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**Implications of Policy Initiatives
for the Economic Lifecycle in India**

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Public Policies Post 2005

- **National Rural Health Mission**
 - Implemented during 2005–2012 to provide effective healthcare in the countryside, with focus in 18 states with poor health indicators
 - National flagship program to meet the MDG
 - Strengthen health facilities, particularly in rural areas as per IPHS
 - Extend health outreach in villages through Panchayats and female health activist ASHA
 - Provide incentives for institutional maternal healthcare

Public Policies Post 2005 Contd.

- **Unorganized Sector Workers Social Security Act (USWSSA) 2008**
 - Provides life and disability cover, health and maternity benefits, old-age protection
 - Schemes under the act include Rashtriya Swasthya Bima Yojana (RSBY) by MoLE, Aam Admi Bima Yojana (AABY) by Department of Financial Services, Indira Gandhi National Old Age Pension Scheme(IGNOAPS) by MoRD
 - Single point of contact for unorganized-sector workers to have access to social security and be issued Smart Card

Public Policies Post 2005 Contd.

- **National Rural Employment Guarantee Act, 2005**

- Provides livelihood security to households in rural areas by providing minimum of 100 days employment in a year to adult members for unskilled manual work

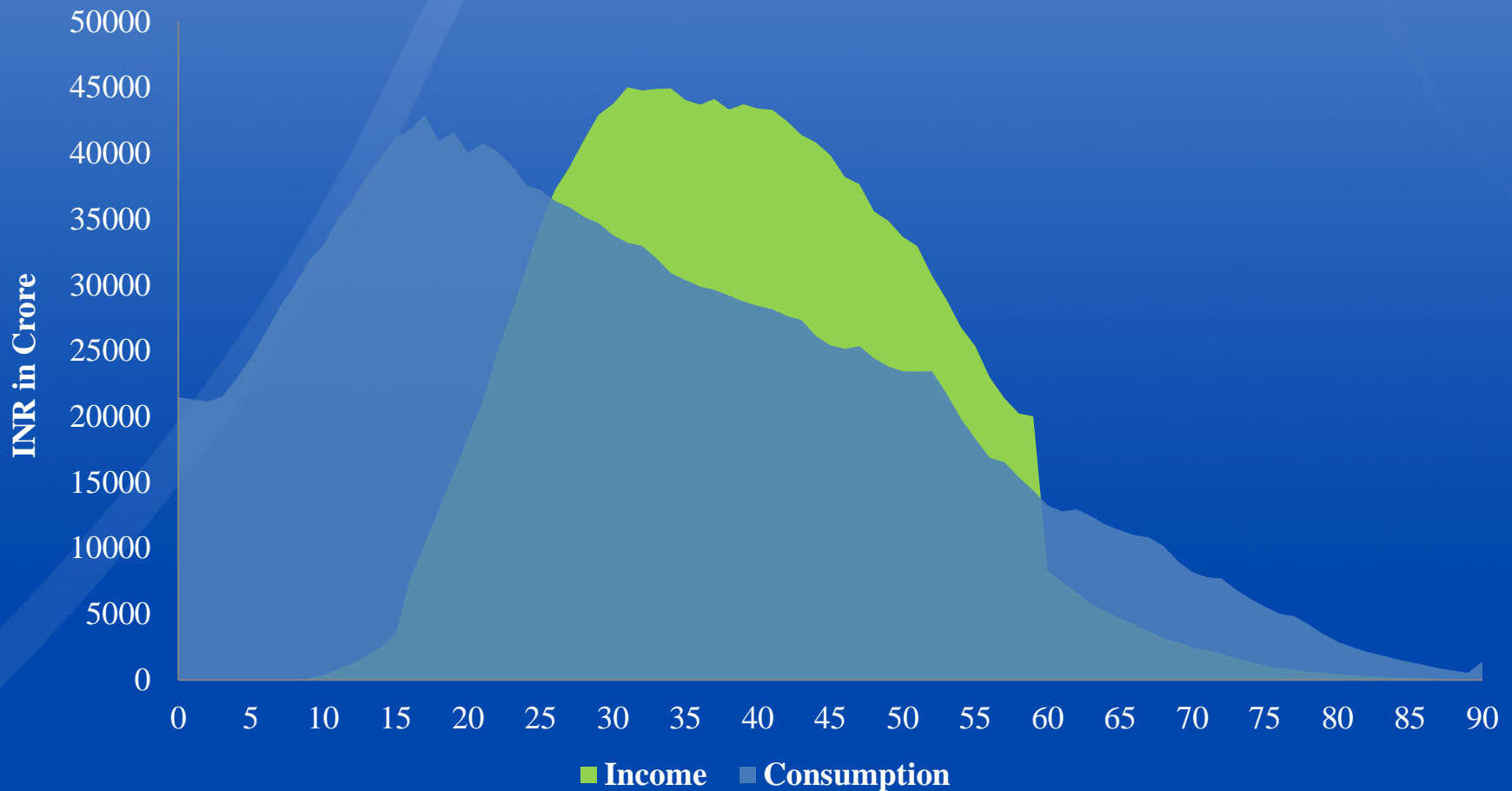
It is now renamed as MGNAREGA

- The central government bears the entire cost for unskilled manual workers plus 75% of the cost of materials, skilled and semi-skilled workers, and administrative cost
- The state government bears 25% of the cost of materials and skilled and semi-skilled workers

