

Additional Costs due to Disabilities and Government Schemes to meet the same - A Critical Analysis

INTRODUCTION

Disability is not only the social issue, but economic issue as well. Persons with disabilities have to incur extra cost due their disabilities. These extra expenditures start before the actual onset of disabilities and continue till entire life of persons with disabilities. For example a road accident which leads to disability, forces the person to go for hospitalization, amputation, bed rest etc. This is a major expenditure in life. This is followed by a no. of other types of expenditures. The additional cost incurred by persons with disabilities can be classified under various heads.

OCCURRENCE OF COST

These are of two types' namely recurring costs and once off or infrequent costs. Costs incurred on every day necessities on continuing basis due to disability are called recurring costs. For example personal care service, transport service, extra medicines etc. Once off or infrequent costs are basically capital expenditure such as adaptations of home, procurement of special vehicle etc. There are periodical capital costs also consisting of procurement of durable goods i.e. wheelchair, prosthesis and these are incurred from time to time.

General costs and special needs

Additional costs due to disabilities can also be classified on the basis of general cost and special needs. A general cost is on the items required by everybody but the persons with disabilities have to incur more expenditure on these heads.

ABSTRACT

As per census 2001, 2.13% of Indian population is suffering from disabilities one type or other. Considering the proportion of persons with disabilities, Government of India, as well as various state governments have designed various schemes, Act and policies for the welfare and development of persons with disabilities. There is plethora of schemes designed specifically for persons with disabilities along with other schemes which are designed for public welfare with persons with disabilities as special group. Most of the welfare schemes designed for persons with disabilities are based on the charity model trying to mitigate the adverse impact of disability in terms of extra expenses, assistive devices, disability pensions, tax benefits etc. The benefits of schemes are meant for persons with disabilities under certain predefined criteria like percentage of disabilities, annual income, place of residence, educational level etc.

Present paper attempts to analyze the suitability and adequacy of schemes, eligibility criteria and benefits from these schemes keeping in view the additional costs incurred in life due to disability. The cost of disability includes the cost incurred at onset of disability, extra cost incurred to mitigate the impact of disability, cost in the form of loss of income due to disability etc. Paper attempt to study various cost components and adequacy of schemes to support the costs.

Keywords: PWD, Disability cost, Disability pension, Unemployment allowance.

One such example is transportation. Everybody has to go to Bank, Post Office etc. but PWD has to spend more on it. However it is comparatively difficult to distinguish or quantify these costs. Special needs are the goods and services procured solely because of disability. Examples are medicines, aids and appliances needed to mitigate the impact of disability. These are easier to identify and quantify.

EXPENDITURE BY PERSONS WITH DISABILITIES

Additional expenditure incurred by persons with disabilities depends on the type, nature and severity of disabilities. Although there is a wide variety in disabilities and their impacts but these expenditures have been broadly classified under (a) Mobility and communication (Travel, telephone etc.) (b) Daily living costs (Food, clothing etc.) (c) Medical costs (Medicines, bandages, physiotherapy etc.) (d) Personal care and assistance (paid assistance, deemed payment for family member / relative as assistant) (e) Equipment / aids and appliances (prosthesis, wheelchair, hearing aid etc.)

Expenditure on mobility and communications

Persons with disabilities have to spend more on these heads. These expenditures are of two types, one is of capital expenditure type i.e. procurement of special / adapted vehicle and other is recurring expenditure like extra travel to hospital or extra expenditure in taxi / rickshaw etc.

In the modern scenario extra expenditure in communication has been minimized due to development in technologies i.e. mobile phone, email etc. These are extremely cheap now. The life of PWDs has become easier. However transportation has yet to witness similar progress.

Daily living costs

In many cases a PWD has to spend more in

meeting his day to day living necessities such as

- Special dietary needs
- Additional demand of electricity or heating as person has to spend more time at home (This is insignificant in a hot country like India)
- Extra prices of goods due to limited ability to obtain goods and services at competitive price i.e. more dependence on home delivery
- Extra cost of holidays due to limited choice of destinations
- Extra cost of medical insurance as well as life insurance

Medical Costs

A person with disability has also to take extra treatment to mitigate his disability such as pain killer tablets, ointments for ulcer, pressure sores, physiotherapy etc. Many times he has to undergo surgical operations in the beginning and other major treatment periodically in case of progressive disability. As explained earlier, the extra medical cost is of two types ones off / infrequent type and recurrent type.

