance approach and the other adopting a social assistance approach; 10 schemes provide scholarship benefits to school- and college-going students as well as educational loans; and seven schemes provide housing benefits to rural and urban households. There are also nine schemes offering credit for asset creation and income generation for different vulnerable groups such as women and those belonging to the Scheduled Caste (SC), Scheduled Tribe (ST) and minority communities, and so on. There are three other social security schemes that provide cash-transfer to girls and social security for drivers and construction workers.

A number of governance issues related to selection of beneficiaries and delivery of benefits under social security schemes exist. In a nation-wide study⁴ it was observed that the process to select beneficiaries for pension schemes was cumbersome, time-consuming and involved considerable expenditure. Scholarly papers⁵ have also reported similar barriers in access to pension schemes.

¹ The term here is used as being isolated in communication, lacking contacts and information, in addition to geographical isolation.

² World Bank (2015). *The State of Social Safety Nets 2015*. World Bank: Washington D C.

³ GoK (Government of Karnataka) and GTZ (2010). *Government Social Security Schemes for Unorganised Workers in Karnataka*. GTZ; New Delhi.

⁴ GOI (2006). *Report of the Working Group on Social Protection Policy – National Social Assistance and Associated Programmes*. Government of India, Ministry of Rural Development, Krishi Bhawan, New Delhi.

⁵ Dutta, Puja, Howes, Stephen and Murgai, Rinku (2010). *Small but effective: India's targeted unconditional cash transfers*. Economic and Political Weekly. Vol. XLV, No. 52, December, pp. 63-70. Rajasekhar, D, G Sreedhar, R Manjula, N L Narasimha Reddy and R R Biradar (2016). *Urban governance and delivery of pension benefits: A comparative study of urban and rural households in Karnataka*. In Anil Kumar (ed). *Urban governance in Karnataka and Bengaluru*. Cambridge Scholars Publishing. Forthcoming.

Even after enrolment, beneficiaries face problems in receipt of pensions due to delay in disbursements. At the national level, an evaluation⁶ found that 40 percent of beneficiaries were not getting their pension on a regular basis and 18.83 percent reported that their pension payments had been delayed by more than two months. In Karnataka, 73 percent of the pensioners (elderly, widowed and disabled) faced some delay or the other in receiving the pension amount⁷. An ISEC study done in 2009⁸ found that the delivery of pensions was delayed by 60 to 80 days from the stipulated date in most of the cases. Another major problem is the unauthorised payment to agents delivering the pensions. The ISEC study reported that this ranges between Rs. 20 to Rs. 40 for every pension payment.

SOCIAL SECURITY AND SINGLE WINDOW SERVICE CENTRES

The Government of Karnataka, together with GIZ, successfully piloted Workers Facilitation Centres (WFCs) in six districts of the state from 2010 to 2013. These centres were embedded within the decentralised governance structure in the state. Their aim was to assess social security needs of unorganised worker households, provide information on the government's social security schemes and facilitate access to them by unorganised worker households. The success of the WFCs⁹ encouraged the Karnataka government to extend the concept into Single Window Service Centres (SWSCs) in one taluk each of all 30 districts of the state.

An important issue noted in the pilot experiment was the lack of coherence of social security schemes implemented in the state. Though the pilot project aimed to achieve convergence at the household level, facilitation of access to social security remained a challenge due to the large number of schemes addressing a single need. Simplification of processes and streamlining of applications, prompted by this study and subsequent discussions with the State Government, will help the SWSCs achieve better results.

SCOPE OF STUDY

The present research study, undertaken by the Institute for Social and Economic Change (ISEC) aims to find ways to simplify the process of delivery of social security schemes. The study therefore seeks to map and review the processes adopted

from filling the application to its submission in order to avail key social security schemes in Karnataka. The objective is to identify those aspects in the delivery process (applications, documents and submission) that affect the access to social security schemes among unorganised workers and provide suggestions to policymakers.

The access to and delivery of social security schemes involves four phases: application, obtaining supporting documents, submission and sanctioning. The key research questions pertaining to each of these phases are the following:

Application

What information is collected through application forms in order to decide the sanction of social security benefits? Is this critical information? Is there a possibility to reduce the number of questions? Is it possible to have a standard application form for one or more schemes implemented by a department or relating to one contingency?

Supporting Documents

What supporting documents need to be submitted along with the application? How do these hamper access to social security schemes? Is it possible to identify the documents that are critical?

Submission and Sanctioning

What processes and procedures are adopted in the submission of applications and sanction? Can improvements (such as computerisation, use of IT, simplification of procedures, etc.) be made in this regard?

METHODOLOGY

The study mapped and reviewed the process adopted for 38 social security schemes (Annex 1) implemented by 14 government departments and corporations in Karnataka. The selection of these schemes was based on the criteria that they should:

- i provide social security benefits;
- ii extend benefits to individuals and households rather than to the community; and
- iii should not be related to infrastructure development.

6 Kumar, Anand and Anand, Navneet (2006). *Poverty target programs for the elderly in India with special reference to National Old Age Pension Scheme, 1995. Background paper for the Chronic Poverty Report, 2008-09*. Chronic Poverty Research Centre.

7 PAC (Public Affairs Centre). (n.d). *Social Audit of Public Service Delivery in Karnataka*. Public Affairs Centre, Bangalore.

8 Rajasekhar, D, G Sreedhar, N L Narasimha Reddy, R R Biradar and R Manjula (2009). *Delivery of Social Security and Pension Benefits in Karnataka. Institute for Social and Economic Change*. Bangalore (can also be accessed at <http://dsp.kar.nic.in/news.pdf>).

9 Berg, Erlend, Rajasekhar D and Manjula R (2014). *Social Security Benefits for Unorganised Workers in Karnataka: Programme Evaluation Report*. http://www.nesst.in/files/Conference%20SWS%202014/Final%20Report%20Impact%20Study_2014-02-05.pdf.

The first step was to undertake a desk review of existing applications and supporting documents used by each department and identify issues that can be discussed with the implementing officials in the districts. Subsequently, field visits were undertaken to the four districts for discussions with officials implementing the schemes. In order to assess the importance of information collected through application forms or supporting documents, the method adopted in this study was to compare the information/ documents collected vis-à-vis the critical information that is required to take the decision to sanction a benefit. Critical information required for each scheme was identified through discussions with implementing officials from the sample districts. Based on this, the questions asked in the application forms and the supporting documents demanded have been classified as critical, important and superfluous.

Primary data were collected from 440 sample households benefiting from at least one scheme in 44 villages in these districts. The information included experiences in accessing social security schemes and transaction costs (money and time spent) incurred by them in gaining access. Information collected from households was validated with community facilitators of Worker Facilitation Centres in these four districts, as they have had considerable experience in facilitating access to social security schemes among unorganised worker households.

Finally, key findings of the study were presented to state level officials for their feedback [excepting the Department of Women and Child Development (DWCD)]. Responses of the officials are mentioned in highlighted texts.

Though information was collected for 38 schemes in the field, detailed analysis has been carried out only for 29 schemes implemented by 11 departments / corporations (Annex 1) because of the following reasons. First, although information on the sanctioning process was collected, the stakeholders were not found to be fully involved in the process for certain schemes. Hence the sanctioning process has been omitted from the discussion. Second, the three-phase process is not applicable to schemes like *Rashtriya Swasthya Bima Yojana* (national health insurance scheme for the poor), where beneficiary households can enrol without filling any application. Likewise, rural households can be considered for housing benefits on the basis of oral requests made in *grama*

*sabha*¹⁰ meetings. Hence application forms are not used in this case either. Third, schemes such as *Vajpayee Arogyasri* are excluded because all Below Poverty Line (BPL) ration card holders¹¹ are automatically enrolled into the scheme. Fourth, schemes such as National Rural Livelihoods Mission are new and did not provide enough experience (at the time of fieldwork) to warrant a review.

We have classified 29 schemes into four categories for the purpose of carrying out further analysis and presentation of findings:

Pre- and post-matric scholarships

The first category consists of pre- and post-matric scholarships¹² for students from disadvantaged groups such as the disabled and those belonging to Scheduled Castes, Scheduled Tribes, Backward castes and Minorities. These schemes are implemented by the Departments of Social Welfare, Backward Classes, Minorities, and for the Empowerment of Differently Abled and Senior Citizens.

Loans

The second category consists of schemes that provide formal loans for self-employment and education to persons belonging to disadvantaged groups. These schemes are implemented by Corporations of Scheduled Castes and Tribes, Backward Castes, Minorities and Women.

Pensions

Pensions to the elderly, widows, disabled and single women form the next category. The pension schemes are implemented by the Departments of Revenue and Labour.

Other Social Security Schemes

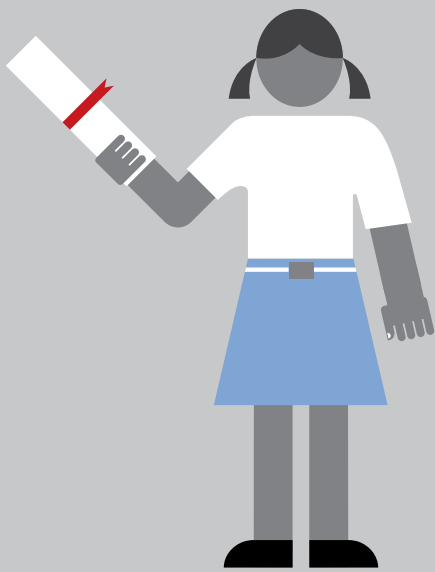
The last category consists of schemes providing social security for construction workers, drivers of commercial vehicles, conditional cash transfers to the girl child, and insurance to unorganised workers. These schemes are implemented by the Departments of Labour, Revenue, and Women and Child Development.

Key findings pertaining to these four categories of schemes are presented in Chapters 2 to 5. In each chapter, the three-stage application process, consisting of applications, supporting documents and submission is discussed. The conclusions are presented in the final chapter.

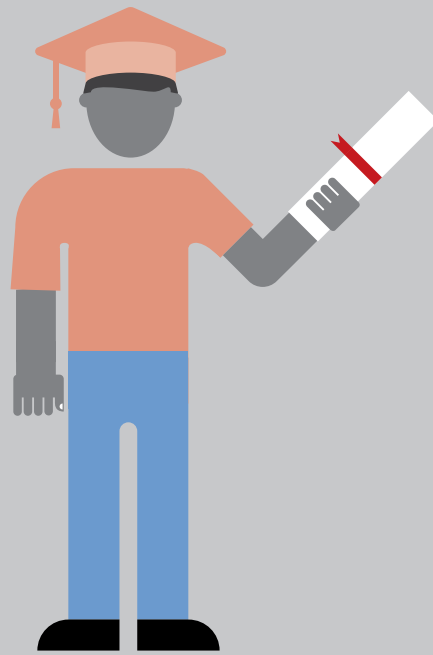
¹⁰ Village council.

¹¹ Households with official BPL ration cards will enable them to access food grains and other household necessities such as fuel at subsidized rates. Ration cards are also used for targeting of government welfare schemes.

¹² Pre-matric scholarships are given to children attending school (that is up to 10th standard), while the post-matric scholarships are given to students studying above 10th standard.



Pre-Matric
Scholarship



Post-Matric
Scholarship

The enrolment and school completion rates among children belonging to SC and ST communities¹³ and Muslim minorities¹⁴ are lower than those belonging to other communities. In order to encourage education among children belonging to these communities, scholarship schemes for pre- and post-matric students belonging to SC, ST, Muslim minorities¹⁵ and physically challenged categories have been started in the state by the Departments of Backward Class, Social Welfare, Minorities and Differently Aabled. In addition, an incentive scheme (*Uttejana* scheme for Pre-University College [PUC], Under Graduate [UG] and Post Graduate [PG] students) is implemented by the Directorate of Minorities. Since students have to negotiate through different processes of application, obtaining supporting documents and submission to avail scholarship benefits, each of these processes is discussed separately for the pre-matric and post-matric scholarship schemes.

PRE-MATRIC SCHOLARSHIPS

The key eligibility criteria are caste or religion and income for all pre-matric scholarship schemes, excepting the one for the disabled. The income limits are lower in the case of minorities and SC/ST students and higher for those belonging to backward castes. The amount of scholarship is small, ranging from as low as Rs. 250 to Rs. 5,000 per annum, depending on the grade in which a student is studying and the type of educational institution.

Applications

The purpose of filled-in applications is that they seek to convey information on whether the applicant is eligible to receive benefits or not to the sanctioning official. As

noted in the introduction, the method of comparing the information collected vis-à-vis the critical information required to take the decision to sanction a benefit is adopted to assess the importance of information collected through applications and supporting documents. We identified critical information required for each scheme through discussions with implementing officials from the sample districts. Based on this, the questions asked in the application forms and the supporting documents demanded have been classified as critical, important and superfluous.

Department of Backward Classes

The sample households that applied for pre-matric scholarships informed that application forms were given by the concerned school. The Department uses a two-page application form for the twin purposes of taking a decision to sanction scholarships or renewing them. District-level implementing officials stated that information on the students, caste and income and marks secured in the previous year is critical for taking the decision to sanction. Bank account details of the student sought in the application are considered important. A careful examination of the application form and discussions with implementing officers shows that there is no need for any change in the current application form.

Department of Social Welfare

The applications for pre-matric scholarship under this Department can be submitted online. Perhaps because of this, households appear to spend only a small amount (Rs. 3.83 on an average) on transport and photocopying. Information on the student, caste and income, and bank account details is considered critical for taking a decision to sanction the

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- 13 Figures provided by the Ministry of Human Resources Development show that the school (class 1 to 10) dropout rates among children belonging SC and ST communities were 56 and 71 percent respectively in 2010-11, and were higher than the dropout among all communities, which was only 49 percent.
 - 14 A survey undertaken by the Sarva Siksha Abhiyan reported that 50,000 Muslim children in Karnataka drop out from school every year, especially at the high school level, probably because of difficult transition from Urdu to English or Kannada medium. The average dropout rate among Muslim children in Karnataka is 6.2 percent, as compared to the national average of less than 5 percent.
 - 15 Between 2008-9 and 2011-12, about 15.1 lakh Muslim students were enrolled in Karnataka – accounting for 15 per cent of the total enrolment in the state. This has been attributed to the introduction of pre-matric scholarships for Muslim students in the state.

scholarship. The existing application form is simple, and hence no changes were recommended.

Directorate of Minorities

Information collected from sample households shows that the application form was obtained from the school. A common application form (consisting of two pages) is used for first-time applicants as well as for those seeking renewal. According to officials from this Department, the critical information is a) religion, b) income, c) residence details and d) marks secured in the previous final examination¹⁶. Bank account details are critical as scholarships are electronically transferred. No changes were suggested as the application form seeks to collect only critical information.

Department for the Empowerment of Differently Abled and Senior Citizens (DEDASC)

Two separate application forms are used for first time applicants and for renewals¹⁷. Each application is of two pages, covering details such as parents' income declaration and certificate from school or college. Barring one question in the

form for renewal on details of application for scholarship in the previous years, almost all questions are identical between the two application forms. Discussions with the officials revealed that students' details and disability are the critical information for taking a decision. Details of parents' income are superfluous and can be removed from the application form. Another suggestion was to have a common application form for both fresh applicants and renewals.

Supporting Documents Required

The critical supporting documents are caste, income and disability certificates, and photograph (Table 1). Photocopy of the bank passbook is required for the scholarship to be electronically transferred. The Directorate of Minorities however asks for an affidavit on non-judicial stamp paper declaring the income of the parents and other details. It was suggested to discontinue this for two reasons. First, since the non-judicial stamp paper is not valid in a court of law, the purpose of the declaration is defeated. Second, households incur transaction costs and face hardship in order to procure affidavits which, in any case, are not used by the Department.

Table 1

Level of importance of supporting documents collected for pre-matric scholarships

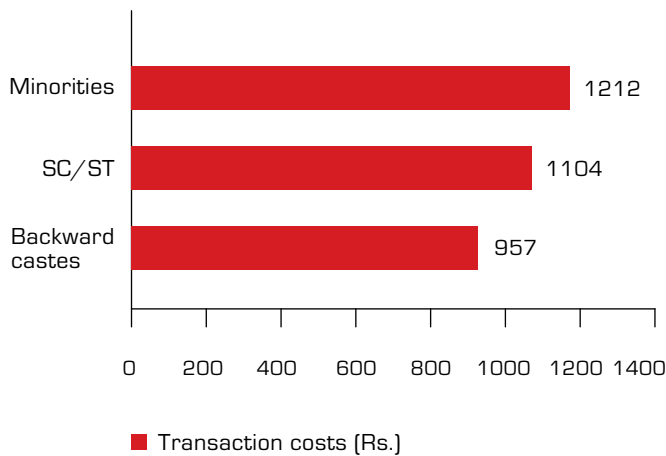
Department	Level of importance of supporting document		
	Critical	Important	Superfluous
Backward classes	<ul style="list-style-type: none"> • Marks sheet • Caste and income certificate • Photograph 	<ul style="list-style-type: none"> • Residence proof • Photocopy of bank passbook 	
Social Welfare	<ul style="list-style-type: none"> • Photocopy of bank passbook • Caste and income certificate • Photograph 	<ul style="list-style-type: none"> • Residence proof • Letter from headmaster / principal and attendance sheet 	
Minorities	<ul style="list-style-type: none"> • Caste and income certificate • Photograph • Photocopy of bank passbook 		<ul style="list-style-type: none"> • Affidavit by parents on non-judicial stamp paper
Empowerment of Differently Abled and Senior Citizens	<ul style="list-style-type: none"> • Medical certificate/ disability card • Photograph 	<ul style="list-style-type: none"> • Previous year's marks sheet 	

¹⁶ This is, however, not applicable for 1st grade students.

¹⁷ Households that had applied for scholarships provided to disabled students could not be found by the study team in the sample villages.

Chart 1

Transaction costs incurred to obtain supporting documents for pre-matric scholarships



This is corroborated by the data on average transaction costs incurred by 42 sample households applying for pre-matric scholarships during the reference period. Transaction costs include the amount spent on food, transport, fees, bribe and other requirements such as photocopying. It also includes the amount of foregone wage income, calculated at the rate of Rs.

100 per day. Minority households spent the highest amount (Rs. 1,212) because of the requirement to file an affidavit. Likewise, SC/ST households spent high amounts because of the requirement to obtain a letter from the headmaster. Chart 1 shows that transaction costs, which varied between Rs. 957 and Rs. 1,212 across the departments, were higher than the yearly amount of scholarship in the case of all the schemes. When asked about this, sample households responded that this was an investment made in the first year, and that they would not need to spend the same amount every year. It was also learnt in the field that the transaction costs varied across households depending on whether they already had caste and income certificates, the distance to the bank and school, etc.