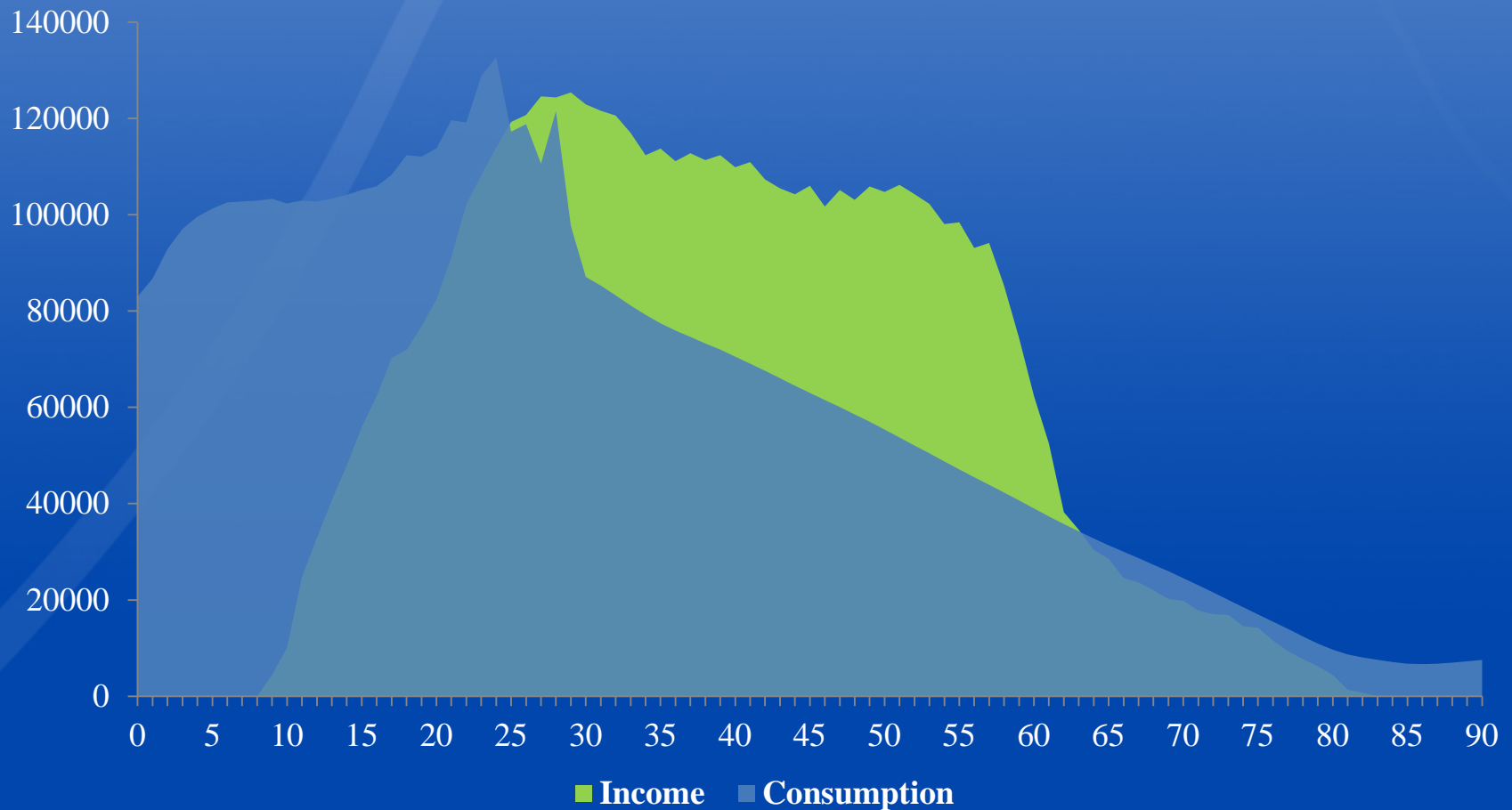
Coverage of Various Pension Schemes in India

	Year	Coverage in Millions
EPFO	2011-12	85.5
Civil Servants	2009-10	2.6
State Government	2009-10	7.4
Local Bodies	2009-10	2.1
Central Govt Autonomous Bodies	2009-10	3.5
Sate Govt Autonomous Bodies	2009-10	2.4
Defence	2013-13	1.3
PPF	2009-10	1.0
NPS	2013-14	2.2
NOAPS	2004-05	2.2
Formal Sector Outside EPFO	2009-10	5.0
Micro and Private Pensions	2011-12	2.1
Total		117.3
Source: Sayal, A. and Singh, C. (2013)		

Aggregate Income and Consumption 2004-05



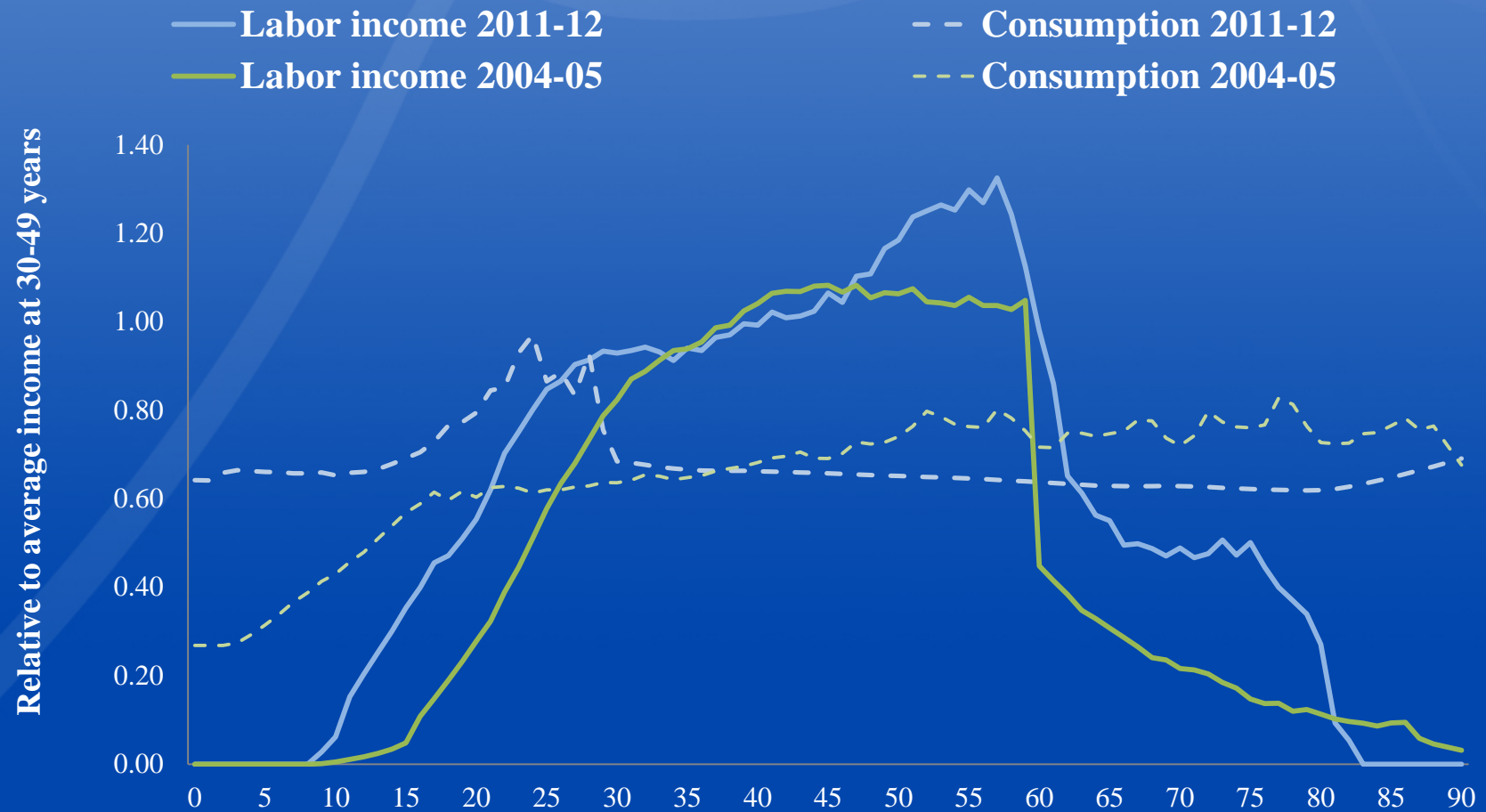
Aggregate Income and Consumption 2011-12



