



Unveiling The Journey: Analysing The Atal Pension Yojana's Performance

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ABSTRACT

NSSO's 2011-12 Survey Reveals Stark Reality: 88% of India's Workforce Lacks Social Security Coverage. In response to this alarming statistic, the Government of India launched the Atal Pension Yojana on May 9, 2015, with a specific focus on safeguarding the elderly, particularly those in the unorganized sector. Designed to ensure a reliable income stream post-retirement, especially for those aged 60 and above, the scheme aims to bridge the gap in social security coverage.

Financial institutions were entrusted with the task of enrolling individuals into the scheme, prompting a need to assess their performance. Through secondary data collection from bank and government records, trends in subscription were analysed using Excel.

Analysis revealed that among the six financial institutions studied, Public Sector Banks emerged as frontrunners in subscriber enrolment under APY since its inception. This success can be attributed to the collaborative efforts of the Government of India and these financial entities in reaching out to potential subscribers.

In just six years, the scheme has garnered substantial traction, with approximately 3.30 crore individuals enrolled as of August 25, 2021, signalling its significance in addressing the retirement concerns of India's workforce.

Key Terms: Atal Pension Yojana, Subscriber Enrollment, Financial Institutions, Pension Schemes

Introduction

The NSSO survey of 2011-12 highlighted a concerning reality: 88% of India's workforce operates within the unorganized sector, lacking adequate coverage under any social security scheme. Recognizing the vulnerability of these workers, particularly in their old age, the Government of India, under the leadership of Prime Minister Shri. Narendra Modi, initiated the Atal Pension Yojana on May 9, 2015, in Kolkata. This scheme aimed to establish a universal social security system, especially targeting the impoverished, underprivileged, and those toiling in the unorganized sector. Its primary objective is to ensure a consistent income flow for workers in the unorganized sector after they reach the age of 60. Over time, it has extended its coverage to encompass all Indian citizens. As of August 25, 2021, approximately 3.30 crores individuals have subscribed to the Atal Pension Yojana.

Benefits of Atal Pension Yojana

Individuals aged between 18 and 40 years can enroll in the scheme, contributing monthly amounts of Rs. 1000, Rs. 2000, Rs. 3000, Rs. 4000, or Rs. 5000, depending on their income, for a duration of 20 years. The pension received is determined by the duration and amount of contribution. This scheme offers a guaranteed pension, providing a fixed monthly income during old age, backed by the Indian government and regulated by the Pension Funds Regulatory and Development Authority of India (PFRDA). Therefore, subscribers face no risk of loss as the government ensures a fixed pension, offering them a stable income upon reaching the age of 60 to meet their basic needs.

Review of Literature

A review of literature serves as a methodological tool to examine prior research in a specific area and identify gaps for further exploration. While there have been limited studies on the Atal Pension Yojana, initial research primarily focused on social security schemes for protecting workers in the unorganized sector. Authors such as **James Choi** (2001), **Takeshi Yamaguchi** (2006), **Wolfram Hornef** (2006), and **Waldo Tapia** (2008) emphasized the significance of social security and pension schemes for the elderly. **Debashis Basu** (2015) raised concerns about the APY's interest rates and penalties for default contributions, highlighting potential deterrents for subscribers. Prasad and **Sahasranaman** (2015) identified limitations such as lack of inflation indexation and conservative investment mix. Despite these concerns, the scheme has garnered substantial response, as evidenced by the enrollment of 3.30 crores individuals. Studies by **Vidyashree & Rathod** (2015) and **Sudindra** (2016) emphasized the need for government contributions and proper implementation to truly benefit workers in the unorganized sector.

Research Gap

While there has been considerable research on the National Pension Scheme (NPS) and other social security schemes, there is a dearth of studies specifically focusing on the Atal Pension Yojana since its inception. This underscores the importance of assessing public response to the APY. Hence, the present study aims to analyse the public's response to the Atal Pension Yojana since its inception in 2015 and the growth of its subscribers.

Objectives of the Study

Drawing from the literature review and the scope of the research, the study aims to achieve the following objectives:

- To analyze the upward trend in the number of subscribers under the Atal Pension Yojana since its inception.
- To determine which bank has registered the highest number of subscribers under the Atal Pension Yojana since its inception.
- The study endeavours to ascertain the annual subscription figures for individuals participating in the Atal Pension Yojana.

Research Methodology

This study relies on secondary data primarily sourced from previous research and the data repositories of the Government of India. Information regarding the Atal Pension Yojana is collected from entities such as the National Securities Depository Limited, Press Information Bureau, Pension Fund Regulatory and Development Authority, and the Government of India. The collected data is presented in tables and diagrams to unveil underlying patterns. The use of R-squared facilitates understanding the relationship between changes in dependent variables and movements in independent variables. Through this methodology, the research aims to elucidate the response of individuals who have enrolled in the APY scheme since its inception in 2015.

