Social Security in India: The Long Lane Treaded and the Longer Road Ahead Towards Universalization

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Abstract

This paper is part of a large study on the Social Protection in Rural India and China. In this paper, we attempt at a critical appraisal of the historical development and experience of social security initiatives at the all India level. Based on the findings of the review, we visualize a road map to a more comprehensive and participatory initiatives in provision of social security by the state, while stressing the role of the civil society, non-governmental organizations and mass organizations. It is also attempted to categorize the on-going social security schemes according to the definitional framework of our study, that is, in terms of the definitional division of social security into basic and contingent social security.

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"Public assistance is a sacred duty.
Society owes subsistence to unfortunate citizens by procuring them work
or by ensuring to those who are unable to work, the means of existence."

(*Preamble* to the French Constitution of 1793)

"Everyone has the right to a standard of living adequate for the health and
well-being of himself and of his family, including food, clothing, housing
and medical care and necessary social services,
and the right to security in the event of unemployment,
sickness, disability, widowhood, old age or other lack of livelihood
in circumstances beyond his control.

Motherhood and childhood are entitled to special care and assistance.
All children, whether born in or out of wedlock, shall enjoy the same
Social protection."

(*Article 25,* Universal Declaration of Human Rights, UN, 1948)

"*Praja sukhe sukham rajna:*
Prajanam ca hite hitam;
Natma priyam hitam rajna:
Prajanam tu priyam hitam."

("In the happiness of the subjects lies the happiness of the king;
In the welfare of the subjects is the welfare of the king;
Not his personal desires and ambitions, but what is desirable and beneficial to the subjects,
That is desirable and beneficial for the king.")

– *Arthasastra* (1.19.34)

Article 38:
The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

Article 39:

The state shall direct its policy towards securing that the citizens, men and women equally, have the right to an adequate means of livelihood.

Article 41:
The state shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness, disablement etc.

– Directive Principles, The Constitution of India

1. Introduction

This paper is a critical review of the existing social security initiatives in India, based on a comprehensive conceptual outline of Social Security, as developed in Kannan and Pillai (2007).

What follows falls in 9 sections. The next one recaps our comprehensive conceptual framework of social security (SS) in a human development and rights perspective, in the light of which we intend to examine the development experience of India in SS initiatives. Section 3 then goes down the historical lane to trace the genesis of the Indian welfare state, taking in its development spirit through the ancient and the British India reigns. This development vision culminated in the Constitutional provisions that we briefly touch upon in section 4, and turn to the next one dealing with the contingent social security (CSS) provisions available in the organized sector, both contributory and non-contributory schemes; and to section 6 that discusses CSS available in the unorganised sector, inhabited by as much as 90 percent of the Indian workers; the discussion follows a critical review of the Plan perspectives in this regard. In section 7 we take up the case of the basic social security (BSS) that constitutes the basic right to life, without which any CSS would go meaningless; we critically examine (a) the evolution of the development approaches, from the failed first best asset redistribution measures to the popular second best poverty attack programmes, and (b) the current state of security in food, housing, health and education as well as in employment/income. Section 8 is a modest attempt to compare Indian SS initiatives with those of two of her neighbours who fare better in human development, that is, China and Sri Lanka. Section 9 briefly commends on the social sector spending in India in the context of Centre-State division of power, and section 10 concludes with a roadmap to a comprehensive SS initiative.

2. Social Security in a Human Development and Rights Perspective

A reconceptualization of SS becomes necessary in view of the conceptual ambiguities involved and the practical constraints that preclude its inclusion process (see Kannan and Pillai 2007). Generally the term, under different titles (such as social security, social assistance, safety nets, social funds and social protection), is understood and practised in both developed and developing countries as what may be called collective care arrangements to meet contingencies, signifying an adversity dimension. This concept in fact developed in a historical process in conditions obtaining in the developed economies, characterized by (near) full employment and high degree of industrialization with a large percentage of wage-earning workers in population. As such it takes into account only those in the formal labour market and they constitute a majority in the developed countries but a minority in developing countries.

A person who is already employed is concerned with the protection of his income in contingencies, whereas a person who is poor, has no employment, is primarily concerned with securing a work and thus some livelihood, with the basic needs problem. Hence given the dimension of the informal economy and massive and persistent poverty in the developing countries, the concept of social security has to be suited to the actual situation of these countries and hence to include the idea of poverty reduction as a necessary condition for attaining a minimal stage of development.

Therefore, SS may be viewed in a developing country context in terms of a basic SS (BSS) to meet deficiency and a contingent SS (CSS) to meet adversity.

BSS is directly linked to the problem of deficiency of those who are not in a position to access minimum of resources to meet their economic and social requirements for a dignified life in their society. This takes care of human deprivation and vulnerability. Here we identity four realms of security that could constitute the BSS: Food security, Housing security, Health security, and Education security. It goes without saying that inherent in all these is a dimension of income/employment security. In this sense BSS is a foundational requirement in that the commonly accepted notion of social security for meeting contingencies (what we call CSS) will not make any sense in its absence. In fact, those who enjoy social security today for meeting contingencies are those who have been able to take care of their basic social security, in their ascent to development.

We have taken development as removal of all unfreedoms from all possible vulnerabilities, both adversity and deficiency, and social security as the collective care mechanism to meet such vulnerabilities, and as such as the means to reach development. Removal of unfreedoms (that is development) is achieved by realizing the rights to such freedoms. It goes without saying that the human development paradigm stands on the premise that everyone has a right to development. Thus any approach to development and hence to social security must be a rights-based one.

In this context we propose a comprehensive concept of human rights that belong to the individual under natural law as a dialectical consequence of her being both *human* and *social* (the conventional definition, however, considers only the former, individual, dimension only). The social dimension also is important because the rights involve, for their realization, non-negotiable correlative obligations on the society as well as on the state as the highest epitome of collectivity. Development is nothing but the process of rights realization: the removal of all unfreedoms from all possible vulnerabilities.

In contrast to the civil-political rights that are legally enforceable, economic and social rights ('welfare rights') are often represented as statements of desirable goals, not as real 'rights'. That is, they are treated as largely aspirational rather than as imposing immediate duties. It should, however, be noted that the most basic of the welfare rights are the right to life: the right to an adequate standard of living, the right to primary health care, and the right to public education. These three rights are of fundamental interests, because "they are closely related to the right to life – the most basic of all human rights. Food is essential for survival; primary health care is indispensable as a minimum requirement for living without illness, at least in the early years; and primary education is necessary for the mental development of a young person to be able to grow up as a full individual." (UN 1999: Paragraph 34). A people free from hunger, morbidity and ignorance can go a long way towards participating fully and effectively in the political and economic life of the nation – thus the right to life is fundamental. The first of these (adequate standard of living) is realized once food security and housing security are ensured, and the remaining through health security and education security. Note now that these four securities constitute what we call the Basic Social Security (BSS). Thus the basic social security supported by the contingent social security is the basic welfare rights.

There has already been some attempt to broaden the concept of social security in the context of developing countries, for instance by Dreze and Sen (1989) by distinguishing two different aspects, viz., protection and promotion. The former is concerned with the task of preventing a decline in living standards while the latter refers to the enhancement of general living standards and to the expansion of basic capabilities of the population. (Dreze and Sen 1989: 16). There are some areas of overlapping that make the distinction somewhat confusing. For example, what is meant for protection can have significant externality effects of promotion. Take the case of access to basic health care. Some types of health care such as immunization are both protective (protecting against the spread of diseases) and promotional (promoting good health by keeping away certain diseases). Or the case of a family where the woman is educated and skilled which could be seen as promotional (in terms of enhancing the living standards of the family through access to income and/or greater awareness on health care, etc.) or protective (ability to take care of the family in the event of the husband's untimely demise). Our distinction is however free from such confusion, as BSS admits possibility of overlapping: it *can* have both protective/preventive *and* promotional effects.

It is in this light that we critically assess in what follows the SS initiatives in India.

3. The Genesis: 'Welfare State'

It goes without saying that family was the primary duty bearing unit correlative to an individual's basic right to life that constitutes what we call the social security concerns: the invalids and the vulnerable in the family were supported and protected within the household. At a higher level, in cases where the whole family itself was incapable, the community was expected to honour that duty. All scriptures abound with exhortations for compassionate treatment of the weak and the vulnerable. The state, as the highest epitome of the collectivity, was to mete out both the protective and promotional measures. As elsewhere explained, in the European societies, it was the Church in the Dark Ages that took up these community concerns in an organized manner, culminating in the *poor houses* run by the state around the 16^{th} century and the *work houses* of the 17^{th} century.

While it was with a view to ensuring a peaceful life for the local communities that such organized security confines were set up, where thousands of poor were looked after, the same purpose in a different garb was at work behind the modern social security measures that evolved in terms of the *welfare state* policies. Given the irresistible influence of socialism by the late 19th century in the European Continent, the state, out of the necessary urge of its *legitimation function*, started to initiate attractive public policies to woo working class away from the Social Democrats, beginning with the *Bismarckian socialism* of Germany in 1878 (enactment of the Employers' Liability Act) and 1883 (Contributory Sickness Benefit Scheme). By the middle of the 20th century, the social security system was well embedded in the social fabric and governments were having well-established systems for the care of the destitute and the poor. It is significant to note here that once the socialist threat subsided with the fall of the Second World, the welfare state also has lost its meaning, portending serious consequences for the rightful role of social security.

In the Ancient India

In India, social security, in the sense we use it here in terms of both the BSS and the CSS, seems to have been a concern of the state since very long time. In particular, it is often remarked that the Joint Hindu family system had the inherent concern for ensuring security of all the members and the 'parental responsibility was further illustrated across the ancient Indian history in the relationship of the patron to his clients, the lord to his vassals and the master to his servant….' (quoted by Bhattacharya 1970: 13). Equally significant was the Guild system (*Shreni*), which began in the early *Buddhist* period and continued through the post-*Mauryan* period that offered decent work to the participants (see for example, Thaplyal 2001). It should also be noted that slave labour constituted an important aspect of labour supply in ancient India. Evidences suggest that the conditions of the slaves were much better during the *Mauryan* period.

Kautilya, the political advisor of and a minister to the ruler *Chandragupta Maurya* in the fourth century BC, in his treatise on Economics, *Arthasastra,* that dealt with public administration and public finance, recorded many dictums on the state's duties to the subjects and vice versa. For example, he says, in an oft-quoted verse: 'In the happiness of his subjects lies the king's happiness; in their welfare, his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects' (1.19: 34). The concept of welfare in the *Arthasastra* covers a wider area including maintenance of social order, increasing economic activity, protection of livelihood, protection of the weaker sections of the population, prevention of harassment of the subjects, consumer protection, protection of children and women and even welfare of slaves and prisoners. Special protection of the weaker sections of the society was ensured in terms of maintenance at state expense (2.1: 26) and free travel on ferries (2.28: 18), among others. Social security was both a private and a state matter. The primary responsibility for maintaining the family lay with the head of the family: no one could become an ascetic without first providing for his wife and children (2.1: 28-29). However, the state had the obligation to provide a safety net and maintain children, the aged, childless women and the helpless (2.1: 26). The family of a government servant who died in harness was looked after by the state (5. 3: 28-30). *Kautilya* also refers to various types of pensions, and public poor relief. Public poor relief, in this view, was one of the major duties of kings. The king had to remain alert against natural calamities and pestilence: ‘Whenever danger threatens, the King shall protect all those afflicted like a father…’ (4.3: 42). A number of methods of counteracting the effects of famine are given in the text, such as (among others): distributing to the public, on concessional terms, seeds and food from the royal stores; undertaking food-for-work programmes such as building forts or irrigation works; sharing out the royal food stocks; commandeering private stocks of food for public distribution (4.3: 17-20). Though *Kautilya* made provisions for pensions and maintenance allowances, giving doles was strongly discouraged. For instance, it was the duty of the state to maintain the widows, the virgins, the convicts, the old prostitutes, and the *Devadasis*. But he pleaded that in return for the state's benevolence they must work in the state-run spinning factories (2.23). Wages were generally determined by means of agreement between the master and his servant (3.13), naturally through bargaining. It is interesting to note that the state was held responsible for any failure to protect the public. If a thief was not apprehended and the stolen property not recovered, the victim was reimbursed from the King’s own resources. If anyone’s property was unjustly appropriated and not restored, he was paid its value (3.16: 25-27). It is significant to note here that the two glaring omissions in the *Arthasastra* concept of welfare are education and health, two of the pillars of the modern welfare state concept that are in the realm of the state duty.