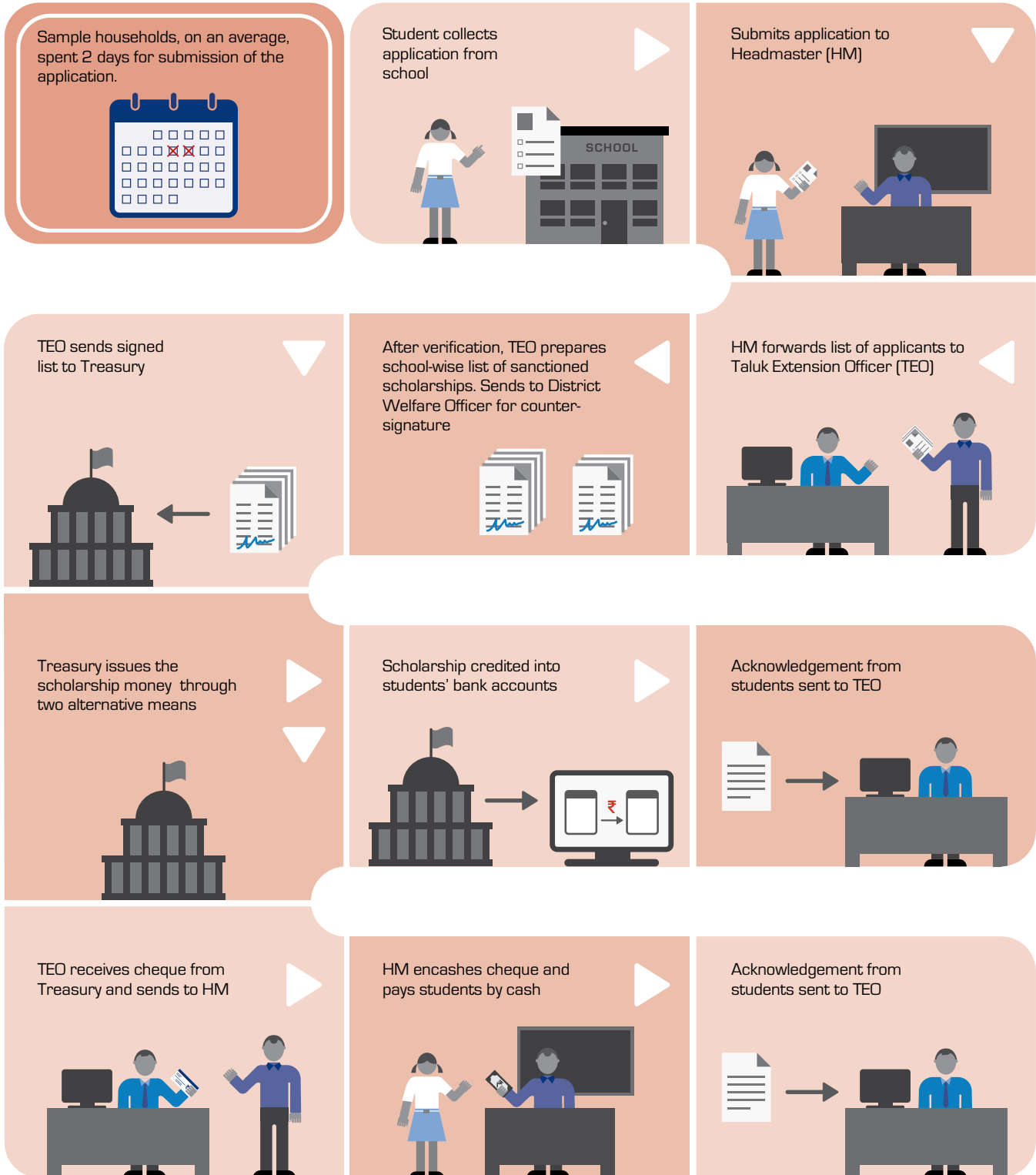
In response to the suggestion that the affidavit on non-judicial stamp paper declaring parents' income and other details be discontinued, state officials informed that the Department had already realised this and the practice would be discontinued from 2015-16.

Submission of pre-matric scholarships of various departments

The submission process for pre-matric scholarship schemes is described in the following pages.

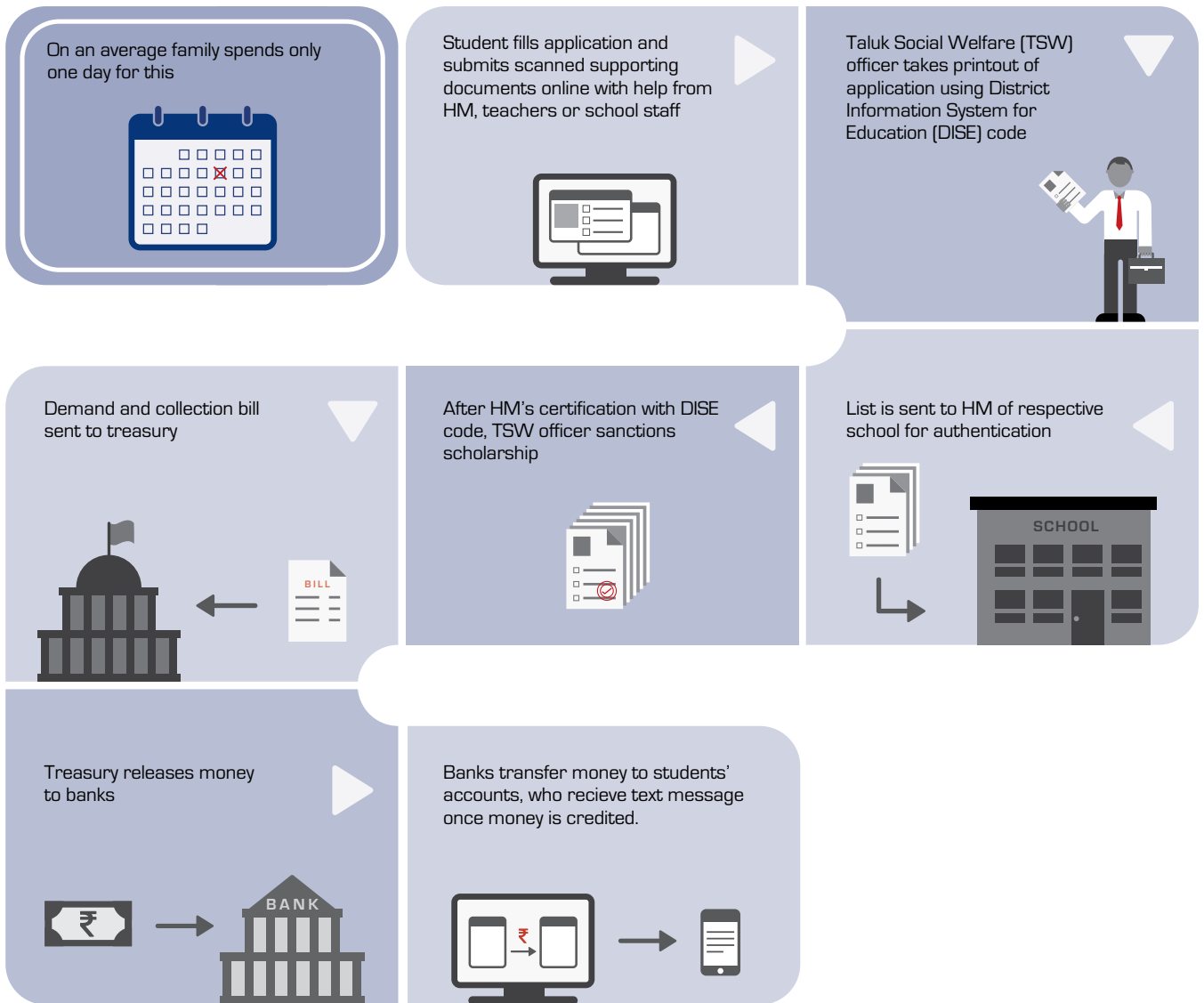
Department of Backward Classes – Manual Submission

As can be seen from the infographic, the submission process is somewhat lengthy, involving different institutions such as the school, the concerned department and treasury. As per the design, the scholarship has to be disbursed in front of the member of the School Development and Management Committee (SDMC), *Grama Panchayat* or general public. District level officials were, however, unsure whether this was being followed or not, as the department does not monitor it. *State government officials agreed to our suggestion of crediting the scholarship to bank accounts of students, rather than disbursing cash.*



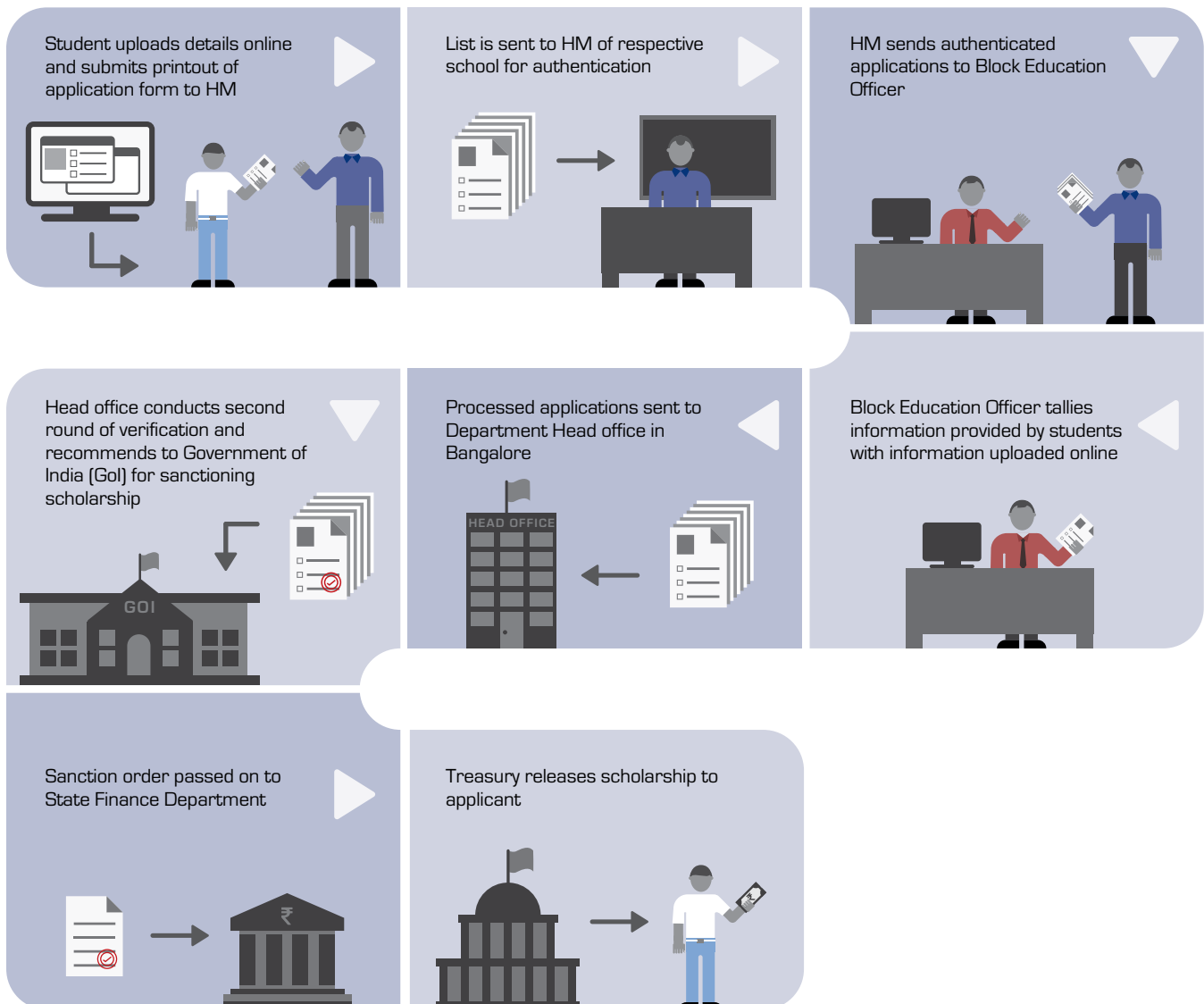
Department of Social Welfare – Online submission

In this case, the online submission process is reported to be simple by district officials.



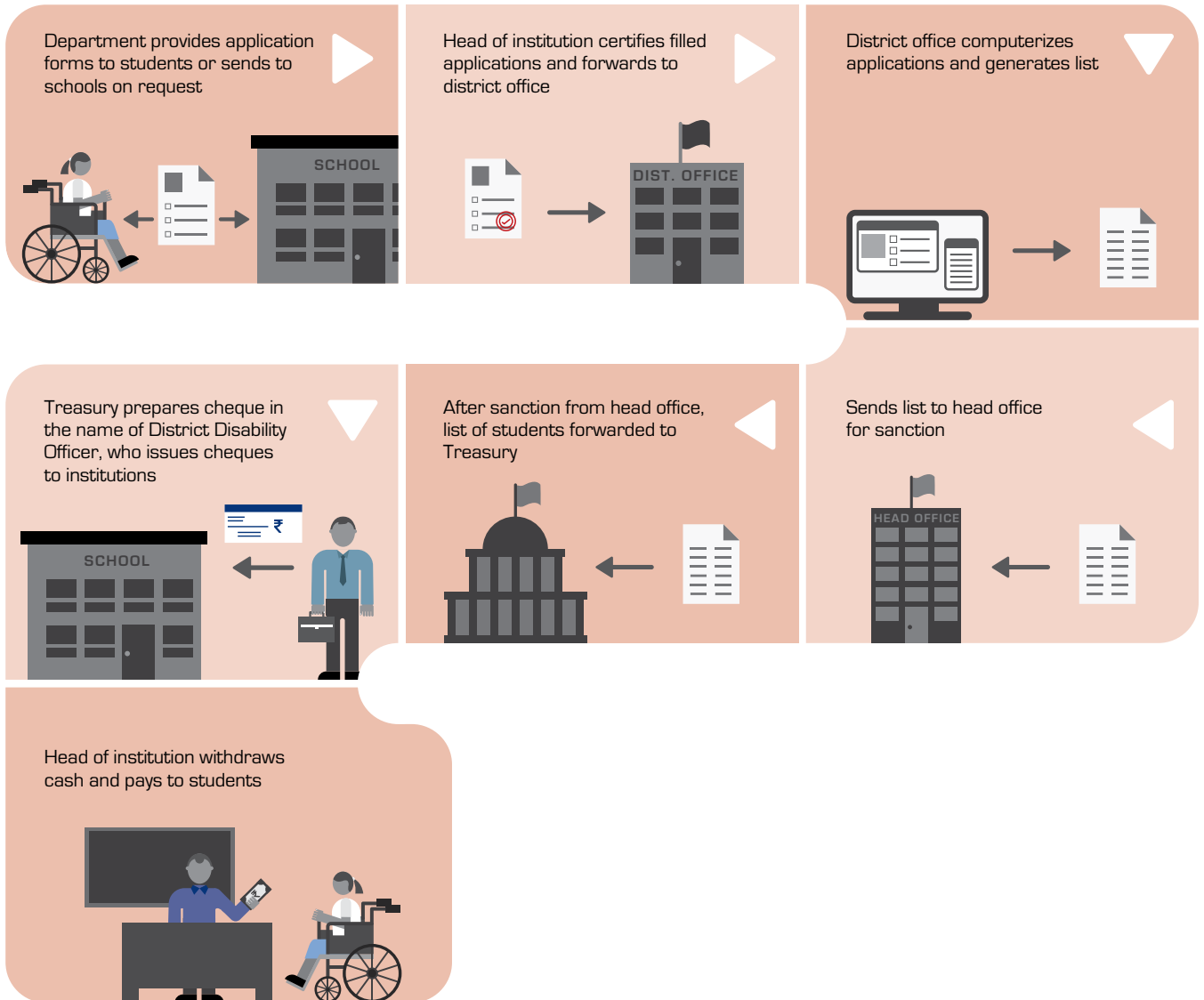
Directorate of Minorities – Online submission

Though the submission process is online in this case as well, students are inconvenienced since they have to submit printouts of applications through the Headmistress / Headmaster. Therefore in this case the online submission includes a manual step.



Department for Empowerment of Differently Abled and Senior Citizens (DEDASC) – Manual submission

The department officials informed that since there was no dearth of funds for scholarships, all applications were considered. It was also informed that due to manual submissions, the Department was unable to identify double claims, if any, made under the caste category in other departments or under the disability category in this department. It is surprising to note that the department provides applications to disabled students in their offices located at the district.



POST-MATRIC SCHOLARSHIPS

The scholarship amount provided to post-matric students is more than that provided to pre-matric students and varies across departments. As is the case with pre-matric scholarships, key eligibility criteria include caste or religion and annual household income of the student.

Application

Department of Backward Classes

This Department uses a one-page application, which is common for three schemes, namely, post-matric scholarship, food and accommodation (*Vidyasri*), and fee concession. However, a student cannot avail benefits from all the schemes, and eligibility to each of these schemes depends upon their rank as per the merit list. Sample households informed that they usually spent less than a day in obtaining the application form from the college. Critical information required is the student's profile, caste and income, bank account and marks secured in the previous year. It was concluded that the application form does not require any changes.

Department of Social Welfare

The post-matric scholarship offered by this Department is a Central Government scheme. Separate application forms are used for fresh applications and renewals in the districts of Bellary (six-page application form) and Mysore (four-page application form). In Gulbarga, a single-page application form is used for both fresh applications and renewals. Most of the sample households stated that they obtained the application form from the concerned educational institution without too much effort. Critical information required for sanctioning the scholarship is basic details on students enrolled from 1st year Pre-University to Post-Graduation, caste and income. Bank account details of the applicant are important information. Information on ration card number, whether the student's father is living or dead, place of origin of student, parents' occupation and income, details of spouse such as address, occupation and income, are considered superfluous. Hence they need not be collected. Another suggestion is that instead of a separate application form for renewal, the college principal can authenticate continuation of the student in the next year. This reduces the hardship on students.

With reference to the recommendation on standardising the application form by removing superfluous information, state level officials initially responded that the practice of submitting hard copies of the application was discontinued at least two years before our visits to the districts. They also maintained that the students themselves have to submit applications (which is already simplified) online. The college

certifies the downloaded applications and submits them to the taluk social welfare officer. After cross-checking with district officials, state level officials however learnt that the practice of online submission is yet to be adopted in the field.

Directorate of Minorities

The application for post-matric scholarship has to be submitted online, while for the *Uttejana* scheme, it has to be submitted manually. It may be noted that under *Uttejana*, no scholarship is given to students enrolled in professional courses. Details on caste and income, residence in Karnataka and marks obtained in the previous final exam are the critical information for both post-matric scholarship and *Uttejana* schemes. Information on bank account is not sought in the application form for the *Uttejana* scheme. However, an official from one study district made minor additions to the application form, such as gender, mobile number and bank details; this indicates that there is flexibility for district level officials to make minor changes and that there is need for standardisation in the application forms. Bank details are collected as important information for the post-matric scholarship application. The district officials stated that banks are not cooperating to open no-frills accounts for students. This problem is especially severe in urban areas.

To the suggestion that application forms need to be standardised, state level officials informed that they planned to initiate e-governance in the application process. The officials were optimistic that this process would come into effect from 2015-16. Regarding non-cooperation of banks in opening no-frills accounts for students, it was agreed that this issue would be raised in the State Level Bankers Committee meeting. With regard to the finding that some students, especially from urban areas, find it difficult to obtain residence proof, officials suggested that attestation from educational institutions can be considered by the banks to open accounts under the Pradhan Mantri Jan Dhan Yojana.

DEDASC

As there is a combined scheme for pre- and post-matric students, which uses one common application form, the observations presented under pre-matric scholarship can be referred in this case too.

Supporting Documents Required

The supporting documents that are required to sanction post-matric scholarships by different departments are listed in Table 2. Supporting documents on caste, income, previous year marks, identity, residence and bank account are considered critical by the implementing officials.

As can be seen from Table 2, some documents asked by the Social Welfare department have been identified as superfluous. According to officials, documents such as death certificate of parents, income certificate of married students and affidavit for students who had discontinued their education are not, in practice, used for arriving at decision to sanction the scholarship and these documents are collected only as additional information.

Even so, these documents are routinely asked for, resulting in hardship to the households. This also seems to have increased the transaction costs to households applying for scholarships. The data on transaction costs collected from 45 sample households shows that the households that have applied to the Social Welfare Department for post-matric scholarship have incurred highest amount (Rs. 1,194) of transaction costs (Chart 2).

Table 2

Level of importance of supporting documents collected for post-matric scholarships

Department	Level of importance of supporting document		
	Critical	Important	Superfluous
Backward classes	<ul style="list-style-type: none"> Caste and income certificate SSLC marks sheet Previous year marks sheet Photograph Bank account details 	<ul style="list-style-type: none"> Address proof 	
Social Welfare	<ul style="list-style-type: none"> Caste and income certificate Address proof (BPL card or Aadhar card) Bank details Photograph attested by principal Previous year marks sheet 		<ul style="list-style-type: none"> Death certificate of parents. Income certificate of spouse (for married) Affidavit on Rs.20 stamp paper specifying the reason for discontinuation, if applicable Disability certificate for disabled students
Minorities <i>Post-matric scholarship</i>	<ul style="list-style-type: none"> Caste and Income certificate Address proof Photograph Bank details 	<ul style="list-style-type: none"> Previous year marks sheet attested by Gazetted Officer¹⁸ 	<ul style="list-style-type: none"> Receipt to acknowledge scholarship in the previous year duly countersigned by the institution head
Minorities <i>Uttejana scheme for PUC, UG and PG</i>	<ul style="list-style-type: none"> Caste and income certificate Previous year's marks sheet Identity proof Photographs 	<ul style="list-style-type: none"> Bank details 	<ul style="list-style-type: none"> Residence certificate from competent authority
Empowerment of Differently Abled and Senior Citizens	<ul style="list-style-type: none"> Medical certificate/ disability card Photograph 	<ul style="list-style-type: none"> Previous year marks sheet 	

The officials noted that the receipt to acknowledge scholarship in the previous year, countersigned by the head of the institution, is superfluous under post-matric scholarship. Similarly, the residence certificate from a competent authority collected by the Directorate of Minorities under *Uttejana*

scheme is superfluous, as the residence proof can be verified through documents such as ration card, Aadhar card¹⁹, etc. The time and money spent by the students or their parents in obtaining this certificate is wasteful.