Results & Discussion

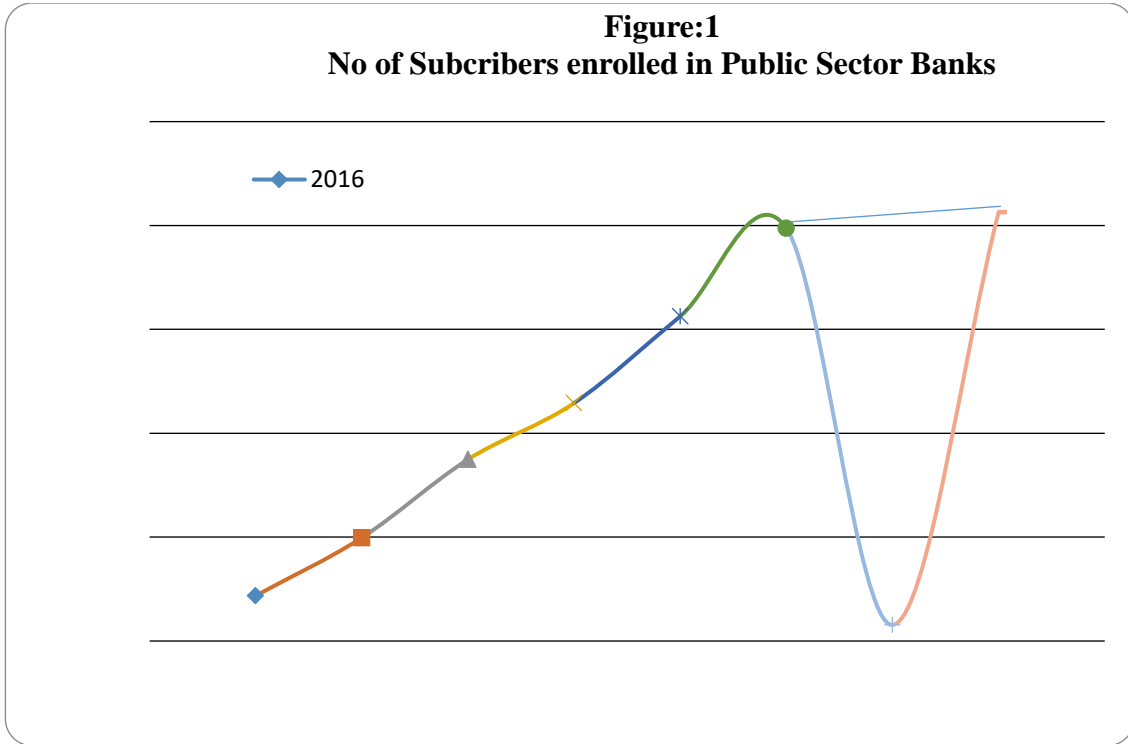
The Atal Pension Yojana, introduced by the Government of India in 2015, aimed to provide financial security to workers in the unorganized sector during their old age. With an impressive response of 3.30 crore subscribers as of August 25, 2021, the scheme has witnessed a significant surge in enrollment. This study endeavors to unravel the pattern of this subscriber increase under the APY. Table 1 presents the Annual Trends in the growth of subscribers under the APY since its inception.

Table 1: Bank Category-wise Number of APY Enrollments

Table No:1 Bank Category wise number of APY Enrolments								
Category of Banks	As on (March 31, 2016)	As on (March 31, 2017)	As on (March 31, 2018)	As on (March 31, 2019)	As on (March 31, 2020)	As on (March 31, 2021)	Additions from April 1, 2021 to August 25, 2021	As on (August 25, 2021)
	1	2	3	4	5	6	7	8
Public Sector Banks	16,93,190	30,47,273	65,53,397	1,07,19,758	1,56,75,442	2,12,52,435	20,74,420	2,33,26,855
Private Banks	2,18,086	4,97,323	8,73,901	11,45,289	15,62,997	19,86,467	77,875	20,64,342
Small Finance Bank & Payment Bank				57,372	3,59,761	8,53,914	2,24,705	10,78,619
Regional Rural Banks	4,76,373	11,15,257	19,87,176	31,71,152	43,30,190	57,10,770	4,21,104	61,31,874
Cooperative Banks	21,903	33,978	45,621	54,385	70,556	80,073	4,554	84,627
DOP	75,343	1,89,998	2,45,366	2,70,329	3,02,712	3,32,141	7,774	3,39,915
Total	24,84,895	48,83,829	97,05,461	1,54,18,285	2,23,01,658	3,02,15,800	28,10,432	3,30,26,232

Source: <https://pib.gov.in/> & <https://npsra.nsdl.co.in/> (Pension Fund Regulatory and Development Authority)

The data clearly illustrate a consistent yearly increase in subscribers. In 2016, the total number of subscribers stood at approximately 24,84,895, soaring to 3,02,15,800 by the end of 2021. This translates to a remarkable growth rate of 38.57% since the scheme's inception in 2015. Public Sector Banks have outperformed other financial institutions, witnessing an enrollment increase from 16,93,190 in 2016 to 2,12,52,435 by 2021, representing a growth rate of 38.93%. Although private banks have shown growth, their enrollment rate is lower compared to public sector banks. Small Finance Bank & Payment Banks have witnessed a notable increase, albeit with a lower overall enrollment. Regional Rural Banks have demonstrated substantial growth, as have Cooperative Banks and the Department of Post. The performance of Public Sector Banks in enrolling subscribers under the APY is further illustrated in Figure 1, showcasing a consistent upward trend in enrolment over the years.



Source: Computed by Author

Figure 1: Performance of Public Sector Banks in Enrolling Subscribers under Atal Pension Yojana The linear curve in

Figure 2 portrays the growth trend of Public Sector Banks' performance in enrolling subscribers under the APY.