There are records to suggest that even during the eighth century AD, social security provisions were common in India. The great Sanskrit scholar *Sukracharya* had described in his treatise on justice, *Sukraniti,* the various measures taken by the rulers in this regard. There were special provisions for sickness benefits, pensions, old age benefits, and maintenance allowances. It was stipulated that in cases of servants falling ill, those who had put in more than five years of service were entitled to three-fourths of their usual wages though such benefits cannot continue for more than six months. There was also a provision for premature death of a servant wherein the master would have to pay allowance at the rate of half the salary to his family (Bhattacharya, 1970: 17).

Waves of invasions seem to have led to, among many other things, decline in state activism in general and in social security in particular. Although no systematic account of social security during the rule of the Moghuls is available, giving alms was a part of charitable and religious duties. Perhaps there was a decline in state assisted social security programmes during this period. Social security, as a result, increasingly became the concern of religious institutions, trusts and popular saints. The decline of state-assisted social security might perhaps explain the role of traditional institutions of family, caste and village communities in catering to social security requirements of the members.

In the Colonial India

Though the colonial state was not much bothered about social security for the people at large, it actively intervened, especially during 1820-1857, in ushering in a series of fundamental inroads into the whole social fabric in line with the emergent lumpen-capitalist necessities, foremost among them being the spread of the idea of education along with the establishment of colleges and universities, the launching of telegraph and railways, the raising up of a uniform administration and civil services core, the codification of civil and criminal laws and procedures, the transformation of land revenue system, and the standardization of taxes. In this enabling background, the powerful process of social reforms through legislation and the suppression of anti-state and anarchic elements like Thugs and Pindaris offered a kind of protective security. Such state intervention, as stressed by Marx (1853), was in effect laying down the material premises for the emergence of a united nation, capable of demanding for security in its true sense.

The expected impact of such intervention, the disruption of the old order, however, also brought in its wake some deleterious unchecked contingencies – the infamous Indian famines that took millions of the poor on every onset. It should be noted that the earlier famines were localised and it was only after 1860, during the British Raj, that famine came to signify general shortage of foodgrains across the country (Bhatia, 1985). In the latter half of the 19th century, there were approximately 25 major famines across India which killed between 30 and 40 million people. It is now generally agreed that these famines were a product of both uneven rainfall and British economic policies that had, since 1857, led to the seizure and conversion of local farmland into foreign-owned plantations, restrictions on internal trade, heavy taxation of Indians to support unsuccessful British expeditions in Afghanistan like the Second Anglo-Afghan War, inflationary measures that increased the price of food, and substantial exports of staple crops from India to Britain. (Srivastava 1968; Sen 1982; Bhatia 1985). The initial response of the British administration in general was irresponsibly lukewarm, but in the face of recurring famines and the fear of popular agitation raging beyond control, at last they had to do something: thus appeared famine commissions and famine scales.[1] Some relief work also was undertaken, by which direct relief was provided to the old and the infirm and work to the able bodied through public works in a series of canal building and irrigation improvements. And these promotional measures did yield good results: the mortality rate decreased rapidly and there was no *major* famine in India after 1902 until 1943. The last of the major famines, the Bengal famine of 1943, paved the way for control in food grains trade and emergence of an urban public distribution system.

Historical Development of CSS

The historical development of CSS in India also was marked by the same sporadic minimum concern as for BSS during this period. It was in the face of the collective pressures exerted through the emergent trade unions in the wake of the factory system, the end product of the industrial revolution, in the background of the ILO conventions, that some legislative gestures started to favour some minimum rights of the workers to security from contingencies involved in factory work.

India was sluggish in her initial years of industrialization, with the setting up of some large-scale factories, confined mainly to the textile industry, in 1850. The same year saw the earliest legislation, the Apprentices Act of 1850, enacted in the name of helping the poor and the orphaned children to learn trades by means of apprenticeship – a legal

[1] Famine scales are used to measure degrees of food security, from situations in which an entire population has adequate food (full security) to full-scale famine.

encouragement to child labour. Then came the Fatal Accident Act, 1855, to provide compensation to families for loss occasioned by the death of a person caused by actionable wrong. The Act required the employer to pay compensation if it was proved in the court of law that the concerned worker was not careless for the fatal accident involved. The Act however remained only on the paper, as the suit to be filed in court meant heavy expenses for the poor, ignorant and helpless workers. Some more followed, such as the Workmen's Breach of Contract Act, 1859, and the Employers' and Workmen's (Dispute) Act, 1860. It is worth noting here that these legislative exercises in effect meant to regulate employment rather than improving the working conditions of the labour.

By 1881 the factory system had its clear emergence in India, though the first labour unrest raged in 1877 at the Empress Mills in Nagpur for the improvement of wages. The continued agitation subsequently led to the legislation of the First Factory Act in 1881 that ushered in a series of labour laws aimed at improvements in the working conditions of the Indian labour.

The Act of 1881 was applicable to all factories using mechanical power, employing not less than 100 persons and working for more than 4 months in a year. It prohibited labour of children up to seven years and stipulated children between seven to twelve years not to be worked for more than nine hours a day. They were also to get four holidays every month. This, however, was an exception to predominantly contingency-based legislations, aiming to give protective social security; adult labour was not protected in any way. Local Governments were empowered to appoint Inspectors of Factories. Dangerous machinery was to be properly fenced and all accidents had to be reported to the Factory Inspector. Citing from the British Parliamentary papers, Sukomal Sen (1977: 148) remarks that the anxiety of the government at that stage seemed to have been the protection of the social system from the working men than that of the workingmen from the social system. There was also pressure from the mill owners of Lancashire, for fear of competition from cheaper products, to have legislations to prevent over exploitation of cheap labour.

The act was modified in 1891, with some major provisions towards labour welfare. The new Act was made applicable to all factories employing 50 persons or more. The welfare measures included: (a) a compulsory mid-day break of half an hour and a weekly off-day; (b) women were allowed to work for a maximum of 11 hours, with a break of 1/2 hours; (c) the lower and higher age limits of children employed in factories were raised respectively to 9 and 14 years. They were allowed to work only during the day-time and not more than 7 hours a day; (d) Local Governments were allowed to make rules regarding sanitation and other amenities for workers; and (e) provisions were made for inspection and penalties for breach of any provision of the Act.

In 1906, the Government of British India appointed a Committee of Inquiry and later a Labour Commission that led to a new Factories Act of 1911. This Act covered, among others, for the first time, seasonal factories working for less than 4 months a year. The work period of an adult male worker also was specified for the first time to be 12 hours a day, while that of children was reduced to 6 hours a day. The Act also included extensive provisions for the health and safety of the workers.

In addition to these state interventions in general social security (both BSS and CSS), there were private collective efforts by some civil society organizations towards both BSS and CSS. For instance, the Amalgamated Society of Railway Servants of India and Burma, formed in 1897, started on a series of benefit schemes. The Printers' Union in Calcutta (organized in 1905) and the Postal Union in Bombay (organized in 1907) introduced mutual insurance schemes, night schools, educational stipends, and funeral allowances. The *Kamgar Hitawardhak Sabha* (Workers' Welfare Society), formed in 1910, took it on itself such welfare functions as payment of compensation for accidents to industrial workers, and improvement in labour housing conditions.

The inflationary spiral during the First World War led to the introduction of the payment of a 'dearfood allowance' in Bombay and Ahmedabad and this DA has since become an integral part of salary. And following the industrial unrest in 1919 and 1920, the Government brought forth a new Factories Act (of 1922), applicable to all factories employing more than 20 workers. The work period, whether men or women, was restricted to 60 hours a week and not more than 11 hours a day. The minimum age for child labour was raised from 9 years to 12 years. Workers were entitled to one hour of rest after six hours of work or two intervals of half-hour each and one weekly off was also made compulsory. They were also paid for overtime work to the extent of 1.25 times the daily wage. It was also stipulated that women and children not to be employed after 7.00 PM and before 5.30 AM.

The real thrust on the front of CSS came with the resolutions of the International Labour Organization (which was established in 1919) and the vibrant trade union activities following the establishment of the All India Trade Union Congress. The ILO passed the Employment Injury Convention in 1921, and asked the member countries to ratify it. Though reluctant initially, the Indian Legislative Assembly, in the face of strong public opinion in favour of protection against employment injury, had to appoint a small committee leading to the legislation of the Workmen's Compensation Act on March 5, 1923, which came into force from April 1, 1924. The Act provided security against the contingency of employment hazards, comprising industrial accidents and occupational diseases.

Another protected contingency was in terms of maternity benefit for women workers. In this case also initially the Government of India opined that it would be difficult to adopt the Convention because of the shortage of lady doctors, victimisation of female employees and their dismissal or discharge by the employers at the first sign of pregnancy, and similar other reasons. But the Provincial Governments continued their attempts of persuading the employers to take unilateral decisions in this behalf. The Bombay Presidency took the lead in 1929, and passed the Bombay Maternity Benefit

Act. Later on, Whitley Commission, the first Royal Commission on Labour appointed in 1929 by the British Government, examined the question and favoured legislation in other Provinces also. Consequently, many more Provinces passed their own maternity benefit legislations. After independence the Government of India, enacted a Central Maternity Act, 1961. The States were given an option to adopt the Central Maternity Act in place of provincial Acts.

The Factories Act was modified again in 1926 and in 1934. A couple of Labour Enquiry Committees were also constituted to investigate into the questions of wages and the living and working conditions of the workers. The Payment of Wages Act was passed in 1936 'to ensure regular and prompt payment of wages and to prevent the exploitation of wage earners by prohibiting arbitrary fines and deductions from his wages.' (Government of India 1992: 249-50). The Act was subsequently amended a number of times, expanding its provisions and coverage, and a new Bill, viz., 'The Payment of Wages (Amendment) Bill, 2002', enhancing the wage ceiling up to Rs. 6500 and removing certain ambiguities, is under consideration, pending legislation.

The Second World War necessitated increased production and greater cooperation from the labour force and the Government was generous in giving out concessions to the workers under the Defence of India Rules (Rule 81-A). Adjudication, joint consultation, minimum wages and higher norms of production were laid down for many industries and amenities such as crèches, ambulance rooms and canteens began appearing on the industrial scene. The development had a favourable backdrop: the appointment of Dr. B.R. Ambedkar as Labour Member of the Viceroy's Council helped to give positive direction to the government labour policy; the publication of the Beveridge Report in England ushered in a new welfare state approach; and the two ILO publications, *Approaches to Social Security, An International Survey* and *Social Security Principles and Problems Arising Out of War,* highlighted the necessity to bring all provisions under a single scheme for protection in the face of inability to work or to obtain work, and to extend this to all the employees or self-employed, rural or urban.

The Government also made attempts to introduce a scheme for sickness insurance in India and referred the matter to the Provincial Governments. However, majority of the Provincial Governments were sceptical about its success because of the migratory nature of workers, difficulty of locating them in villages and the shortage of medical staff for certification and treatment and let the issue lapse, despite the Whitley Commission's recommendations. The Central Government, however, went ahead in favour of the scheme in certain establishments where medical facilities could be made available by the Government, provided the employers and employees contributed towards this scheme. A fresh proposal was, therefore, made to the Provincial Governments in 1935. Under repeated proposals, at last in 1937, the Bombay Government came forward with a contributory scheme to provide health insurance measures to industrial workers, with provisions for sickness and old-age benefits. It, however, fell short of health insurance because of the absence of medical benefits. It is worth noting that in addition to the Royal Commission, a number of Labour Enquiry Committees (Bombay Textile Labour Enquiry Committee, Bihar Labour Enquiry Committee, Cawnpore Labour Enquiry Committee and so on) had also recommended a scheme of sickness insurance by the employers on a contributory basis by small deductions from the wages of the workers.

In the face of the organised labour movement, Conventions and Recommendations of the ILO, and the examples of some sickness insurance schemes run by some private employers, along with the recommendations of the various Labour Enquiry Committees and the resolutions of the Labour Ministers' Conferences in 1940 – 1943, the British India Government appointed three Committees in 1943: Professor B.P. Adarkar Commission to draw a health insurance plan for the workers in India; D.V. Rege Committee to investigate into the risks that bring about insecurity and the most suitable methods for meeting such risks; and the Sir Joseph Bhore Health Survey and Development Committee to plan for medical care and health services.

