



Development Review

Recent Social Security Initiatives in India

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Summary. — There has been a major expansion of social security programs in India during the last 15 years or so, along with wider recognition of economic and social rights. This paper discusses five programs that can be seen as partial foundations of a possible social security system for India: school meals, child care services, employment guarantee, food subsidies, and social security pensions. The record of these programs varies a great deal between Indian states, but there is growing evidence that they make an important contribution to human well-being, and also that the achievements of the leading states are gradually spreading to other states as well. Much scope remains for extending these efforts: despite the recent expansion, India's social security system is still very limited in international perspective. The paper also discusses some general issues of social policy in India, such as the arguments for universalization versus targeting and the value of a rights approach to social security.

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Key words — social policy, India, Asia

1. INTRODUCTION

Until recently, India's social security system was largely confined to the formal sector of the economy. Social benefits such as old-age pensions, health insurance, and maternity benefits did not extend much beyond the public sector. The unorganized workforce—more than 90% of all workers—was largely left to its own devices (National Commission for Enterprises in the Unorganised Sector, 2006).

During the last 15 years, however, there have been important initiatives to put in place more inclusive forms of social security. Today, India has five major programs that can be seen as partial foundations of a possible social security system: school meals; the Integrated Child Development Services; the National Rural Employment Guarantee Act; the public distribution system; and social security pensions for widows, the elderly, and disabled persons. Some of them, like the public distribution system, existed earlier, but in a very limited and ineffective form. As discussed further on, there is an important complementarity between these different interventions, both in terms of the needs they address and in terms of the form of support involved. Other elements, such as maternity entitlements, are in the process of being put in place.¹ As things stand, however, these five programs account for the bulk of public expenditure on social protection. Our aim in this review is to give the reader a sense of how these programs were initiated, what they have achieved so far, and the debates that have surrounded them. Given the broad sweep of the paper, it will not be possible to go into the details of all these issues, but we shall try to provide interested readers with some guidance to further readings.

Before examining each of these foundational programs, we shall discuss some overarching features of India's recent social security initiatives. Two issues are of particular interest. First, the reference period has been associated with a growing emphasis on legal entitlements as opposed to discretionary

benefits. In fact, except for social security pensions, the benefits of all these programs are now protected by national legislations or Supreme Court orders. Second, this period has seen important changes in the methods used to define and identify households eligible to various social benefits. Specifically, there has been a move away from targeting “below poverty line” (BPL) households, in favor of alternative methods. These issues are discussed in the next two sections.

This article draws not only on the academic literature but also on the insights we have gained from monitoring these social security initiatives in a number of Indian states. In particular, we have learned a great deal from a series of field surveys conducted with student volunteers from 2002 onward. These include, for instance, a 2011 survey of the public distribution system in nine major Indian states, and a 2013 survey of the five programs mentioned earlier in ten states. We shall use the findings of these surveys along with those of national surveys such as the National Sample Survey, the India Human Development Survey and the National Family Health Survey.

Eight Indian states figured in many of these field surveys: Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Odisha, Rajasthan, Tamil Nadu, and Uttar Pradesh. We shall use this reference group of eight states (the “reference states” for short) from time to time to give the reader a sense of the diversity of social policies across the country, without giving cumbersome details for all Indian states. The reference states account for nearly half of India's population, and include states with widely varying degrees of involvement in the field of social policy. However, this group is not meant to be representative of India as a whole, and indeed it is somewhat biased toward poorer and less well-governed states.

* We are grateful to Prankur Gupta and Monika Yadav for skilful research assistance, and to Sudha Narayanan for helpful comments. The Indian Council of Social Science Research provided financial support for some of the field studies. Final revision accepted: May 28, 2017.

The eight reference states include two (Tamil Nadu and Himachal Pradesh) that are known, from earlier literature, to have a relatively good record of efficient and equitable provision of public services, and better social indicators than most other Indian states. They also include some states (Bihar, Jharkhand, and Uttar Pradesh) that are known to have the opposite records—poor governance, massive corruption, extreme inequality and dismal social indicators.² When presenting comparative data for the reference states, we shall place these two groups at the top and bottom of the list, respectively, to make the contrasts clearer. In between are three intermediate states (Chhattisgarh, Odisha, and Rajasthan) that also used to have a very poor record of social development, but have significantly improved in recent years. As discussed further on, there is some evidence of a growing ability of the lagging states to emulate the achievements of the pioneer states in the field of social policy. This development has an important bearing on the scope for further progress in the future.