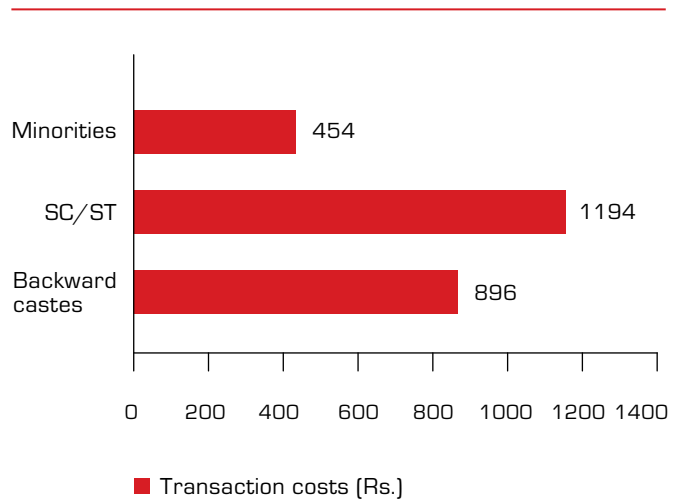
¹⁸ Gazetted Officers are public servants in India who are executives or managers or supervisors. These officers obtain authority to issue an official stamp from the President of India or the Governors of States.

¹⁹ The national unique identification card introduced recently by the Indian government

The findings that the acknowledgement receipt and residence certificate are superfluous was accepted by state level officials. They have agreed to consider previous year fee receipts for post-matric scholarships. Documents such as ration card, Aadhar card and income and caste certificate are sufficient for the Uttejana scheme, as they provide adequate evidence of the applicant's residence.

Chart 2

Transaction costs incurred to obtain supporting documents for post-matric scholarships

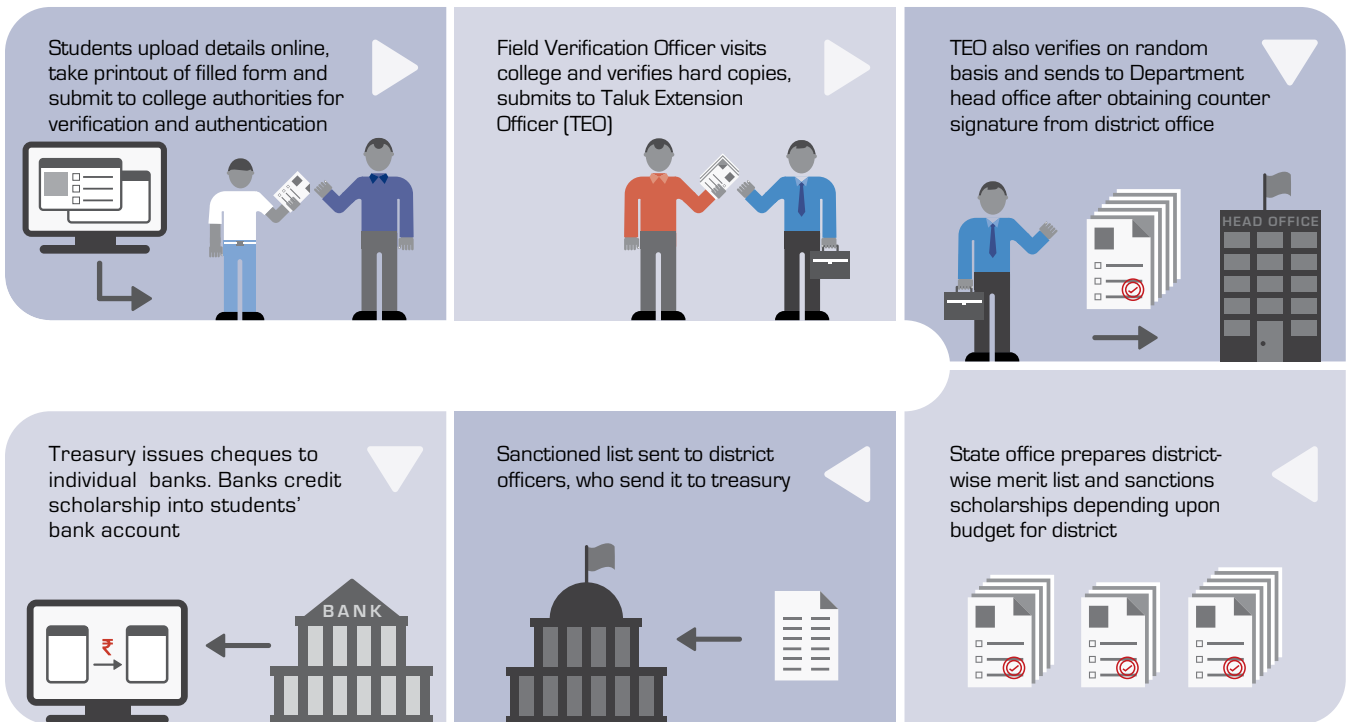


Submission

The submission process for post-matric scholarship schemes implemented by four departments is described below:

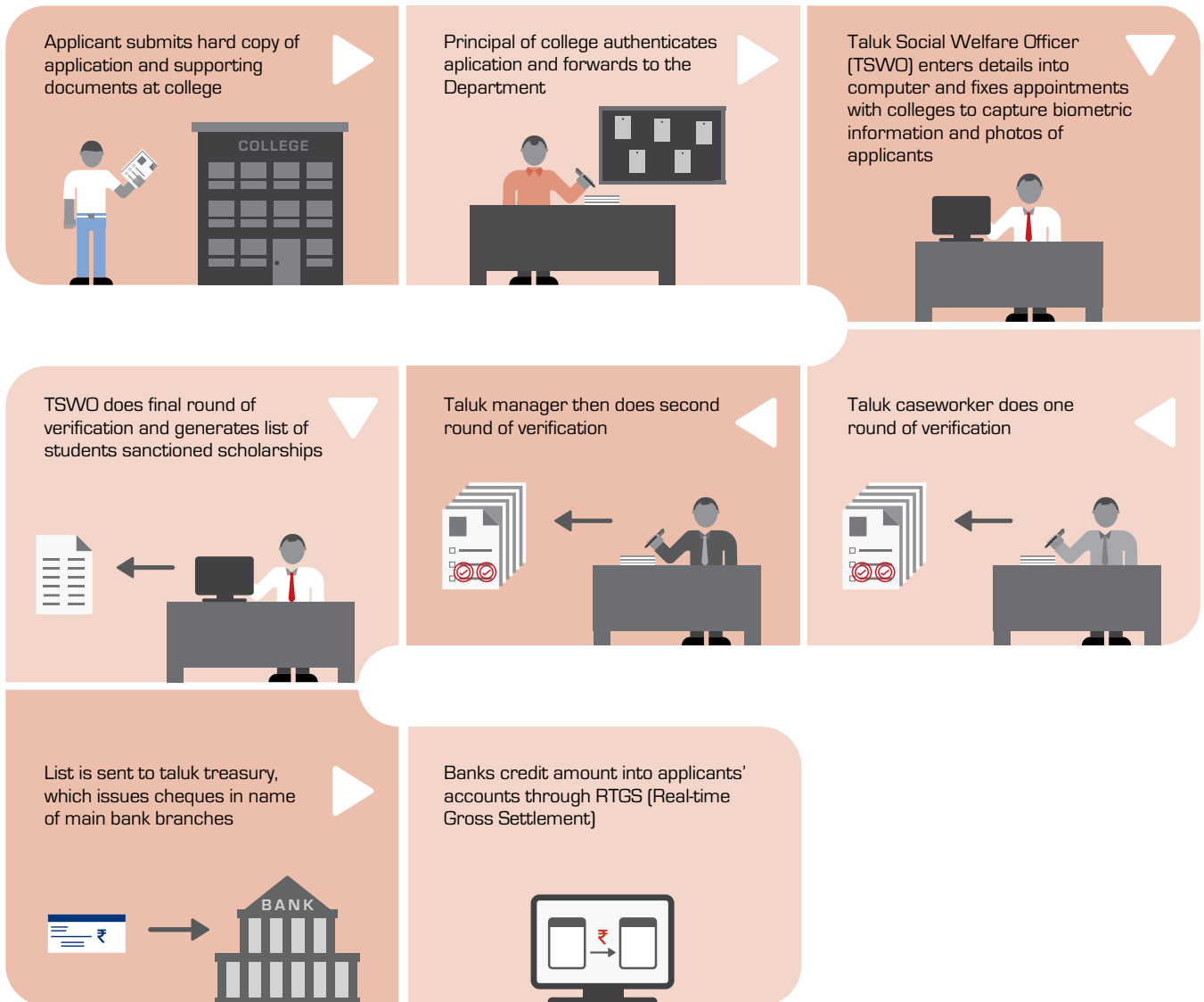
Department of Backward Classes – Online Submission

Though as per the design applications are to be submitted online, a few sample households informed that they have submitted applications to the college authorities, who in turn have taken the responsibility of submitting them online. Sample households however did not spend much time for application submission.



Department of Social Welfare – Manual submission

District officials stated that the multiple layers of verification by case worker / manager / Taluk Social Welfare Officer (TSWO) can be simplified. As in pre-matric scholarship, students should be encouraged to apply online on their own rather than submitting hardcopies which are later uploaded by TSWOs. The authentication of students can be done online by the Principal with the username and District Information System for Education (DISE) code.

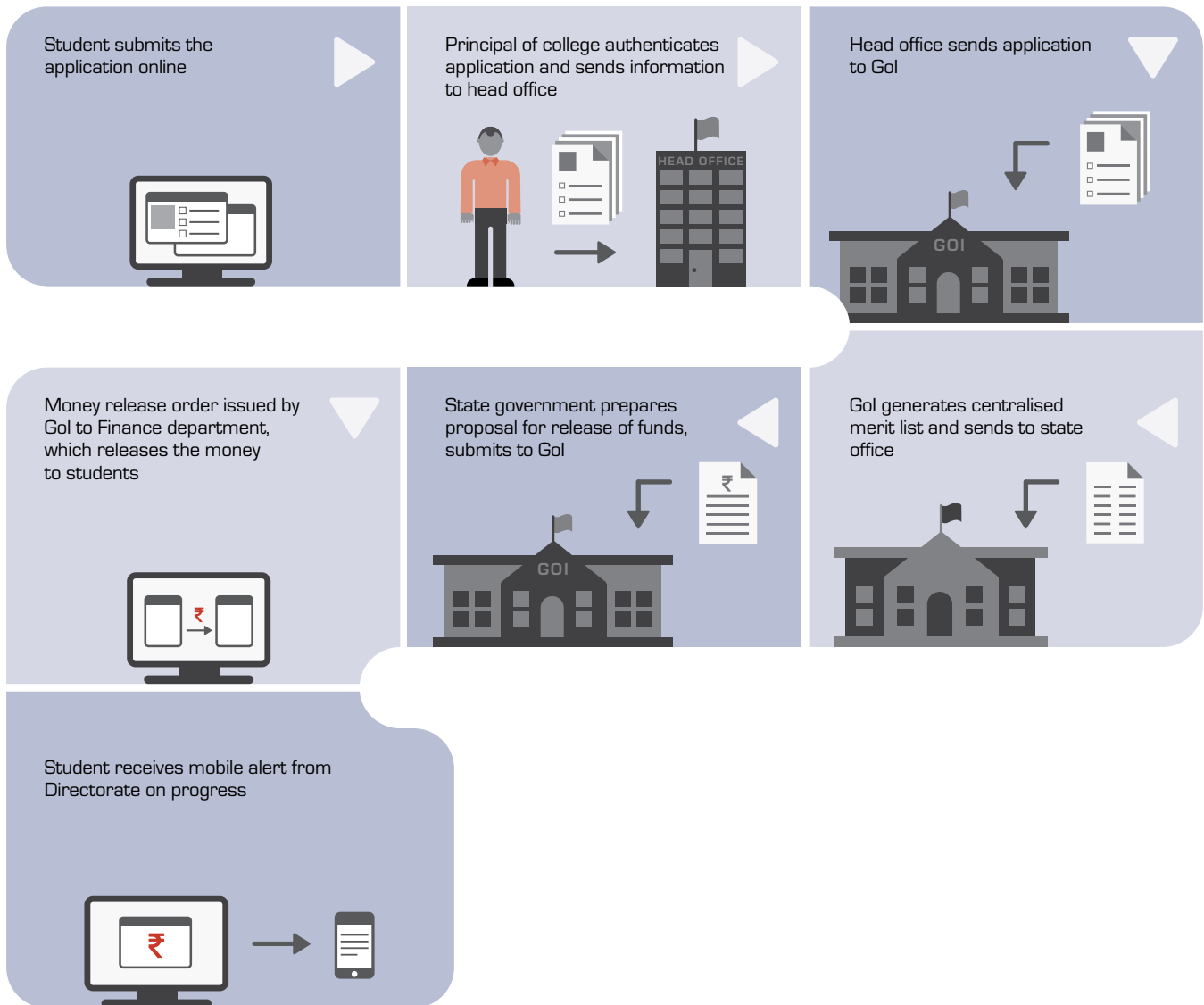


State level officials initially did not agree with the findings that the process of application submission was manual. However, after ascertaining the practice followed in a district, they clarified that though the arrangement of online submission is in place for the last couple of years, some district officials may not be fully aware of it and are still using hard

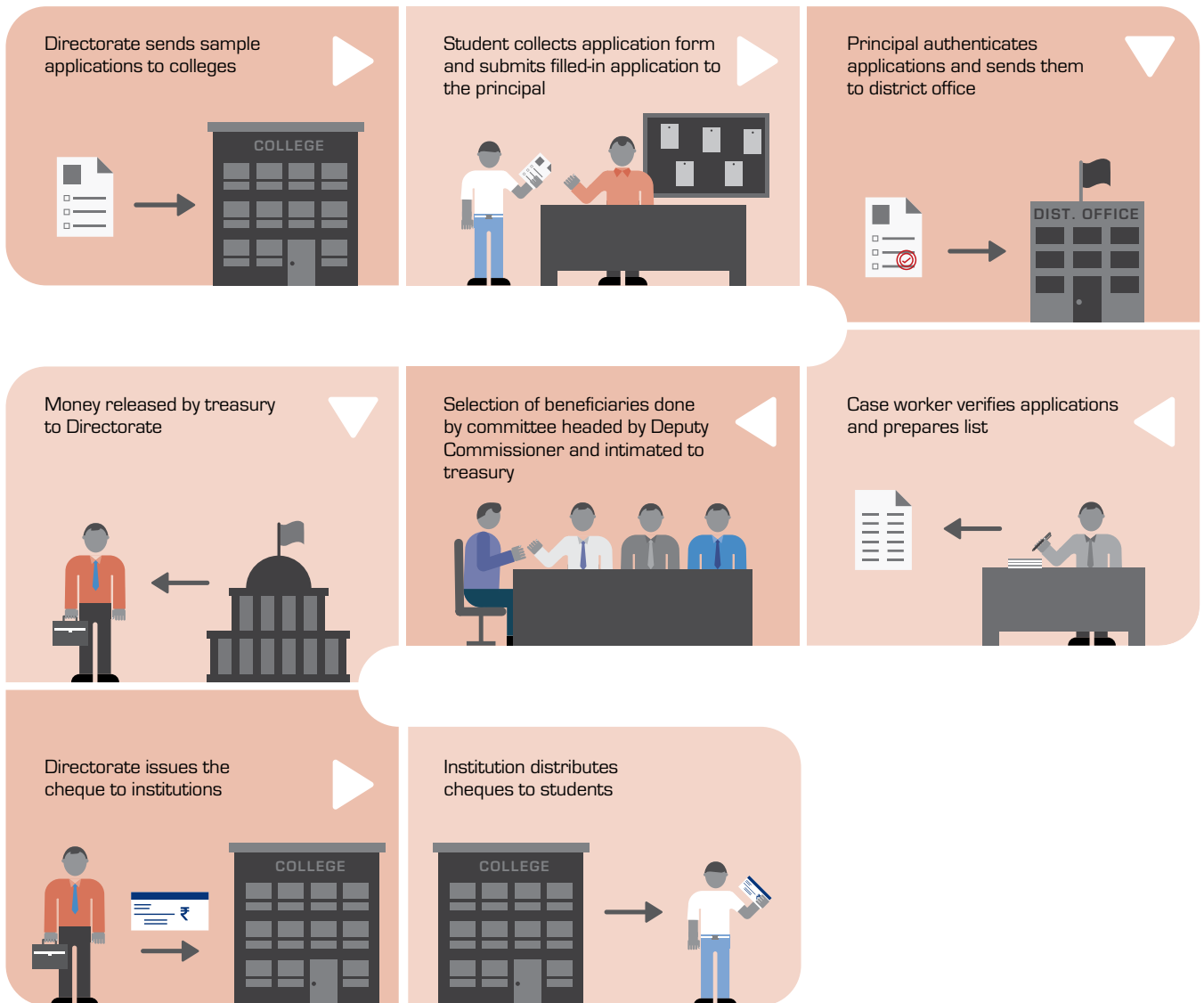
copies of the application form. They also maintained that this practice may have been followed because of the abundant availability of printed hard copies of the applications in the district offices. However, they assured that from the current year onwards, online submission would be made compulsory and manual submission would not be accepted.

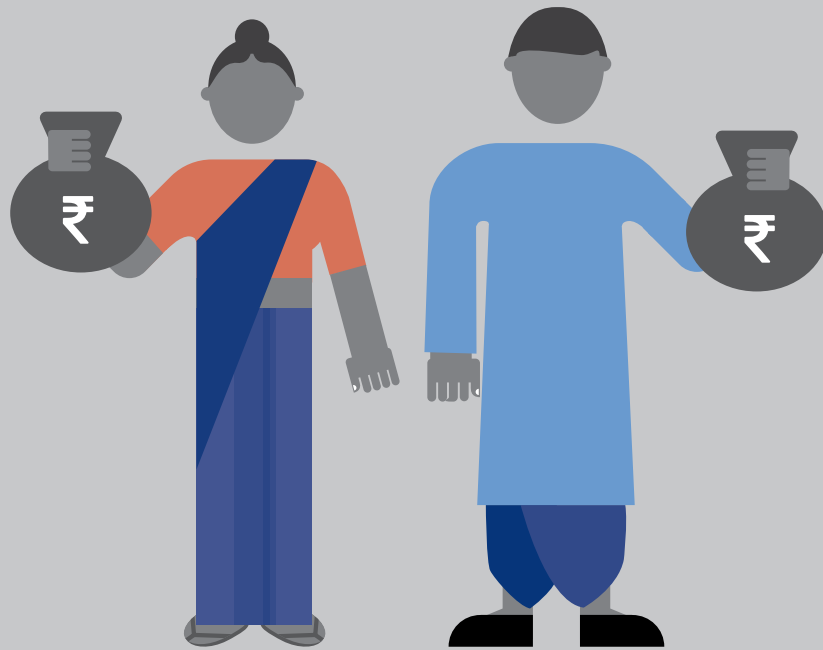
Directorate of Minorities – Online Submission

The Directorate offers two types of post-matric scholarships to students belonging to minority communities. The submission processes in the case of post-matric scholarship scheme is online and considered simple, despite involvement of the central government in the process.