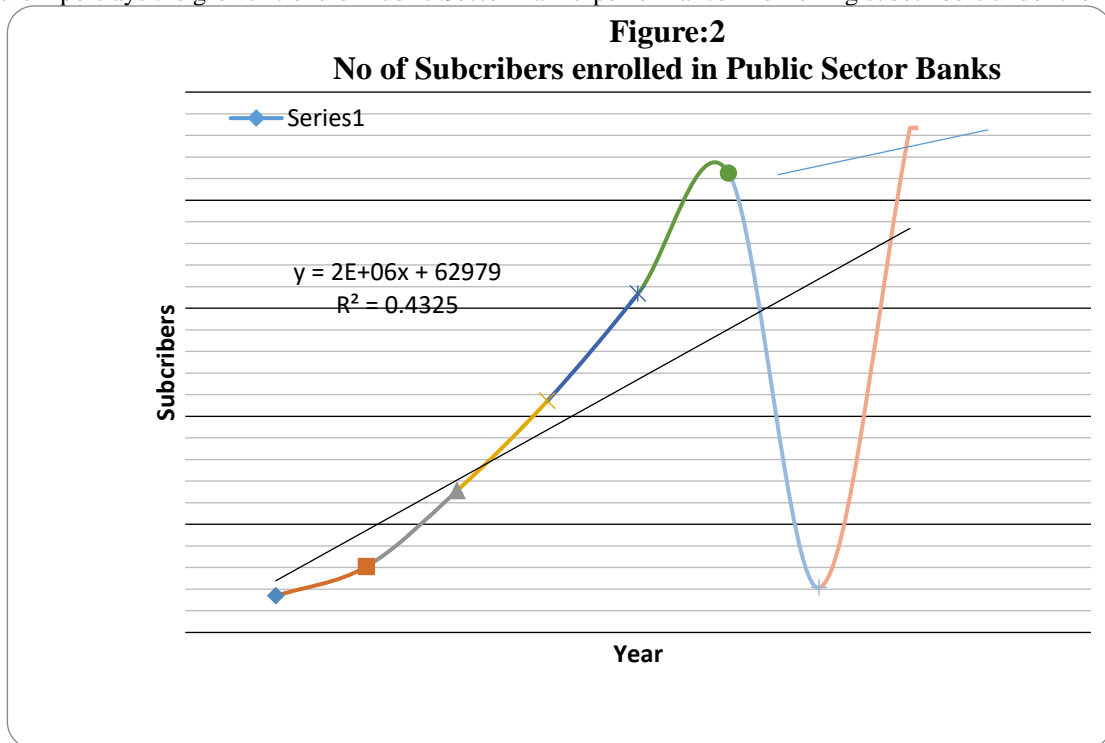
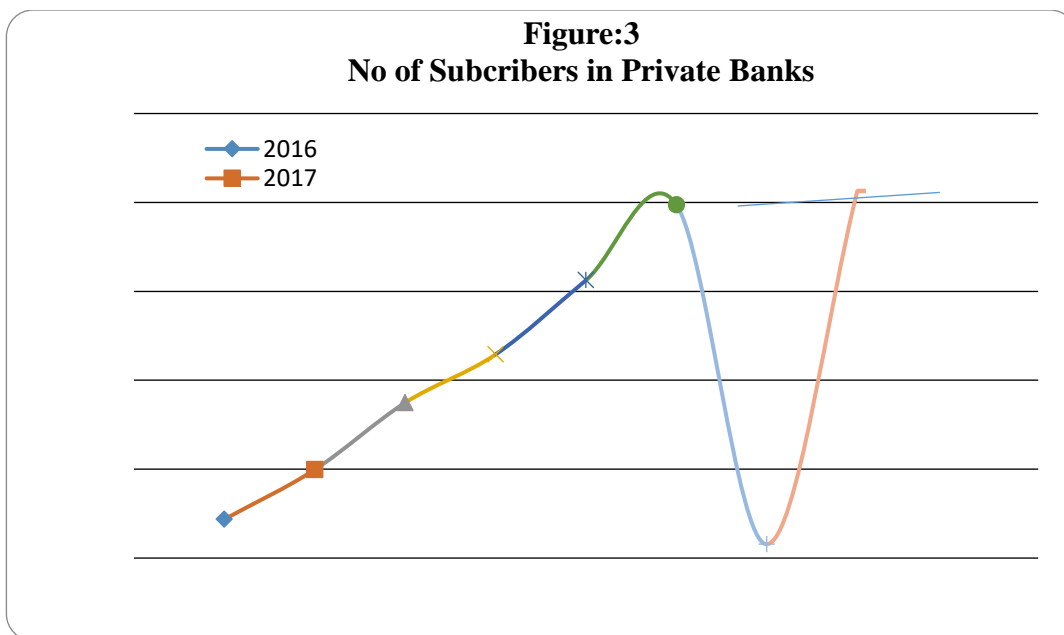
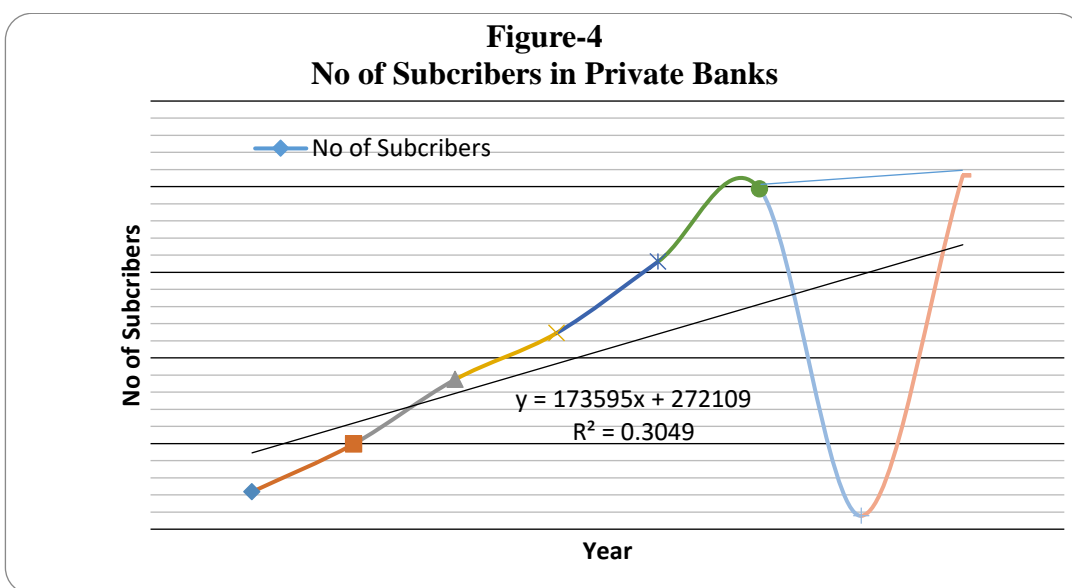


Figure 2: Growth Trend of Public Sector Banks in Enrolling Subscribers under Atal Pension Yojana. Similarly, the performance of Private Banks, Small Finance Bank & Payment Banks, Regional Rural Banks, Cooperative Banks, and the Department of Post is depicted in subsequent figures, each highlighting the respective enrollment trends.