Care and Assistance

Persons with severe disabilities need personal care and continuous assistance. The severity of disability increases this requirement and in turn the cost. There are variations in this due to kind of disability also. Person with spinal injuries, visual impairment, child with Down syndrome need different kinds of care and assistance. In general following categories of care and assistance are required:

- General home help
- Continuous help at all places such as school, workplace, playground etc.
- Therapy help i.e. speech therapy, occupational therapy etc.
- Nursing home help for those who frequently need hospital / nursing home treatment

Equipment / aids and appliances

Nowadays a no. of equipment / aids and appliances are available which are scientifically designed to mitigate the adverse impact of disability. These assistive technologies increase the functional capacity of the individual with disability and also provide various kinds of comforts.

Different kinds of disabilities require different kinds of devices and some are listed below for the sake of example only:

- Prosthesis
- Wheelchair
- Screen readers for visually impaired
- Hearing aids
- Low vision aids
- Flashing door bells and alarm clocks etc.

The procurement and maintenance of above also generate economic impact on the life of the individuals with disability. However there is a difference in this kind impact. As these improve the functional capacities of the individual, there is an improvement in overall quality of life of the individual and also an increase in earning capacity. Nowadays prosthesis are available using which a person can conveniently ride the motor bike. This way his professional life can be restored.

Hence expenditure in aids and appliances is more an investment rather than extra cost.

MEASUREMENT METHODS OF EXTRA COSTS OF DISABILITY

Measurement of this extra cost is necessary because, unless it is measured, it cannot be supported by policy, program or welfare schemes. There are several methods of measurement and each is having some advantages as well as limitations.

Subjective approach: Using this approach additional expenditure is estimated which

occurs due to disability. Respondents (PWDs or experts in this field) are asked the questions regarding the additional expenditures on the items which are required due to disability and its related problems.

The key strength of this approach is disabled people themselves provide the estimates of increased spending and the same is also called special costs. These include items such as medicines, special vehicles as well as services such as personal assistance etc.

Comparative approach: Under this, the spending pattern of disabled people is compared with those of similar non disabled people. In this approach both populations (PWDs and non PWDs) are asked how much they spend on individual item or head and the difference emerged shows where PWDs and non PWD's priorities differ.

The strength of this approach is that it is actually measured what people spend on goods and services rather than what they additionally spend due to disability. This way the accuracy of data increases due to avoidance of accidental or deliberate inaccurate reporting. However the weakness of this approach is income constraint is not accounted for.

Standard of living approach: This approach is based on the assumption that PWDs experience a lower standard of living than non disabled people with the same income because of the diversion of money/ resources towards goods and services required because of disability.

A range of indicators have been developed to identify the level of standards. However this method does not explicitly measures extra costs but attempts to produce equivalence scales for disability. This only indicates how much extra income should be in order to attain the same standard of living as non PWD.

Budget standard approach: Under this the respondents are asked about the lists of the items required for a particular reasonable

standard of living. This way disability related needs are identified.

Smith et al (2004) has identified the minimum budgets for case studies in five different circumstances. These are:

- High-medium needs
- Low-medium needs
- Fluctuating needs
- Visual impairment
- Hearing impairment

The agreed lists of minimum essential items were costed using prices at major retailers. In this method it is possible to estimate the minimum essential budgets for various groups such as severely disabled children, child with restriction in movement, sensory impairment or a traumatic or intermittent condition. However this approach is also associated with certain problems such as budgets standards is not strictly defined and it is open to interpretation. This account for only goods and services

purchased and does not take care of those provided by state.

VARIOUS MEASURES BY WHICH COST OF DISABILITY IS BEING COMPENSATED

Government of India & various state governments run the following schemes to compensate the financial hardship of PWDs.

Disability Pension: Different states provide pension to persons with disabilities to mitigate their extra costs as well as financial hardships. This pension amount is generally more than the normal pension given to the senior citizens. Similarly several state governments give unemployment allowance to PWDs which is more than the allowance given normal unemployed person / youth.