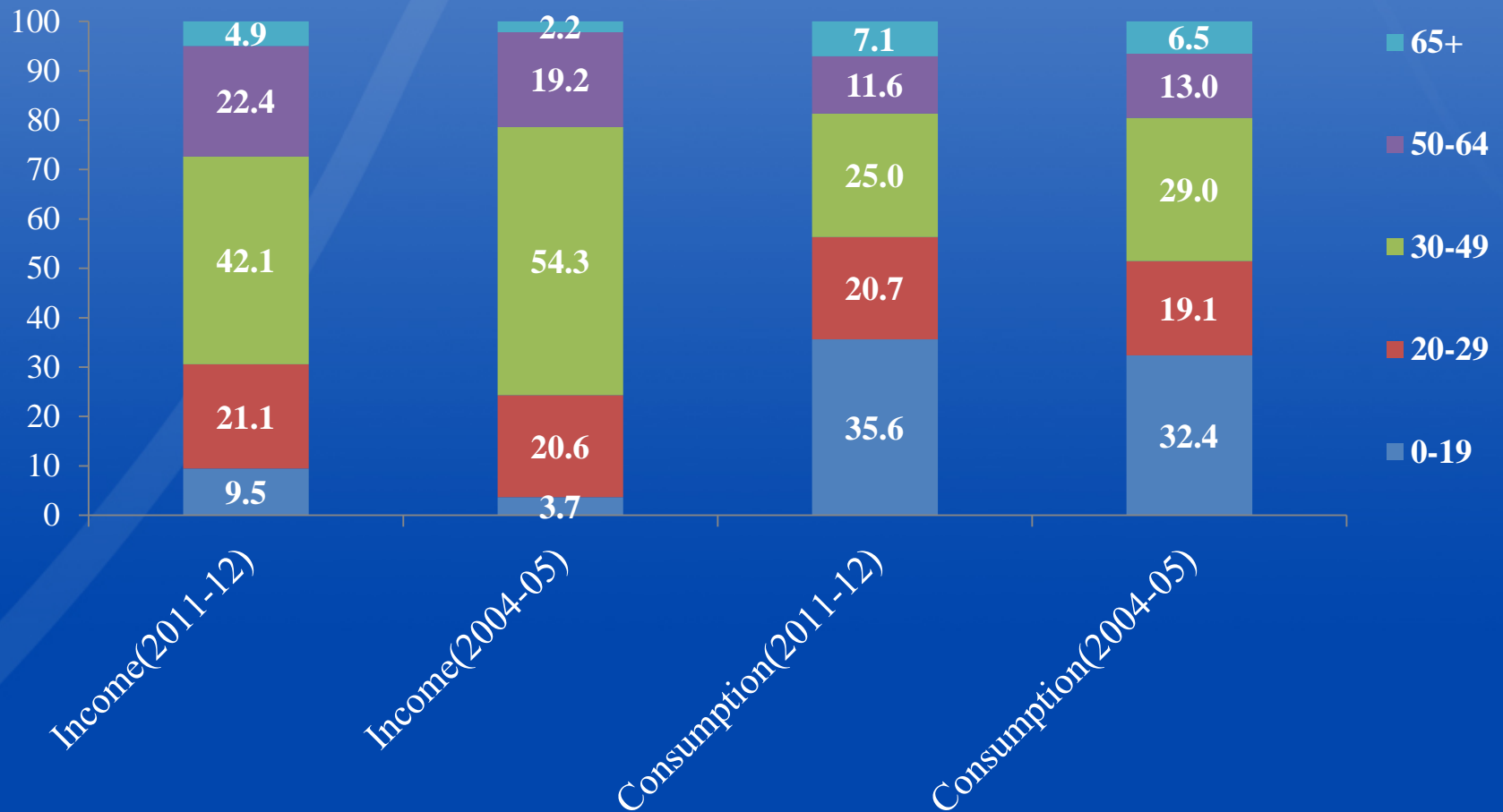
Consumptions by Sector and LCD 2011-12

	Total	0-19	20-29	30-49	50-64	65+
Life Cycle Deficit	436180	1533587	67800	-788512	-519945	143250
Total Consumption	5701865	2031642	1180118	1427286	659054	403765
Public Consumption	819682	288040	240796	165203	77197	48446
Education	178406	43731	134675	0	0	0
Health	100603	45890	16014	23221	9388	6090
Other	540673	198419	90107	141982	67809	42356
Private Consumption	4882183	1743602	939321	1262083	581857	355319
Education	187922	71619	116303	0	0	0
Health	141949	59509	23551	34023	15931	8934
Other	4552312	1612474	799467	1228060	565925	346386
Income	5265685	498056	1112317	2215799	1178998	260515