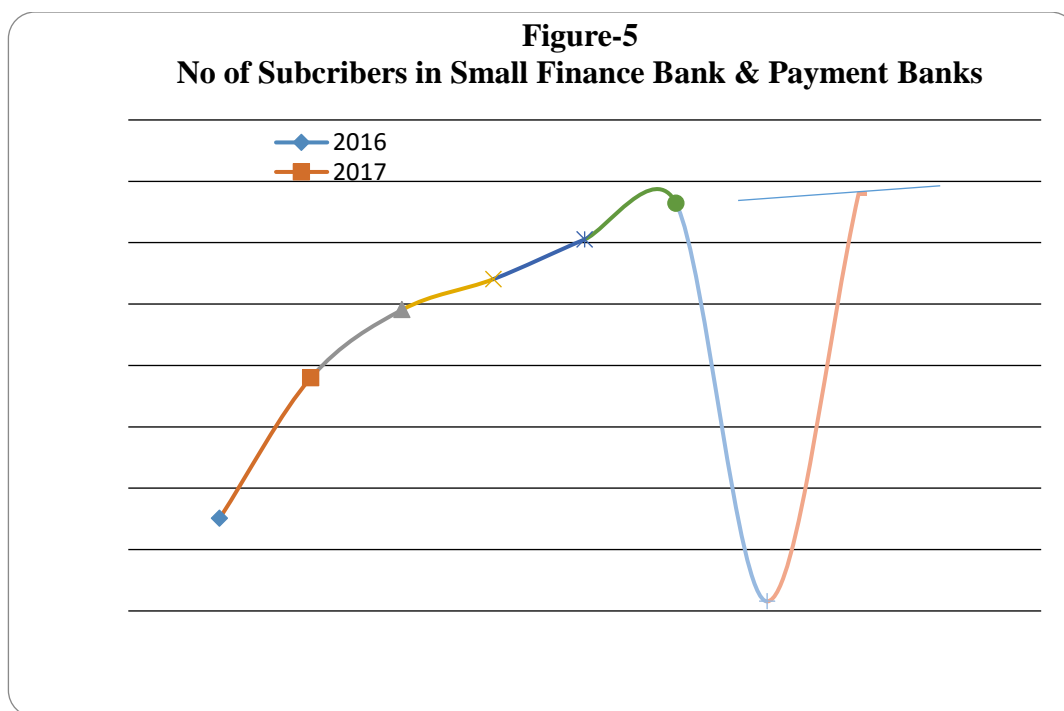
Source: Computed by Author

The Figure 3, exposes the performance of Private Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the number of subscribers enrolled in the APY. At the end of 2016, there were around 2,18,086 have enrolled which have increased into 19,86,467 at the end of 2021. It has been increased at the rate of 34.17% per year. The linear curve given in the following Figure 4 shows the growth trend.



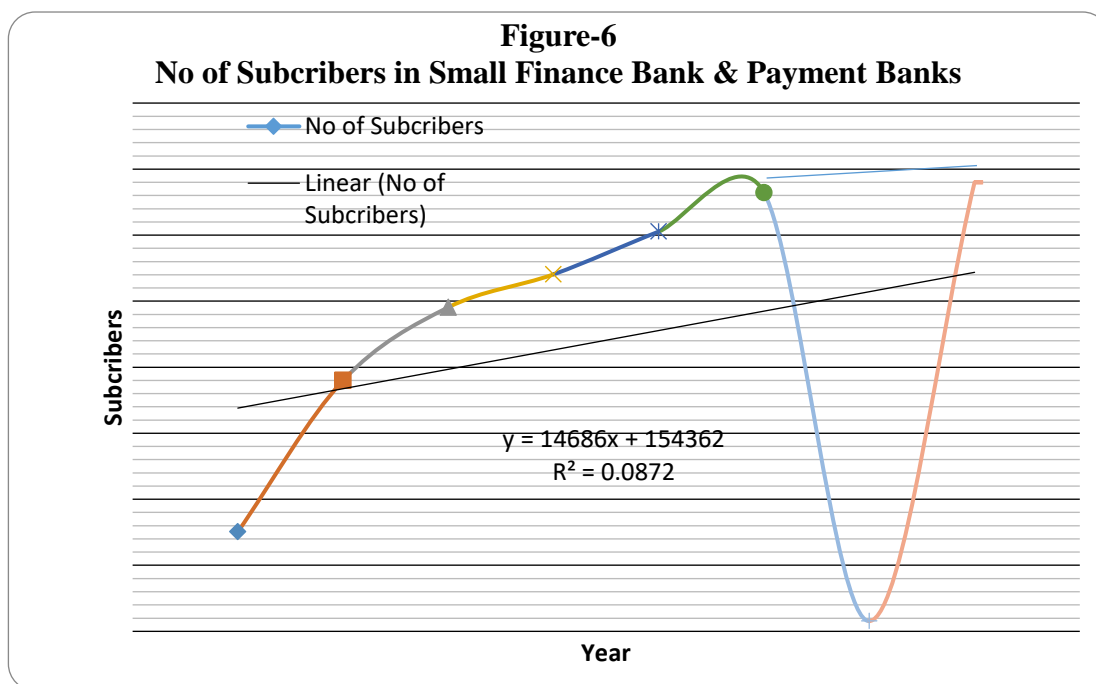
Source: Computed by Author

In Figure 4, exposes the performance of Private Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the trend of increase of number of subscribers enrolled in the APY. R^2 indicate the relationship which is 0.304. The performance of the Small Finance Bank & Payment Banks is presented in the following diagram.