Following is the comparative statement of disability pension. Pension to senior citizens and unemployment allowance given to PWDs and normal youths:

| State | Disability Pension Rs. P.M. | Senior citizen pension Rs. P.M. | Unemployment allowance to PWDs Rs. P.M. | Unemployment allowance for normal Rs.P.M. |
|-------------------|--------------------------------|------------------------------------|--|--|
| Delhi | 1500 | 200 | | |
| Uttar Pradesh | 150 | 125 | | 1000 |
| Gujarat | 600 | 400 | | |
| Andhra Pradesh | 500 | 75 | 75 | |
| Meghalaya | --- | | 75 | |
| Punjab | 200 | 200 | 150-400 | |
| Sikkim | 500 | | 500 | |
| Tamilnadu | 400 | | 200-300 | |
| Tripura | 100 | | 500 | |
| Andaman & Nicobar | 350 | | 100 | |
| Chandigarh | 100 | 200 | 150-400 | |
| Mizoram | 250 | 100 | 100 | |
| Pondicheri | 100 | | 400-500 | |

In general disability pension is uniform irrespective of severity of disability. The age limits are prescribed for the above cash benefits and these vary from state to state. In Delhi the lower age limit for Disability pension is 18 years. While upper age limit for unemployment allowance for PWD is 40 years in general. The lower age limit for Senior Citizen pension is 60 years. This is also linked with present income of beneficiary from other sources i.e. interest, rent, dividend etc.

Income tax rebate under section 80 U of income tax act

As disability causes extra cost to the individual, this factor is taken into account while levying income tax. The present rebate to the individuals with disabilities is based on severity (in two slabs) of the disability.

| Severity | Rebate |
|-----------------------------|----------------------|
| Normal disability i.e. <80% | Rs.50000/- per annum |
| Severe disability i.e. >80% | Rs.75000/- per annum |

| Scheme | Income limit |
|------------------------|---------------------|
| Disability Pension | 60000 p.a. in Delhi |
| Senior citizen pension | BPL in Delhi |
| Unemployment allowance | |

ASSESSMENT OF EXPENDITURE: SURVEY OF LITERATURE

1. A number of studies have been conducted to estimate the overall extra costs/ special costs. These are as under:

| Study | Estimate of overall extra costs | Variable(s) by which estimates are broken down |
|---------------------------------|--|--|
| Martin and White (1988) | Range from £7.24 to £20.59 a week | Severity level |
| Disablement Income Group (1988) | £81.06 a week (at 2001 prices – from Zaidi and Burchardt 2003) | None |
| Dobson and Middleton (1998) | £99.15 a week for a disabled child but budget standards estimate minimum budgets to be £117.95 to £170.68 a week | Age group and type of impairment |
| Matthews and Truscott (1990) | No overall costs – instead study produced estimates of differences in spending on particular items | |
| Jones and O'Donnell (1995) | No overall costs – instead study produced estimates of differences in spending on particular items | |
| Phillips (1993) | Estimated the cost of a package of care for a severely disabled person at £250 a week | |
| Zaidi and Burchardt (2003) | Between 11 per cent and 69 per cent of income | Severity level and household type |
| Smith et al (2004) | Range from around £389 to around £1,513 a week | Level of need /Type of impairment |

Implied range of extra costs based on study conducted by Zaidi and Burchardt (2003)

| | Non-disabled per week £ | Disabled minimum per week £ | Disabled maximum per week £ | Implied range of extra costs per week £ |
|---|-------------------------------|--------------------------------------|--------------------------------------|--|
| Single person aged 24-59/64 | | | | |
| Social assistance | 53.95 | 91.85 | 191.05 | 37.90 to 137.10 |
| Extra costs benefits only | 0 | 14.90 | 95.55 | 14.90 to 95.55 |
| Single person over State Pension Age | | | | |
| Social assistance | 98.15 | 135.80 | 195.95 | 37.65 to 97.80 |
| Extra costs benefits only | 0 | 37.65 | 56.25 | 37.65 to 56.25 |

The variables on which the extra cost depends

These are a number of variables on which the above extra cost depends. These are as under:

- Kind of impairment
- Severity of impairment
- Household composition
- Income
- Geographical location
- Services

Kind of impairment: some kinds of impairments are creating more extra expenditure while others create less extra expenditure. The following table depicts the ranking of impairments by expenditure incurred:

Other studies such as Zaidi and Burchardt (2003) and Dubson and Middleton (1988) also corroborate this fact however the ranking is different.