The Directorate has agreed to change manual submission in this case into an online submission.





Loans

The Indian government has been making efforts to extend access to financial services among poor households and promote financial inclusion for many years. The Karnataka government has also started certain schemes to promote financial inclusion among households belonging to SC/ST, backward classes and minorities. This chapter discusses the process adopted in the delivery of two types of loans: (i) loans for undertaking income generating activities by households belonging to SC/ST, backward castes and minorities, and by disabled persons and women; and (ii) educational loans for students enrolled in technical or professional courses.

LOAN FOR SELF-EMPLOYMENT

Schemes related to the first type of loans are implemented by four corporations and two departments. The criteria to access these loans include caste, income and age. Loans for income generation are either directly provided by the corporations or by banks, with facilitation from the Department / Corporation. In either case, there is a subsidy component. The loan amount provided by the Corporation / Department ranges from as low as Rs. 20,000 to as high as Rs.100,000. The loan amount provided through banks ranges between Rs.100,000 and Rs.500,000.

Application

SC/ST Development Corporation

Two schemes, namely, Self Employment Programme (SEP) and Industries, Services and Business (ISB), implemented by the Corporation have similar eligibility criteria; the only difference between them is the quantum of loan. The loan amount by SEP is up to Rs. 100,000, while that of ISB is Rs. 100,000 or more.

Separate four-page application forms²⁰ are used for each of the schemes, though the questions are almost similar. The critical information needed for both the schemes relate to caste, income and applicant details. Application forms also collect

other information such as details of household members, loans obtained from banks, assets of applicant, willingness of the guarantor and assets owned by them, details of the person who would repay the loan in case of death of the beneficiary, proposed project activities, etc. The officials felt that a common application form can be developed for these schemes.

Discussion with the officials revealed that details on driving license or badge number are irrelevant or superfluous when a person applies for certain self-employment activities like provision stores, animal husbandry, etc. However, this information might be useful for those applying for purchase of vehicles for commercial purposes. Details on the applicant's household members such as name, relationship, age, occupation, landholding, income, etc., are not used for taking a decision, as the income certificate provided by the competent authority is the basis for deciding. The officials have also informed that as per Reserve Bank of India (RBI) guidelines, banks need not insist on surety for loans up to Rs.10 lakhs used for micro and small enterprises²¹. Hence, collection of details on surety, including assets, is unnecessary. Added to that, mere collection of details on the person who will have to repay the loan in the event of death of beneficiary is unnecessary, as these cannot be used in the court of law. The question on whether a marketing survey has been done for the proposed activity is also superfluous because the response is elicited in the form of 'yes' or 'no' and this is not of much use for taking a decision.

The suggestion on the simplification of the application form has been accepted by state level officials. It was also informed that the Department will have a simple one-page application form for screening and, when the beneficiary is shortlisted, detailed information on creditworthiness of the borrower will be collected. The Department will also enable on-line submission of applications for these schemes.

²⁰ This application also includes the format for a report by taluk level office and district manager.

²¹ As per RBI Circular RPCD.SME & NFS.BC.No.79/06.02.31/2009-10 dated May 6, 2010. Accessed at <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=5657&Mode=0>

Devaraj Urs Backward Class Development Corporation

The Corporation uses a six-page application form, which is common for both *Chaitanya* subsidy-cum-soft loan scheme and *Chaitanya* direct loan for self-employment scheme. The application form seeks to collect details on the applicant, demographic details, applicant's assets, surety, previous borrowing from banks located in the service area, etc. In addition, the last two pages of the application form cover the applicant's declaration, district manager's report, selection committee's decision and instructions. The age limit for this loan is 18-55 years.

The critical information required for selecting beneficiaries under these schemes is caste, income, age, and residence proof of applicants. Apart from these, disability status, marital status and bank account details of the applicants are considered as important information.

The discussion with district officials revealed that information on demographic composition of the household and occupation details of the household members regarding their employment in government or semi-government institutions is superfluous. ***The state officials did not agree with this opinion of district level officials. They felt that this information will indirectly help them to assess the income of the household.***

Similarly, information on assets of the applicant and guarantor is superfluous because of two reasons. First, these schemes are meant for lower income households, who may not have any assets of significance. Even if they have some assets, the applicant may conceal this information either to be consistent with the income figure mentioned in the *Tehsildar* certificate or because of the fear that the application may be rejected. Secondly, guarantors in general refuse to provide details of their assets. It may also be noted that these details are obtained at the time of applying for the scheme. In the absence of not being sure about short-listing of their application, the applicant finds it hard to convince the guarantor. It is also not sure whether the corporation or bank can hold the guarantor responsible to pay the loan amount in the event of any default. Moreover, as per RBI guidelines, surety is not required when the loan amount is less and used for micro and small enterprises. Hence, mere collection of these details does not serve any purpose. Likewise, there is no means of cross-checking the details provided under the head for outstanding loans borrowed from banks. More importantly, the CEO or MLA committee does not require this information for selecting

applications to be sent to the bank. Hence, this information can be insisted upon only after the bank has decided to sanction the loan.

In response to this, a state official maintained that in practice only key details of the applicant are collected on a white sheet and detailed application is required after the selection. The study team informed that it did not find this practice in the sample districts and reiterated that detailed information should be obtained only from those who are shortlisted.

Minorities Development Corporation (MDC)

MDC implements two self-employment schemes: *Shrama Shakthi* (loans provided by the Corporation) and *Swavalambana* (loans provided through bank). There is a subsidy component in both the schemes.

The *Shrama Shakthi* scheme uses a four-page application form (including a declaration from the applicant and guarantors). The critical information is caste, income, age and whether the applicant is working in the specified list of activities. Bank details are considered important. Discussions with officials revealed that details on the loan/s obtained from banks or corporation, the applicant's assets, guarantor's assets and guarantor's employment are superfluous for the reasons mentioned in the previous section. The officials also noted that this information is not needed when the loan amount is usually around Rs. 25,000. In any case, as per RBI guidelines, there is no need for surety if the amount of loan is small.

The suggestion to simplify the application for the Shrama Shakthi scheme by using a simple screening form in the initial phase, and a detailed application form once a beneficiary is selected, was accepted.

A three-page application form²² is used for the *Swavalambana* scheme. Religion and income details are the critical information, while bank details are regarded as important.

DEDASC

The application form differed slightly in each sample district as one or two questions are either added or removed. Otherwise, the application form is simple, going up to two pages. Degree of disability, income details, age and residential status of applicants are considered to be critical information for decision-making.

22 This also includes the declaration from the applicant and guarantor in the last page.

Women's Development Corporation (WDC)

A three-page application form, which includes a brief on the proposed project, is used for the *Udyogini* scheme. The scheme is primarily meant for women in the age group of 18-45 years to undertake any of the identified 88 entrepreneurial activities. Details on the household's annual income, age of the applicant, residence proof, bank account and proposed project are the critical information required for decision-making. Information on caste, marital status and disability status are considered to be important. Applicant's assets, which includes both fixed and durable, and details of salaried employment, if any, are considered to be superfluous. This is because the Department is required to ascertain eligibility based on the income certificate issued by the *Tehsildar*. Hence information on assets, even if provided by the applicant, is not used for screening of applications.

Directorate of Municipal Administration (DMA)

There are variations in the application forms used for Urban Self-Employment Programme (USEP) of *Swarna Jayanthi Shabri Rozgar Yojana* (SJSRY) in different districts, though the information collected is broadly the same. The differences are in terms of both sequencing of questions and the presence of additional questions. Hence the number of pages in the application form varies from four to five, which includes two pages devoted exclusively to details on the project. The application also seeks to collect basic details of the applicant, training experience, disability status, asset details (only in some districts), etc. The critical information is residential status and income. In general, not much superfluous information is collected. However, going into district-specific applications, it was found that some superfluous information was collected. Discussions in one of the districts revealed that details on monthly income, monthly expenditure, assets and borrowing are superfluous. Therefore, the suggestion was to standardise the application form. ***In the state level officers' meetings, it was informed that from 2014-15 onwards, SJSRY was reformulated into a new scheme called National Urban Livelihood Mission, under which, a common application form was developed. The suggested changes in the application and submission process have reportedly been included in the new programme.***

Supporting Documents Required

The supporting documents demanded to avail bank credit for self-employment activities under different Corporations / Departments are listed in Table 3. The SC/ST Development Corporation and MDC take only a few supporting documents at the time of submission of application, and the remaining after the sanction or disbursement of loan. Given this, it will help households if clear-cut guidelines to this effect are issued.

This suggestion was accepted by state level officials.

Typically, the critical supporting documents include details of the applicant, caste and income, residence proof and photographs. A few corporations have termed the project report on the proposed self-employment activity as either critical or important, while others termed it as superfluous. It was informed that this is because beneficiaries submit the project report cursorily, and that it is often not very well thought out. For example, under Aadhar scheme of DEDASC, only a fixed amount of Rs. 20,000 is given as loan amount. Hence, the project report is submitted for the sake of procedure. In addition, details given in the project report are not considered for taking the decision on selection of the beneficiary. Hence, it was felt that the project report was superfluous. However, some details on the type of project proposed can be demanded in the application form.

Unlike in other corporations, the SC/ST Development Corporation does not insist on No-Due Certificates (NDCs) from banks. Instead, an affidavit on Rs.20 stamp paper to this effect is obtained from the beneficiary. This is a good practice, as it reduces the transaction costs incurred by beneficiaries. In the case of Devaraj Urs Backward Class Development Corporation however, NDCs are required by all local banks. Although the applicant households are permitted to submit NDCs after sanction of the loan, this causes hardship to applicants, especially in urban areas, where several banks operate in a neighbourhood. Hence, the implementing officials noted that NDC can be demanded only from the bank where the beneficiary has opened an account. ***The state level officials agreed to consider this suggestion.***

In the case of the Minorities Development Corporation (MDC), while similar NDCs are demanded in urban areas, self-declaration stating that there is no pending loan from banks is accepted in rural areas. Given the small loan amount of Rs. 25,000, it may not be worthwhile for the beneficiary to spend too much time and money in availing these NDCs. ***The state level officials from the MDC agreed to make suitable changes not only in this case, but also with other supporting documents that are considered superfluous.***

Table 3

Supporting documents required for self-employment schemes

Scheme Name	Level of importance of supporting document		
	Critical	Important	Superfluous
SC/ST Development Corporation, <i>Self-Employment Programme (SEP)</i>	<ul style="list-style-type: none"> • Caste and Income certificate • Residence proof (Electoral Photo Identity Card - EPIC / BPL ration card, etc) • Photograph • Project report, including quotation (to be given after the sanction of loan) 	<ul style="list-style-type: none"> • Affidavit on Rs.20 stamp paper stating that the beneficiary has not taken any loan from banks and the Corporation. 	
SC/ST Development Corporation, <i>Industries, Services and Business (ISB)</i>	<ul style="list-style-type: none"> • Residence proof (BPL ration card, Aadhar card) • Caste and income certificate • Photograph 	<ul style="list-style-type: none"> • Project report and estimation / quotation • Affidavit on Rs.20 stamp paper declaring willingness to obtain loan, and that the beneficiary has not taken any loan from banks and the Corporation • Licence and badge or experience certificate, if any 	
Devaraj Urs Backward Classes Development Corpn, <i>1) Chaitanya subsidy-cum-soft loan scheme</i> <i>2) Chaitanya Direct loan for self-employment</i>	<ul style="list-style-type: none"> • Caste and income certificate • Photograph of applicant and guarantor • Residence proof • Bank details 	<ul style="list-style-type: none"> • Self-declaration mentioning purpose of loan, place of establishment / business • No-due certificate from the local banks • Self-declaration on assets and loan 	<ul style="list-style-type: none"> • Self-declaration on present occupation of applicant • Revenue Register (RR) number of house of residence
Minorities Development Corporation (MDC), <i>Shrama Shakthi</i>	<ul style="list-style-type: none"> • Caste and income certificate • Photograph of applicant • Self-declaration on occupation • Residence proof 	<ul style="list-style-type: none"> • Bank details 	<ul style="list-style-type: none"> • Photograph of guarantor • No-due certificate from bank branch servicing the area • Guarantor's declaration • Project report
MDC, <i>Swavalambana</i>	<ul style="list-style-type: none"> • Caste and income certificate • Photographs • Residence proof • Project report and quotations 	<ul style="list-style-type: none"> • Photographs of guarantor (only after in-principle sanction) • No-objection letter from bank (only after in-principle sanction) • Guarantee letter / deed (only at the time of release of loan) 	<ul style="list-style-type: none"> • Affidavit (notarised) from the beneficiary (only after in principal sanction) declaring that she/he has not availed loan from MDC and other institutions. • Joint affidavit (notarised) from the beneficiary and guarantor (only after in principal sanction) guaranteeing the loan payment.

Table 3 (contd.)

Supporting documents required for self-employment schemes

Scheme Name	Level of importance of supporting document		
	Critical	Important	Superfluous
DEDASC, <i>Aadhar</i>	<ul style="list-style-type: none"> • Photograph • Medical certificate • Income certificate • Residence proof 	<ul style="list-style-type: none"> • Project report on the proposed work 	
Women's Development Corporation, <i>Udyogini</i>	<ul style="list-style-type: none"> • Income certificate • Residence proof (EPIC, ration card or Aadhar card) • Three photographs • Bank details 	<ul style="list-style-type: none"> • Caste certificate • Disability status • Death certificate (only for widows) 	<ul style="list-style-type: none"> • Experience certificate • Proceedings of <i>Stree Shakthi</i> group²³ • Detailed project report
Directorate of Municipal Administration, SJSRY – <i>Urban Self-Employment Programme (USEP)</i>	<ul style="list-style-type: none"> • Income certificate • Photograph • Residence proof • Age proof • Project report 	<ul style="list-style-type: none"> • Experience letter, if any • Disability status • Caste certificate 	

It has been mentioned that the Revenue Register (RR) number of the house in which an applicant is residing is collected by the Devaraj Urs Backward Classes Development Corporation to weed out bogus applicants; however, a problem arises when an applicant is staying in a rented house. Similarly, self-declaration on the present occupation, as demanded by this Corporation, is superfluous because of diverse occupations undertaken by poor unorganised workers. ***The state officials accepted this and agreed to accept the Aadhar card in lieu of the RR number.***

The affidavits on non-judicial stamp paper demanded by the MDC from the beneficiary and guarantor are not valid in court. Hence, this document is also considered superfluous. ***The state officials agreed to discontinue this practice.***

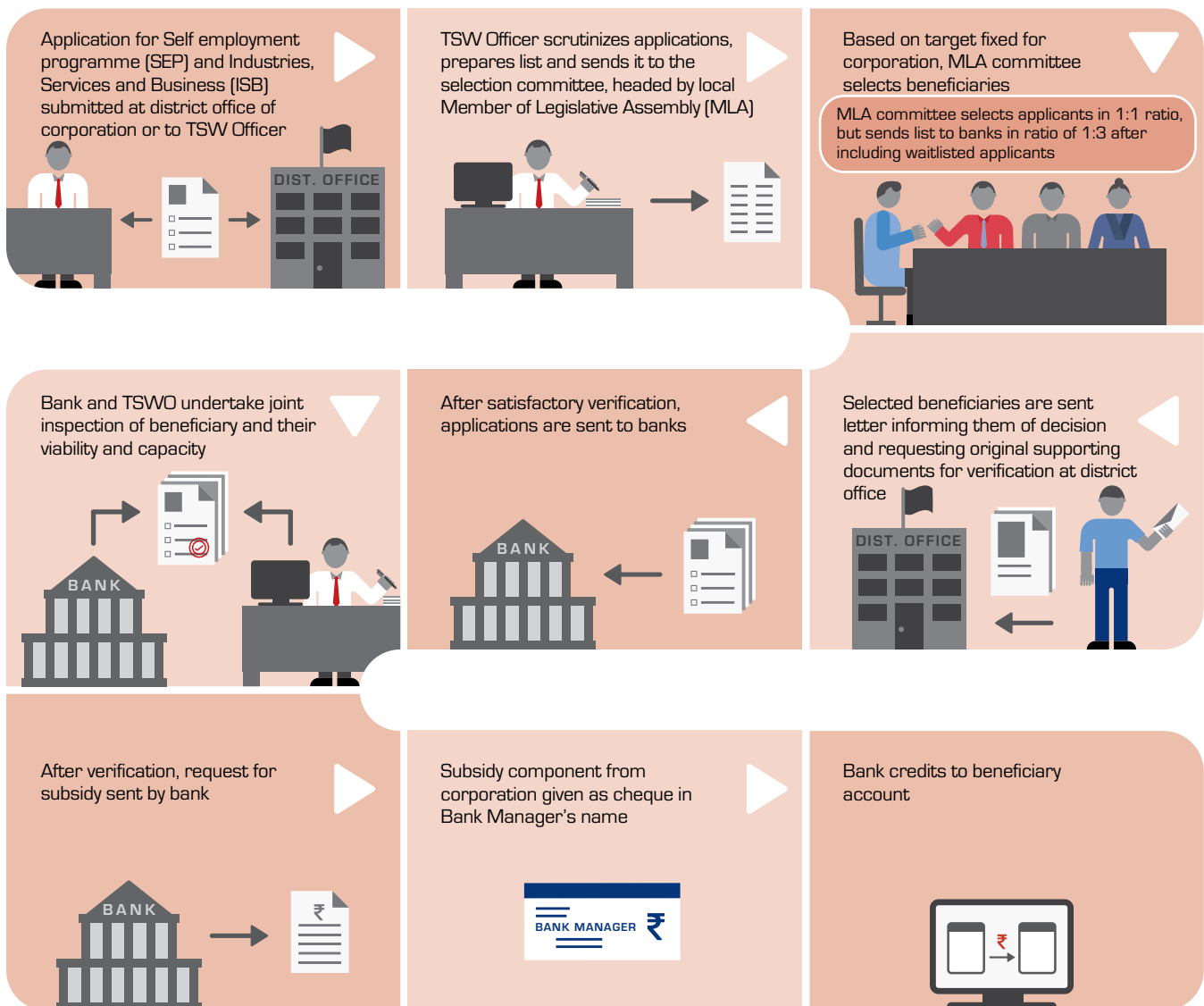
Submission

The processes adopted to submit applications for loan schemes implemented by six different departments are captured in the following graphics.

²³ This was asked only in a few sample districts.