2. THE RIGHTS APPROACH TO SOCIAL SECURITY

The coverage of the five social security programs mentioned earlier has markedly expanded in the last 15 years or so. The trend is illustrated in Table 1, based on the first two rounds of the India Human Development Survey, a useful source of comparable data for 2004–05 and 2011–12 respectively.³ This expansion has been associated with a gradual recasting of Indian social security programs in a rights framework. More precisely, this applies to “centrally sponsored” programs, initiated by the central government. At the state level, some Indian states have adopted important social security legislations (e.g., the Chhattisgarh Food Security Act, 2012), others have continued to implement social security schemes at the discretion of the government.

Except for social security pensions, other benefits discussed in this paper are now legal entitlements under the National Food Security Act 2013 (NFSA) and the National Rural Employment Guarantee Act 2005 (NREGA). Some (notably midday meals and child development services) initially became

legal rights under Supreme Court orders, and were later included in the NFSA.⁴ Aside from these two social security legislations, other important laws that aimed at guaranteeing economic and social rights have been enacted in India during the last 15 years, notably the Right to Information Act 2005 and the Right to Education Act 2009.

The basic argument for the rights approach is that it gives some power to the unprivileged (Drèze, 2004; Joshi, 2010). Impressive as it is in many respects, Indian democracy often gives little weight to the needs and demands of disadvantaged groups.⁵ Social security legislations help them to secure some basic entitlements, e.g., those mentioned in the Indian Constitution under the Directive Principles of State Policy. The rights approach also helps to impart a continuity and durability that is often sorely lacking in *ad hoc* “schemes”.

Giving legal rights to the underprivileged empowers them in at least three ways (Drèze, 2004). First, it enables them, in principle at least, to defend their rights in court if need be. Second, legal rights place clear responsibilities on the government, and help to hold the government accountable to these responsibilities through democratic means (for instance, elections), without necessarily going to court. Third, legal rights can influence public perceptions and social norms. These can make a difference even in the absence of organized action. To illustrate, India’s Right to Information Act has not only created a powerful right of access to public records for all citizens but also promoted a culture of transparency in public administration. Many government documents are now routinely placed in the public domain even without anyone invoking the Act to access them.

This is not to say that the rights approach is unproblematic. There are obvious limits to what it can achieve in the absence of larger administrative, legal, and political reforms (Aiyar & Walton, 2014). Legal entitlements, for instance, lose some of their cutting edge when the legal system is largely dysfunctional: Indian courts are clogged with millions of pending cases.⁶ The fact that a law is difficult to modify helps to protect social programs from being diluted or withdrawn, but it also imparts some rigidity in social policy. Further, national laws often lead to excessive centralization. We shall return to some of these issues.

Table 1. *Expansion of social security programs, 2004–12*

	2004–05	2011–12
<i>Midday meals:</i> Proportion of children aged 6–14 years who are receiving a midday meal at school (%)		
All children	37	50
Children enrolled in government schools	62	81
<i>Integrated Child Development Services:</i> Proportion of pregnant women and young children who receive any benefits from ICDS		
Pregnant women ^a	20	53
Young children	27	57
<i>Employment guarantee:</i> Proportion of rural households that worked on NREGA or similar local public works in the past 12 months (%)	0.5 ^b	29
<i>Public Distribution System:</i> Proportion of households that bought rice or wheat from the PDS in the past 30 days (%)	27	52
<i>Social security pensions:</i> Proportion of widows and elderly persons (age 60+) receiving a social security pension (%)		
Widows	7	22
Elderly women	7	19
Elderly men	6	22

Source: India Human Development Survey (IHDS-1 and IHDS-2), special tabulations.

^a Proportion of women who received some benefit from ICDS during pregnancy, among those who gave birth during the preceding five years. The next row indicates whether the corresponding child received any benefits from ICDS.

^b Under “Sampoorna Grameen Rozgar Yojana” and Food-for-Work programs.

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