Social Pension in Nepal

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Nepal – in South Asia

Total population: 26.49 million (2011 Census)

Population growth rate: 1.4 %. Below poverty line: 25.16 %
Methodology

▪ Review of the relevant policies and guidelines
▪ Meetings with stakeholders from Gos, NGOs and private sectors
▪ Review of the study on effectiveness of non-contributory social pension in Nepal for senior citizens
Key findings

- Non-contributory social pension scheme in Nepal can be traced back to the fiscal year 1995/96

- In 1995/96, senior citizens of age 75 and above were provided Rs.100 per month as social pension per month (in the name of old age allowance).

- From 1996/97, the same criterion of age for senior citizens continued but the government also introduced a policy provision to grant social pension (in the name of widow allowance) of Rs.100 for widow women of age 60 and above.

- In the fiscal year 2005/06, there had been slight increase in the amount of social pension, that is, the old age allowance increased from Rs. 100 to Rs.175 and widow pension increased from Rs.100 to Rs. 125. From 2008/2009, Rs. 500 per month. (70 yrs and above)
Policy, Plan and Legal Context:

- Non-contributory universal social pension in Nepal-1995
- Specific policy and program for senior citizens from the Ninth Five-Plan (1997-2002) to present Three-Year Interim Plan (TYIP)
- Senior Citizen Policy and guidelines: 2002
- International Plan of Action on Aging: 2002
- National Plan of Action for Senior Citizens: 2006
- Senior Citizen Act: 2006
• Social Security Program Implementation Guidelines: 2007

• Senior Citizens Regulations, 2008.

• Free health care policy – 2007 (targets elderly populations)

• Beginning of old age allowance from welfare approach and moving towards the rights-based approach
Effectiveness of Non-contributory Social Pensions in Nepal (2010)  

(N= 488, 14 districts ) Relevance of Social Pension in the Contemporary Society:

- made them self-reliant/independent;
- enhanced their self-confidence;
- Empowering their livelihoods – promoting social security
- helped to play supportive role in taking care of other members of the poor families;
- enabled financially to afford the basic necessities (such as food, clothing, basic health care.....)
- helped to use the money for religious/spiritual purpose.
Reasons Behind the Motivation of Senior Citizens to Access Social Pension Grants

- **Support for old age (71.5%)**
- **Lack of cash income in the household (58%)**
- **Self collection - 78.7%**
Use of social pension......

Perceived as a lifeline because it is largely used for:

- Buying food-grains
- Affording health care expenses
- Buying clothes
- Religious/spiritual activities

Mostly, poor, socially disadvantaged and living rural areas have benefited much to meet their basic needs.

Majority (91.7%) of the senior citizens perceived that it would be difficult to survive without social pension
Mode of Implementation

- **Cash transfer** by the Ministry of Local Development and its Units at district and village levels

- **Screening by the 'Local Social Security Identity Card Recommendation Committee and village level official “Secretary”**
Mode of Implementation

- **Policy to distribute the social pension on quarterly basis**

- **Only 67.4 percent have reported that they have been paid on quarterly basis.**

- **There are needs to improve the implementation mechanism of pension in time**
Problems faced during Implementation .......

- **Untimely release of the fund** from the MOLD
- **Large area to be covered by one secretary** – specially in the rural and remote areas
- **Problems of security** – due to political conflicts
- **Difficulty to distribute it** in the scattered settlement
Barriers to access the pension

- Lack of **citizenship certificates**, internal migration, and others such as death certificates
- Age **under-reported** in the citizenship certificates
- Lack of **awareness** for the application process to access pension
- **Limited access** to find the service providers in the locality

Challenges still exist:

Poverty, migration (rural to urban; and other countries – India, Middle East, and others...), conflicts (10 year long insurgency), gender inequality, limited access to social and economic opportunities... poor health systems
Priorities for actions……..

- **Capacity building at all levels** – service providers and OPAs

- **Advocacy, Research and Networking** – at national, regional and international levels

- **Creating an enabling environment** to improve implementation of social pension

- **Scaling up of social protection programmes for children and mothers** – as an integral part of national development plans
Social protection for informal sectors:
Supporting social pensions in Asia (3 year multi-year research project) in progress (since May, 2011)
(Nepal: focus on child protection grants)

Nepal Participatory Action Network (NEPAN) is local partner for Nepal in close coordination with ODI. (Funded by EU, AusAID)

NEPAN – capacity building of OPAs, health camps for elderly, advocacy on the social protection needs, networking with Gos, NGOs, pvt. sectors..
Thank you for your kind attention!