The Adarkar Commission went beyond its terms of reference (which originally meant to prepare a health insurance scheme covering only sickness) and made a strong case for setting up a unified and integrated system of health, maternity and employment injury insurance. Though the Report, submitted in 1944, was lauded in general, the Government in no time came out with its disagreement with the comprehensive scope and the recommendation especially on its share of contribution to the scheme. The Report thus failed in its mission, but formed the forerunner of the SS projects in India, starting with the Employees' State Insurance (ESI) scheme of 1948.

And in the Independent India

Note that the Fatal Injuries Act of 1853, Workmen's Compensation Act of 1923 and the State Maternity Acts were all non-contributory and hence often involved the event of evasion by the employers. The first step towards a contributory insurance scheme was taken by the Bombay Governemnt in 1937 with its communiqué for a social insurance for the industrial workers, though it never took off in practice. The publication of the Beveridge Report by this time revived the interest of the Government, and Adilkar was instructed to draw a contributory social insurance programme for the workers; he submitted the 'Workers' Insurance Scheme' in 1946, which was then modified by the ILO experts as the Workmen's State Insurance Bill, and was passed by the Dominion Legislature on 19 April 1948 as the Employees' State Insurance Act, 1948, which provides for benefit to workers, in the event of sickness, maternity and employment injury, in the form of payment of sick leave, hospitalization, etc.

It was one of the first flowerings of the spirit of Independence. Along with it came the Minimum Wages Act of 1948 that requires the Government, Central or State, to fix minimum rates of wages payable to the employees specified in the Act and the comprehensive Factories Act of 1948 that replaced the earlier Act on labour welfare. The provisions included, among others: (1) safety-guarding of machines; (2) health and cleanliness; (3) drinking water; (4) washing and latrine facilities; (5) lunch rooms and rest rooms; (6) sitting arrangements; (7) spittoons; (8) first aid and dispensary facilities in all factories employing more than 500 workmen; (9) crèches where more than 50 women are employed; (10) welfare officer where more than 500 workmen are employed; (11)

holidays with wages at the rate of one day for every 20 days worked; (12) rate of payment for overtime work; (13) rest for half an hour after a maximum of 5 hours of work; and (14) weekly holiday.

This Act is applicable to all factories employing 10 persons or more when it uses power and 20 persons where no power is used and also to factories working seasonally. However, it did not cover mines and plantations; the Plantation Labour Act, applicable to coffee, tea, rubber and cinchona plantations, was passed in 1951, and an Act for the mining industry was enacted in 1952 with detailed safety provisions for work in mines.

4. The Constitutional Provisions

It goes without saying that the basic right to life is meaningful only under conditions that honour the civil rights. The constitution of India stands to guard the same by declaring justice, social, economic, and political; equality of status and of opportunity; and promotion of fraternity assuring the dignity of the individual as the objectives of the Indian state. Thus the Articles 12 to 35, dealing with the Fundamental Rights, guarantee various civil liberties to citizens including equality before law, nondiscrimination on grounds of religion, race, caste, sex or place of birth, equality of opportunity in matters of public employment, abolition of untouchability, abolition of hereditary titles, freedom of speech, assembly, association, movement and residence, protection of life and personal liberty, freedom of conscience and free profession, practice and propagation of religion, and protection of interests of minorities.

The Directive Principles of state policy, on the other hand, attempts to give expression to the noble norms of basic welfare. While these are not enforceable by any court, the Constitution explicitly states that ‘the principles therein laid down are nevertheless fundamental in the governance of the country and it shall be the duty of the state to apply these principles in making laws’ and that ‘the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life’ (http://lawmin.nic.in/coi.htm). These norms include the right to an adequate means of livelihood, distribution of ownership and control of material resources to subserve the common good, prevention of concentration of wealth and means of production to the common detriment, equal pay for equal work for both men and women, protection of workers and children, opportunities and facilities to children to develop in a healthy manner and in conditions of freedom and dignity, organisation of village panchayats as units of self-government, effective provision for securing the right to work, to education, and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want, suitable legislation to ensure a decent standard of life and full enjoyment of leisure and social and cultural opportunities to all workers, uniform Civil Code for citizens, provision of free and compulsory education for children, promotion of educational economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections, and so on.

It is the light of these norms that has led the Indian Government to various welfare measures, of course, under the compulsion of the legitimate function of the state in the face of the conflict between the then first and second worlds. Expectedly the state here took the beaten track of the first world countries in ensuring CSS in the organised sector and, as remarked elsewhere, it consists of a majority of the wage-earning workers in the developed countries but a minority in developing countries. Hence the significance of extending CSS to the unorganized sector of the developing countries. At the same time, as elsewhere explained, CSS remains meaningless in the absence of BSS; in fact, those who enjoy social security today for meeting contingencies are those who have been able to take care of their basic social security. As we have already seen elsewhere, this was also the priority in the history of the evolution of social security policies and arrangements in Western countries, where the current dominance of CSS has arisen out of a situation where basic human deprivations have been taken care of for a large majority of population. Hence the significance of BSS in the context of the developing countries.

In what follows we give a brief sketch of CSS and BSS measures taken up over time by the state of India.

5. CSS in the Organized Sector

The formal SS system in India stands to cover the employees in the organized sector, which in turn falls in the public and private spheres. The employees in the government/public sector, including those of public enterprises, local bodies and government-aided institutions, are much better placed in respect of access to SS and levels of benefit, which in most of the cases are not legislatory provisions, but are contracted as part of service conditions, without involving any employee contributions. The benefits in general include entitlements to free or highly subsidized medical care, leave with full pay during sickness and maternity, insurance in the event of death in harness, pension and gratuity on retirement and life pensions for survivors. These employees are highly unionised and have a significant say in the government affairs.

On the other hand, the employees in the organized private sector are covered only by legislatory provisions of SS, with various shortcomings ingrained in the design and implementation (Government of India 1984), as we will see below. A number of Acts are now in force covering contingencies of the organized sector employees; below we sketch out the contingencies and the Acts meant to cover them (compiled from various issues of *Indian Labour Yearbook*).

Most of the CSS measures available in India are Central laws applicable to all States, with provision for State level extensions and have a statutory protective footing, but unfortunately are limited to an extremely small minority. The Acts in respect of the mode of their enforceability may be put into two categories: (a) administratively run and hence enforced routinely, and (b) self-enforcing, where the aggrieved can move the court or

Contingency	Acts covering the contingency
Death	(a) Workmen's Compensation Act, 1923 (b) Employees' State Insurance Act, 1948 (c) Employees’ Family Pension Scheme, 1971/ Employees’ Pension Scheme, 1995.
Disablement	(a) Workmen's Compensation Act, 1923 (b) Employee's State Insurance Act, 1948 (c) Employees Pension Scheme, 1995
Funeral	(a) Employees' State Insurance Act, 1948
Lay-off, retrenchment and closure	(a) Industrial Disputes Act, 1947
Maternity	(a) Employees' State Insurance Act, 1948 (b) State Maternity Benefit Acts. (c) Central Maternity Benefit Act, 1961
Old Age	(a) Coal Mines Provident Fund and Bonus Scheme Act, 1948. (b) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (c) Assam Tea Plantations Provident Fund Scheme Act, 1955. (d) Seamen's Provident Fund Act, 1966. (e) Payment of Gratuity Act, 1972
Sickness	(a) Employees' State Insurance Act, 1948

other competent authorities upon denial of provisions of benefits. The first category includes the Employees' State Insurance Act 1948 and the Employees' Provident Fund (and Miscellaneous Provisions) Act 1952, both financed through the joint contributions of the employers and the employees, and the second, the Workmen's Compensation Act 1923, the Maternity Benefit Act 1961, and the Payment of Gratuity Act 1972, all three putting the employer in liability; in these three cases, it is possible for the benefits to get delayed or denied to employees due to inadequate coverage, evasion by employers and the cost and delays involved in legal remedies. In the first category may be included the Acts on welfare funds for the unorganized workers, with an administrative network for the delivery of benefits, but their statutory cover remains much weaker. Below we give brief accounts on these schemes.

(1) Contributory Schemes:

(i) The Employees' State Insurance Act, 1948

The scheme provides a composite insurance covering health care and cash benefits in sickness, maternity and death or disability due to employment injury.

The Act as at present applies to all power using factories employing 10 or more workers and non power using factories employing 20 or more workers, shops, theatres, cinemas, hotels-restaurants, motor transport undertakings and newspaper establishments employing 20 or more persons in India except in the State of Sikkim. It does not apply to members of the Armed Forces or to persons whose remuneration in the aggregate exceeds Rs. 7,500 a month. The Scheme is operated in 678 centres situated in 29 States/Union Territories. As on 31.3.2003, there are almost 7.86 million employees and about 30.37 million beneficiaries covered under the Scheme. The number of factories and establishments covered by the end of the year had gone up to about 2,55,000.

The administration of the ESI Scheme lies with the Employees State Insurance Corporation, a corporate body, consisting of the representatives of the Central and State Governments, employers, employees, medical profession and the Parliament.

The Scheme is financed through the Employees' State Insurance Fund raised through contribution from employers and employees and grants/donations and gifts from the Central and State Governments, local authorities or any other individual or body. The State Governments also share the cost of the Scheme by contributing towards expenses on medical treatment and attendance of the insured persons, share of each to be determined on the basis of an agreement between the Corporation and the State Governments.

The Employers contribute 4.75 per cent of the wages payable to the employees covered and the employees contribute at the rate of 1.75 per cent of their wages towards the scheme. The employees who are in receipt of average daily wages up to Rs. 40 per day are not required to contribute. Over six lakh workers benefit from this; however, the employers contribute their share in respect of such employees also. The State Governments contribute a minimum of 12.5 per cent of expenditure on medical care.

The scheme provides two types of social security cover namely - (a) Medical Care and (b) Cash Benefits. Medical care is provided to the insured persons and their family members through a vast network of panel clinics, ESI dispensaries and hospitals generally within the vicinity of their residential areas. In addition to providing total in-patient care, the Corporation also fully finances cases of beneficiaries requiring advanced treatment or· specialized surgery. The expenditure on medical care has been enhanced to Rs.750 per Insured Person Family Unit per annum since 2004. The cash benefits on the other hand include Sickness benefits, Maternity benefits, Disablement benefit, Benefits after retirement, Dependents' benefits, Funeral Expenses, Rehabilitation allowance, and Standard benefits.

"While as a composite insurance the ESIS has been appreciated in its conception, limitations and difficulties have been experienced in its implementation. The level and quality of medical care has not been found to be satisfactory in many areas. The dual administrative control (of the state Government and the Corporation) has added to the problems of administering health services, which is by itself a daunting task. The dissatisfaction is greater in areas where good infrastructure is lacking, and in establishments having well-managed health care systems for its senior employees who earn wages above the ceiling and who are not compelled to join the ESIS. On the other hand, the scheme has been recognized as extremely useful where alternative facilities do not exist, and where the centres are staffed by sincere and competent professionals. The ESI Scheme has also been appreciated by non-regular employees, such as casual and contract workers, whom employers normally like to exclude from any protection." (Jain 1999: 42)

(ii) Employees' Provident Fund (and Miscellaneous Provisions) Act 1952

This Act provides for the institution of compulsory provident funds for employees in factories and other establishments, engaged in 180 industries/classes of establishments employing 20 or more workers. As on 31st March 2004, there were 3.70 lakh establishments with 40.09 million subscribers covered under both exempted and un-exempted sectors. The wage ceiling for coverage under the EPF Scheme is now Rs. 6,500 per month (with effect from 1.6.2001).

The normal rate of contributions by the employers and employees is 10 to 12 per cent of the wages of the employees. Out of 12 per cent of employers' share, 3.67 per cent goes to Provident Fund and 8.33 per cent contributed to the Pension Fund. The 12 per cent contribution is applicable in respect of 172 categories of establishments and the 10 per cent to five industries viz., brick, beedi, jute, coir and guargum.

Three schemes are in force under this Act: (a) Employees' Provident Fund Scheme, 1952; (b) Employees' Pension Scheme, 1995, and (c) Employees' Deposit Linked Insurance Scheme, 1976.