SC/ST Development Corporation: SEP and ISB – Manual submission

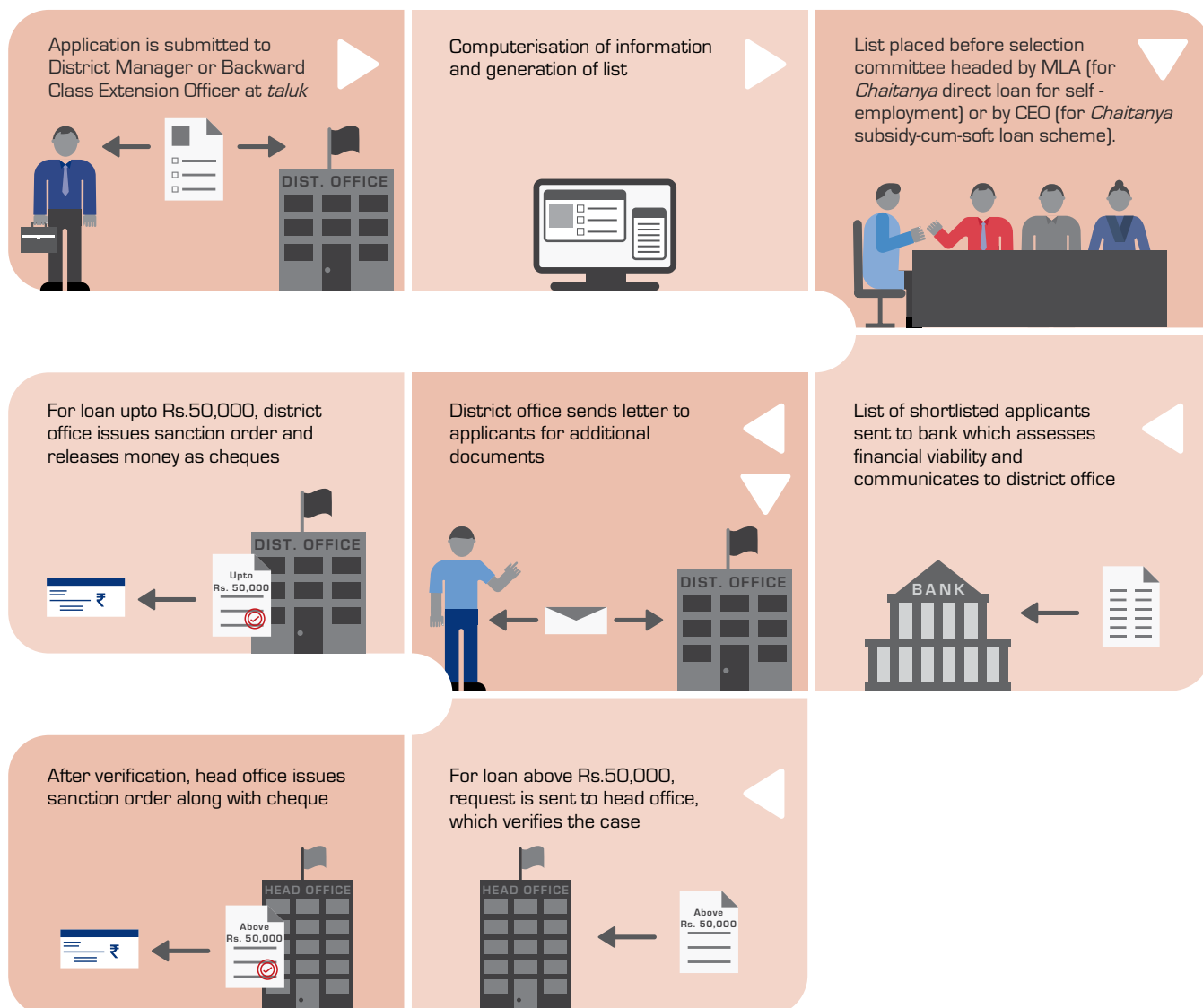
The submission procedure for SEP and ISB schemes is similar. There were mixed reactions from district level officials on the manual submission of applications. Some officials felt that people residing in remote villages and those who are non-literate may find it difficult to submit the application online. On the other hand, some officials felt that online submission is the need of the hour.



It was informed that if a bank refused to give loans under ISB the same applications were converted and considered under SEP by the Corporation.

Devaraj Urs Backward Class Development Corporation: *Chaitanya* subsidy-cum-soft loan scheme and *Chaitanya* direct loan for self-employment – Manual submission

Officials informed that the state office has been making efforts to adopt an online submission process.

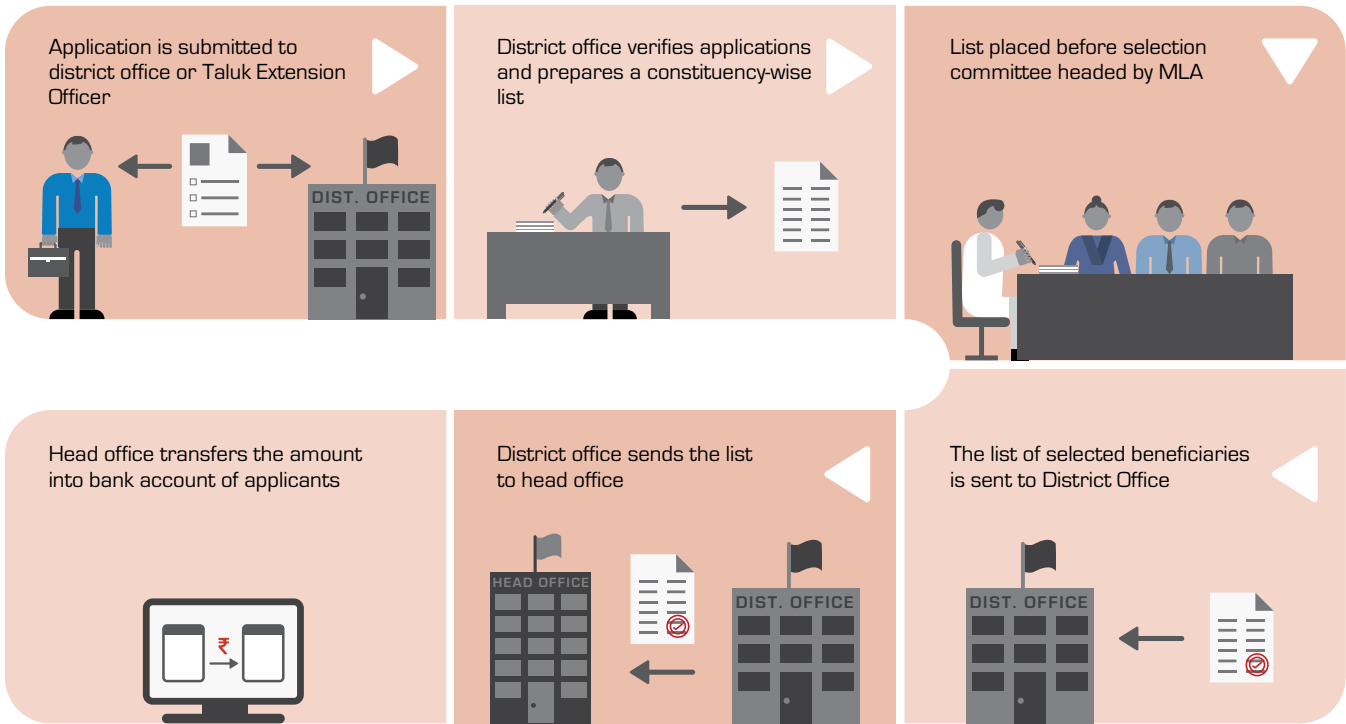


All the loans disbursed under these schemes until 2012-13 were waived. With the number of persons applying for loans increasing rapidly after the loan waiver, the demand is so high that the computerisation of applications just to prepare

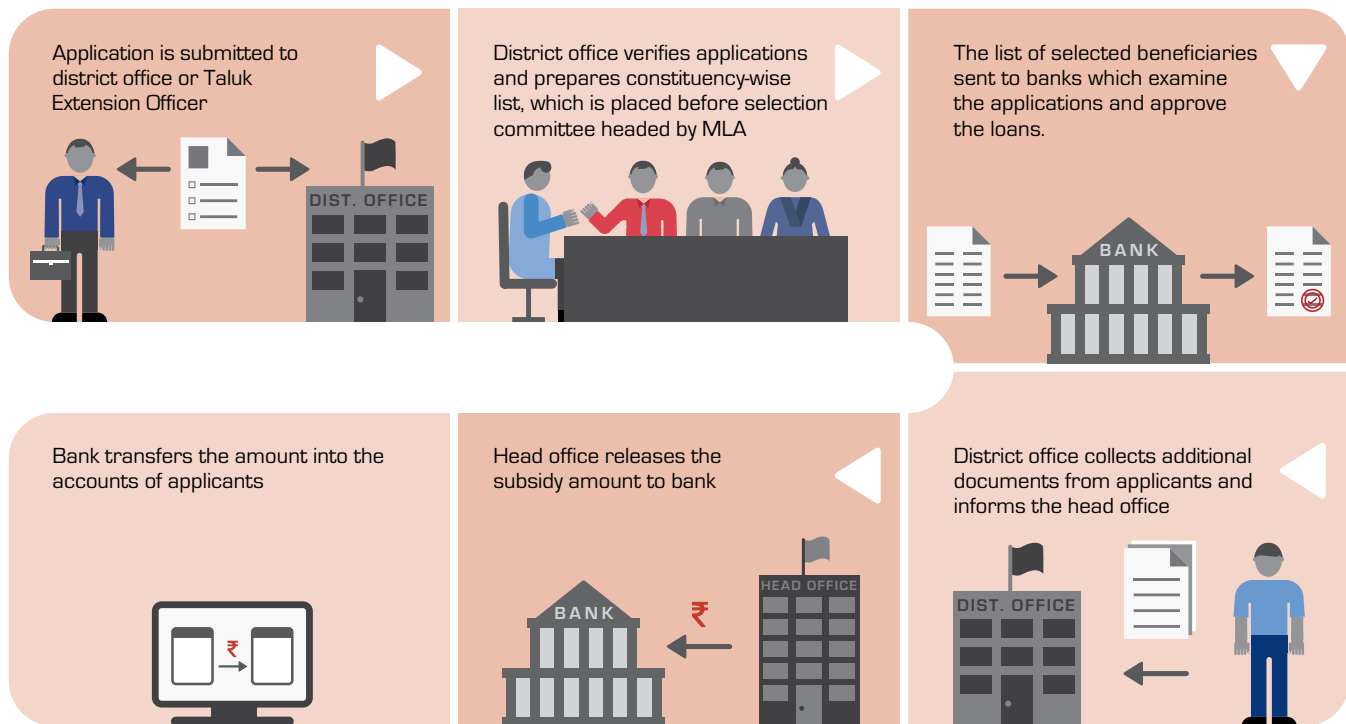
a list takes about two to three months. As per the rules, an individual can avail a loan under this Corporation only once. However, in the absence of online submission, monitoring of such regulations becomes difficult.

Minorities Development Corporation: *Shrama Shakthi* – Manual submission

The application forms for this as well as *Swavalambana* scheme can be downloaded from the website of the Corporation; but they have to be submitted manually either at the District office or to the Taluk Extension Officer stationed at *taluk* headquarters, as shown in the following graphics.

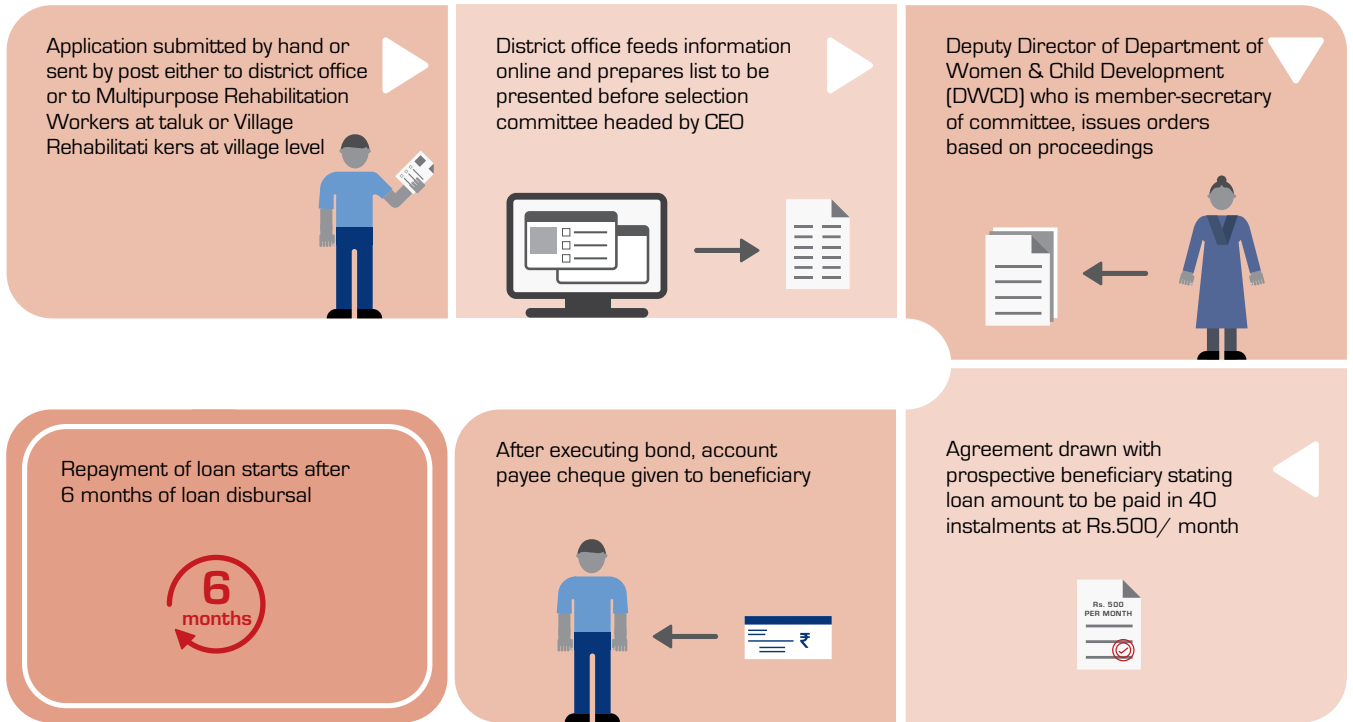


Minorities Development Corporation: *Swavalambana* – Manual submission



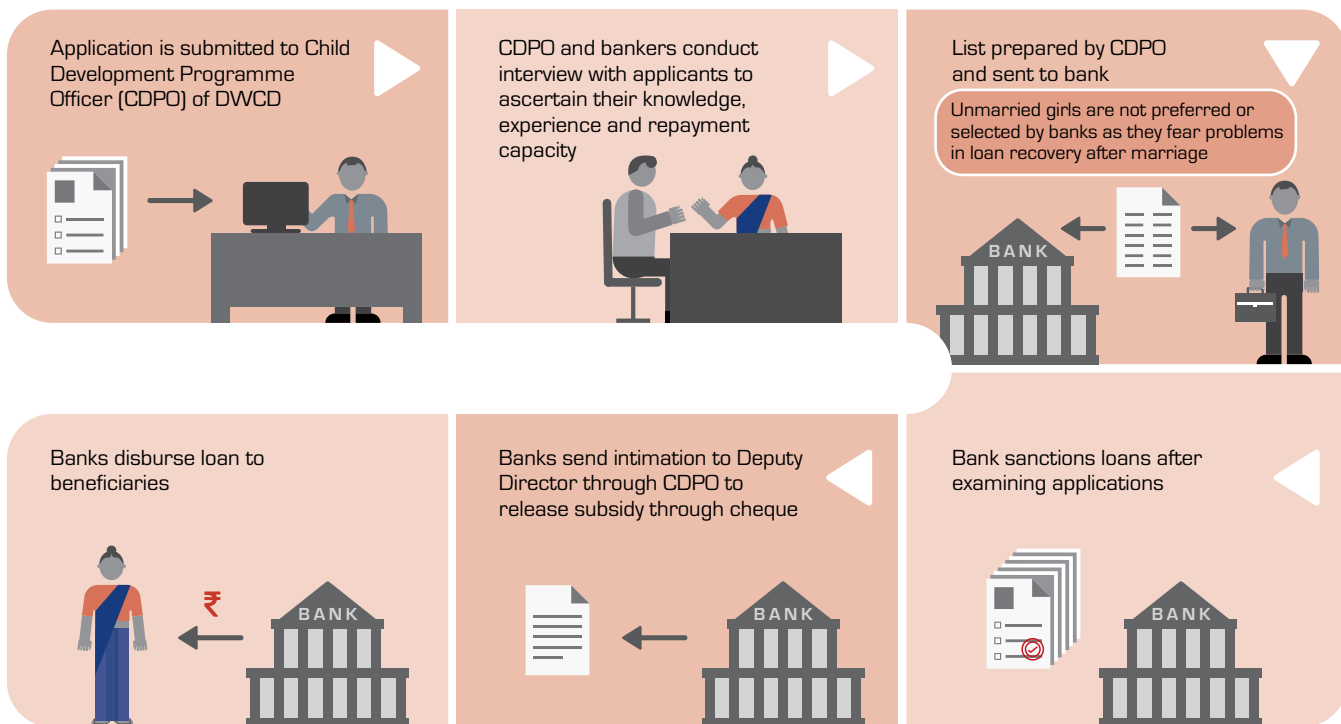
Department for Empowerment of Differently-abled and Senior Citizens (DEDASC): Aadhar - Manual submission

The application has to be submitted manually either at the district office, to Multipurpose Rehabilitation Workers (MRW) at taluk level, or to Village Rehabilitation Workers (VRW) in the village. The application can either be handed over or sent by post. Officials felt that most of the applications are submitted at the district office as there is not much awareness about MRWs and VRWs.



Women's Development Corporation: *Udyogini* – Manual submission

Though the application has to be manually submitted to the Child Development Programme Officer of the DWCD, according to district level officials, this arrangement does not cause any inconvenience to the applicants. The process can be further simplified if the application can be submitted to the Anganawadi teacher or supervisor. The officials were, however, wary of making this an online submission because such a process may cause inconvenience to rural people and non-literates.

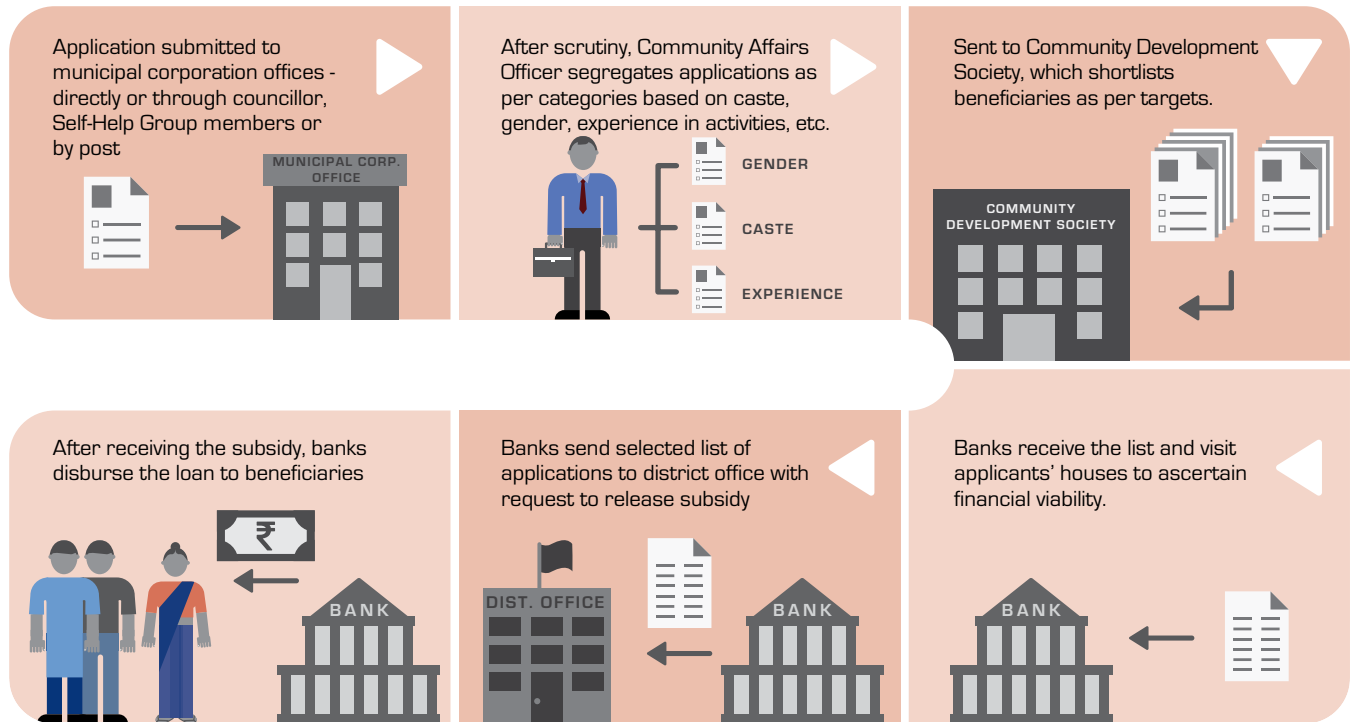


There were mixed reactions from implementing officials on the scheme. Officials from some districts felt that the relevance of the scheme has reduced because the target on the number and amount of loans for a district is small. As this is an individual loan scheme, decisions depend on the bank. The role of the Department is confined to mere facilitation of applications and documents. Officials from other districts, however, felt that

the scheme is useful and there is good demand for it. However, according to them, the government is vitiating the loan repayment atmosphere by announcing waivers. A few officials opined that middlemen are operating on the pretext of helping beneficiaries in filling up applications and facilitating access to benefits under the scheme.