Severity of impairment: extra costs due to disability increase with severity of disability

| Digestion | Highest additional expenditure |
|--------------------------|--------------------------------|
| Locomotion | |
| Disfigurement* | |
| Personal care | |
| Behaviour | |
| Continence | |
| Reaching and stretching | |
| Dexterity | |
| Consciousness | |
| Seeing | |
| Hearing | |
| Intellectual functioning | |
| Communication | Lowest additional expenditure |

* "Disfigurement" may include people with very severe disfigurements, for example, amputees.

Source: Martin & White (1988)

and it increases at a much faster rate at higher income (Martin and White, 1988).

Zaidi and Burchardt (2003) believe that these extra costs are percentage of income for each point in severity scale running from 0 (no impairment) to 22 (most severe impairment). This study reveals the following:

- Extra cost for a single non pensioner is 4.6% of his income for each point on severity scale.
- Accordingly for a person with income £170 a week shall have an extra cost of £23 per week at a severity score of 3 and same income group will have an extra cost of £133 a week at a severity score of 17.

Other studies such as Mathews and Trustcott (1990), Dobson and Middleton (1998) also confirm this with some different observation.

Household Composition: Household composition is one of the key factors and it influences the amount of extra costs. Some of the examples are as under:

- If the PWD lives alone, cost is more, than in the case when he lives with his life partner who is non PWD. It is still more costly than the average extra cost when the life partner is also PWD as some of the extra cost is shared. In case if the needs due to disability are similar then the sharing is more and average extra cost comes down further.

Income: Extra costs due to disability also depend upon the income of the PWD. This dependence is of two kinds:

- Most of the studies reveal that extra costs increase with income.
- PWDs of working age tend to have lower income than non PWDs either because they have less working capacity or it is presumed that they will work less and hence they are paid less wages (underemployment).

Martin & White (1988) found that additional costs increase with income. PWDs with higher disposable incomes are more likely to have regular disability related expenditure and spend more than those in lower income groups. Within severity bands, the proportions of extra costs rise with income. However this rise is more significant at lower than higher income levels. At the same time as income increases, so does the rate at which cost increases with severity. This way higher is the disposable income, the steeper is the slope of the graph showing how costs increase with severity of disability.

Mathews and Truscott (1990) found that the PWDs spent more on durables and clothing while others with lower income cannot afford this. Spending on luxury items like gadgets, aids and appliances related to disability increase drastically with income.

Zaidi and Burchardt (2003) shows that PWDs and non PWDs with same income bracket have equal access to goods and services. However difference in spending depends upon how much surplus is available after taking care of extra costs of disability which depends upon severity of disability and household composition.

Households below average income 2002/03 data of UK shows that households with one or more disabled adult or child are more likely to be in the bottom two quintiles of the income distribution. This indicates that over half of families with one or more disabled member are in the bottom two quintiles of income distribution.

Even above figures are considered overstated as income of PWDs sometimes include the benefits provided and generally extra cost due to disability is not adjusted. Zaidi and Burchardt 2003 has confirmed this. Burchardt 2000 and others have suggested that while comparing the incomes of PWDs and non PWDs the extra cost due to disability must be taken into account. With above adjustments the mean income of PWDs was just 62% of the mean income of the

general population. This is confirmed by Martin & White (1988) which indicate that these families face serious financial problems.

Burchardt (2003) revealed that when the people become disabled and their income is equalized by accounting disability cost. 41% of those who were not in poverty group began to enter poverty group. At the same time those who were already in poverty group 86% of them remain in poverty.