(a) The Employees' Provident Fund Scheme, 1952

This scheme provides for financial assistance by allowing partial withdrawals to subscribers in situations like illness, invalidation, etc., and to finance such of their requirements as marriage or higher education of children or construction of dwelling house. It is stipulated that the PF claims complete in all respect be settled within 30 days (para 72 of the EPF Scheme).

(b) The Employees Pension Scheme, 1995

Upon the introduction of this Scheme, 1995 the erstwhile Family Pension Scheme, 1971 ceased to operate and all its assets and liabilities were taken over and merged with the new Pension Fund. While the minimum service for eligibility is 10 years, a pensionable service of 33 years entitles a member to a pension estimated to be around 50 per cent of the last wages. Normal superannuation pension is payable on attaining the age of 58 years. Pension on a discounted rate is also payable on attaining the age of 50 years. Neither the employer nor the employee is required to make any additional contribution. The employer's share of PF contribution representing 8.33 per cent of the wage is being diverted to the Pension fund. The Central Government is also contributing to the Pension Fund at the rate of 1.16 per cent of the wage of the employees.

The contingencies covered in the payment of monthly pension include: (a) superannuation on attaining the age of 58 years; (b) retirement; (c) permanent total disablement (a minimum of Rs. 250 per month) (d) death during service; or death after retirement/ superannuation/ permanent total disablement; (a minimum family pension of Rs. 450 and a maximum of Rs. 2500 per month) (f) children Pension (25 % of the widow pension for each child subject to a minimum of Rs 150 p. m. per child payable up to two children at a time till they attain the age of 25 years) and (g) orphan pension (with no parents alive, 75 % of the widow pension, subject to a minimum of Rs. 250 per month per orphan). The pension amount is disbursed through the nationalized banks and post offices.

(c) The Employees' Deposit-Linked Insurance scheme, 1976

The scheme provides that in the event of the death of an employee, covered under the Employees' Provident Fund and Miscellaneous Provisions Act 1952, the nominee would be paid an additional amount equal to the average balance in the provident fund account of the deceased during the preceding 12 months, with a ceiling of Rs.60, 000 (with effect from 13.6.2000). The Payment on this account is not liable to any attachment and to income tax. No additional contribution by the employee is required here also. However, the employers and the Central Government contribute at the rate of 0.50 and 0.25 per cent respectively of the wage bill of the employees every month.

The all-India coverage under the Employees' Provident Fund (and Miscellaneous Provisions) Act 1952 "is roughly 20 million employees in about 264,000 establishments. In terms of the overall working population, 6.4 per cent come within its purview. Among the different employment sectors in the National Industrial Classification, the most substantial share in overall coverage is of the manufacturing industries (over 51 per cent); next is mining and quarrying (over 20 per cent); agricultural and allied fields only represent 5.7 per cent. The unorganized sector as a whole accounts for 10.4 per cent of all EPF subscribers, the majority of them being *beedi* workers, and yet 70 per cent of them (out of a total of 4.25 million) are still not included. There is a large concentration of covered establishments and subscribers, as under the ESI Scheme, in the three states of Maharashtra, Tamil Nadu and West Bengal, which account for 42 per cent of the total membership. These states, along with Gujarat, Andhra Pradesh, Uttar Pradesh and Karnataka, comprise almost 70 per cent of subscribers in the country." (Ginneken 1999: 44).

(2) Non-Contributory schemes:

(i) The Workmen's Compensation Act, 1923

This Act makes it obligatory for the employers to provide compensation to workmen or their survivors in case of injuries and occupational diseases sustained during the course of employment and resulting in disablement or death. The compensation rate and amounts are a factor of the wage and age indices; the compensation rate, after the enhancement in 1995, is 50 per cent of the monthly wage in the case of death and 60 per cent in the case of permanent total disablement; the minimum amount of compensation for death is Rs.50,000 and for permanent total disablement, Rs.60,000 and the maximum for death may go upto Rs.2.28 lakh and for permanent total disablement up to Rs 2.74 lakh.

The Act is administered by the State Governments who are required to appoint commissioners for Workmen's Compensation. The functions of the Commissioners include (i) settlement of disputed claims (ii) disposal of cases of injuries involving death, and (iii) revision of periodical payments.

(ii) The Maternity Benefit Act, 1961

This Act mainly provides for maternity protection before and after childbirth, through payment of wages for up to 12 weeks during absence on account of maternity, of which not more than 6 weeks may be availed before delivery and remaining period after delivery, as also certain other benefits. The Act as amended in 1988 provides, *inter alia*, for extension of its provisions to women employees of shops and establishments employing 10 or more persons and reduced the qualifying period for grant of maternity benefit (from 160 days) to 80 days of actual work. The Central Government is responsible for administration of the provisions of the Act in Mines and in the Circus Industry, while the State Governments, in factories, plantations and other establishments.

(iii) The Payment of Gratuity Act 1972

The Payment of Gratuity Act 1972 applies to every factory, mine, oilfield, plantation, port and railway company and every shops or establishments having a minimum of 10 employees, and provides for gratuity payments at the end of service. To be eligible for gratuity the employees should have a minimum continuous service of 5 years. By an amendment in 1994, the wage ceiling as an eligibility condition for gratuity was scrapped. With the benefit of 15 days of wages for every completed year of service, the gratuity amount can now reach Rs. 350,000. The entitlement for seasonal employees is at a rate of 7 days for each season. It may however be noted that even before the enactment of this Act, Gratuity used to be paid to workers in some industries, following negotiations with employers.

6. CSS in the Unorganized Sector

About 18.8 million employees in the public sector enterprises directly come under the umbrella of CSS (as in 2002; Government of India 2004: 4) and about 40 million (that is, only 48.5%) in the private sector are covered under the comprehensive EPF scheme, together representing nearly 15% of the working population (of 402.5 million as per Census 2001) in India. Thus about 85% of the Indian workers go without any significant protective cover, including about 42% of the workers in the organized private sector itself. The remaining (that is, about 67.6%) uncovered workers are left crowding into the unorganized sector. They include those workers outside the scheduled industries/establishments and those in smaller enterprises; and the self-employed. The alarming trend towards decline in the organized sector employment (in both the public and the private sector: *ibid.*) and the corresponding expansion of casualization of employment points to the much worsening situation of not only the SS but also the right to life itself, ironically in a democracy. The picture becomes dimmer as we recognize the extent of the plight widening across the vast masses of the unemployed and the dependents among the populace. It is here that we require a powerful political will and a persevering political capability to ensure a minimum of the right to life to the entire masses that will in turn take care of the SS concerns. Hence the significance of the welfare rights: providing BSS and extending CSS to all.

The contingency aspect of social security seems to have received much less attention in independent India when compared with the basic security aspect (as we will see below). Thus, in the first two Plans, social security was discussed solely in relation to organized sector. It is the Third Plan that for the first time referred to the social security needs of the wage earners outside the organized industry. Moreover, it was 'also proposed to make a small beginning in the direction of assisting certain categories of persons without any means of livelihood or support—the physically handicapped, old persons unable to work, women and children.' (The Third Five Year plan, 1961-66: Chapter 35; *ibid.*). Voluntary welfare organizations were proposed to be drafted into welfare activities and 'assisted in a small way' from a special relief and assistance fund, besides assistance from State Governments and local bodies and support from the community.

The Fourth Plan (1969-74) referred to the poorest decile in the population consisting 'mostly of destitutes, disabled persons, pensioners and others who are not fully in the stream of economic activity' with a per capita consumption of 'roughly 35 per cent of the average in rural areas and about 28 per cent in the case of urban areas' and highlighted the need for a 'special assistance', without which their 'income and living standards cannot be expected to rise with the growth of the economy' (The Fourth Five Year plan, 1969-74: Chapter 2; *ibid.*), but remained silent on the mechanism for that 'special assistance'. The Approach document to the Fifth Plan (1974-79) and the Draft

Plan (1978-83) continued the lament for the poor; while the former admitted (p. 8) that 'Since the unemployable poor run into millions, it is not possible for the country, at the present level of development, to take good care of them.', the latter noted (p. 275) that 'It is imperative that these sectors receive special attention and towards this end, steps are being initiated to cover them with protective legislation wherever feasible.' The next two Plans (Sixth: 1980-85 and Seventh: 1985-90) however chose to remain silent on this issue; and the Approach document to the Eighth Plan (1990) was content to commend well (p. 38) on the State level initiatives, 'like old age and widows' pensions, accident insurance and the like', undertaken 'in a piecemeal and ad hoc fashion', and hoped for 'designing a better thought out, comprehensive and affordable system'.

The Eighth Plan (1992-97) also recognized that the 'workers in the unorganised sector, who constitute 90 per cent of the total workforce, by and large, do not have access to such benefits. Steps need to be taken on a larger scale than before to improve the quality of working life of the unorganised workers, including women workers' (The Eighth Plan, 1992-97: Chapter 7; *ibid.*). The Plan document continues in the same vein as in the earlier: 'Suitable organisational arrangements would need to be developed to provide a minimum measure of social security for unorganised workers. A number of models are available for adoption. The Welfare Boards for Mine Workers, Beedi and Cigar Workers etc., set up by the Government of India and financed out of the cess levied on the production of the commodity concerned and the Welfare Boards for cashew workers and coir workers set up by the Government of Kerala constitute one set of models. Mutthadi Workers Board in Maharashtra and Jathu Hamal Boards being set up in Andhra Pradesh form the second model. A third model is the set of insurance schemes launched by Governments of Gujarat, Kerala, Karnataka and Madhya Pradesh for landless agricultural labourers. A fourth alternative is a Central Fund with tripartite contribution (bi-partite in the case of the self employed)' (*ibid.*).

It was in this light that a pioneering move was initiated in 1995 towards the evolution of minimum standards in social security to the poor in the form of a National Social Assistance Programme (NSAP), comprising (i) Old Age Pension, (ii) Maternity Benefit and (iii) Family Benefit for the girl child in particular. This was initially implemented mainly as a programme for the poor under the broad head 'Poverty Alleviation in Rural Areas', and was expected to be extended to the casual and the self-employed workers in informal sector in both the rural and the urban areas in the Ninth Plan.

The public concern for extending social security to the unorganised sector thus crystallized found still more echoes in the Ninth Plan (1997-2002) document also that contained a separate section on it. 'The Governments of Gujarat, Kerala, Karnataka and Madhya Pradesh have insurance schemes for the landless agricultural labourers. This needs to be extended for the entire country. ……. In the Ninth Plan, a strong research and development effort will be mounted to facilitate the extension of social protection to all sections of the working population. A scheme of social security for the unorganised rural labour would be designed to provide for protection during the stoppage or diminution of income. The existing welfare schemes of the unorganised sector which are widely scattered and fragmented, will be integrated properly. Institutions and arrangements for providing group insurance to the rural poor across the country need to be made more effective and their coverage increased.' (The Ninth Plan, 1997-2002: Volume 2; Chapter 3; *ibid.*). It is then argued that 'the design of the efforts for providing social security has to be promoted on a location-specific basis', and that 'Resources should be raised primarily by the employees and employers. The Government can provide a token support but cannot meet the full expenditure incurred on social security. In the long run such location-specific schemes should invest their resources in, and earn from, the capital market. The schemes will have to be operated and managed jointly by the employers, employees and representatives of the local authority. The support from the Government, in the initial, and for a specified number of, years can be on a matching basis to the resources pooled by the employers and the employees. The support from the Government needs to be shared by the State Government and the Central Government. The primary purpose is to test and demonstrate the viability of a location-specific, and largely self-financing, effort to provide social security at a rate that broadly matches the market wage rate of an average worker at that location. Such a scheme, to be owned by the local beneficiaries, has to have a strong location-specific character. The task of identification, in association with the employers, can be managed for a reasonable size of population unit. Hence, the formulation of location-specific social security schemes for a unit size of say 20,000 households or one lakh persons, under the supervision of local authority, will be encouraged.' (*ibid.*)

It is further contended that 'The social security set-up as it exists among industrial countries is not applicable for India. Firstly, nearly half of those employed are the self-employed, which is a very small category in the industrial countries. Most of the self-employed are in the informal sector, in contrast to the industrial countries, where formal sector employs bulk of the workforce. Secondly, the incidence of poverty is high here and persistent over time. It is rooted in several structural features of the economy. These include low wages, their irregular payments and irregular employment. A few states in India, namely, Karnataka, Kerala and Tamil Nadu demonstrated the viability and potential of old age pension scheme. Some form of social assistance is also given to the workers in the unorganised sector. This could be considered by the other states. However, social security must be targetted to particular vulnerable groups like informal urban workers, migrant workers, women and children etc. However, multiple social assistance schemes will not be effective. It will be meaningful to choose the most cost effective ones among them for application across the board.' (*ibid.*)

Based on this, as expected, in the spirit of the age of reform, the Tenth Plan finally proposed a 'self-help' model: 'A legislative and administrative framework has to be created for significant coverage of the unorganised sector by social security cover. The strategy would be to motivate and encourage the State Governments to formulate and implement schemes and programmes targeted at certain occupational groups in the unorganised sector without putting any additional pressure on the budget. To extend the coverage of social security measures for the unorganised sector workers, setting up of the cooperatives, self-help groups, mutual benefit associations managed and financed by the occupational groups/workers and voluntary health insurance and pension schemes would be encouraged. Also, attention would be focussed on alternative income generating activities with the provision of credit arrangement for the supply of raw materials, etc.' (The Tenth Plan, 2002-07: Volume 2; Chapter 3; *ibid.*)

Along with this 'outline of possible initiatives', it was also suggested that 'a special group will prepare a perspective plan for social security for all workers. (*ibid.*). It was in line with this proposal that the Central government constituted the National Commission on Enterprises in the Unorganized Sector in 2004 that subsequently submitted its Report, recommending a minimum package of contributory social security covering the whole unorganised sector and administered by a National SS Board through State subsidiaries. The commission had earlier proposed pilot projects for 'growth poles' applying the principles of the Provision of Urban Amenities in Rural Areas (PURA)[2] scheme. The objectives are to expand production and employment in the unorganised enterprises around existing clusters of industrial activities and services as well as encourage the formation of new clusters.