Directorate of Municipal Administration (DMA): Urban Self-Employment Programme (USEP) – Manual submission

In this scheme, community based Self-Help Groups (SHGs) are involved in the submission process. It needs to be noted that this scheme is now replaced by National Urban Livelihood Mission (NULM).



EDUCATIONAL LOAN

Two schemes under the name 'Arivu' are implemented by two departments, namely, Devaraj Urs Backward Class Development Corporation and MDC. These schemes provide loans to support higher education for students belonging to backward classes and minorities. The loans are given at the lowest rate of interest, with flexibility in the repayment period.

Application

Minorities Development Corporation

The two-page application form used by the MDC is simple, with parents acting as guarantors and an indemnity bond required from the student. Details about students studying in technical or professional courses, caste and income are critical information.

Devaraj Urs Backward Class Development Corporation

The six-page application form used by this Corporation is cumbersome. It seeks information on asset details of the applicant / parents and guarantors, and collateral. It also insists on a no-dues certificate and consent from guarantors. Information on caste and income, and the student's educational and residential status are the critical information. Details on fees structure and nature of educational institutions are regarded as important.

Discussions with district officials revealed that detailed information on educational background of the applicant, such as names of the institutions attended at Secondary School Leaving Certificate (SSLC) and Pre-University College (PUC) levels, marks obtained, etc., are being elicited in the application form. Instead of collecting these details, only copies of the marks sheets can be asked for. In any case, the educational certificate is one of the supporting documents. Similarly, details on assets of applicant / parents and address of guarantor and their assets are being collected in the application. It is suggested that the Corporation can ask for an indemnity bond from the student and parents, as is done by the MDC. Moreover, no collateral is required for the small amount of educational loan, since surety is not required as per RBI norms²⁴. From these points, it can be concluded that simplification of the application form is necessary. ***The state level officials informed that they were planning to revise the application form and these suggestions would be taken into account at the time of revision.***

Supporting Documents Required

As presented in Table 4, at least eight to ten supporting documents have to be produced by the applicants in order to access these schemes. Caste and income certificates, residence

proof, education certificate, marks sheets, and fee receipts are termed as critical supporting documents. However, copy of the transfer certificate is termed as superfluous because this is asked only to ascertain residential details, which in any case can be obtained from the address proof. ***It was mentioned by the state officials that this practice has in fact been stopped.***

The discussion with district level officials of Devaraj Urs Backward Class Development Corporation revealed that RR number of the residence, NDC from the local banks and guarantor's consent are superfluous documents. This is because of the following reasons: The RR number becomes irrelevant if an applicant is staying in a rented house. As explained in the earlier section, NDC from all local banks causes considerable hardship to applicants. Hence, NDC can only be taken from one bank where an account is opened, or a self-declaration can be obtained from the applicant. Guarantor's consent is not needed for small loan amounts. ***This suggestion will be considered by state level officials.***

A one-time sanction is given for the educational loan of Devaraj Urs Backward Class Development Corporation but the loan amount is released in instalments over the duration of the course in which the student is enrolled. Notwithstanding the applicant producing all supporting documents at the time of application, they have to provide the same set of documents every year in order to get the next instalment released. This practice, which is a strain on the students, could be discontinued. ***The suggestion has been accepted by the state officials and they have agreed to ask the college to authenticate that the student is enrolled.***

Table 4

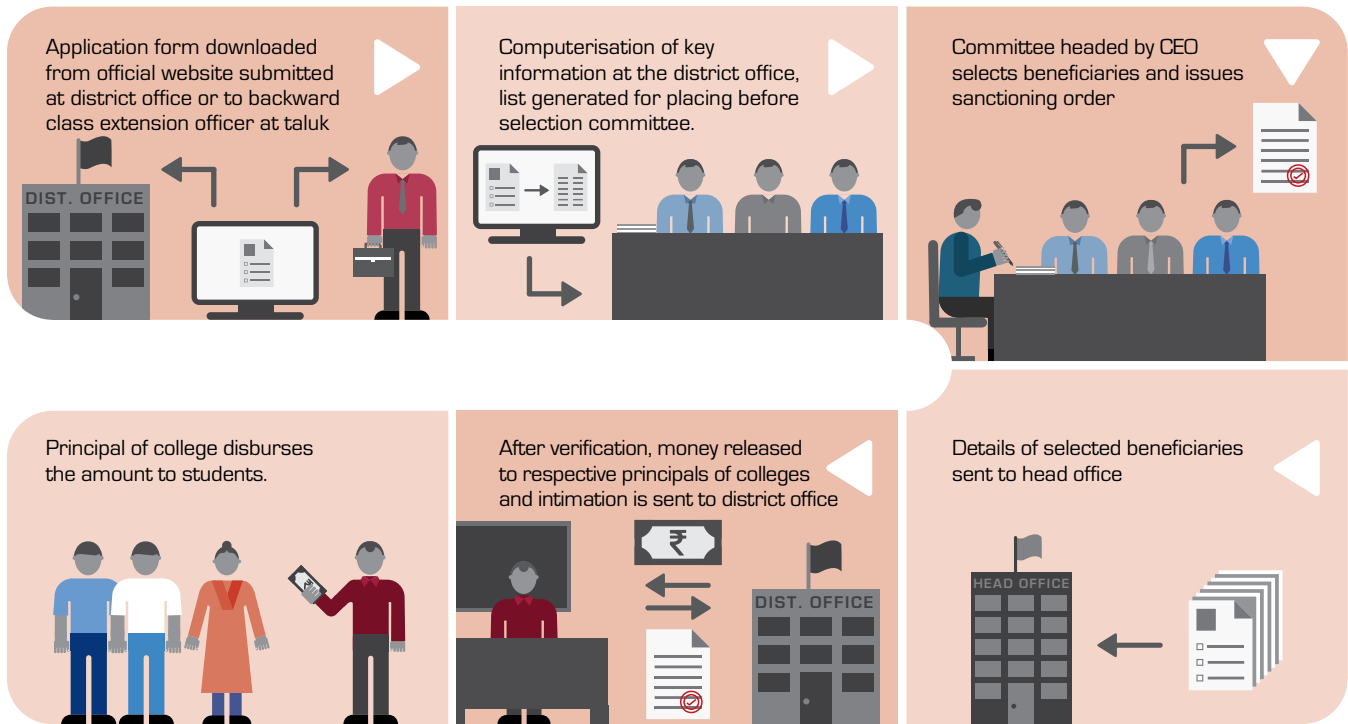
Supporting documents required for educational loan schemes

Scheme Name	Level of importance of supporting document		
	Critical	Important	Superfluous
Minorities Development Corporation, <i>Arivu</i>	<ul style="list-style-type: none"> • Caste and income certificates • Address proof • Photograph • Study certificate • Fee receipts • Degree marks sheets for PG courses or previous year's marks sheet for other courses 	<ul style="list-style-type: none"> • SSLC marks sheet • Parents acting as guarantor and providing affidavit on notarised Rs.50 stamp paper • Notarised indemnity bond by the student declaring that he / she is availing loan and will repay the loan at 2 percent interest per annum. 	<ul style="list-style-type: none"> • Copy of transfer certificate
Devaraj Urs Backward Class Development Corporation, <i>Arivu</i>	<ul style="list-style-type: none"> • Education certificate • Caste and income certificate • Residence proof (ration card / Aadhar card / EPIC) • Bank details • Photographs of applicant and guarantor 		<ul style="list-style-type: none"> • RR number of residence • No-due certificate from local banks (to be given after sanction of loan) • Guarantor's consent (collected as part of application)

Submission

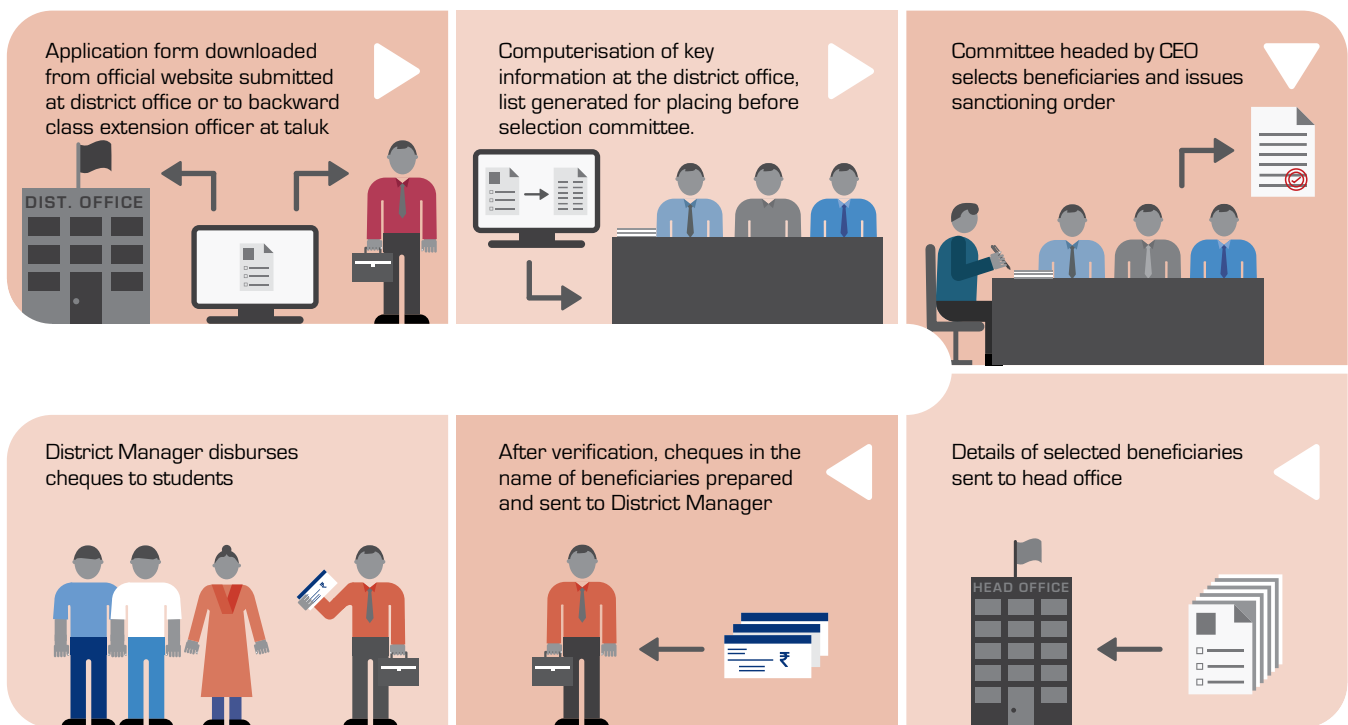
Minorities Development Corporation: *Arivu* – Manual submission

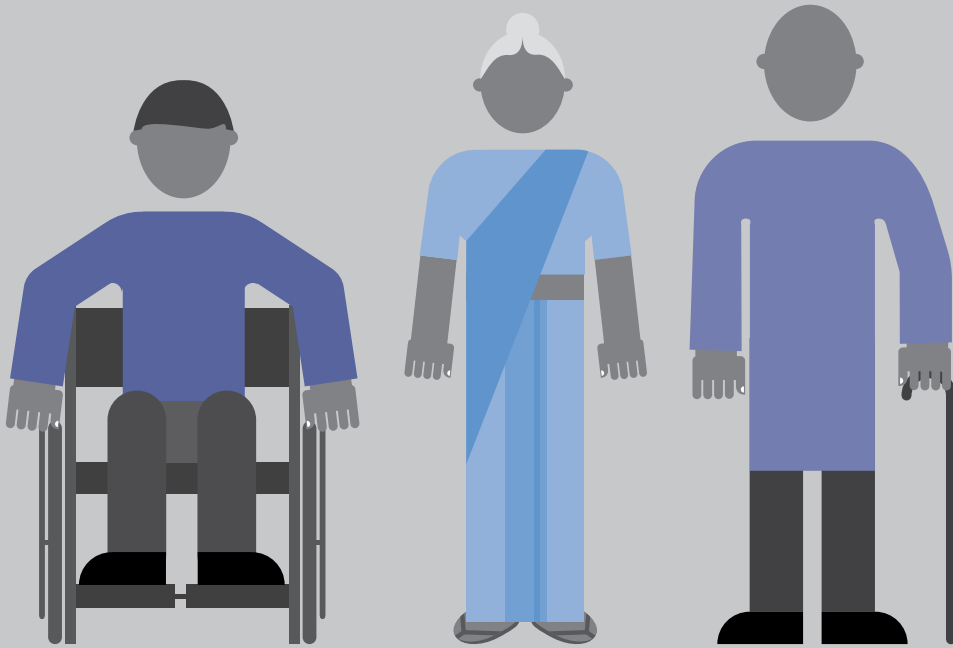
Officials pointed out that in the absence of online submission, tracking and monitoring of applications becomes difficult. *However, the state officials did not accept the suggestion of switching to online submissions, as this scheme involves loans from banks that need thorough scrutiny.*



Devaraj Urs Backward Class Development Corporation: *Arivu* – Manual submission

The submission procedure, is almost the same as in the case of MDC, except the step involving the disbursement of loan amount. In the case of *Arivu* scheme of MDC, loan amount is released to the college principal, who in turn disburses it to students. In this case, the loan amount is directly released to students by the district manager. Unlike scholarship schemes, students have to apply directly rather than through the college.





Pensions

Adequate social protection is widely considered to be an important policy instrument to protect households falling into poverty. The Karnataka government has been providing pensions to the vulnerable amongst the poor, such as the elderly, widows, the disabled and single women. Barring the *National Pension Scheme (NPS) Lite*²⁵, all pension schemes are implemented by the Department of Revenue through the Directorate of Social Security and Pensions (DSSP). NPS Lite was launched in 2010 by the Central Government for all unorganised workers in the age group of 18 - 60 years, and this scheme was implemented by the Karnataka State Unorganised Workers Social Security Board (formed by the Department of Labour). As far as social pension schemes are concerned, Indira Gandhi National Old Age Pension (IGNOAP) is a Central Government scheme, while *Sandhya Suraksha Yojane* is a State Government scheme.

Application

Department of Labour

A four-page application form (one page for 'Identification form' and another providing instructions on how to fill the form) is used for NPS Lite. Under this scheme, the enrolment process is outsourced to district-specific agencies called 'aggregators'. According to officials, the applicant's details are the critical information. Details of bank account and nominees for availing benefits in the event of death of subscriber are considered to be important. The application form is quite simple and hence no changes were suggested.

Department of Revenue

The five schemes implemented by the Department are: Physically-Handicapped Pension (PHP), Destitute Widow Pension (DWP), Indira Gandhi National Old Age Pension (IGNOAP), *Sandhya Suraksha Yojane* (SSY) and *Manaswini*. Interestingly, these schemes can be accessed under '*Sakala*' - a legal arrangement where the beneficiary is entitled to receive

the membership / benefits within a stipulated time under the Right to Services Act. The maximum time limit for all the pension schemes is 70 days.

Under *Sakala*, the applicants need not submit a hard copy of the application form. Instead, potential beneficiaries can walk up to any of the *Sakala* centres at *hobli* level and provide details orally. The staff at the centre enter the details and generate an e-application form, on which the applicant's signature or thumb impression is obtained. If the applicant already has key supporting documents such as income and death certificates, these are accepted. Otherwise, the staff at the centre also facilitates access to these supporting documents. This is a good step initiated by the Karnataka government towards efficient and better service delivery.

In view of this, it appears that there is no need to submit a hard copy of the application form. However, during our visits to sample districts, we found that in two districts hard copies of the applications are still being collected in order to enter information into the computer and generate online applications under *Sakala*. Hard copies are then appended to the online application form. When asked for the reasons, the following response was provided:

- Officials from one district explained that people are not fully aware of the new system. Hence they continue to buy hard copies of application forms from the photocopying outlets or bookshops and submit them to the Department.
- In order to access pension schemes, many people still depend on middlemen who insist on hard copy of the application.
- Since e-applications don't carry signatures of applicants, hard copy of the applications is obtained not only to generate e-applications but also to obtain the signature of the applicant.
- Officials from one district informed that they insist on collecting hard copy of the application for safety, as it can be considered as evidence given by the applicant. On the other

²⁵ This scheme has now been discontinued. Since May 2015, Atal Pension Yojane has replaced it.

hand, if the information is directly entered into computer by the staff at the *Sakala* centre it can later be contested by the applicant stating that wrong information was entered.

The state officials responded that Sakala centres are not supposed to collect hard copies of the applications and that they will look into this matter.

A one-page application form is used, for the Physically-Handicapped Pension, which is quite simple and straightforward. Details about income, degree of disability and basic details of applicants are the critical information. No superfluous information is demanded.

A three-page application is used for the Destitute Widow Pension scheme. The application includes a format for declaration from two prominent persons stating that they know the applicant. The crucial information for taking a decision to sanction are details relating to age and income of the applicant and husband's death certificate. Basic details of the applicant are considered to be important. However, much more information than this is collected in the application form. Discussions with officials revealed that the following details are superfluous: when and how husband died, address of father-in-law, number of dependents of applicant and their relationship with the applicant, whether any of the relatives of the applicant was temporarily or permanently missing, details of pensions received from other organisations/ religious groups / schemes, and identification marks of the applicant. ***The state level officials agreed to consider the above suggestion. The officials, however, felt that the details on pensions received under different schemes are important as there is a clause that an individual is eligible for only one scheme. The state level officials felt that the current income limit needs to be enhanced not only for this pension scheme but also for others. This is because a household obtaining 100 days of work in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the national employment guarantee programme, can earn much more than what is stipulated in these schemes.***

According to officials, the application form of IGNOAP is very complicated and cumbersome. Though the critical information is age of the applicant and income, the six-page application form collects many unnecessary details such as identification marks and education details of the applicant, whether the applicant has land to construct a house under *Indira Awas Yojana* or other schemes, details of household members who are already receiving pensions, details of other pensions being received, drinking water facility, household income and land details, and numbers of EPIC and ration card. These are

considered superfluous. Similarly, information collected about 13 poverty indicators was also superfluous. ***The state officials responded that they did not have any say in the matter as this is a Central Government scheme.***

For the *Sandhya Suraksha Yojana* scheme, a two-page application form is used. Details relating to the applicant's age, income and residence are considered critical. Despite the application form being short, district officials recommended removing questions that seek information on identification marks of the applicant, occupation details (including certificates) of the applicant, details of the applicant's relatives and their age, and deposits held by the applicant and spouse. ***The state level officials, however, noted that details on relatives are collected to ascertain whether the applicant is looked after by them. They however agreed to reformulate the question on relatives. It was also clarified that details on deposits are essential, as there is a cap on amount of deposits held by an applicant and spouse. Occupation details are also required as only identified occupational categories are eligible for pensions under the scheme.***

The *Manaswini* scheme, which has a two-page application form, was launched in 2013. The critical information that the Department requires in order to sanction pensions, are age and marital status of the applicant. From the discussion with the implementing officials, it emerged that details relating to identification marks of the applicant, applicant's relatives, savings deposits and occupation of applicant are superfluous. ***The state level officials were not sure about the suggestions as the scheme has been implemented recently.***

Supporting Documents Required

The supporting documents required to be submitted with the application are listed in Table 5. Documents on identity, address, income and bank details are critical. For the disability and widow pensions, disability certificate and death certificate of husband, respectively, are critical. ***With regard to the suggestion that superfluous supporting documents (Table 5) need not be collected, the state officials from Department of Revenue wanted to have an internal discussion before taking a decision.***