Martin & White (1988) found that the percentage of distribution of components is as under:

For non pensioner (working group)

| Severity level | % of income from earning | % of income from benefits |
|-----------------------------|--------------------------|---------------------------|
| 1 - 2 (lower severity) | 56 | 30 |
| 9 - 10 (mid level severity) | 35 | 55 |

Though benefits in developed countries like Britain are much higher but even then benefits do not match wage earning at all. DRC (2005) indicate that only 51% PWDs are employed as compared to 81% non PWDs. At the same time earnings of PWDs is much less than non PWDs in almost all circumstances. The wages start decreasing as the severity of disability increases.

Geographical Location

Geographical location is one of the major factors on which the extra costs of disability depends. While there is a considerable uniformity in development in developed countries, the development in developing nation is largely non uniform and as a result of that:

- There is wide variation in the availability of goods and services in different localities and accordingly the cost also varies.
- The provision of free/ subsidized services (statutory/ voluntary) also varies according to area.

- The services i.e. paid assistance also varies according to the area and so forth the cost of the same.
- In many countries there is wide variation in the development levels of rural and urban area. Similar is the situation in the distant areas, tribal areas, hilly areas, cost of disability varies widely. Many places do not have or rarely have public transport and hence private transport is only choice which is very costly.

Services

Extra costs due to disability largely depend upon availability of services and its costs. Many countries (i.e. developed countries) provide free or subsidized services which are provided by statutory or voluntary organizations. However even in these countries there is lack of standardization in the provisions and changes for the assistance provided by local authority.

Many countries initially started giving aids free of cost but later on these social services were charged. For example in 1985 PWDs were provided meals on wheels (door delivery) free of cost but by the year 2000 this was charged by local authority. This increased the expenditure of home care services by 5%. Due to budgetary pressure these local authorities not only started charging for services but also made the eligibility criteria more tight.

At the same time due to inflation the wages are going up resulting into paid assistance being more costly. Similarly the loss of earning experienced by family members for going full time/ part time employment is also becoming more costly.

2. World report on disability published by WHO in 2011 page 42-44 states that economic and social costs of disability are significant but difficult to quantify. These include direct and indirect costs and shared by PWDs themselves, their family members and guardians and society as a whole.

Many of these costs arise because of inaccessible environments and could be reduced in more inclusive settings. Calculation of costs of disability plays a vital role in making investment as well as designing a public welfare programme.

Comprehensive estimates of cost of disability are scarce and fragmented due to the following reasons:

- o There is a wide variation in the definitions of disability data collection instruments.
- o Limited data about cost components of disability, lost productivity, productivity of PWDs across gender, age and education levels.
- o Lack of commonly agreed methods of cost estimation.

However with time some methods have been developed for

- Cost of productivity lost due to disability
- Cost of lost taxes because of non employment or reduced employment of PWDs
- Cost of health care
- Cost of Social protection, labour market program, cost of reasonable accommodation

Various attempts have been made to estimate the extra costs of disability i.e.

| Country | Extra cost in % of income |
|----------------------|---------------------------|
| U.K. | - 11% to 60% |
| Australia | - 29% to 37% |
| Ireland | - 20% to 37% |
| Vietnam | - 9% |
| Bosnia & Herzegovina | - 14% |

To mitigate the extra costs of disability the various governments come toward with public spending on disability programmes. Some examples are:

For OECD Countries an average of 1.2% of GDP is spent on contributory and non contributory

disability benefits. Covering 6% of working age population in 2007.

This expenditure is particularly high in Netherland and Norway and reaches upto 5% of GDP.

The above expenditure and no. of recipients have considerably gone high in last two decades creating significant fiscal concerns about affordability and sustainability of the programmes.

It is estimated that in Canada the loss of work due to short term and long term disability was 6.7% of GDP in 1998.

3. Mishra, Vinod Kumar; Bhanushali, Kishor (2012) "Delivery of Assistive Technologies in India – A Critical Analysis" published in Journal of Orthotics & Prosthetics Association of India pages 35-43 June 2012 narrates the inadequacy and non uniformity in distribution of assistive devices in India. The annual budget varies between Rs.60-70 crores while the percentage of beneficiaries is Rs.1600-1700 per year. The level of technologies is quite low and there are serious lapses in distribution under the ADIP scheme resulting into non utilization of this meager fund also. As assistive technologies correct/ compensate the disability, in turn the additional costs due to disability are also reduced. Hence Indian PWDs are still bearing higher costs.