One group among unorganised workers, who are extremely vulnerable, is the migrant workers. According to the 1991 Census, about 226 million people have left their residences and out of this 17.3 million (8.8 percent) have left their State for work. The 'Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services Act), 1979 was passed to regulate the employment of inter-State migrant workmen and to provide for the conditions of their employment. The Act has provision for issue of Pass-Book to every inter-state migrant workmen with full details, payment of displacement allowance equivalent to 50 percent of monthly wages or Rs.75 whichever is higher, payment of journey allowance including payment of wages during the period of journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex, etc. It is extremely doubtful whether even a small fraction of the migrant workers get the protection they are entitled to under this legislation.

Welfare funds and group insurance schemes

Given this background, let us now turn to the arrays of CSS measures available for the unorganised sector. As is clear from the above discussion, these measures source at the Central and State levels. The social security model adopted in general by both the Central and the State governments is the Welfare Funds model. Typically, this model is a tripartite one, consisting of the representatives of workers, employers (wherever

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[2] PURA (Providing Urban Amenities in Rural Areas) is the major component of the President A.P.J. Abdul Kalam's dream for developed India. It differs from the conventional ideas of economic development of rural areas in many ways--a comprehensive and composite rural development, government investment at urban levels in rural programmes, reverse rural-urban migration, the prerequisite quality infrastructure, supportive modern industry and investment in social and commercial service and private enterprise initiative. PURA habitat design depends upon the infrastructural ring roads linking a loop of villages and the interfacing of four connectivities – physical, electronic, knowledge and economic – to enhance rural prosperity. The model should enable proper selection of village clusters and deployment of the youth in different areas of rural development to make this programme a reality. (Gandhi 2005).

identifiable) and the government. A Welfare Fund is managed by a Board appointed by the government, with its chief executive being a government functionary. Defined social security cover is given to the worker-members of the Funds for which contributions are collected from the workers, from the employers (usually through a cess) and, in most cases, from the government. However, it should be noted that the schemes operate outside the arena of specific employee-employer relationships, and the employees are not in fact required to make any specific contribution; the cess levies paid by the employers are not linked to identified individual employees. The delivery of welfare services is also, thus, independent of individual employment relationships.

Apart from the State level initiatives, five Central welfare funds are in functioning under the Ministry of Labour. All these funds are financed out of the proceeds of cess levied under respective Cess/Fund Acts. Through special schemes, the funds provide for housing, medical care, social security, education and recreational facilities to the concerned workers. The five Acts are:

(i) The Mica Mines Labour Welfare Fund Act (1946),
(ii) The Limestone and Dolomite Mines Labour Welfare Fund Act (1972),
(iii) The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act (1976),
(iv) The *Beedi* Workers Welfare Fund Act (1976), and
(v) The Cine Workers Welfare Fund Act (1981).

These schemes provide for medical assistance of Rs. 150 for the purchase of spectacles, reservation of beds in tuberculosis (TB) hospitals, treatment and subsistence allowance not exceeding Rs. 750 p.m. in case of tuberculosis, and reimbursement of expenditure up to Rs. 1 million for heart disease and kidney transplant. The annual expenditure under these funds is around Rs. 1000 million. According to the Ministry of Labour and Employment, these schemes presently cover more than 4.4 million workers and their families.

The current rates of cess levied on the products are:
(i) 4.5 per cent *ad valorem* on the export of mica (with effect from November 1, 1990),
(ii) One rupee per metric tonne of limestone and dolomite (with effect from December 27, 2000), and
(iii) Re. one, four and six per tonne, respectively for iron ore, manganese ore and chrome ore.

The relatively active Fund among all these is the one for the *beedi* workers, (4.25 million), who are concentrated in a dozen states, the most prominent among them being Madhya Pradesh, Andhra Pradesh, Tamil Nadu, West Bengal and Uttar Pradesh. In this case, a premium of Rs. 18 per member per annum is shared equally by the Labour Welfare Organisation and the Social Security Fund. In addition to the benefits accorded to mine workers, beedi workers are insured under the General Insurance Scheme. This scheme provides Rs. 3000 in case of natural death, Rs. 25,000 in case of accidental deaths or total permanent disability and Rs. 12,500 in case of partial permanent disability.

There is also an Integrated Housing Scheme for *beedi* workers, which has recently been liberalised, and the amount of housing subsidy has been increased from Rs. 20,000 to Rs. 40,000 per tenement.

Apart from the Welfare Fund Model, a few group insurance schemes (GISs), subsidized with the Social Security Fund under the Life Insurance Corporation, are implemented by the Central Government, while a few others are directly implemented by various departments. Most of the social security benefits consist of life insurance (natural or accidental), compensation for disability and some assistance for health-related problems. Prominent among these are the Landless Agricultural Labourers Group Insurance (LALGI); and the GIS for the weaker sections, extended to 23 different occupations. The insurance cover varies from Rs. 1,000 to Rs. 10,000; generally the accidental death is insured for twice the amount of natural death. The premia are paid mostly by the State governments and the Social Security Fund; only in occupational GIS is part of the premium borne by the beneficiary.

A number of new insurance policies/schemes are now available for the poor and the low-income families, with very low rates and affordable levels of premium, such as the Rural Group Life Insurance Scheme (1995), the *Janata* Personal Accident and the *Grameen* Personal Accident policies; and the *Jan Arogya* Policy (1996). This initiative was an offshoot of the recommendations of the Committee on Reforms in the Insurance Sector (Government of India, 1994) that had taken note, among others, of the vast potential for insurance business in the rural areas.

Varishta Pension Bima (2003)

This scheme is exclusively meant for unorganised sector workers aged 55 years and above. The scheme is fully financed by the investment of the beneficiary with an annual return of 9 per cent in the form of monthly pension. The amount of pension benefit varies according to the amount invested from a minimum of Rs. 33,335 to a maximum of Rs. 2,66,665. The minimum and maximum monthly pension per month would be Rs. 250 and Rs. 2000, respectively. The scheme is implemented by the Life Insurance Corporation of India (LIC). The Government provides subsidy to the LIC to the tune of the difference of actual pension payout at 9 per cent and the amount actually earned by the LIC on the corpus.

Janshree Bima Yojana (2000)

The *Janshree Bima Yojana* is targeted at the urban and rural poor who live below the poverty line or on the margin. The premium for the insurance cover would be Rs. 200 per annum of which 50 per cent would be borne by the Central Government through the newly set up Social Security Fund. The balance premium would have to be paid by the individual or some nodal agency or the State Government.

The scheme provides for payment of Rs. 20,000 to the nominee in the event of death of the policy-holder due to natural causes. In the case of accidental death or permanent disability, the benefit will be enhanced to Rs. 50,000 while in the case of partial disability, the policy-holder would get Rs. 25,000. The scheme is administered by the LIC and applicable to groups of at least 25 members. The groups are identified and notified by the LIC in consultation with the designated nodal agency in specific areas. The nodal agencies could be the *panchayats*, non-governmental organizations, self-help groups (SHGs) or any other institutionalized arrangement.

Unorganized Sector Workers Social Security Scheme

As an outcome of the recommendations of the Second National Labour Commission, the Central Government launched the Unorganized Sector Workers Social Security Scheme (2002) on a pilot basis in 50 districts. It is available for unorganized and self-employed workers drawing salary/wage/income of not more than Rs. 6500 per month. The scheme is financed by contribution at Rs. 50 per month from workers in the age group of 18-35 years and Rs. 100 per month for workers in the age group of 36-50 years. The contribution of the employers is Rs. 100 per month while that of the government is 1.16 per cent of the monthly wages of the workers. The scheme includes the following three benefits:

(i) Old-Age Pension Scheme: This includes a minimum pension of Rs. 500 per month at the age of 60 years or permanent/total disability and family pension in case of the death of the worker.

(ii) Personal Accidental Insurance: This provision includes accidental insurance of Rs. 100,000.

(iii) Medical Insurance: This includes a medical reimbursement of hospitalization expenses up to Rs. 30,000 in a year and Rs. 25,000 for accidental death.

So far only 3,500 workers have been enrolled under the scheme. This scheme is virtually closed as it has no statutory backing, is voluntary in nature and has had no contribution from the employers.

It should be noted that one of the commitments made in the National Common Minimum Programme of the present government was to introduce a social security scheme for unorganised workers. As elsewhere mentioned, a National Commission on Enterprises in the Unorganized Sector was constituted in 2004 under Dr. Arjun Sengupta that has already submitted its report. In this context, it was proposed in the Budget 2007 to extend death and disability insurance cover through Life Insurance Corporation of India (LIC) to rural landless households under a new scheme called '*Aam Admi Bima Yojana*' (AABY). It is estimated that there are about 15 million rural landless households, as per NSS Report No. 491. Out of this, about 7 million households are expected to be covered by end March 2007, through the existing schemes of the LIC with the support of State Governments and the social security fund with the LIC. The AABY will cover the rural landless households, which enjoy no cover at all today, by insuring the head of the family or one earning member in the family for a premium of Rs. 200 per year per person, which the Central and State governments will finance on a 1:1 cost-sharing basis.

Universal Health Insurance Scheme (UHIS)

The community-based Universal Health Insurance Scheme was launched by the four public sector general insurance companies in July 2003. The UHIS was redesigned in 2004-05 exclusively for persons and families below the poverty line with a premium of Rs. 165 for individuals, Rs. 248 for families of five persons and Rs. 330 for a family of seven. The benefits under the scheme were reimbursement of medical expenses up to Rs. 30,000 towards hospitalisation, an insurance cover for death due to accident of Rs. 25000 and compensation due to loss of earning at the rate of Rs. 50 per day up to a maximum of 15 days. However UHIS excludes maternity benefits and outpatients care. The coverage is around ten million persons during 2006.

Scheme for Handloom Weavers and Artisans

This programme offers the following benefits:

(i) Thrift Fund Scheme: Under this scheme, every member contributes 8 paise per rupee of wage earned while the Central and State governments contribute 4 paise each to the fund. The scheme is implemented by the Weavers Co-operative Societies/Corporations. It provides for temporary advance, and both partial and final withdrawal.

(ii) New Insurance Scheme: This scheme is implemented by the United India Insurance Company and financed by the Central Government (Rs. 60), State government (Rs. 40) and handloom weavers (Rs. 20) to share an annual premium of Rs. 120. The benefits include Rs. 1000 in the case of loss of dwelling due to natural calamities or fire, Rs. 100,000 in case of accidental death, reimbursement of hospitalization charges up to Rs. 2000 and maternity benefits.

(iii) Group Insurance Scheme: Under this scheme an assured sum of Rs. 10,000 is given.