Table 5

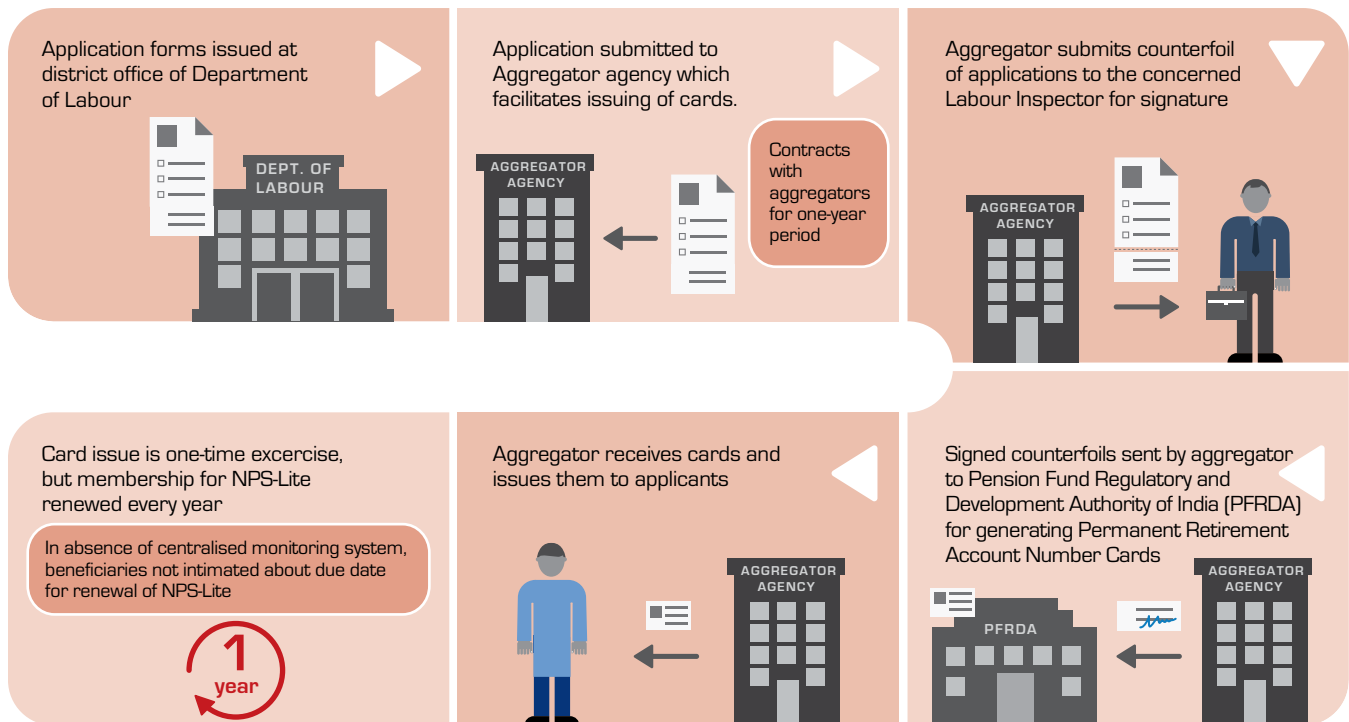
Supporting documents required for pension schemes

Scheme Name	Level of importance of supporting document		
	Critical	Important	Superfluous
Department of Labour, <i>NPS Lite</i>	<ul style="list-style-type: none"> • Address proof • Identity proof (Aadhar / driving license) • Age proof • Photograph 	<ul style="list-style-type: none"> • Bank passbook 	
Department of Revenue (DSSP), <i>Pension for the Disabled</i>	<ul style="list-style-type: none"> • Disability identity card / physically handicapped book • BPL ration card • Photocopy of the medical certificate duly attested • Self-declaration on income • Photograph • Bank passbook 	<ul style="list-style-type: none"> • Address proof (which includes Aadhar card) • Age proof (such as EPIC) 	
Department of Revenue (DSSP), <i>DWP</i>	<ul style="list-style-type: none"> • Husband's death certificate • Income certificate • Photograph • Bank passbook • BPL ration card 	<ul style="list-style-type: none"> • Address proof (which includes Aadhar card) 	<ul style="list-style-type: none"> • SSLC marks sheet of child • Transfer certificate of children studying to identify caste • Notarised declaration on non-judicial e-stamp paper stating residence, husband's death, child's age and education, income of the household, other pensions received and deposits
Department of Revenue (DSSP), <i>IGNOAP</i>	<ul style="list-style-type: none"> • Photograph • BPL ration card • Age certificate • Income certificate 	<ul style="list-style-type: none"> • Residence proof such as EPIC or residence certificate issued by Deputy <i>Tehsildar</i> 	
Department of Revenue (DSSP), <i>SSY</i>	<ul style="list-style-type: none"> • Age certificate • Bank passbook • BPL ration card • Income certificate • Photograph 	<ul style="list-style-type: none"> • Address proof (which includes Aadhar card) 	<ul style="list-style-type: none"> • Notarised self-declaration on non-judicial e-stamp stating address, income, household members, etc.
Department of Revenue (DSSP), <i>Manaswini</i>	<ul style="list-style-type: none"> • Photograph • Age proof • BPL ration card • Bank passbook • Self-declaration on marital status 	<ul style="list-style-type: none"> • Address proof (which includes Aadhar card) • Divorce certificate issued by the court, if available 	<ul style="list-style-type: none"> • Letter addressed to <i>Tehsildar</i> stating details of address, income, children, etc.

Submission

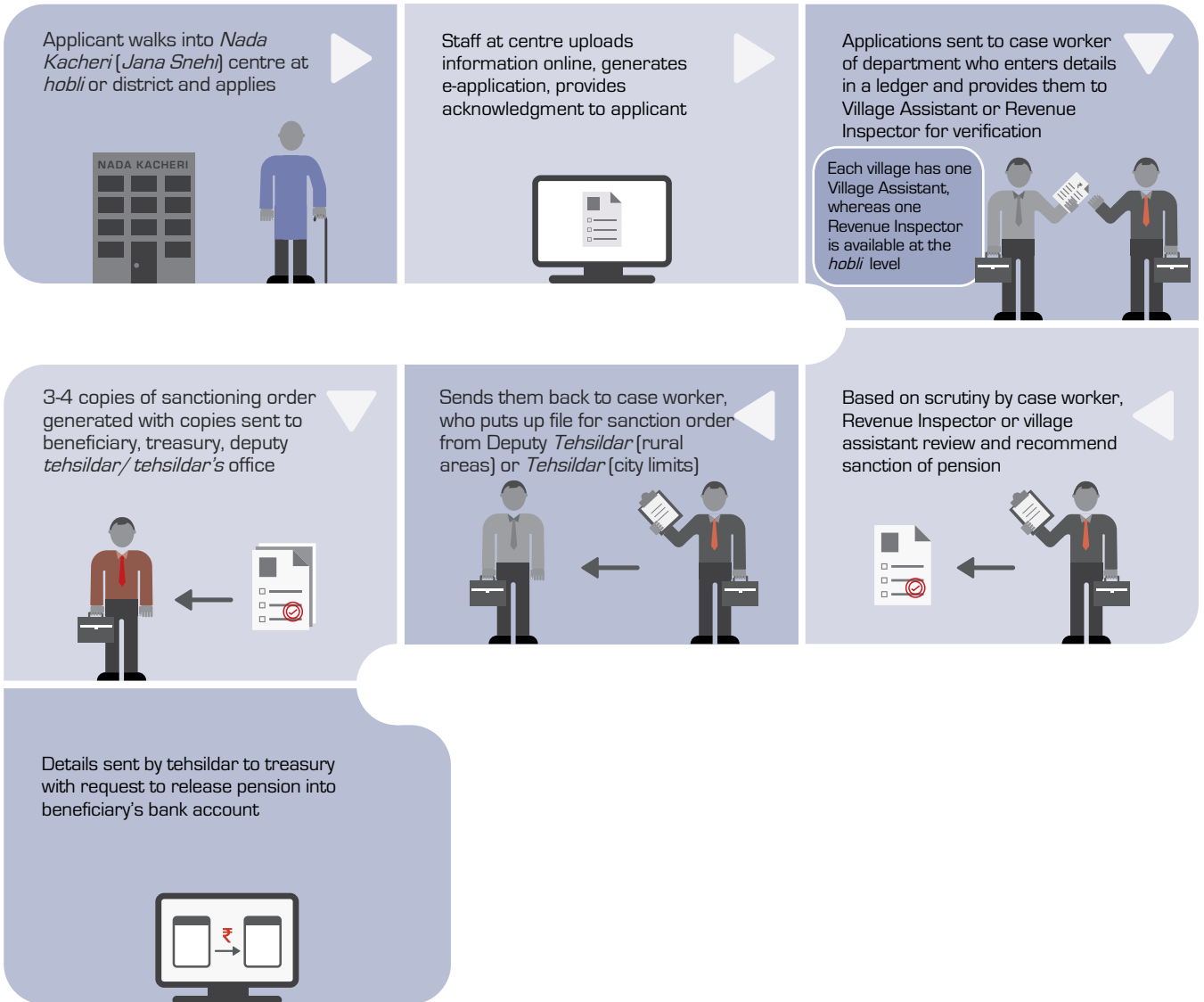
Department of Labour: NPS Lite – Manual submission

The key problem faced by the department is lack of a centralised monitoring system for enrolment and renewal.



The officials agreed to set up an on-line monitoring mechanism by uploading live data on the membership details.

Department of Revenue: PHP, DWP, IGNOAP, SSY, *Manaswini* – Online submission
The submission process for all the five pension schemes of Department of Revenue is the same.



Use of *Janasnehi Kendras*²⁶ has not been the way it is planned in all the sample districts, except Gulbarga. In Gulbarga district, an applicant can walk into the centre, make an oral request for pension and provide details as per the ration and voter card, etc. This means that the applicant will have to carry only the ration or voter card or any such identity proof. The onus to generate an application, provide an acknowledgement receipt and undertake the verification process is on the centre. This is not the case in the other sample districts. As a result, the transaction costs borne by the households to avail social security schemes are expected to be less in Gulbarga as compared to the other sample districts.

Charts 3 and 4, showing data on transaction costs collected from sample households, corroborate the observation that the pension delivery process has been simplified in Gulbarga as compared to other sample districts. The average number of days spent in getting the pension sanctioned in Gulbarga was four days, while it was six in the other sample districts (Dakshina Kannada, Bellary and Mysore – Chart 3). The average amount spent to get pension sanctioned in Gulbarga was Rs. 200, whereas it was nearly Rs. 350 in the other districts (Chart 4).

Chart 3
Average number of days spent to access pension schemes in Gulbarga and other sample districts

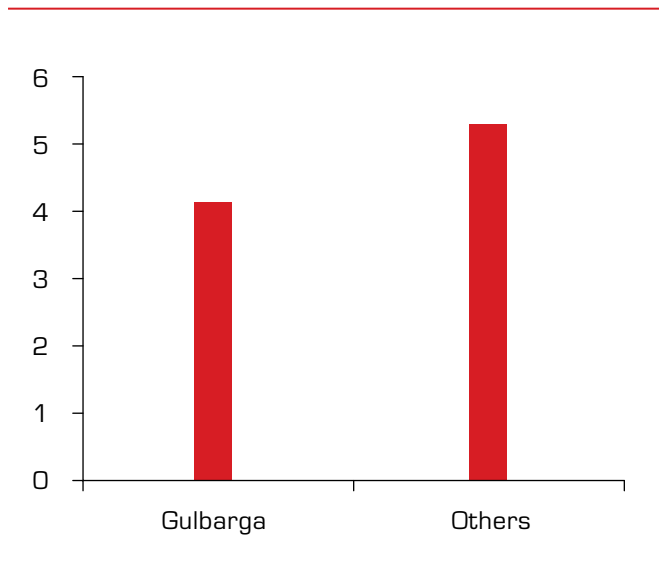
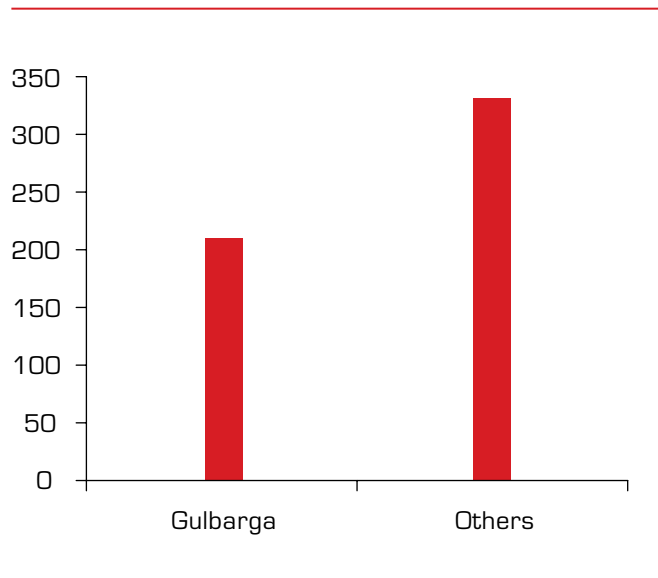


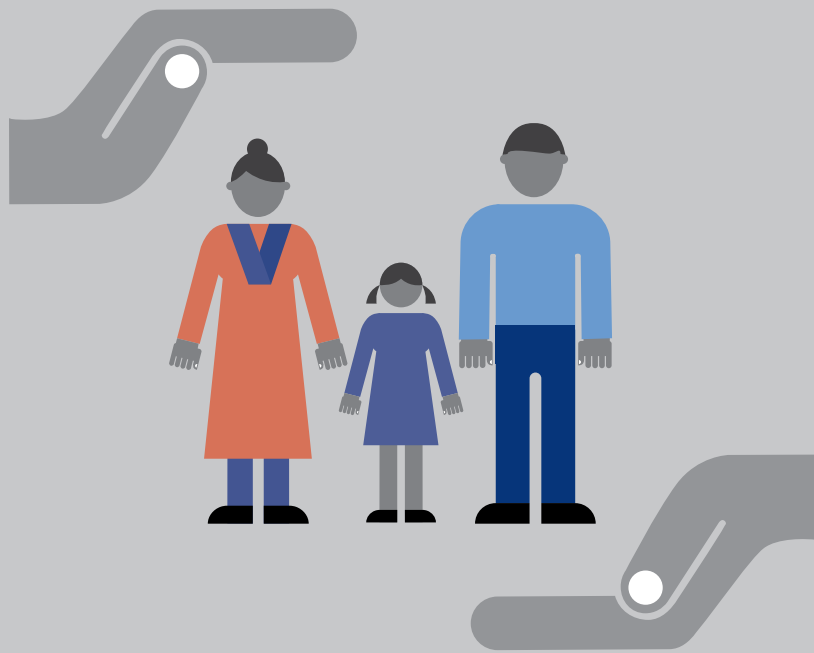
Chart 4
Average amount spent for obtaining pension schemes in Gulbarga and other districts



In order to weed out bogus beneficiaries, the district officials suggested linking the pension schemes with the Aadhar card. Another suggestion made by the officials was that information

on sub-caste, which is asked in the online application, can be removed as many households may not be aware of it. ***The state level officials agreed to incorporate these suggestions.***

²⁶ *Atalji Janasnehi Kendras* provide 34 services (such as caste and income certificate, land and agriculture related services and social security provisions) to the citizens through online portal.



Other Social Security Schemes

OTHER SOCIAL SECURITY SCHEMES

The Department of Labour provides social security to construction workers and commercial vehicle drivers. The DWCD provides conditional cash transfers to the girl child through a scheme called *Bhagyalakshmi*. This is a conditional grant scheme under which households with two girl children born after April 1, 2006, will get cash benefits after the children attain the age of 18 years, provided they fulfil conditions such as school education, immunisation and so on. The Department of Revenue offers a life and accident insurance for unorganised workers under the *Aam Admi Bima Yojana* (AABY). Under this scheme, life and disability insurance is provided to unorganised workers engaged in about 47 specified occupations.

Application

Department of Labour

For the social security scheme of the Construction Workers' Welfare Board (CWWB), the Department uses four forms altogether. Form 5 is an application for enrolment in CWWB, Form 6 is a nomination and proforma for employment / occupation certificate²⁷ and proforma for membership in a trade union. According to the implementing officials, the critical information is age and occupation of the applicant. Caste, nomination and bank account details are considered important. There were mixed reactions from officials about details of workers' daily / monthly wages, which are asked in the main application form and occupation certificate. Officials from some districts considered this as superfluous information, because workers tend to show lower wages, while employers would like to state higher wages in order to show that they comply with the Minimum Wages Act. Officials from other districts, on the other hand, felt that the details on wages are important for monitoring the payment of minimum wages and that they can take action on the employers if the minimum wages are not paid. On the whole, it was suggested that this question may be removed because employers are reluctant to sign forms where wages paid to workers are mentioned and

this will come in the way of workers joining in the scheme.

The state level officials mentioned that any changes in the application are difficult as the proforma is specified in the Building and Other Construction Workers Welfare Cess Act. However, this information can be made optional and the application should not be rejected on the basis of incomplete information on wages from the applicant.

For the Commercial Vehicle Drivers' Scheme (CVDS), a two-page application form is used. Applicant's details along with address, badge number and type of vehicle driven are perceived to be critical information. Questions on nomination, bank account, contact details and caste of the applicant are considered as important. Implementing officials noted that details on daily or monthly wages, whether the beneficiary drove their own or rented vehicle and vehicle owner's details do not have much relevance for sanctioning claim for benefits. Since the First-hand Information Report is the basis for claim settlement, officials considered these details as superfluous. Similarly, dependent details such as name and age need not be asked, as there is a separate provision for nominee details.

The state level officials, however, mentioned that wage details and owner's details can be made optional, while details on whether the beneficiary drove their own or rented vehicle are needed to answer questions from the legislative assembly (LA). The suggestion, that details such as name and age of dependents need not be collected, has been accepted. However, nomination details, including age, need to be collected as the officials felt this information is essential.

Department of Women and Child Development (DWCD)

For the *Bhagyalakshmi* scheme, a four-page application form is used, which includes an undertaking from the parents, certification by supervisor, recommendation of the Child Development Programme Officer (CDPO) and sanction order by the Deputy Director of the Department. Details on the girl child and her parents, immunisation status and BPL status are

²⁷ Employment certificate can be signed by the employer, contractor or labour inspector.

the key information required. The discussions with officials from the four districts revealed that collection of details on parents' occupation and annual income of the household is redundant, as sanctioning depends on the applicant's BPL card status. Hence, this information is superfluous.

Department of Revenue

AABY uses a three-page application form, which includes children's education certificate for scholarship purpose. The critical information is the occupation of the applicant, while the important information is the applicant's basic details, information on dependents, nominee details, bank details and children's educational information. The officials did not think that any superfluous information was being collected.

Supporting Documents Required

The details of supporting documents collected for the four schemes are listed in Table 6. Almost all the supporting

documents are considered either critical or important, except in the case of the *Bhagyalakshmi* scheme. In one district, a declaration taken on non-judicial stamp paper is demanded, stating that the applicant household will abide by conditions pertaining to the scheme. It was reported that providing this declaration on stamp paper caused hardship for the households. Moreover, similar kind of information is already being collected as a part of Format 2 of the application form. Hence, this document was considered superfluous. Likewise, a certificate sought by one department from the *Anganwadi*²⁸ teacher stating that the applicant belongs to a particular village in its jurisdiction is considered superfluous. This is because other supporting documents such as immunisation chart, address proof, etc., will in any case provide authentic information on the residence of the applicant. Secondly, we found that costs incurred to obtain supporting documents in this district were twice that incurred in other sample districts. Hence, there is no need to collect an additional supporting document.