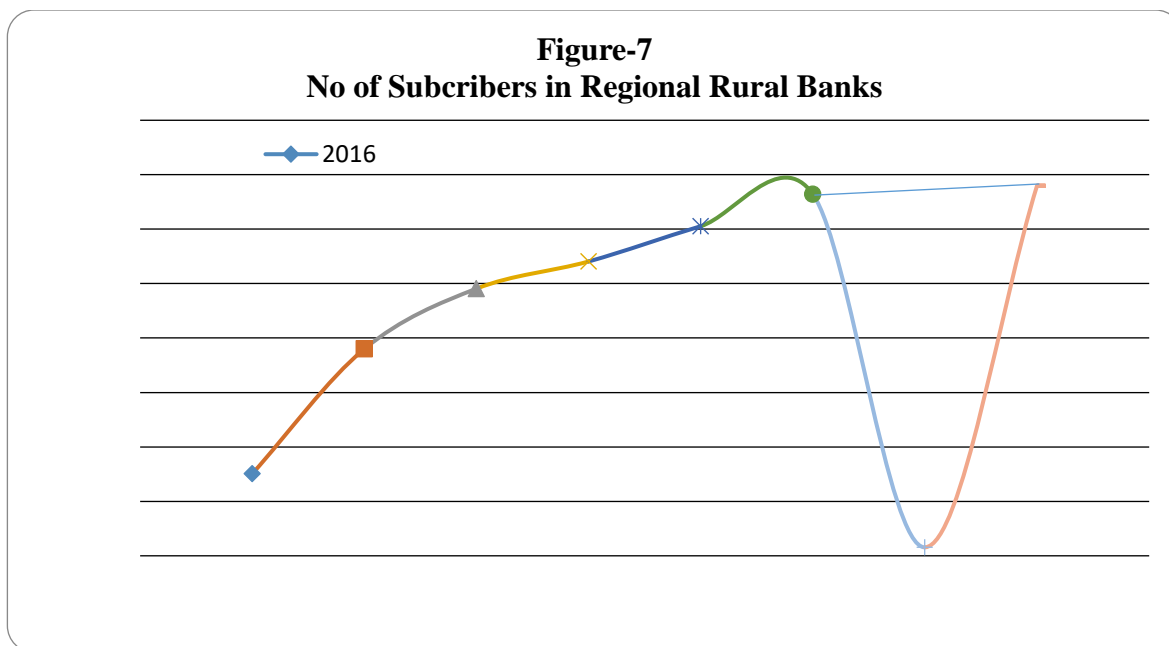
Source: Computed by Author

The Figure 5, exposes the performance of Small Finance Bank & Payment Bank in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2019 to 2021 and Y-axis indicates the number of subscribers enrolled in the APY. At the end of 2019, there were around 57372 have enrolled which have increased into 8,53,914 at the end of 2021. The linear curve given in the following Figure 6 shows the growth trend.



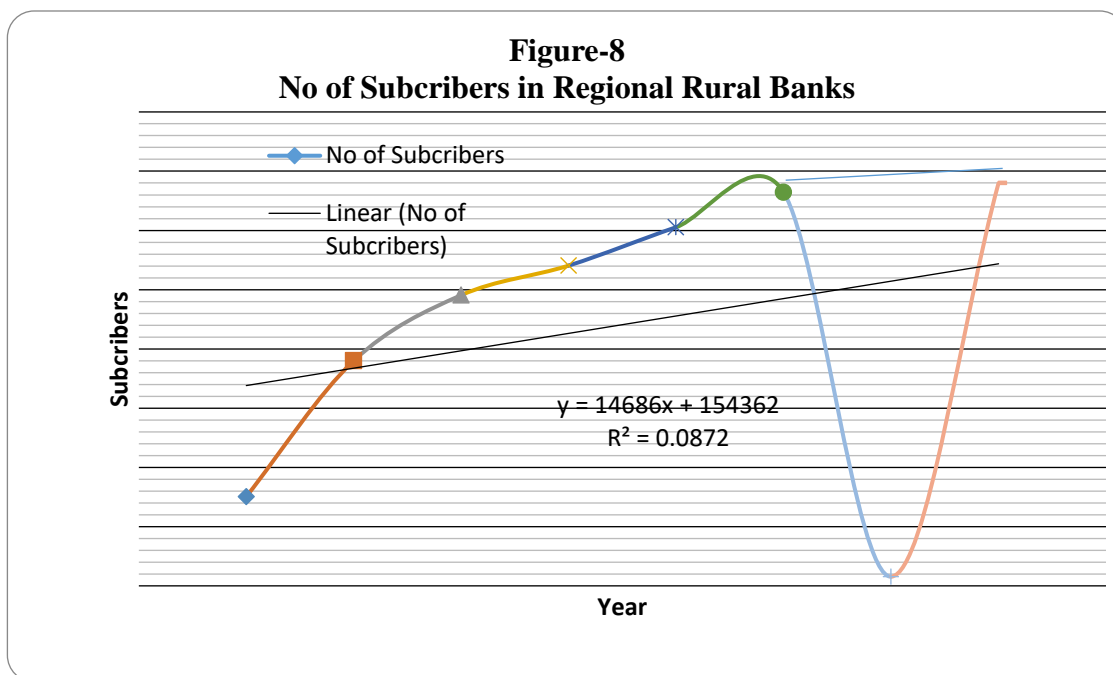
Source: Computed by Author

In Figure 6, exposes the performance of Small Finance Bank & Payment Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the trend of increase of number of subscribers enrolled in the APY. R^2 indicate the relationship which is 0.087. The performance of the Regional Rural Banks is presented in the following diagram.