(iv) Pension Plan Scheme: A sum of Rs. 1000 per month is given to a master craftsperson who is unable to work due to old age.

(v) Insurance for Power loom Weavers: This scheme insures workers in the age group of 18-60 years with an income of Rs. 700 p.m. The Central and the State governments equally share the annual premium of Rs. 120. Benefits are given in the case of natural death (Rs. 10,000) and accidental death (Rs. 20,000). In addition, the accumulated amount in the beneficiary's running account earns an interest at 11 per cent per annum.

Umbrella Legislation for the Welfare of Construction Workers (1996)

One of the notable initiatives in regulating the conditions of work and provision of a measure of social security relates to the group of construction workers who form one of the largest segments of workers in the unorganized sector. Two umbrella legislations were passed by the Parliament:

(a) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996; and

(b) The Building and Other Construction Workers Welfare Cess Act, 1996.

Subsequently, the Building and Other Construction Workers Central Rules, 1998 was notified on November 19, 1998. The Act is applicable to every establishment that employs ten or more workers in any building or construction work, wherein the project is worth more than Rs. 1 million. The Welfare Funds proposed are to be financed by contributions from beneficiaries, levy of a cess on construction works at a rate ranging between 1 and 2 per cent of the construction cost incurred by an employer and non-mandatory grants by the State/Central governments. The benefits include support in the event of accident, old age pension, housing loans, payment of insurance premium, children's education, and medical and maternity benefits.

Under these umbrella legislations, all State governments are expected to enact their own legislations. So far only six States have enacted such legislations. The State of Kerala was the first to bring about legislation on social security and welfare for construction workers in 1990, even before the Central legislation, which perhaps acted as a precursor to such a national level legislation. The State of Tamil Nadu also brought about legislation in 1997 under which one of the categories of employment included 'Employment in Construction Work'.

National Social Assistance Programme (NSAP), 1995

The NSAP, designed to provide protective social security to the very poor citizens without any reference to their work status, is the first national programme of a cash-transfer nature in the country. However, in many States, such a programme had already been in implementation. The programme intends to protect poor and destitute persons in events of insecurities during old age, death of the breadwinner and maternity. The scheme is 100 per cent Centrally funded to ensure that a measure of social protection, albeit limited, is available to the poor and old persons throughout the country. The programme covers the following three benefits:

(i) National Old Age Pension Scheme (NOAPS):

The applicant, who is more than 65 years of age, should be a destitute in the sense of having little or no regular means of subsistence from his/her own sources of income or through the support of family members or other sources. A financial assistance of Rs. 75 p.m. per beneficiary was given earlier, which has now been increased to Rs. 200 p.m. thereby providing half the amount required for crossing the officially determined poverty line per person per month. The coverage under this scheme is 72.8 lakh as in 2005-2006.

(ii) National Family Benefit Scheme (NFBS):

This scheme targets households below poverty line (BPL) after the death of the primary breadwinner in each of these families. The applicant should be in the age group of 18 to 65 years. A lump sum financial assistance of Rs. 10,000 is given to the targeted family. The coverage under the scheme is 2.11 lakhs as in 2005-2006.

(iii) National Maternity Benefit Scheme (NMBS):

This is meant for pregnant women in below-poverty-line (BPL) households for up to their first two live births, provided these women are aged 19 years and above. It gave a lump sum assistance of Rs. 500 per beneficiary and covered 11.52 lakh women beneficiaries in 2000-01. The scheme has been transferred from the Ministry of Rural Development to the Department of Health and Family Welfare with effect from 2000-01 and has been redesigned as the *Janani Suraksha Yojana* in which the targeted women in BPL households are provided cash benefits of up to Rs. 1300 in rural areas and up to Rs. 800 in urban areas for ante-natal care and institutional deliveries.

The *Gram Panchayats* and Municipalities play an important role in the identification of beneficiaries, monitoring of the programmes and the disbursement of funds. The State government communicates the targets for the schemes to the *Gram Panchayats*/Municipalities so that identification of the targets can be undertaken by the *Gram Panchayats* in the *gram sabhas* and by the Municipalities in the neighbourhood/*mohalla* committees.

The State Initiatives

As explained above, in the context of the Eighth Plan, many States have already introduced statutory social security provisions, especially in the background of poverty alleviation initiatives. Kerala leads all other States, with the available figures indicating that the large number (24) of Welfare Funds currently being implemented have covered (by 2005) about 64 per cent of the informal workers in the State (Government of Kerala 2006). Tamil Nadu also has a system of Welfare Funds aimed at providing some social security to the workers (including construction workers and 60 (out of 67) categories of manual workers) in the unorganized sector. A relatively well functioning group of 39 Welfare Boards covering about 150,000 head-load workers (*Mutthadi* workers) functions in Maharashtra, along with Security Guards' Boards, but it is yet to be extended to other workers in the unorganized sector. A few other states such as Gujarat, Karnataka, Andhra Pradesh and Madhya Pradesh have also established Welfare Boards/Funds for selected categories of workers. West Bengal, followed by Tripura has recently introduced a statutory provision of social security for the unorganized workers in the form of a Provident Fund. All these statutory provisions mostly cover contingencies such as accidental death and injury, maternity and some financial assistance for the education of children, but do not cover sickness. It goes without saying that one of the major insecurities of workers stems from the frequent incidences of illness and need for medical care and hospitalization of the workers and other family members.

Apart from these statutory provisions, a number of other schemes also operate in many, if not all, States. Such welfare measures generally include a grant of monthly pensions to various categories of destitutes, *i.e*., those without subsistence income or family support among the aged, widows and the disabled. Starting with Andhra Pradesh and Kerala in 1960, all States have now instituted granting of monthly pensions to the aged (above 60 years), subject to the conditions of income being below the stipulated levels and being 'without support' (*i.e*., not having a son above 21 years of age). In Kerala, there are more than 40 pension schemes, out of which 20 are financed by the State itself. In many states, widows are also entitled to a pension; in Kerala, besides the destitute/widow pension scheme, unmarried women above 50 years are also paid a monthly pension of Rs. 110, and financial assistance is given to poor widows for the marriage of their daughters. The physically disabled and (landless) agricultural workers are also entitled to pension in some States.

Note that we do not consider here the various self-financed social insurance schemes and the NGO-initiated schemes.

7. BSS: The Basic Right to Life

Given the linkage of poverty (or deprivation or its removal, development) with BSS, let us now look into its course of development and the current state.

It took more than a decade after Independence for the problem of poverty to receive the state's attention in India in a direct form. Increasing food shortage and droughts and other natural calamities during the 1960s and early 1970s led to the design of poverty alleviation programmes in the form of emergency employment, distribution of food grains at subsidized prices, etc. These were the initial target-oriented social security programmes for those in the informal sector. Provision of basic education and primary health care, although highlighted as a laudable objective, were quite limited in their outreach and its spread has so far been so abysmally slow that these two still remain as basic challenges to India's attempt in eliminating poverty and enhancing basic human capabilities.

It does not however mean that India in the first flush of Independence was uncaring for the poor; strategies to combat the problem of mass poverty were being streamlined through planning, and its central objective in India was articulated as 'to initiate a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life' (The First Five Year plan, 1951-56: Chapter 1; **http://planningcommission.nic.in/plans/planrel/fiveyr/default.html**). It should be noted that it was during this Plan period that India took it upon herself to embark upon a 'socialistic pattern of society', following the adoption of such a slogan by the Indian National Congress that met at *Avadi* near *Chennai* in late January 1955. The slogan was put into a practical test through the Second Plan in terms of the Mahalanobis model of industrialization; ‘The accent of the socialist pattern is on the attainment of positive goals; the raising of living standards, the enlargement of opportunities for all, the promotion of enterprise among the disadvantaged classes and the creation of a sense of partnership among all sections of the community. These positive goals provide the criteria for basic decisions. The directive principles of State policy in the Constitution had indicated the approach in broad terms; the socialist pattern of society is a more concretised expression of this approach.’ (The Second Five Year plan, 1956-61: Chapter 2; *ibid.*).

Poverty eradication was a major theme in the perspective plans of the 1950s and 1960s and was sought to be achieved through moving the country onto a higher growth path rather than through redistributive mechanisms. Land reform as a major redistributive mechanism, tried mostly with a half-heart, failed to make the desired impact and was only successful to a limited extent of abolition of *Zamindari*. Given this failure in the redistribution of productive assets like land, it was natural for second best options to come to the forefront. But the growth strategy also looked uninspiring, with the ‘Hindu rate of growth’ (3.5 percent on an average) inevitably making the wait for a trickle down appear unduly long. Hence the *direct attack approach*.

Thus the first major attack on poverty started during the Fourth Plan period (1969-74); significantly, it had a murky historical set up of intense political developments that raised poverty to the enviable pedestal of vote-raising slogan: ‘*garibi hatao*’ (‘eliminate poverty’), reminiscent of the Nazi socialism. However, it did have a positive impact in terms of reorientation of the welfare measures towards direct anti-poverty programmes. Important among them were the programmes for drought-prone areas and for small and marginal farmers and agricultural labour, and a series of pilot rural employment programmes such as the Rural Manpower Programme, the Crash Scheme for Rural Employment and the Intensive Rural Employment Programme. The slogan touched the right cord and set a precedence in the process of translating some of the norms enshrined in the Constitution into ‘*as if rights*’ to such an extent that it became mandatory for the later governments not to ignore the process, except at the cost of their own survival (as it occurred in the case of Kerala, for example; Pillai 2003; Kannan and Pillai 2004, 2005).

The Plans that followed continued and tried to enrich that tradition. Thus the Fifth Plan (1974-79) proposed a National Minimum Needs Programme (NMNP) including elementary education, rural health, rural water supply, rural roads, rural electrification, housing for rural landless labourers, environmental improvement of urban slums and nutrition for young mothers and for pre-school and school children. Two major programmes were taken up during the next Plan period (1980-85) for direct poverty alleviation: (a) the Integrated Rural Development Programme (IRDP), to assist rural households below the poverty line with loans and subsidies for asset creation, training and infusion of technology, and (b) rural employment programmes, based on public works, such as the National Rural Employment Programme (NREP that replaced in 1980 the Food for work Programme of the 1970s) and the Rural Landless Labour Employment Guarantee Programme (RLEGP, started in 1983). The process of addition and consolidation of schemes in different garbs continued with all the Governments.

A number of assessment studies done on these programmes have unequivocally pointed to large-scale leakages, but also highlighted their positive contribution to making a dent in rural and urban poverty. The proportion of people below the poverty line remained above 50 percent up to the mid-1970s, but registered thereafter a declining trend. It declined perceptively from 51 percent in 1977-78 to 39 percent in 1987-88. The declining trend continued in the 1990s and has come down to 26 percent in 1999-2000; it is also argued however that while there was a marked decline in both rural and urban poverty rates between 1973-74 and 1986-87, there is no sign of anything comparable since (Datt 1999).[3] Empirical evidences, on the other hand, have specifically shown that for a substantial proportion (varying between 20 to 50 percent) of the beneficiaries, the assets generated ceased to exist after two to three years, and even in cases where the assets continued to exist, the correctly measured contribution to disposable income was rather low (Osmani 1988: 31-41). The IRDP was widely perceived to be plagued by ineffective implementation with the result that the income earned from employment programmes had rarely been sufficient to lift the poor out of poverty; it was found that only 14.8 percent of the assisted families had been able to cross the poverty line, and for 29.3 percent, the IRDP assets had not generated any income at all (Chelliah and Sudarshan 1999). Subsequently, the programme, along with its allied projects, was restructured into a self-employment generation scheme, *Swarna Jayanthi Grammen Swarozgari Yojana* (SGSRY), that facilitates the provision of income assistance to the poor families through bank credit and subsidy to start micro-level enterprises in rural areas. The programme has an empowering content in that it encourages the formation of self-help groups to start micro-level enterprises. The Government of India has credit-linked 0.226 million self help groups and credit to the tune of Rs. 11970 million has been disbursed (Budget Speech of the Finance Minister, 2005).

With this background, below we enlist the currently available projects on the anti-poverty front. It should be noted that the official programmes are classified according to our perspective of BSS, including food security, housing security, health security, and education security with an inherent dimension of income/employment security.