28 Village nursery

Table 6

Supporting documents required for the other social security schemes

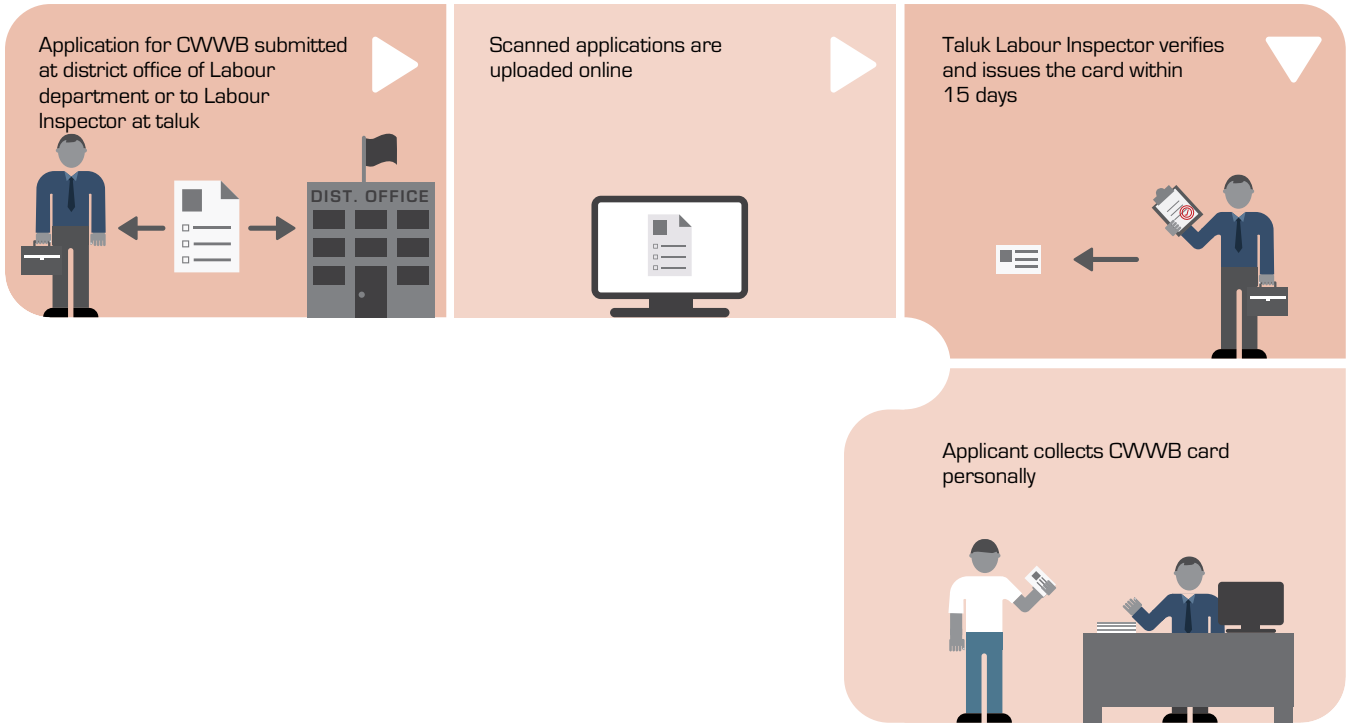
Scheme Name	Level of importance of supporting document		
	Critical	Important	Superfluous
Department of Labour (DoL), <i>CWWB</i>	<ul style="list-style-type: none"> • Employment certificate in a prescribed format • Nomination form • Age proof • Identify proof • Photograph 	<ul style="list-style-type: none"> • Certificate from trade union in a prescribed format 	
Department of Labour (DoL), <i>CVDS</i>	<ul style="list-style-type: none"> • Driving license • Badge number • Photograph • Address proof • Age proof 		
Department of Women & Child Development (DWCD), <i>Bhagyalakshmi</i>	<ul style="list-style-type: none"> • Birth certificate • BPL ration card • Group photograph of parents and child 	<ul style="list-style-type: none"> • Caste certificate • Immunisation chart • Address proof (such as EPIC) • Mother's card received during pregnancy • Family planning certificate, if more than three children 	<ul style="list-style-type: none"> • Undertaking by parents on non-judicial stamp paper stating that they will abide with conditions • Certificate from <i>Anganwadi</i> stating that the household belongs to a village in its jurisdiction
Department of Revenue (DSSP), <i>AABY</i>	<ul style="list-style-type: none"> • Photograph • BPL ration card • Age proof • Residence proof • Proof of children studying 	<ul style="list-style-type: none"> • Occupation certificate 	

Submission

The submission process adopted in the case of other social security schemes are discussed in the following graphs.

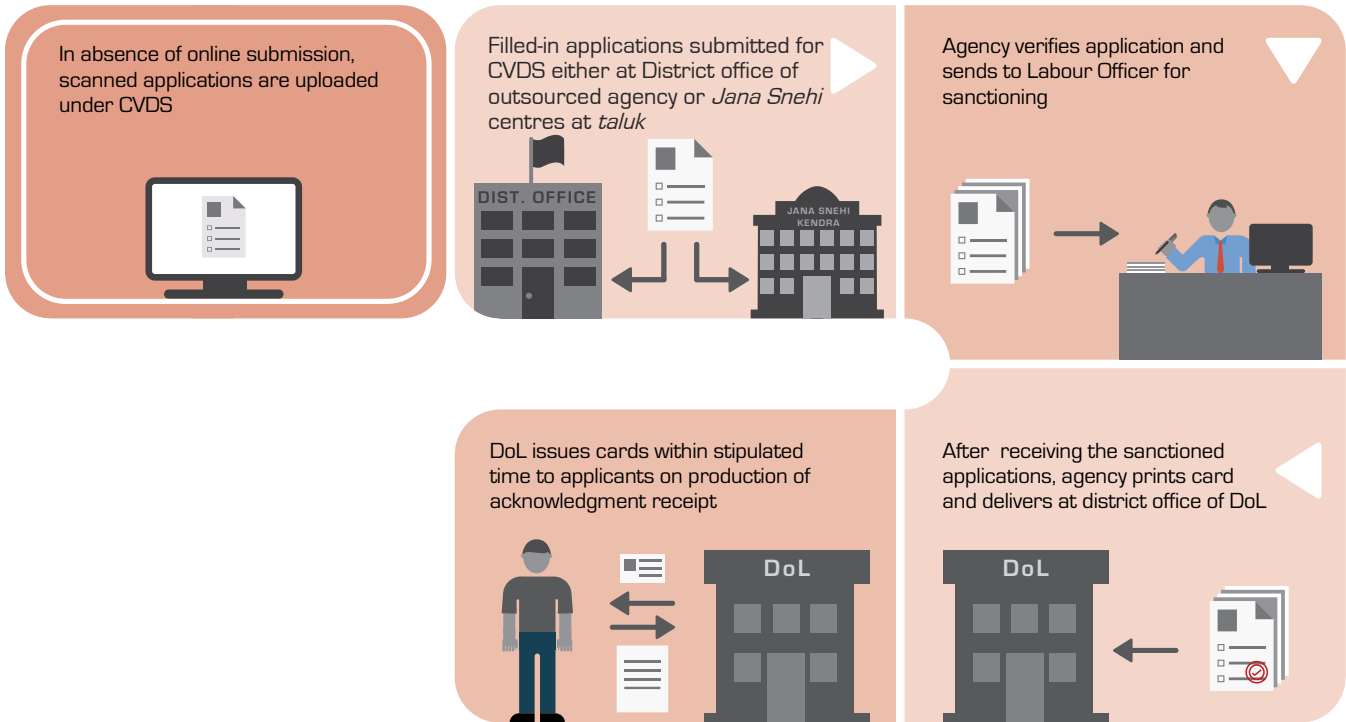
Department of Labour: Construction Workers' Welfare Board (CWWB) – Manual submission

As can be seen, only manual submission of applications is followed, though efforts are on to make this as an online submission. Because of manual submission, there is no centralised database for monitoring. *The state level officials saw merit in a centralised database to monitor double enrolment and benefits claims by workers. They informed that efforts are on to shift to online submissions.*



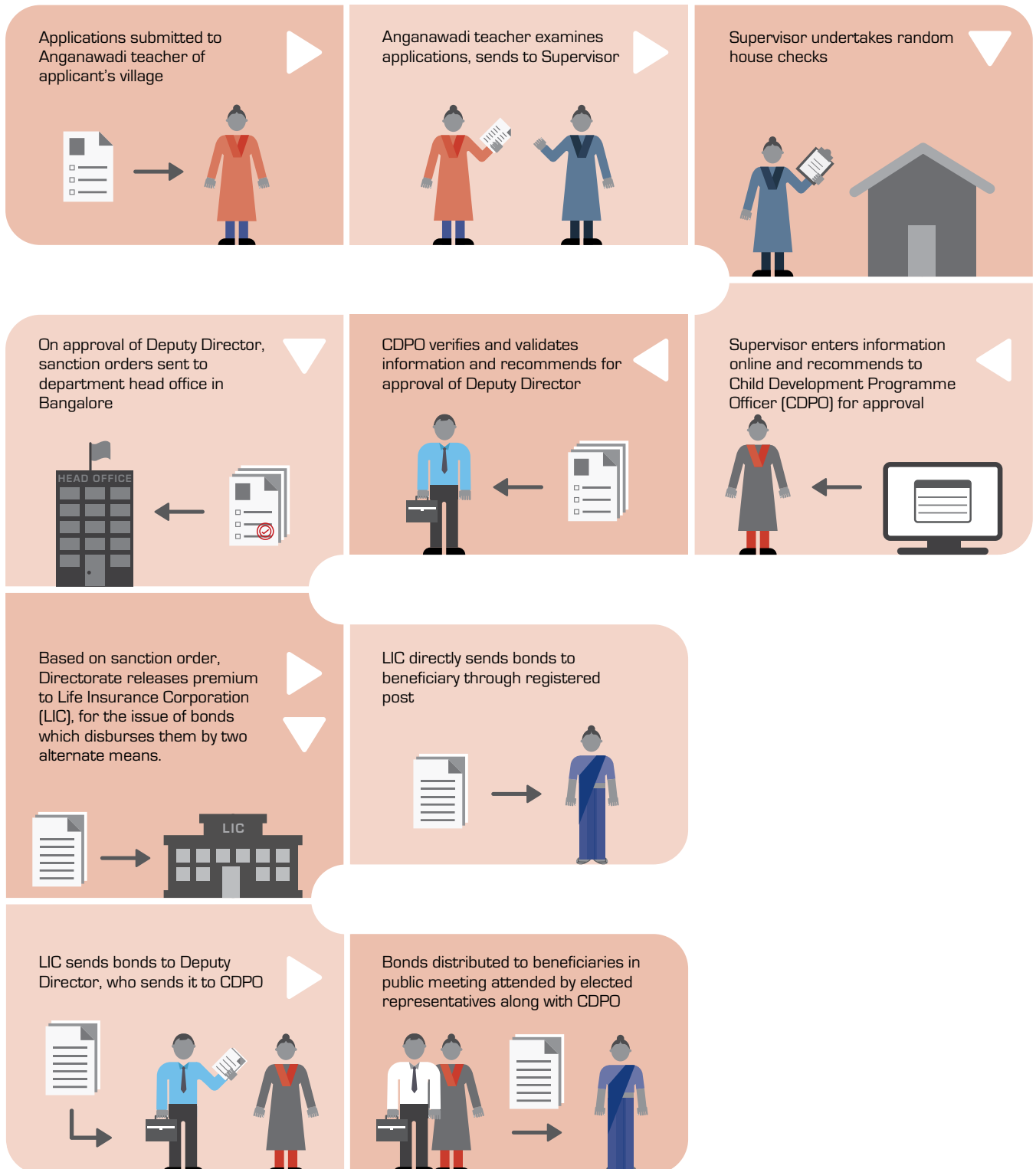
Department of Labour: Commercial Vehicle Drivers' Scheme (CVDS) – Manual submission

Even though the submission process for CVDS is manual, there was no move to make this an online submission. This may be because the department is planning to link the CVDS database with that of the Transport department to monitor change in occupation of beneficiaries, if any.



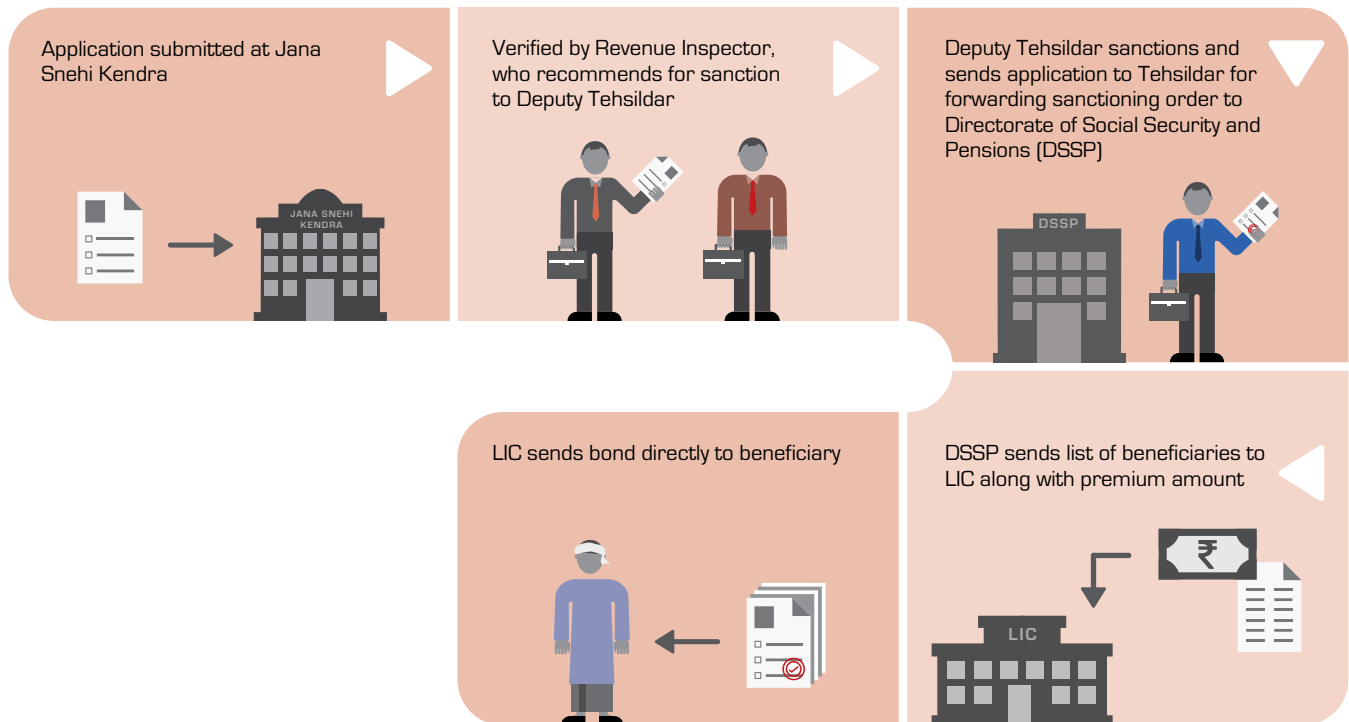
Department of Women and Child Development: *Bhagyalakshmi* scheme – Manual submission

In the absence of online submission, as of now the applications have to be preserved in good condition by the DWCD till the child turns 18 years, which is considered difficult. Hence, the officials suggested to scan the sanctioned application forms and storing them digitally.



Department of Revenue: *Aam Admi Bima Yojana (AABY)* – Manual submission

The submission process of AABY is considered to be simple and hence, no suggestions have been made.



CONCLUDING REMARKS

The main objective of the study was to map and review the process adopted from the stage of application to submission of key social security schemes in Karnataka. Another objective was to identify aspects that adversely affect the delivery of and access to social security among unorganised workers, and to suggest ways to improve the delivery of these schemes.

For this purpose, the study has mapped the process adopted for 29 social security schemes implemented by 11 government departments and corporations in Karnataka. The study was conducted with the help of interviews with officials implementing these schemes in four districts of Bellary, Dakshina Kannada, Gulbarga and Mysore, and primary data on the experience of beneficiaries in accessing social security schemes and transaction costs (amount and time spent) incurred by them. Based on the discussion with the implementing officials, superfluous information in applications and supporting documents was identified. Subsequently, key findings were presented to state level officials for their feedback. The study arrived at the following conclusions:

- A review of application forms shows that some of the departments have worked towards simplification and developing common application forms. On the other hand, several departments still insist on information that is not used in taking a decision to sanction a scheme. There is, therefore, a need to remove the questions that seek to collect superfluous information. The state level officials agreed to the suggestion and said they would make efforts to remove the superfluous questions.
- Another area where reform is needed is the online submission of applications. Though some of the departments have adopted online submission of applications, many departments follow the system of manual submission of application forms as it is believed that the time for online submission is not yet ripe on account of low literacy levels and absence of internet

facilities in rural areas. But given that internet facilities are available in all *hobli*²⁹ headquarter villages, there is need to think of ways in which online submission of application forms can be encouraged to reduce the hardship to unorganised worker households. This would also reduce the need to travel long distances to submit application forms. Enabling online submissions will also help the departments for better monitoring of the schemes in terms of enrolment or utilisation.

- There is also a need to develop common applications for a group of schemes such as scholarships or loans. This is because the critical information required from the applicants for taking the decision to sanction schemes like scholarship or micro-finance schemes is the same. Some departments accepted this while others did not, on the grounds that department-specific details varied.
- After developing a common application, one can also develop a common web portal for submission of applications for a group of schemes. Such a reform is particularly suitable for scholarships and self-employment schemes mentioned earlier. This may make it easy for applicants as they will need to remember only one web portal. Again, there was no consensus among the departments on the need for a common web portal.
- There is need to reduce or eliminate unnecessary supporting documents that are demanded by implementing departments. Applicants have to put in effort and money to acquire these documents. The suggestions to remove superfluous documents were accepted by the concerned departments.
- Further work with the participating departments on revising application forms, list of supporting documents and submission processes will contribute to improving the delivery of social security schemes.

²⁹ A cluster of adjoining villages administered together for tax and land tenure purposes in the Indian states of Karnataka and Andhra Pradesh.

List of schemes included in the study

Sl. No.	Name of the Departments	Name of Schemes	Scheme Categories
1	Department of Women and Child Development	1 <i>Bhagyalakshmi</i>	Other social security schemes
		2 <i>Udyogini</i>	Loan for self-employment
2	Devaraj Urs Backward Classes Development Corporation	3 <i>Chaitanya</i> Subsidy Cum Soft Loan Scheme	Loan for self-employment
		4 <i>Chaitanya</i> Self Employment Direct Loan Scheme	Loan for self-employment
		5 <i>Arivu</i>	Educational loan
3	SC/ST Development Corporation	6 Self-Employment Programme	Loan for self-employment
		7 Industries, Services and Business	Loan for self-employment
4	Minorities Development Corporation	8 <i>ShramaShakthi</i>	Loan for self-employment
		9 <i>Swavalambana</i>	Loan for self-employment
		10 <i>Arivu</i>	Educational loan
5	Department of Social Welfare	11 Pre-matric Scholarship	Scholarship
		12 Post-matric Scholarship	Scholarship
6	Department for the Empowerment of Differently Abled and Senior citizens	13 Scholarship for disabled students	Scholarship
		14 <i>Adhara</i> self-employed scheme	Loan for self-employment
7	Department of Revenue (Directorate of Social and Security Pensions)	15 Indira Gandhi National Old Age Pension	Pension
		16 <i>Sandhya Suraksha Yojana</i>	Pension
		17 Destitute Widow Pension	Pension
		18 Pensions for Disabled	Pension
		19 <i>Aam Admi Bima Yojana</i>	Other social security
		20 <i>Manaswini</i>	Pension
8	Department of Backward Classes	21 Pre-Matric Scholarship	Scholarship
		22 Post-Matric Scholarship	Scholarship

List of schemes included in the study (contd.)

Sl. No.	Name of the Departments	Name of Schemes	Scheme Categories
9	Directorate of Minorities	23 Pre-Matric Scholarship	Scholarship
		24 Post-Matric Scholarship	Scholarship
		25 <i>Uttejana</i> Scheme for PUC, UG & PG	Scholarship
10	Directorate of Municipal Administration	26 Urban Self Employment Programme under <i>Swarna Jayanti Shahari Rozgar Yojana</i>	Loan for self-employment
11	Department of Labour	27 CWWB	Other social security
		28 CVDS	Other social security
		29 NPS Lite	Pension
12	Department of Health and Family Welfare	30 <i>Rashtriya Swasthya Bima Yojana</i>	
		31 <i>Vajpayee Arogyashree</i>	
13	Department of Housing - Urban	32 Vajpayee Urban Housing Scheme	
		33 Urban <i>Ashraya</i> Sites Schemes	
		34 <i>Indira Awas Yojana</i> - Urban	
14	Department of Housing - Rural	35 Basava Housing Scheme	
		36 Rural <i>Ashraya</i> Sites Schemes	
		37 Dr. Ambedkar Housing Scheme	
		38 <i>Indira Awas Yojana</i> - Rural	

Note: The highlighted schemes are omitted from an in-depth analysis.

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