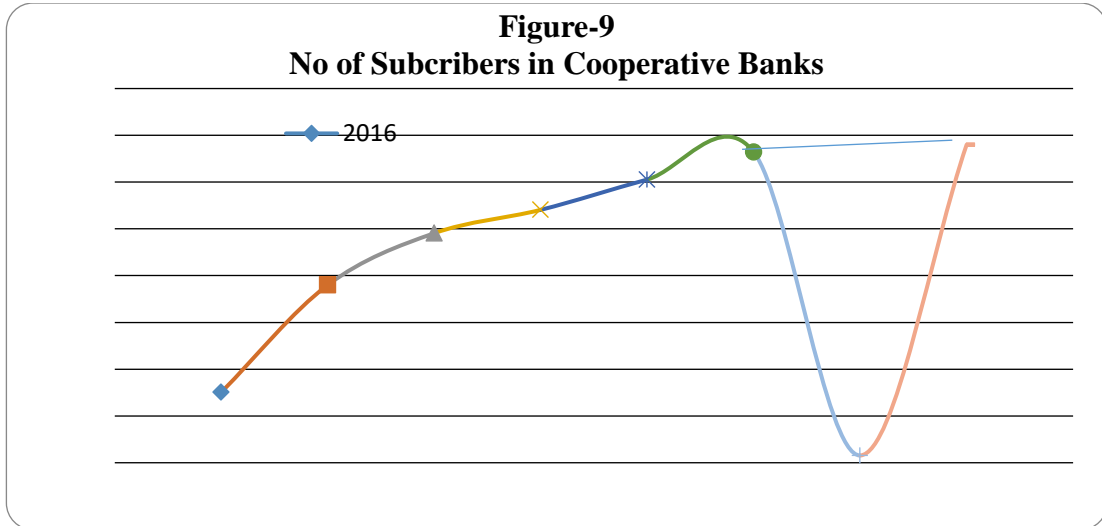
Source: Computed by Author

The Figure 7, exposes the performance of Regional Rural Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the number of subscribers enrolled in the APY. At the end of 2016, there were around 4,76,373 have enrolled which have increased into 57,10,770 at the end of 2021. This has increased at the rate of 37.88%. The linear curve given in the following Figure 8 shows the growth trend.



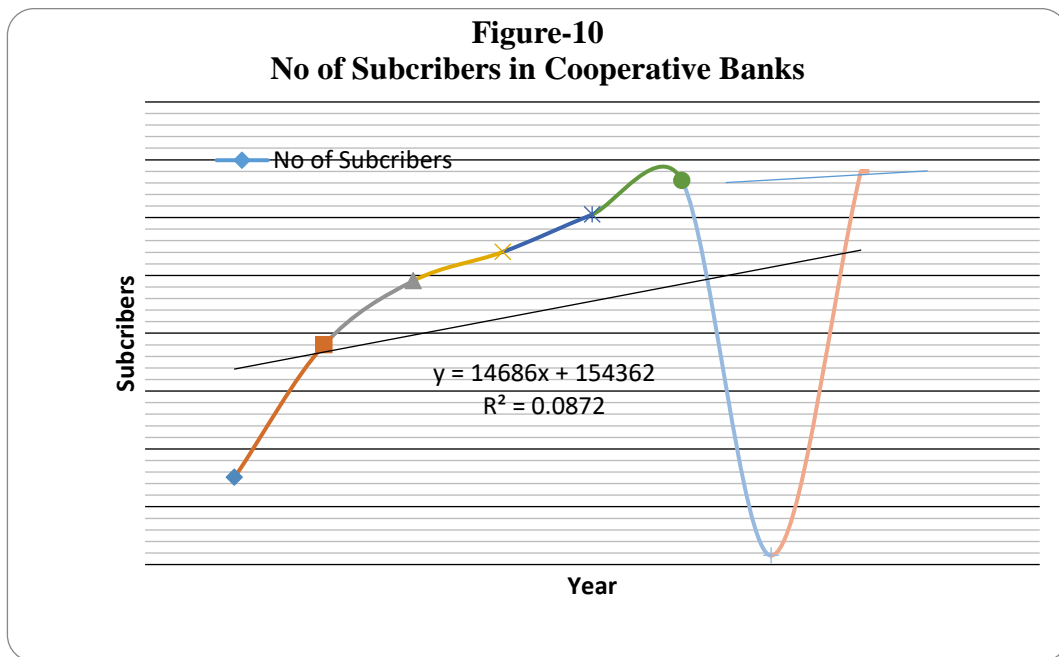
Source: Computed by Author

The Figure 8, exposes the performance of Regional Rural Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the trend of increase of number of subscribers enrolled in the APY. R^2 indicate the relationship which is 0.087. . The performance of the Cooperative Banks is presented in the following diagram.