(1) Food security

One of the basic rights to life, the right to an adequate standard of living, 'including food, clothing, housing and medical care and necessary social services', is enshrined as a basic human right in the Universal Declaration of Human Rights (UDHR: Article 25) and the International Covenant on Economic, Social and Cultural Rights (ICESCR: Article 11). Note that none of the welfare rights, howsoever basic it is to (civilized) life, is guaranteed by the Indian Constitution, though India remains an eager signatory to all these declarations and covenants. It goes without saying that it is out of the same concern as of the British India for the legitimate function of the state that the Independent India's welfare policies have found prime of place in the business of Governments, in fact as an

[3] Poverty trend sin India during the 'reform' period has been a subject of heated controversy; See Deaton and Dreaze (2002) for details.

intense continuum of the earlier policies, the food security measures being an apt example.

(i) Public Distribution System (PDS)

Price and supply stability were the major measures of food security in India till the 1980s; the Food Corporation of India (FCI) was established under the Food Corporation Act 1964 to facilitate the distribution of food grains across the country through the official Public Distribution System (PDS) and thus to transform "the crisis management oriented food security into a stable security system." (fciweb.nic.in); the success of at least the State of Kerala in ensuring food security in general partly owes to the universal PDS. Though the PDS evolved in the wake of the food grain shortages of the 1960s and was mainly confined to urban and food deficit areas, its coverage was extended in the mid-1980s, to the rural areas in some States and to areas with high incidence of poverty (for instance, tribal blocks), thus taking it to the pedestal of a welfare programme. The failure, however, stems from its conversion from a universal coverage to a targeted one in June 1997, from a general price stabilizing cum subsidy programme to a producer price support cum targeted consumer subsidy programme. In this targeted PDS, allocation of food grains out of the Central pool is made to the States at two sets of prices, at a subsidized price for the poor (below poverty line (BPL) households) and near open market price for others (above poverty line (APL) households). The new approach consists in income-based means test, despite its widely recognized failing that it is difficult to identify the poor based on incomes and thus it is fraught with large scope for serious errors of false inclusion (Type I error) and of false exclusion (Type II error), due to flaws in identification of below poverty line (BPL) or above poverty line (APL) households, and for higher levels of inefficiency and corruption in its operations, in addition to the costs of targeting (administrative, incentive, stigma and political). As we seek to minimize the Type I error, there floods in Type II error and *vice versa*. This in turn suggests that unless a foolproof targeting mechanism built into the scheme is available, it pays to have a universal programme wherein Type II errors are minimized, disregarding Type I errors. It simply means then that given the more than comfortable level of food stocks available with the government as at present, a *universal* PDS would be far more effective, provided that the fair price shops follow a flexible functioning catering to the specific needs of the poor.

The distinction in turn drew severe criticism, because persons above the official poverty line also suffer from inadequate calorie intake and malnutrition (Swaminathan 2000). In effect, the targeting led the movement of APL households away from the PDS due to price as well as quality problems and the gross inadequate geographical coverage did not benefit the BPL households much, for example, the coverage is 6 percent of the total area in Bihar. Lesser off take resulted in large carrying cost subsidies. In other words, there was shift in the nature of subsidy from consumer subsidy to producer subsidy. Government policy paper on subsidies has even gone to the extent of giving thought to an introduction of food stamps. To put it brief, the PDS with universal coverage is considered fiscally unviable by the government, which appears to forget that any move to dismantle the PDS in a country with deficient calorie intakes and a high proportion of malnutrition among women and children would involve very serious consequences.

While the government circles were infested with such contemplations, there came out two special schemes, administered through the PDS:

Antyodhaya Anna Yojana Scheme (Food security for the poorest of the poor): Launched in December 2000, this scheme aims at providing through the PDS wheat at Rs. 2 per kg and rice at Rs. 3 per kg to the poorest of the poor households (HHs) in the country. This scheme was initially meant to cover about 10 million such families, out of an estimated 65.2 million BPL HHs; in 2003, an additional 5 million families were brought under its umbrella.

Annapoorna Scheme: Under this scheme, destitutes above the age of 65 years, who are not receiving National Old Age Pension are eligible for 10 kg rice per month free of cost; it was meant to cover 44,980 such destitutes. In Kerala, all tribals, who are unable to work, are also included under this scheme.

It is now widely accepted that the "achievement of macro food grain security at the national level did not percolate down to households and the level of chronic food insecurity in India is still high." (Radhakrishna 2005). Recent evidences suggest that under-nutrition levels in India are among the highest in the world. The National Family Health Survey 1998-99 data show that at the time of the survey, 30% of the young children had fever, 20% had diarrhoea, and 20% had an infectious cough. In some of the poorer States, the situation is much worse; for instance, in Bihar, 90 per cent of the children are deprived of adequate vaccination and 26 per cent are severely undernourished; and in Orissa, 36 per cent of the young children had fever at the time of the National family Health Survey (NFHS). Radhakrishna (2005) quotes the Food and Agriculture Organisation that over 225 million Indians today remain chronically undernourished and the National Nutrition Monitoring Bureau that in 2000-01, about half of the rural children below five years of age suffered from malnutrition and 40 per cent of adults from chronic energy deficiency.

It is significant to note here that the Supreme Court of India has made some commendable efforts in guaranteeing the people's right to food. In its interim order (dated 28 November 2001, related to the case of the People's Union for Civil Liberties (PUCL) vs. Union of India and others (Writ Petition [Civil] No. 196 of 2001), the Court issued directions pertaining to 8 food-related schemes sponsored by the Central government. These are: Annapoorna Yojana, Antyodaya Anna Yojana, Family Benefit Scheme, Integrated Child Development Scheme, Maternity Benefit Scheme, Mid-Day Meal Scheme, Pension Schemes, and the Targeted Public Distribution Scheme. In short, the order directs the Union and State Governments to implement these schemes fully as per official guidelines. This, in effect, converts the benefits of these schemes into legal entitlements for the citizens and is a live instance of translation of norms into pure rights, as distinct from the *as if rights* that we explained above. The court has also given directions in respect of certain other schemes, notably the Sampoorna Gramin Rozgar Yojana. Further, in May 2002, the Supreme Court designated two Commissioners to monitor the food security situation in the country, as well as compliance with the SC orders. These Commissioners, with the support of grass root organizations, analyze data from government and non-government sources, and submit their findings regularly to the Supreme Court.

(ii) Noon Meal Scheme

An important component of the food security is child nutrition programme. While the PDS in effect involves indirect nutritional support with the objective of improving the physical and economic access to staple food, programmes of direct, targeted nutritional intervention involving provision of cooked food to the vulnerable among the poor, especially children (by self-selection) have come to assume a crucial role in the larger scheme of social security. These programmes work through midday meal scheme and Integrated Child Development Scheme (ICDS). The Central Government launched mid-day meals (MDM) programme on August 15, 1995, with an additional objective of raising enrolment, attendance and retention among primary school going children (6 – 11 years) by reducing drop out rates.

Under the MDM scheme, cooked midday meal with a nutritional content of 450 calories and 12 grams protein is served to children studying at primary level in government, government-aided, and local body schools; and in Education Guarantee Scheme (EGS)/Alternative and Innovative Education (AIE) Centres. About 120 million children studying in over 0.95 million schools across India are presently covered under the scheme. The Scheme was last revised in June, 2006 with a view to improving the quality of meal. The cooking cost norm has been fixed at Rs. 2 per child per school day, with Rs. 1.80 as Central assistance for North East States and Rs. 1.50 for other States and UTs. Recognizing the need for appropriate infrastructure, assistance for construction of 94,500 kitchen-cum-stores was sanctioned for the first time to States in 2006-07. Moreover, assistance to States has been provided at the rate of Rs. 5,000 per school to procure/repair kitchen devices.

In Orissa the programme was started in 1995 itself; in Kerala, on the other hand, the programme had had a long history since the mid-1940s when ‘the princely States of Trvancore and Cochin had established a system of free mid-day meals for poor children in the lower primary schools’ UN/CDS 1975 [2000: 41]); the scheme was then extended to other parts of the reorganized State of Kerala in 1961. Until 1975, a consortium of American voluntary organizations, called Cooperative for American Relief Everywhere (CARE), was providing the commodity aid required for the programme; since then the State government has taken over the programme.

As noted earlier, the Supreme Court of India, in its judgment in People’s Union for Civil Liberties vs. Union of India and others (Writ Petition (Civil) No. 196 of 2001), decreed that the State governments must “implement the mid-day meal scheme by providing every child in every government and government assisted primary schools with a prepared mid-day meal with a minimum content of 300 calories and 8-12 grams of protein each day of school for a minimum of 200 days. Those governments providing dry rations instead of cooked meals must within three months (by 28 February 2002) start providing cooked meals in all government and government-aided primary schools in half of the districts of the state (in order of poverty) and must within a further period of three months (by 28 May 2002) extend the provision of cooked meals to the remaining parts of the state." It is disheartening to note that some of the States, for instance, Uttar Pradesh, Bihar and Jharkhand with an aggregate population of 275 million citizens of whom 50 percent are comprehensively illiterate, still remain to honour this decree.

A recent study of mid-day meal schemes in three states of the Indian Union — Chhattisgarh, Rajasthan and Karnataka —clearly indicates the positive influence of the free mid-day meal on improved student enrollment and retention. A study of 81 schools in which free mid-day meals were introduced in July 2001, indicates class I enrollment rose by 15 percent within the year. Particularly impressive jumps were made in female enrollment in Chhattisgarh (17 percent) and Rajasthan (29 percent) (Dreze and Goyal 2003).

The study has also estimated the approximate cost to state governments of providing cooked meals for 200 days a year (as stipulated by the Supreme Court) at a mere Re. 1 per day per capita. Thus, for instance, it would cost the Uttar Pradesh government a mere Rs. 3000 million (3 billion) per year to provide mid-day meals to all primary (up to class V) children. And if all the estimated 150 million children enrolled in government primary and secondary schools across the country are provided free mid-day meals (as in the US), the additional expenditure incurred (including the cost to the central government, transportation and state government costs) at Rs. 3 per student per day for 200 days would aggregate Rs. 90 billion annually — an 11 percent increment of the national education outlay of Rs. 800 billion. Now compare this with the national annual expenditure on unmerited subsidies to the relatively rich middle class (on electricity, water, cooking gas, food, fertilizer, higher education, etc.) that aggregates to Rs. 1,200 billion and the nation's annual defence expenditure at Rs. 700 billion.

(iii) The Integrated Child Development Scheme

It is a known fact that 80% of a child's mental and physical growth takes place in the first two years after birth, when the child requires high nutrition and ample care. The Integrated Child Development Scheme (ICDS) offers a package of health care services covering supplementary nutrition, immunization, health check up, nutrition and health education to adult women and adolescent girls, maternal care, and non-formal pre school education to children in the age group of 3 to 6 years. It is perhaps the largest of all the food and nutrition supplement programs in the world, and was initiated in 1975 with the following objectives identified by the Planning Commission:

(a) To improve the health and nutrition status of children of 0-6 years by providing supplementary food and by coordinating with state health departments to ensure delivery of required health inputs.

(b) To provide pregnant and lactating mothers with food supplements.

(c) To enhance the mother's ability to provide proper childcare through health and nutrition education.

(d) To achieve effective coordination of policy and implementation amount the various departments to promote child development.

The nutritional entitlements under ICDS are as follows:

(i) 0–6 years: 300 calories (ready to eat food) plus 8–10 gm protein for 300 days.
(ii) Malnourished children: 600 calories plus 20 gm protein for 300 days.
(iii) Adolescent girls: 500 calories plus 20–25 gm protein for 300 days.
(iv) Pregnant and nursing mothers: 500 calories plus 20–25 gm protein for 300 days.

The ICDS is organized through a chain of projects, each of which is located at a community development block with an *Anganwadi* Centre (AWC) being the focal point in the delivery of ICDS services at the village level. Each *Anganwadi* Center covers a population of 1000 (700 in tribal areas) and is manned by one *Anganwadi* Worker and one Helper, both women, recruited from the same village; the *Anganwadi* worker is responsible for the delivery and coordination of services.