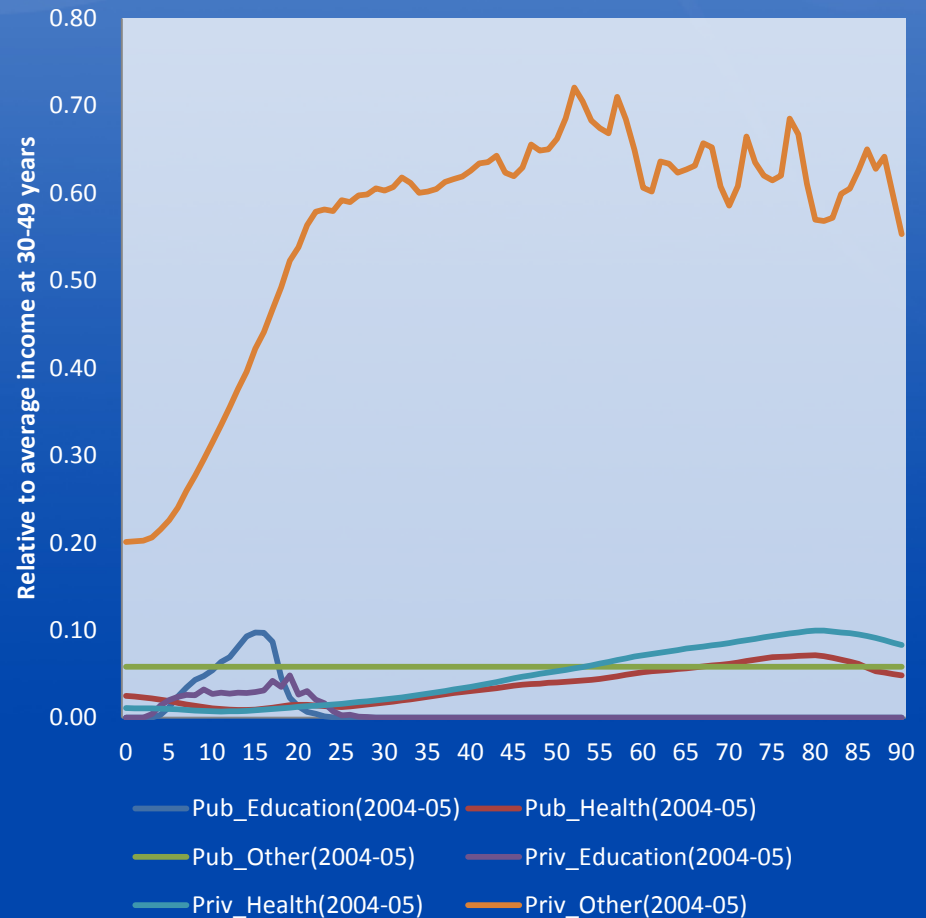
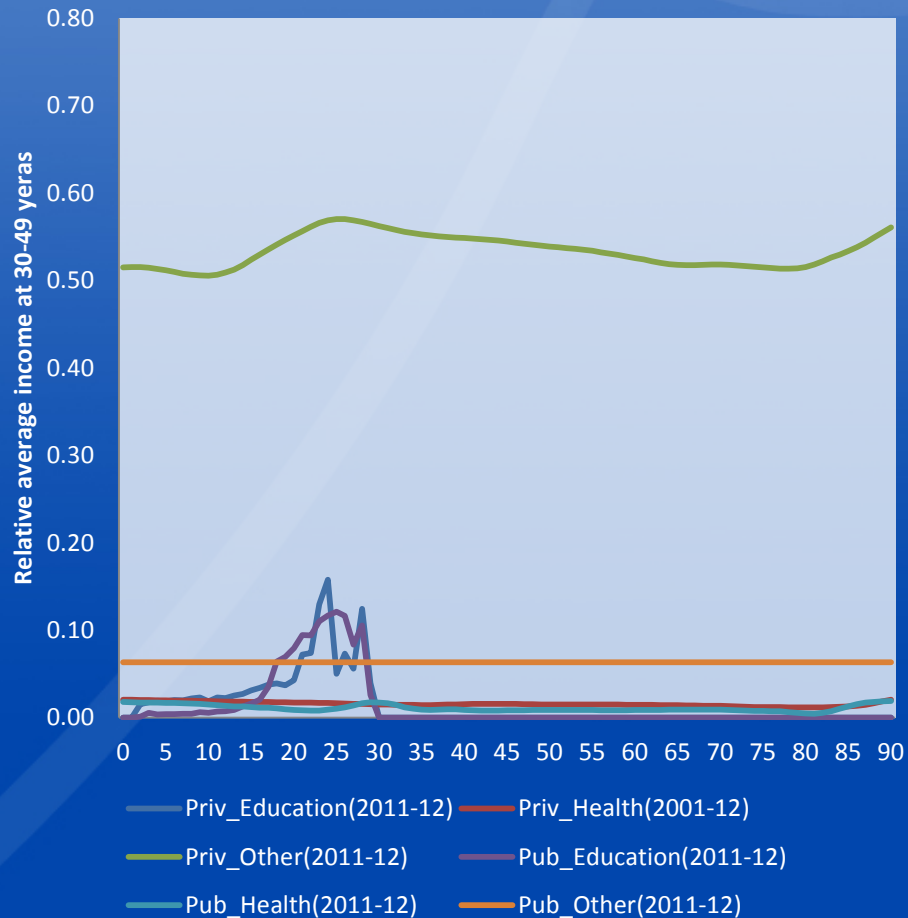
Changing Economic Lifecycle 2004-2012