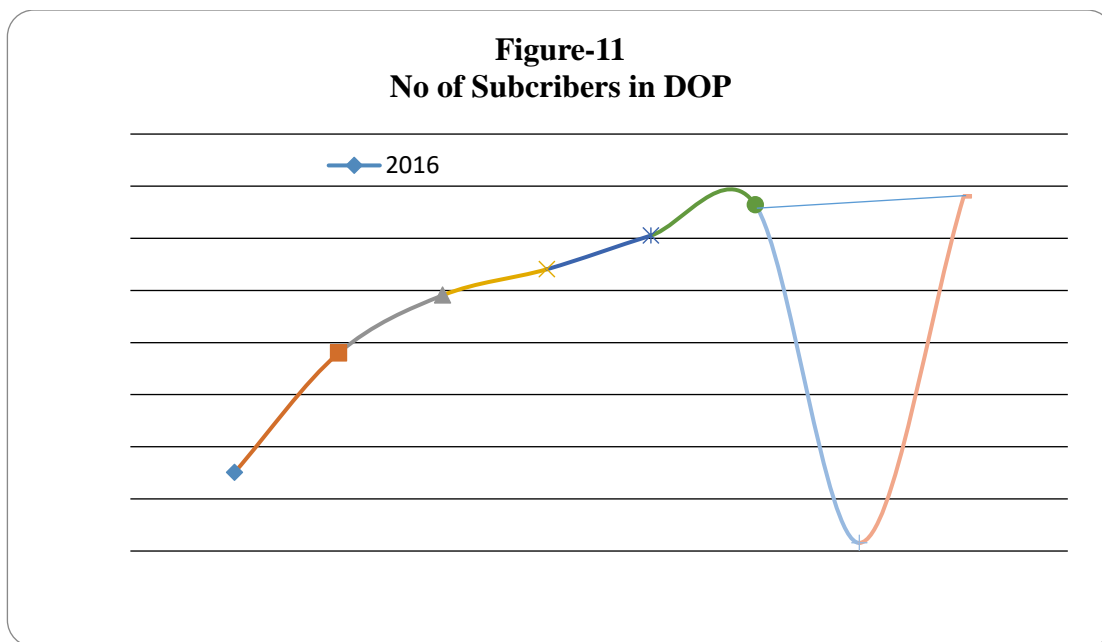
Source: Computed by Author

The Figure 9, exposes the performance of Cooperative Banks in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the number of subscribers enrolled in the APY. At the end of 2016, there were around 21,903 have enrolled which have increased into 80,073 at the end of 2021. Cooperative Banks performance is very poor compare with other financial institutions. The linear curve is shown in the following Figure 10.



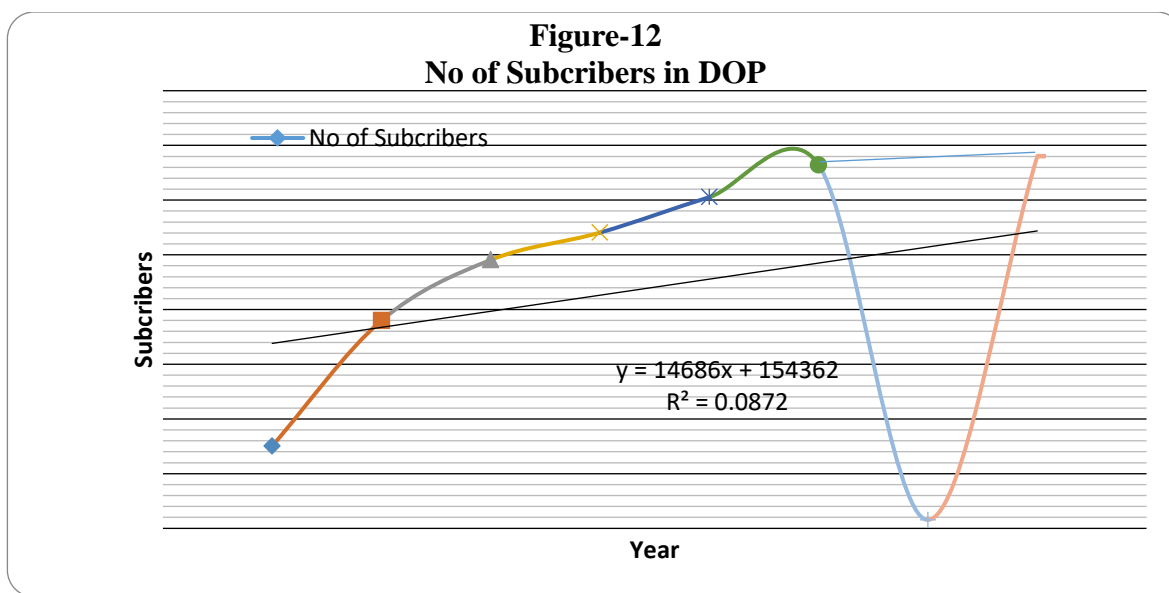
Source: Computed by Author

In Figure 10, exposes the performance of Cooperative Bank in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the trend of increase of number of subscribers enrolled in the APY. R^2 indicate the relationship.



Source: Computed by Author

The Figure 11, exposes the performance of Public Office in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the number of subscribers enrolled in the APY. At the end of 2016, there were around 75,343 have enrolled which have increased into 3,32,141 at the end of 2021. There is an average increase of 22.24% every year. The linear curve will be shown in the following Figure 12.



Source: Computed by Author

In Figure 12, exposes the performance of Post Office in enrolling the subscribers under Atal Pension Yojana. X-axis indicates the years from 2016 to 2021 and Y-axis indicates the trend of increase of number of subscribers enrolled in the APY. R² indicate the relationship.

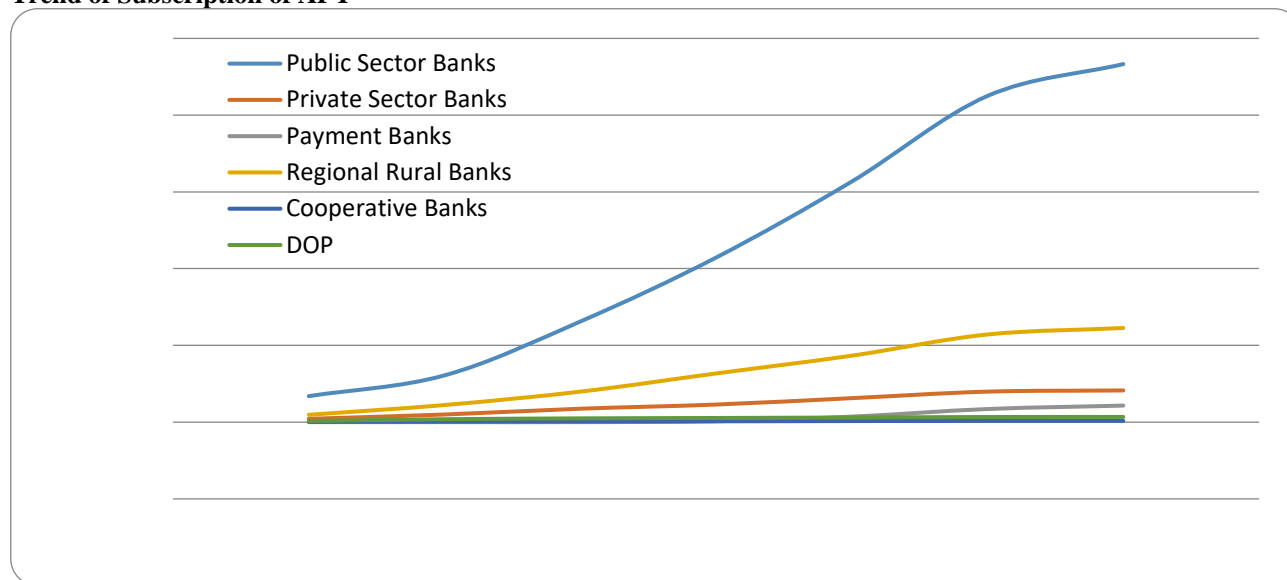
The following **Figure 13** illustrates the performance of different banks in enrolling subscribers since its inception.