4. House hold survey data from 2004-05 (Source World Bank Report on Disability in India) provides nationally representative insight into coverage of disability social pension.

The points emerged from above are as under:

- Coverage of disability pension is quite low across the entire population (0.3% of households nationally). The average receipt per person is just Rs.1781 per annum.
- There is a wide variation across states in coverage rates for above pension.

- There is no relation between coverage rate and fiscal position of state. The poorer states i.e. Orissa, M.P. and Rajasthan are

doing better while states like Tamil Nadu and Gujarat have below average coverage.

| | % of all HH receiving disability pension | Implied % of PWD receiving disability pension | Median annual benefits among HH receiving (Rs) |
|------------------|--|---|--|
| J&K | 0.2 | 6.7 | 3,600 |
| HP | 1.1 | 42.9 | 2,266 |
| Punjab | 0.3 | 17.2 | 1,560 |
| Uttaranchal | 0.2 | 8.7 | 250 |
| Haryana | 0.8 | 37.2 | 2,819 |
| Rajasthan | 0.5 | 20.0 | 2,400 |
| Uttar Pradesh | 0.3 | 14.4 | 1,531 |
| Bihar | 0.2 | 8.8 | 1,473 |
| West Bengal | 0.1 | 4.3 | 6,000 |
| Jharkhand | 0.2 | 12.0 | 1,200 |
| Orissa | 0.8 | 28.8 | 1,054 |
| Chattisgarh | 0.3 | 14.9 | 1,436 |
| MP | 0.5 | 21.4 | 1,681 |
| Gujarat | 0.0 | 0.0 | |
| Maharashtra | 0.1 | 6.2 | 1,713 |
| Andhra Pradesh | 0.1 | 5.6 | 633 |
| Karnataka | 0.8 | 44.9 | 2,273 |
| Kerala | 0.6 | 22.2 | 966 |
| Tamil Nadu | 0.1 | 3.8 | 1,575 |
| All India | 0.3 | 14.1 | 1,781 |

Source: Ajwad (2006), Bank staff estimates, based on NCAER national HD survey in 2004/05,

The reasons analyzed for poor coverage is as under:

- Process of getting benefit is too complicated
- Don't know how to get the same
- Benefit too little
- Too costly (cost of getting is more than the receipt)

It has also been observed that the better off manage to get the benefit and more deserving candidates continued to be deprived off.

Another survey reveals the data about % awareness as well as % benefited.

| Regular cash benefit to destitute or unemployed PWD | |
|--|-------|
| Not aware | 61.5% |
| Aware | 25.6% |
| Benefited | 9.0% |
| Denied | 3.9% |

Source: UP and TN village survey, 2005. Bank staff estimates.

Research objectives

1. To find out the adequacy and rationality of the social welfare schemes run by Government of India and various state governments for persons with disabilities.
2. To suggest suitable criteria for improvement so that these schemes can provide reasonable relief to PWDs and continue to do so.

Methodology

A sample survey for assessment of additional costs due to disability was organized for this

research. Data was taken from random visitors of a rehabilitation centre of Delhi established by Indian Railway in order to fulfill their requirement of prosthesis (below knee or above knee). Sample consisted of 50 PWDs suffering from disability 80% or below. Information and data was collected through a questionnaire. The respondents were the employees of Indian Railways or their dependents residing in various parts of India.

Results

Survey indicates the following:

| Monthly Impact of Non Recurring Expenditure | Monthly Impact of Recurring Expenditure | Net Additional Cost |
|---|---|---------------------|
| 922.381 | 4628.571 | 5550.952 |

Average cost of non recurring expenditure due to disability incurred by the subjects is calculated and its monthly impact @1% per month is added to the recurring cost incurred per month. This way total extra costs on some of the major heads is calculated. The same is compared with the actual relief being received in various schemes.

Disability Pension

In a metro city Delhi the disability pension is maximum i.e. Rs.1500 p.m. On the basis of literature survey it is certain that the additional expenditure due to disability is much higher as compared to small cities. Even after assuming the average extra expenditure incurred by the subjects of sample survey valid for Delhi, it is evident that the amount of disability pension is much less than the average extra expenditure being incurred by a normal person with disability plus the expenditure being incurred by persons to meet his daily requirements of food etc.