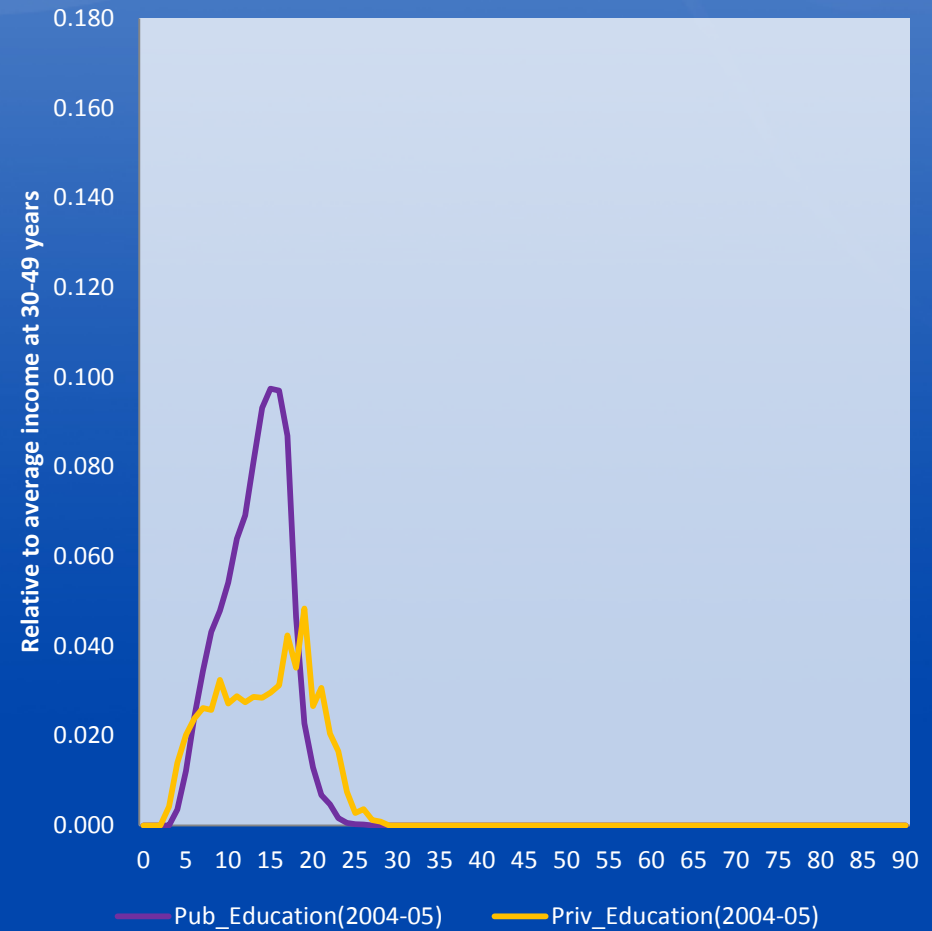
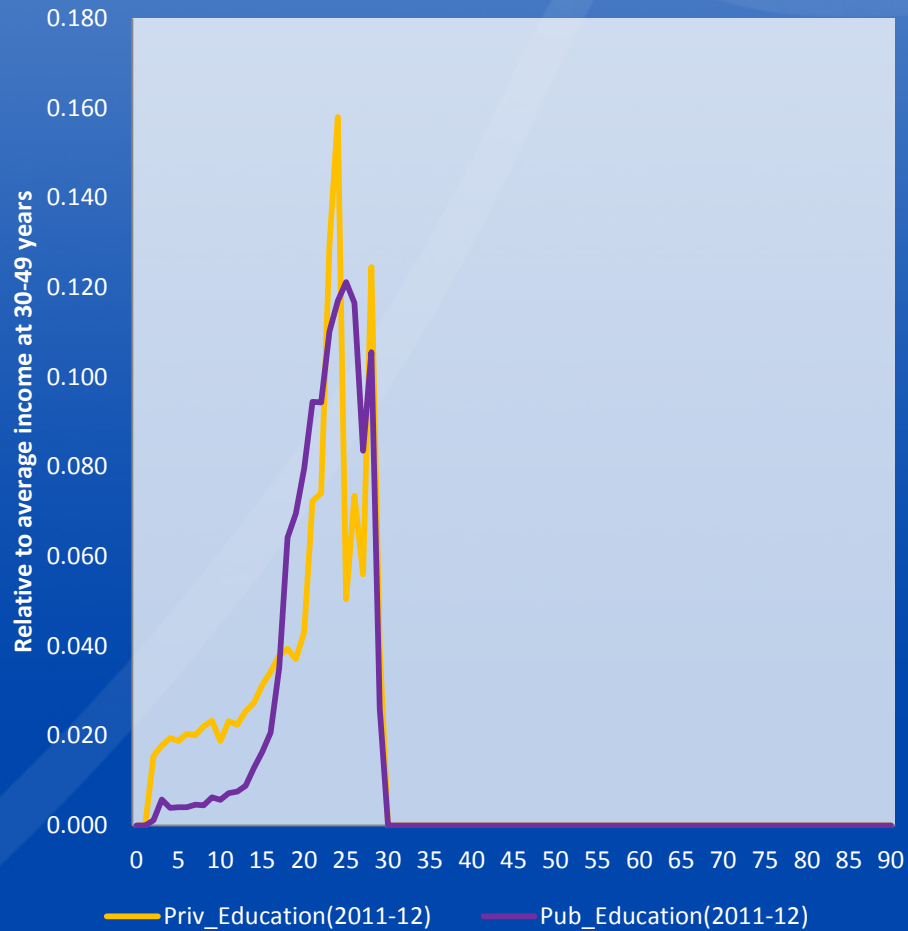
Changing Economic Lifecycle by Age, 2004-12



