

An Assessment of Atal Pension Scheme in Kerala

Akhil Menon, Research Scholar, Institute of Management in Government,
University of Kerala

Dr. Suleena V.S., Associate Professor, Dept. of Commerce,
St. Joseph's College for Women, Alappuzha, Kerala

ABSTRACT:- The paper covers the Atal Pension Yojana scheme initiated by Mr. Narendra Modi, the Prime Minister of India. The yojana came into being to instill a saving habits, particularly in the unorganized segment of the country, in order to protect those at low income-level. The research helps explain how many people have participated in APY. Further the article analyse the level of satisfaction among the participants of the scheme, the influence of socio-demographic characteristics on the level of satisfaction. The study also points to the level of awareness of APY among the non -subscribers to the scheme.

KEYWORDS:- Atal Pension Scheme; Pension Scheme; Financial inclusion, Kerala

Introduction

Over the years there has been a need for a universal social security system which covers especially all the poor and the under-privileged in the society. Of lately this has been noted by the policymakers in the government and thus giving shape to schemes such as Atal Pension Scheme, (APY). In an era of austerity, a fiscally conservative government to launch such a new program suggested a very progressive initiative, through provision of welfare for a large segment of the poor. By the launch of the program on November 9, 2015 the Atal Pension Yojana (APY) sought to cover the more than 80 percent of the Indian population that was excluded from access to pensions.

In the Indian context, with high informality, most of its vast populations are largely excluded from the formal sector in their social security schemes. The APY scheme, provides a fixed minimum pension of amounts ranging from Rs. 1,000 to Rs. 5,000, per month depending on contributions for subscribers between the ages of 18-40, with pension payments starting at 60. The instalment varies based on age of entry, payment frequency, and desired pension. The program is targeted in particular toward those in the informal sector who are without recourse to other public or private pensions.

However, there remains crucial questions related to the scheme to be answered (1) how have been the participation of the scheme been among the public? (2) what is their level of satisfaction? (3) Does socio economic characteristics impact the satisfaction level of respondents? Thus this paper tries to fill this gap. This paper tries to critically evaluate the features of Atal Pension Yojana. The Atal Pension Yojana (APY) is the latest national old age

pension scheme for unorganized workers by the government of India. The paper examines the participation of public in Atal Pension Yojana. Thus helping in understanding the socio economic profile of public participated in the scheme. The paper also explores the level of satisfaction among participants of Atal Pension Yojana. This paper offers valuable suggestions for the policy makers and providers of the scheme in making necessary improvement in the scheme thereby increasing the number of beneficiaries.

The rest of the paper is organized as follows. Section 2 outlines the available literature on the area by explaining the studies addressed in general on pension schemes and exclusively on Atal Pension Yojana. The Section 3 of the paper consist of the research methodology part of the study. it presents the framework by which the study is based on. Sections 4 is related to the analysis of the data of the study and section 5 summarize the results of the scheme and the implications are summarized.

Literature review

1. The Indian government is making attempts to improve the social insurance program, and this is an important part of the publicly supported old-age pension scheme. While demand for old age pensions is increasing due to its positive effect on poverty, the coverage of older people under old age pension schemes was less than 16 per cent (Narayana 2015); worse it has been suggested that the poor are being left out (Kaushal 2014). This calls for improved coverage of social pension scheme.
2. Amudhan, Poornima, Kumar (2016) attempted to determine the degree of satisfaction of available investment avenues and investment decisions in the District of Salem. Using ANOVA & Percentage Analysis, the data obtained were analysed. The research results were Individual investors of Salem make good investment decisions and most are highly satisfied with bank deposit and insurance schemes.
3. Mamatha, Mohan, Munirathna and Bhavya (2016) have assessed the perception of Centrally Funded Schemes among rural adults. Descriptive survey methodology was used in the analysis. Rural adults were chosen with the aid of a formal questionnaire using low probability convenient sampling technique. The results of the study showed that most rural adults had average knowledge of centrally sponsored schemes
4. Neha, Pujara and Patel (2018) The research seeks to assess the importance of demographic considerations in Gujarat affecting investment decisions. Thus the study also assesses the other factors that affect the investment decision such as available information, investment advice / guidance etc. The study established that gender, educational qualification, marital status, and investment were significantly linked. And there is, on the other hand, no substantial association with expenditure between age, profession, family status and monthly income.