Income limit for disability pension

Various state governments have fixed income limit for PWDs for getting disability pension. While in Delhi the limit is Rs.60000 per annum the same in other states is much lower and even after adding existing income with disability pension, the minimum monthly expenditure of a person + the extra expenditure due to disability is more and the relief is inadequate.

Assumption

The above analysis has been done with an assumption that costs incurred for getting disability pension or unemployment allowance for PWDs is nil i.e. no expenditure has to be done on application, follow up etc.

Actual income tax relief per annum received under section 80 U of I.T. Act

For disability below 80%

In case income is in 30% slab of tax

In case the person is in 30% slab

$$\text{Relief} = 75000 \times 30/100 + \text{Edu Cess} = \text{Rs.}22500 + @ 3\% = \text{Rs.}23175/- \text{ per annum}$$

In case person is in 20% slab

$$\text{Relief} = 75000 \times 20/100 + \text{Edu Cess} = \text{Rs.}15000 + @ 3\% = \text{Rs.}15450/- \text{ per annum}$$

In case person is in 10% slab

$$\text{Relief} = 75000 \times 10/100 + \text{Edu Cess} = \text{Rs.}7500 + @ 3\% = \text{Rs.}7775/- \text{ per annum}$$

Total economic impact of disability is Rs.5550.92 * 12 = Rs.66611.04 per annum as per survey. This is much more than that actual relief received under section 80U of I.T.Act.

For disability above 80%

In case the person is in 30% slab

$$\text{Relief} = 75000 \times 30/100 + \text{Edu Cess} = \text{Rs.}22500 + @ 3\% = \text{Rs.}23175/- \text{ per annum}$$

In case person is in 20% slab

$$\text{Relief} = 75000 \times 20/100 + \text{Edu Cess} = \text{Rs.}15000 + @ 3\% = \text{Rs.}15450/- \text{ per annum}$$

In case person is in 10% slab

$$\text{Relief} = 75000 \times 10/100 + \text{Edu Cess} = \text{Rs.}7500 + @ 3\% = \text{Rs.}7775/- \text{ per annum}$$

Literature survey reveals that the extra cost due to disability increases with severity of disability.

In above survey data about extra expenditure incurred by PWD suffering from above 80% disability is not available. Even after assuming that expenditure incurred by PWDs having disability less than 80% is valid for PWDs having above 80% disability, the rebate is inadequate.

CONCLUSION

1. Disability pension is extremely inadequate. It should be raised to Rs. 6000 – 9000. It should be linked with the income limit of poverty level and extra cost due to disability should be accounted for while calculating disability pension.
2. The prescribed income limit for disability pension and unemployment allowance for PWDs should be fixed in such a way that the present income + disability pension / unemployment allowance should at least bring the person above the threshold level of poverty line.

3. The unemployment allowance to PWD should be adequately higher than the same of normal person so that the additional cost due to disability should be met.
4. The present rebate for PWDs under section 80 U is highly inadequate. The study of present sample indicate the benefit of rebate should at least match the impact of major non recurring & recurring expenditure done in the heads mentioned above for PWDs coming in 10% tax slab.
5. It is also clear from literature survey that the extra expenditure incurred rises with the level of income as well as severity of disability and hence persons in higher slabs shall be accordingly benefitted. Accordingly the rebate should be enhanced to Rs. 600000 for PWDs suffering from normal disability i.e. < 80% and the same should be enhanced to Rs. 900000 for PWDs suffering from severe disability i.e. > 80%, assuming the earlier relation of rebate for > 80% and < 80% disability was correct.

6. While strengthening the distribution scheme of disability pension, unemployment allowance and giving adequate rebate under section 80 V, adequate funds should also be allocated to ADIP scheme and simultaneously the technology level should be upgraded so that PWDs can be empowered.

Limitation of study: Due to limited resources the sample size is small. It could cover the cases of amputation below knee or above knee only. Sample was taken from the patients visiting a rehabilitation centre for prosthesis.

Future scope of research: Similar research can be done extensively for persons living in rural, tribal and hilly areas. Based on these results the benefits and eligibility criteria of various social service schemes should be examined and their adequacy can be verified.

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