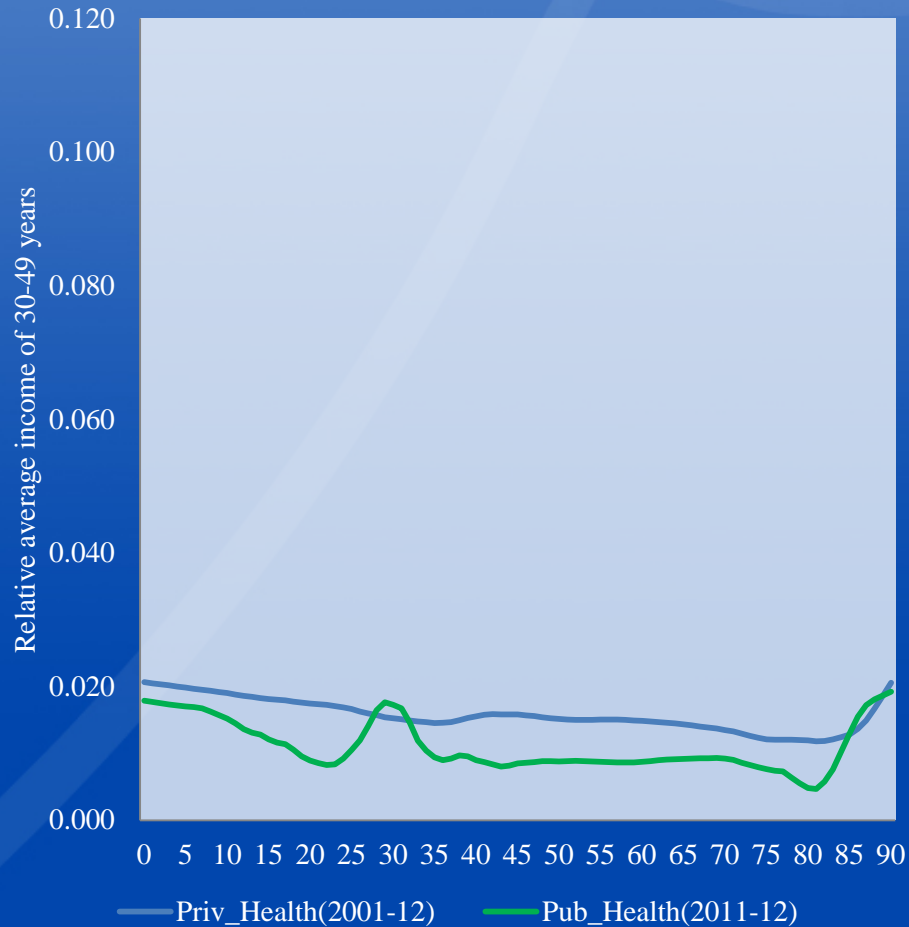
Changing Consumption



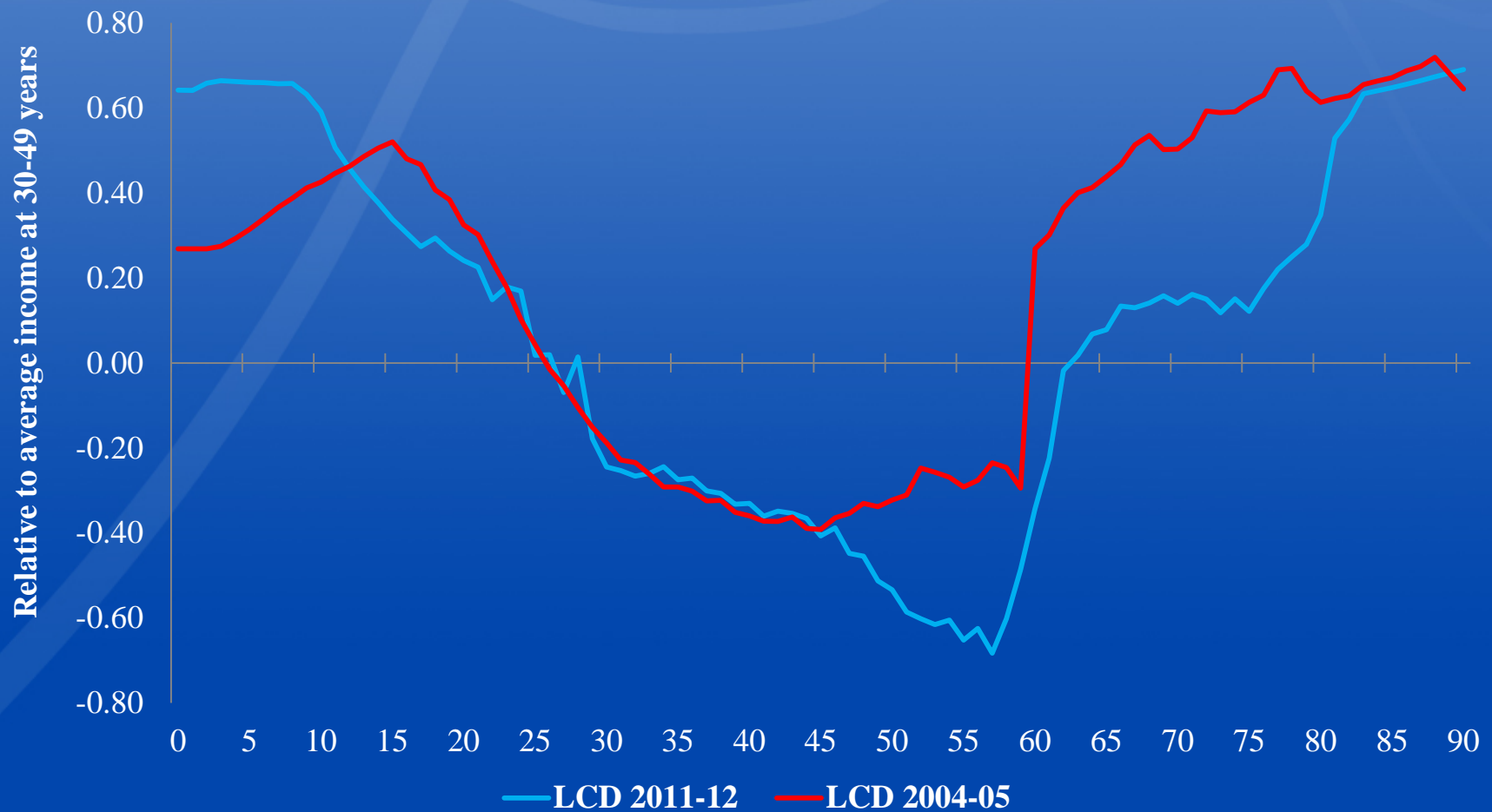
Changing Consumption of Education



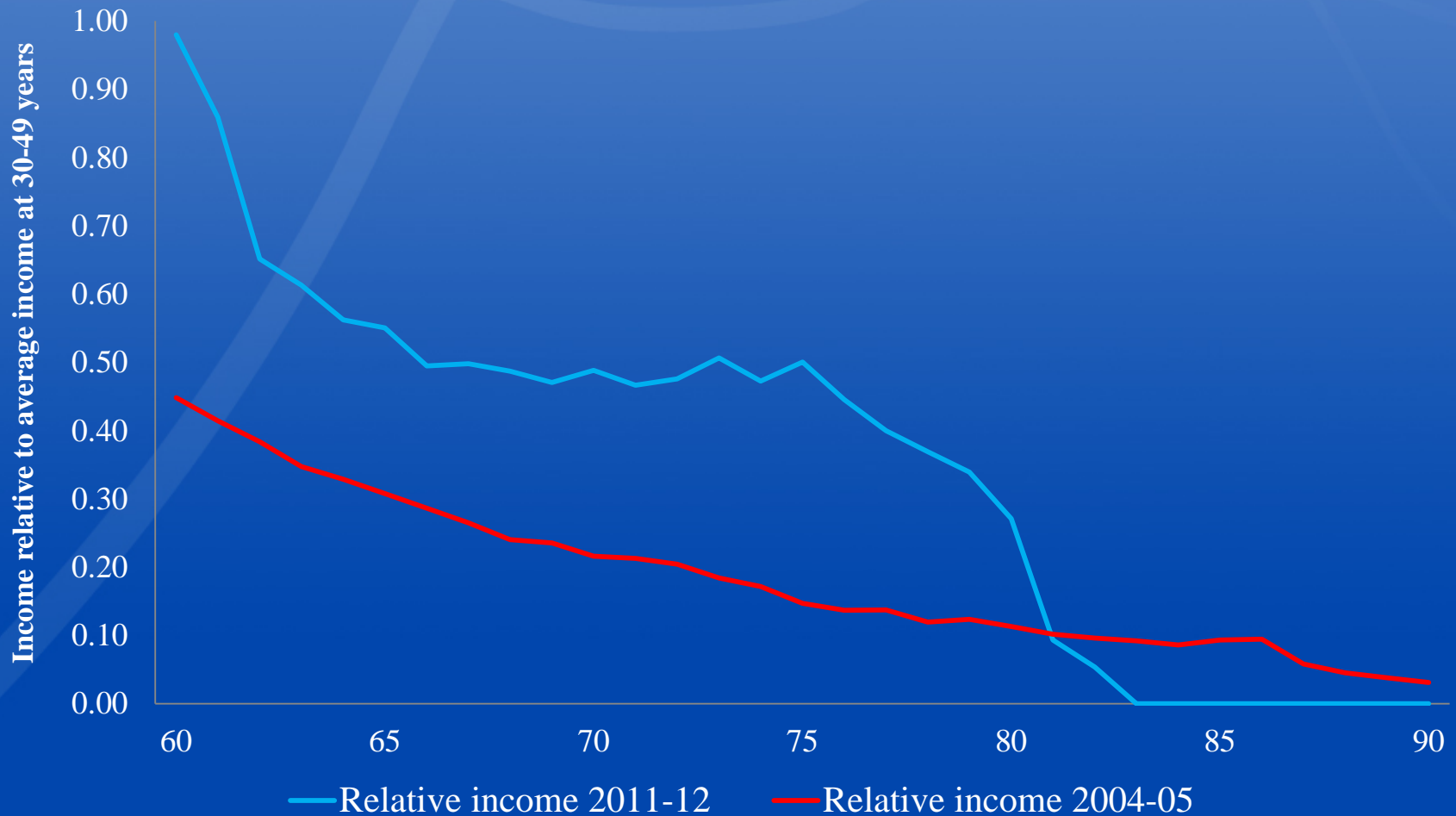
Changing Consumption for Healthcare



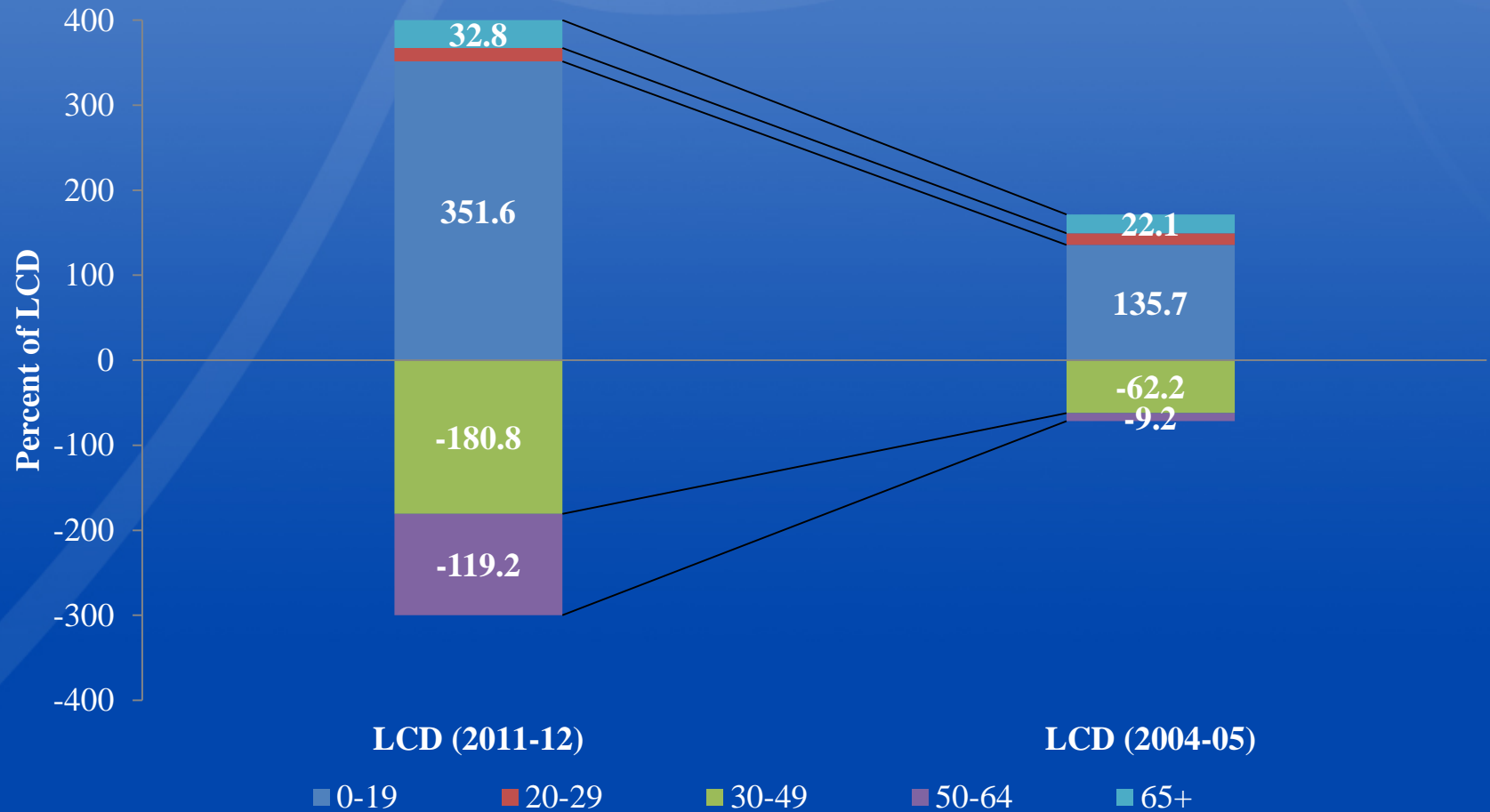
Changing LCD 2004-12



Changing Income of Elderly 2004-12