Limitations

The present study based on secondary data. The opinion of individuals engaged in unorganized need to be collected. This study is one sided and has not gone in-depth. There are various factors that influencing the subscriber in enrolling need to be studied. Hence, it has lot of limitation that can be overcome by under taking different study in the same field. These figures illustrate the performance of different banks in enrolling subscribers under the APY since its inception. It's evident that Public Sector Banks have led the enrollment drive, followed by Private Banks. However, the performance of Small Finance Bank & Payment Banks, Regional Rural Banks, and Cooperative Banks is comparatively

lower. The Department of Post has shown promising enrollment figures but requires more aggressive marketing to further enhance participation. Furthermore, Figure 13 presents the overall trend of subscription under the APY, indicating a consistent upward trajectory.

Figure-13
Trend of Subscription of APY

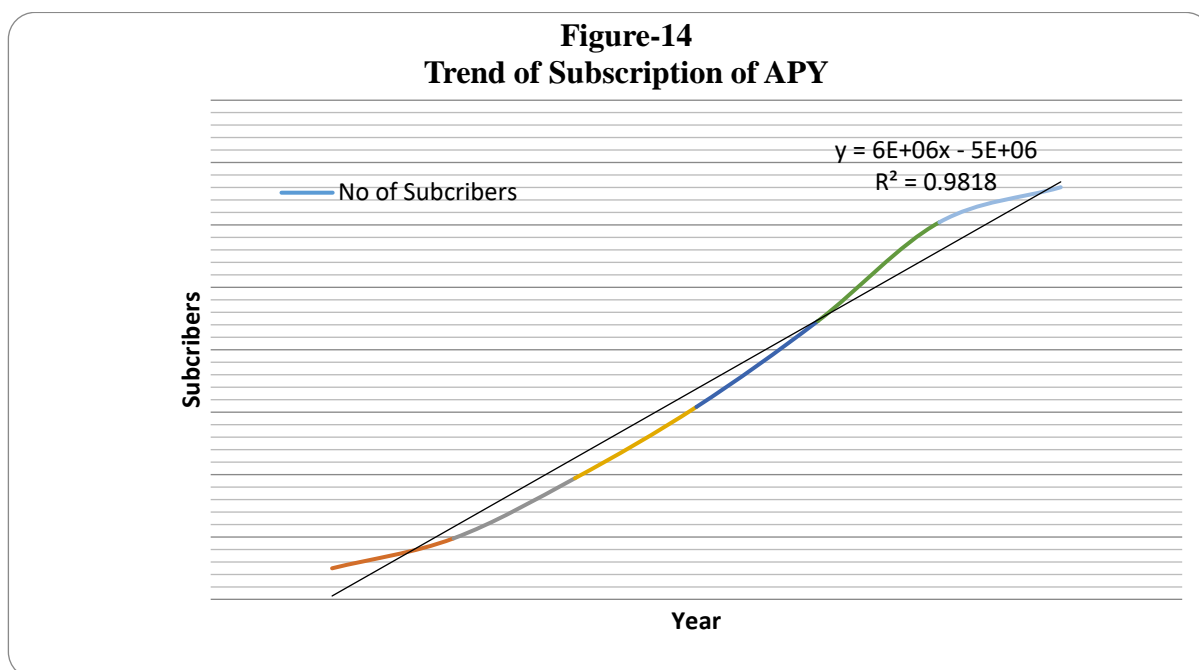


Source: Computed by Author

It has been found that the public sector banks have enrolled subscribers better than other banks and followed by private sector banks. The performance of small payment banks, regional rural, cooperative banks have not enrolled as expected level. Though the Department of Post enrollment is better, it needs appoint representative to enroll subscribers and have to do aggressive marketing. Since, it is a welfare scheme for public. The curves shows upward trend of enrollment but the ratio of workforce of unorganized sector and the current enrollment has a great variation. The future trend of APY is presented in the following diagram 14.

The future trend of APY subscriptions, as illustrated in Figure 14, suggests a continued upward trajectory, indicating a positive response from the public.

Figure-14
Trend of Subscription of APY



Source: Computed by Author

In this figure-14, the trend of subscription of APY moves up warded direction which means more individuals will be enrolled shortly under this program. The relationship between the year and enrollment i.e R^2 is 0.981, has 98%. Hence,

it has been concluded that the APY has better response from public. Therefore, individuals and workforce belong to unorganized sector need to join this scheme to secure for their future at old age to get some financial gain.

Figure 14: Future Trend of Subscription of Atal Pension Yojana

Conclusion

Financial institutions, particularly Public Sector Banks, have played a crucial role in enrolling subscribers under the Atal Pension Yojana. While the scheme has garnered significant traction, there remains ample room for improvement, especially in reaching out to workers in the unorganized sector. The government must undertake more initiatives to popularize the scheme and address existing drawbacks, such as fluctuating incomes and penalty systems, to encourage wider participation. With only a fraction of India's workforce currently enrolled, there is a pressing need to focus on expanding the scheme's reach and ensuring financial security for all.

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