When spending respondents assign their coworkers and support to family members, acquaintances and relatives in the first place.

5. Vipparthi and Margam (2012), the researchers are attempting to analyze the effect of investor demographic profile on investment choices. The percentage method, cross tabulation were used to analyze primary results. The study revealed that the investors' perception is dependent on the demographic profile and related to assesses the investor's age, marital status and occupation has direct impact on the investor's choice of investment.
6. Asher, M., Vora, Y., and Maurya, D. (2015), analysed the APY scheme it was noted that public enrollment at the time was not the best. It was suggested that government must increase the enrollment in the scheme to make it more effective.

From the literature, following hypothesis was formulated:-

- H_{01} : The mean score of respondents satisfaction level based on different religious background of individual are the same.
- H_{02} : The mean score of respondents based on different educational background of individuals are the same.

Research Methodology

Convenience sampling method is used in the study to collect data from the public residing in Ernakulam district in Kerala. The sample unit considered for the study consists of public participated and not participated in Atal Pension Yojana. Structured questionnaire was used to collect information. From the 160 questionnaires distributed 120 were returned and only 110 were selected which was returned completed and seemed appropriate for the study. Garson (2009) suggests a sample size can exceed 100. For analysing data various tools found useful for the study like simple percentages, anova were used. Along with it descriptive statistics such as mean and standard deviation were also used. The data was presented with the help of various tables and graphs.

Data analysis

1 Public participation in APY

Table 1: - Demographic profile of selected respondents

Particulars		Respondents			
		Invested		Not Invested	
		Number	Percentage	Number	Percentage
Gender	Male	54	84	23	50
	Female	10	16	23	50
	Total	64	100	46	100
Religion	Hinduism	11	17	8	17
	Islam	22	34	18	39
	Christianity	31	48	20	43
	Total	64	100	46	100
Educational Qualification	Primary	8	13	7	15
	SSLC	13	20	7	15
	Higher secondary (+2)	30	47	15	33
	Graduation	13	20	8	17
	Post-graduation	0	0	5	11
	Others	0	0	4	9
	Total	64	100	46	100
Occupation	Business	5	8	5	11
	Private employee	16	25	14	30
	Professional	0	0	4	9
	farmers	6	9	4	9
	Casual Labourer	21	33	9	20
	Others	16	25	10	22
	Total	64	100	46	100

Source: Primary Data

The table 1 shows the socio – demographic classification of respondents on the basis of investment in APY. Out of 64 respondents who invested in the yojana, 84per cent of respondents were male and 16 per cent of respondents were female respondents. This clearly showing signs of gender inequality.

The religious composition of the respondents (i.e., who have invested) were 48per cent Christians, 34per cent Islam and 17per cent are Hindus. The educational background of the respondents signify that a majority of the respondents 47per cent had studied till higher secondary, followed by under graduates and SSLC qualified of 20per cent each and remaining 13per cent respondents with primary qualification. This signifies most of them were only having basic educational background. Those respondents who hesitated to invest include 33per cent higher secondary qualifiers, 17per cent under graduates, 11per cent post-graduates, 9per cent having qualified diploma courses, etc., and an equal per cent of primary and SSLC qualifiers i.e., 15per cent.

The occupational background of those who invested in APY shows that 33per cent are casual labourers, 25per cent each are either private employees or others (unemployed, etc.), 9per cent farmers and 8per cent businessmen. The occupation of the other set of respondents comprises of 11per cent businessmen, 30per cent private employees, 9per cent each professionals and farmers, 20per cent casual labourers and 22per cent others. This very confirms the fact that the participation in the scheme is mostly dominated by people from unorganized sectors.