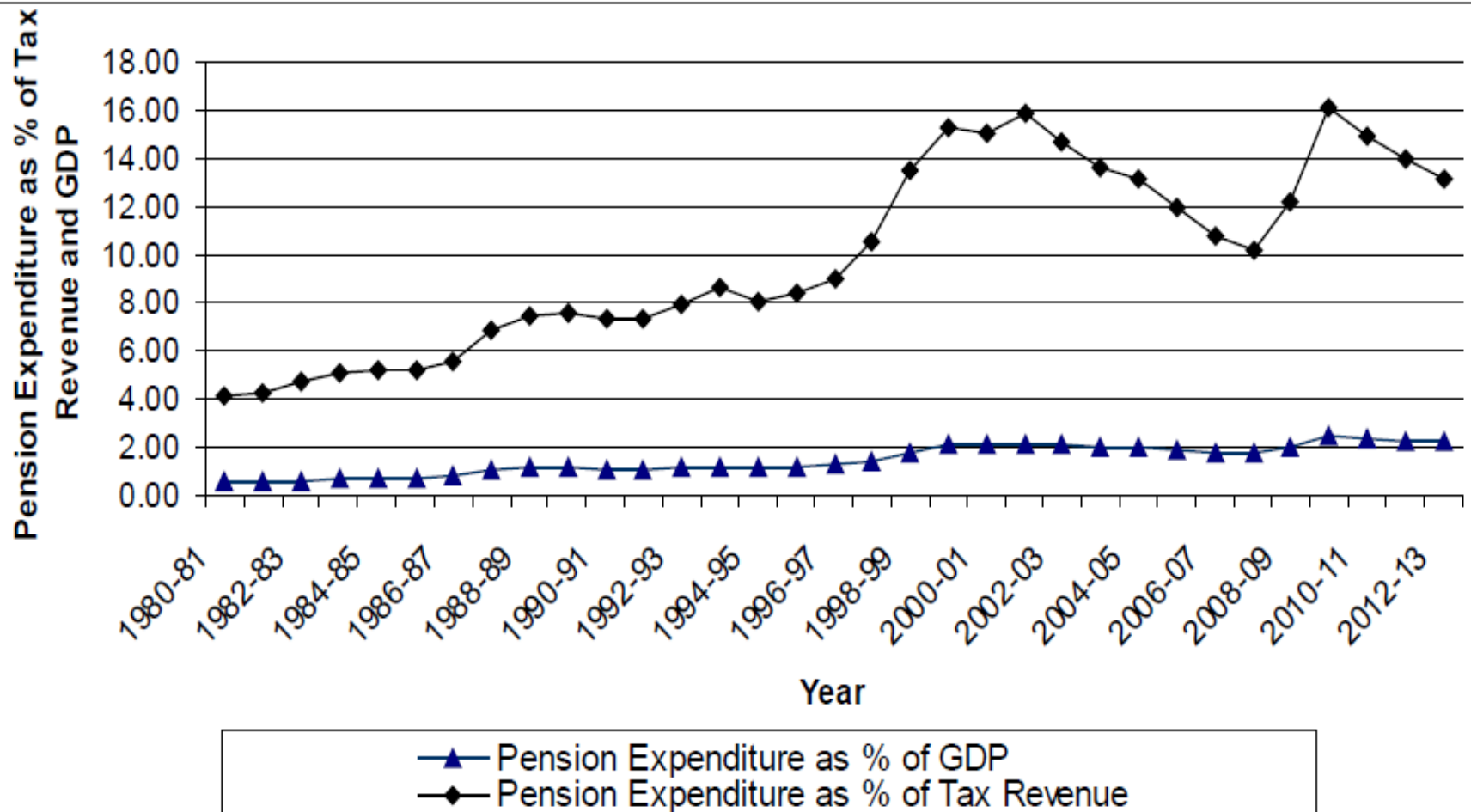
Changing LCD by Age 2004-12



Implications of Policy Initiatives

- Although government has taken up many policy initiatives since 2005, the coverage and amount of social security benefits in India remains low
- The coverage of formal pensions is about 24% of the working population
- Central government pensions constitute 0.68% of GDP and state governments pensions constitute 1.7%
- Too little to meet social security needs of 90 million elderly age 60 and above, projected to increase to 315 million by 2050

Pension Expenditure in India



Source: www.rbi.org.in

Thank You