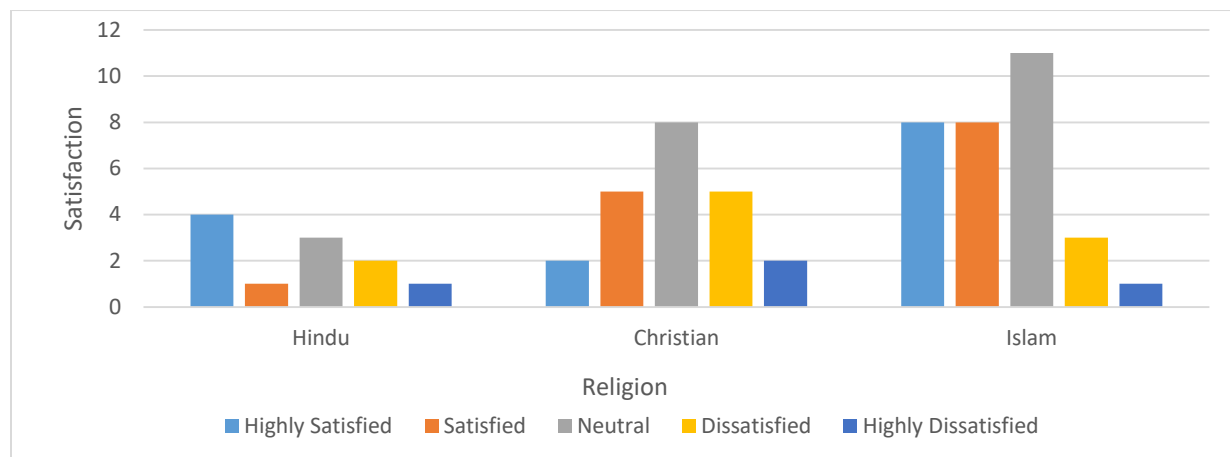
2 Relation between Religion and satisfaction level

Table 2: - Overall satisfaction on the basis of religion

Variable	Religion	Number	Mean	Standard Deviation	F	p value
Satisfaction	Hindu	11	3.4545	1.4397	1.8273	0.1695
	Christian	22	3	1.1127		
	Islam	31	3.6129	1.0856		

Source: Primary Data

Figure 1: - Religion and satisfaction level



Source: Primary Data

Interpretation: -

H₀₁: The mean score of respondents satisfaction level based on different religious background of individual are the same.

Here, the independent variable is religion and the three sub variables are Hindu, Christian, and Islam. For testing the above postulate, the statistical tool ANOVA was used. The result of the test exhibited in Table 2. The table shows statistical value of p as 0.1695 which is more than 0.05 for account holders’ satisfaction. Thus, the hypothesis H₀₁ is accepted. Therefore, it was seen that there was no significant difference between the religious background and the respondents satisfaction level. It is concluded that people belonging to different religion perceives the satisfaction almost equally.

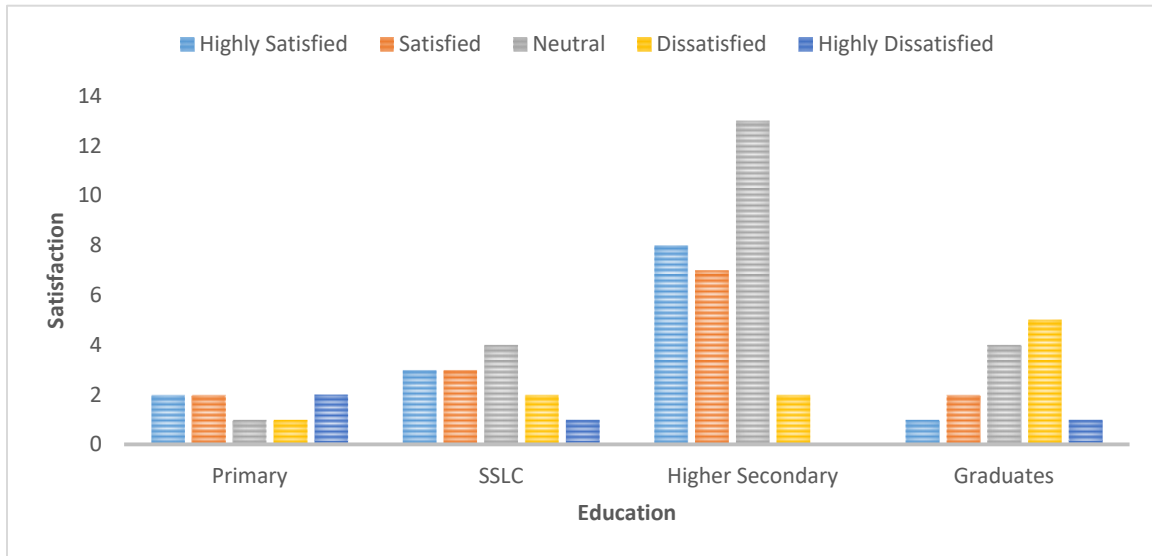
3 Relationship between Education and satisfaction level

Table 3: - Overall satisfaction on the basis of education

Variable	Education	Number	Mean	Standard Deviation	F	p value
Satisfaction	Primary	8	3.125	1.6421	2.1489	0.1035
	SSLC	13	3.3846	1.2609		
	Higher secondary (+2)	30	3.7	0.9523		
	Graduation	13	2.7692	1.0919		

Source: Primary Data

Figure 2: - Education and satisfaction level



Source: Primary Data

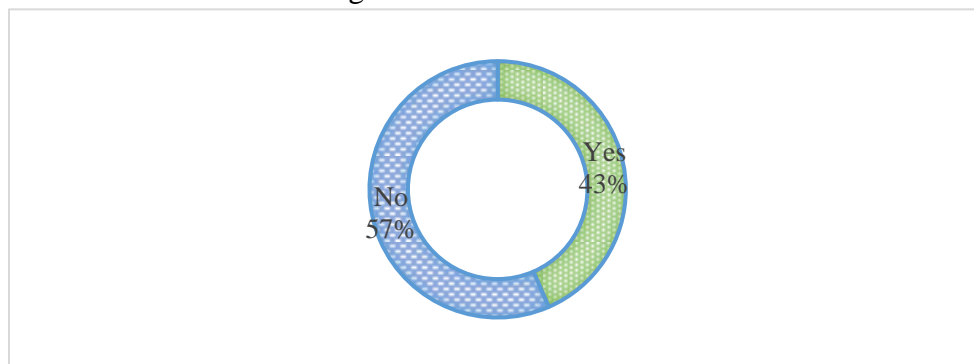
Interpretation: -

H₀₂: The mean score of respondents based on different educational background of individuals are the same.

The independent variable taken here is education and the four sub variables are Primary, SSLC, Higher secondary, and Graduate. ANOVA was used to compare the mean scores of different educational qualifications and the result is exhibited in Table 3. The result reveals a statistical value of p 0.1035 which is more than 0.05 for account holders’ satisfaction. Thus, the hypothesis H₀₂ is accepted. Since there is no marked difference in the respondents’ satisfaction based on education, it is concluded that people with different education level perceives the satisfaction almost equally.

4 Awareness of non-participants towards APY

Figure 3: - Awareness level



Source: Primary Data

Interpretation: -

From the figure 3 it is understood that most of the non-participants of APY aren't familiar with the pension yojana. About fifty-seven per cent are unaware about the scheme. This may be due to the lack of promotional activities regarding the above said yojana. Remaining forty-three per cent of the non-participants of APY are aware about the scheme, but did not participate in the scheme due to various reasons.

Conclusion

The study throws light into the public participation in the scheme at grass roots level. The study also examined the level of satisfaction among participants in the scheme. It was found that the participation among the public in the scheme was only 58.18per cent. it was also seen that there was no significant difference between the religious background and the respondents satisfaction level. When the educational background was taken into consideration, no marked difference in the respondents' satisfaction based on education was seen, thus it was concluded that people with different education level perceives the satisfaction almost equally.

While analysing the result following limitation of the study also has to be taken into consideration. The size of the sample is restricted to 110. For further analysis, it is better if the sample size could be increased. The limitations of convenient sampling are applicable in this study. It should also be noted that personal bias might have affected authenticity and accuracy of the data. The result of the study can be used by managers of post office and authorised commercial banks for effective implementation of this scheme. This helps, the managers to understand the public participation in the scheme, the satisfaction of participant public and the awareness of non-participant public and thereby help them formulate an action plan to attract more public to participate in this scheme.

The following suggestions are made to the researchers for further study: this study is confined to Ernakulam district in Kerala. This study has considered limited factors of perception and satisfaction variables. Further research can be done to come up with measures to make it more effective. And also to get a more comprehensive understanding of the performance of the scheme, further research is needed to understand the perception of other stakeholders besides public.

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