Radhakrishna *et al.* (1998) examined the impact of ICDS on malnutrition and found that (i) ICDS had been successful in reducing malnourishment among pre-school children, with a decline in the percentage of rural children afflicted by moderate and severe malnutrition from 62.5 in 1975-79 to 52.5 in 1988-90 and further to 50.9 in 1994 and severe malnutrition from 15.0 to 8.7 and further to 7.5; and that (ii) the contribution of ICDS to the decline in the percentage of severely malnourished children, however, had been low (about 8 per cent only). It was also highlighted that the ICDS was cost effective as compared to other, PDS and Mid Day Meal, programmes. The limited impact of ICDS on malnutrition was ascribed to (i) meager allocation of budgetary resources to ICDS, (ii) extremely poor coverage in States where it is badly needed and (iii) the usual programme inefficiency.

It should be noted that among severely undernourished children, the percentage in Kerala and Tamil Nadu, which are examples of having a near universal coverage of nutrition schemes, is 4.7 and 11 respectively as compared with 26 and 22.2 percent in Bihar and Uttar Pradesh (Radhakrishna and Ravi 2004). This calls for strengthening the existing schemes and expanding the coverage.

(iv) DPAP, DDP and IWDP

Drought Prone Areas Programme (DPAP) was launched in 1973-74 to tackle the special problems faced by areas constantly affected by severe drought conditions, and the Desert Development Programame (DDP) in 1977-78 to mitigate the adverse effects of desertification, while the Integrated Wasteland Development Progrmame (IWDP) has been in operation since 1989-90 for the development of wastelands/degraded lands. The basis of implementation of all three programmes has been shifted from sectoral to watershed basis since April 1995.

(2) Housing security

Another basic right to (civilized) life, enshrined in the UDHR and the ICESCR, the 'right' to housing remains only a norm in India. The norm itself has lost its charm with its fall from the 1952 subsidized Industrial Housing Scheme (that provided financial assistance in the form of loans and subsidies for the purpose of constructing houses for industrial workers) to the 1992 National Housing Policy that highlights the 'facilitator' role of the Government rather than its provider or guarantor role. According to the 2001 Census, around 0.45 million households remain houseless and another 10.55 million households reside in unserviceable dilapidated houses.

As in most other cases of security, finance is the villain of the piece here also, with the conflicting objectives of: affordability on the part of the households and viability from the perspective of financial institutions. The two public sector institutions, HDFC and NHB have been able to contribute only about 10 per cent to total housing finance. As much as three-fourths of the housing finance needs are met from informal sources including household savings and employee housing loans advanced by public and private agencies (Khan 1998). It goes without saying that both the public and private sectors have eluded the poor, particularly in the rural areas, in respect of meeting their shelter needs. While the public sector institutions remain unreachable to the poor borrower with their insistence on considerable monthly household savings, the banking and insurance sectors, driven by profit motive, consider lending to the poor unproductive (UNCHS 1991; Khan 1998).

With the *Panchayat Raj* (73rd and 74th) Amendments to the Constitution, it has become the responsibility of the local governments to ensure access to housing, in accordance with the national policies, the following being the current ones:

(i) *Indira Awaas Yojana* (IAY:Housing scheme named after the late Prime Minister Indira Gandhi)

IAY is a Centrally Sponsored Scheme (CSS), funded on cost-sharing basis between the Centre and the States in the ratio of 3:1, except in the case of the Union Territories, where the Centre provides the entire funds. The target groups for housing under IAY are households below poverty line living in rural areas, particularly those belonging to SC/ST and freed bonded labourers. Up to December 2006, with cumulative expenditure of Rs.

29,2462.7 million, 15.3 million houses were constructed/upgraded (Government of India 2007: Chapter 10).

(ii) Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

Launched in December 2005 for a seven year period, this scheme consists of two main components – (i) Basic Services to the Urban Poor (BSUP) Programme (replacing the erstwhile *Valmiki Ambedkar Awas Yojana* VAMBAY of 2001; the housing scheme named after the legendary sage *Valmiki*, the author of the Indian epic *Ramayana* and Dr. B.R. Ambedkar, the architect of the Indian Constitution) to assist cities and towns in taking up housing and infrastructural facilities for the urban poor in 63 selected cities in the country and (ii) Integrated Housing and Slum Development Programme (IHSDP) for undertaking housing and slum up-gradation programmes in non-BSUP cities.

In addition to these, the general wage employment programmes also have a small housing component in their framework. However, all these programmes are beset with all the ills of target programmes (Hirway 1987). A number of assessment studies have now shed light into the design and implementation errors of these programmes.

The right to access to safe drinking water and good sanitation facilities (that determine the health conditions of individuals, among others) may be coupled with housing security. Public agencies do function to provide water supply and sanitation services in urban areas, but within limited coverage, with exclusion of the urban poor. As for the rural areas, the Eleventh Plan envisages provision of safe drinking water to all rural habitations and drinking water supply is one of the six components of *Bharat Nirman* (Construction of India), a plan for building rural infrastructure. The Accelerated Rural Water Supply Programme (ARWSP) is a major project being implemented since 1972-73 to cover all rural habitations with population of 100 and above, especially the un-reached ones. True to the spirit of a reformer, the government has already introduced a sectoral reform programme called '*Swajaldhara*' (Own water supply) with partial capital cost sharing and full responsibility of operation and maintenance by users on a pilot basis to institutionalize community-based decentralized rural water supply schemes, and utilizing 20 per cent of ARWSP funds for this purpose. On the front of sanitation facilities, the Central Rural Sanitation Programme (CRSP), launched in 1986, was restructured in 1999 to introduce the Total Sanitation Campaign (TSC) that envisages synergized interaction between Government and people and active NGOs – another example of government withdrawal.

(3) Health Security

Article 47 of the Indian Constitution (Directive Principles) provides that 'the State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties and, in particular, the State shall endeavour to bring about prohibition of the consumption except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health.' At the start, many States in India, in pursuance of this directive, actively adopted a policy of prohibition, but in course of time the prohibition laws have made their unceremonious exit to bring in abundant finance to the exchequer. This notwithstanding, there have been a number of positive interventions on the health security front, both curative and preventive. On the curative side, there is a large network of Government hospitals, Primary Health Centres and Community Health Centres. They provide treatment at free or nominal rates. On the preventive side, there are nation-wide immunization porgrammes launched to eradicate diseases like polio. A large proportion of health expenditure is incurred by the State governments, though the Centre extends support to nutrition programmes like the Integrated Child Development Scheme (ICDS) and noon-meal to primary school children.

Though a vast network of government hospitals and Primary Health Centres is available in the country, the quality of treatment offered and non-availability of infrastructural facilities force people to take recourse to costly private health care. Those who cannot afford it are compelled to go without it. This notwithstanding, it is important to take note of certain demographic indicators, which are the results of the state initiatives in providing basic health care. Half a century after formulating the national family welfare programme[4], India has:

1) reduced crude birth rate (CBR) from 40.8 (1951) to 26.4 (1998, Sample Registration Survey;

2) halved the infant mortality rate (IMR) from 146 per 1000 live births (1951) to 72 per 1000 live births (1998, Sample Registration Survey);

3) quadrupled the couple protection rate (CPR) from 10.4 percent (1971) to 44 percent (1999);

4) reduced crude death rate (CDR) from 25 (1951) to 9.0 (1998, Sample Registration Survey);

5) added 25 years to life expectancy from 37 to 62; 6) achieved nearly universal awareness of the need for and methods of family planning, and

7) reduced total fertility rate from 6.0 (1951) to 3.3 (1997, Sample Registration System).

However, if we identify the major determinants of the health conditions of individuals in terms of balanced nutritional intake, access to safe drinking water and good sanitation facilities, pollution-free environment and availability of and accessibility to adequate medical services for preventive and prophylactic health care, we would find these interventions far short of adequacy, coverage and outreach.

[4] In 1952, India was the first country in the world to launch a national programme, emphasizing family planning to the extent necessary for reducing birth rates to stabilize the population at a level consistent with the requirement of national economy.

No wonder then the performance of the health care parameters of India, compared even with some of her neighbours, continues to be unsatisfactory: she compares poorly not only with China and Sri Lanka, but also with Bangladesh and Nepal with respect to certain indicators (UNDP 2006). Despite some improvement in the quality of health care over the years, wide inter-State, male-female and rural-urban disparities in outcomes and impacts are reported to continue to persist (Government of India 2007: Chapter 10). The steady increase in health care infrastructure available over the plan period across the country in general has however failed to cover the rural population adequately; according to the Rural Health Infrastructure Bulletin 2006, perceptible shortages exist as per 2001 population norm. Moreover, about a half of the existing health infrastructure is housed in rented buildings and 'poor upkeep and maintenance, and high absenteeism of manpower in rural areas have eroded the credibility of the health delivery system in the public sector' (*ibid.*). It was to tackle this persistent problem that the National Rural Health Mission (NRHM) was set up.

(i) National Rural Health Mission (NRHM)

The mission has its special focus on 18 States with weaker health infrastructure and health status indicators. Provision of accessible, affordable, accountable, effective and reliable primary health care facilities especially to the poor and vulnerable sections of the population, bridging the gap in rural health care services through creation of a cadre of Accredited Social Health Activists (ASHA), improved hospital care, decentralized planning, ensuring population stabilization, intersectoral convergence and maintaining gender balance constitute the basic features of the NRHM. Its major contribution lies in raising a cadre of trained female community health workers called ASHA in each village in the ratio of one per 1000 population in all the 18 selected States and in tribal and under-served areas of other States. ASHA would reinforce community action, in close coordination with the *Anganwadi* Workers (AWW), for universal immunization, safe delivery, newborn care, prevention of waterborne and other communicable diseases, nutrition and sanitation. ASHA would also provide immediate and easy access for the rural population to essential health supplies like Oral Rehydration Solution (ORS), contraceptives, a set of ten basic drugs, and a health communication kit developed for villages. The Mission seeks to strengthen service delivery by ensuring community ownership of the health facilities.

A UNICEF evaluation in 2006 indicates that the coverage of immunization improved from 52.8 per cent for full immunization in 2000-01 to 54.5 per cent during 2004-05 (*ibid.*). Neo-natal tetanus now stands totally eliminated from 7 States. A new project envisaged to ensure maternity security called *Janani Suraksha Yojana* (JSY) was also launched all over the country to promote safe delivery, and sensitizing and incentivizing BPL families for institutional delivery. A movement is under way now (through the Indian Medicine Central Council (Amendment) Act, 2005 and Homoeopathy Central Council (Amendment) Act, 2005, the Indian Medicine and Homoeopathy Pharmacy Bill, 2005) that aims to mainstream Ayurveda, Yoga and Naturopathy, *Unani*, *Siddha* and Homoeopathy (AYUSH) in 1594 primary health centers (PHCs). About 0.725 million registered practitioners, 3,194 hospitals and 21,290 AYUSH dispensaries are in functioning all over the country.

(ii) Reproductive and Child Health Program

It goes without saying that the significance of healthcare lies not only in reaping the demographic dividend, raising a healthy and productive workforce and ensuring general welfare, but also in attaining the goal of population stabilization through child survival, safe motherhood and contraception. The Second phase of Reproductive and Child Health (RCH-II) Program, launched on April 1, 2005 for a period of 5 years, intends to improve the performance of family welfare in reducing maternal and infant morbidity and mortality, and unwanted pregnancies, and thus lead to population stabilization.[5] Reoriented and revitalized to give a pro-poor focus, the programme is envisaged as an umbrella programme by integrating all the related and inter-linked stand alone schemes into a single composite programme. With a sector-wide approach to family welfare, it adopts a decentralized process by inviting each State/UT to prepare its own implementation plan on the basis of a situational analysis of ground realities and requirements.

(iii) Universal Immunization Programme

First launched in urban areas in 1985 and then extended to cover the entire country by 1990, this programme aims to vaccinate infants and pregnant women for controlling vaccine-preventable diseases such as childhood Tuberculosis (BCG), Diphtheria, Pertussis and Tetanus (DPT), Measles, Poliomyelitis (OPV) and Neonatal Tetanus (NNT). Between 1988 and 2005, there has been a decline of 40 per cent in Diphtheria, 69 per cent in Pertussis, 66 per cent in Measles, 92 per cent in NNT and 99 per cent in Polio cases (*ibid.*).

In addition, a number of programmes such as the following are in functioning across the country: (a) Pulse Polio Programme (b) National Vector Borne Disease Control Programme (c) National Tuberculosis Control Programme (d) National AIDS Control Programme (e) National Leprosy Eradication Programme (f) Control of Non-communicable Diseases and (g) Integrated Disease Surveillance Project (IDSP).

Despite the poor coverage and outreach, the health care system in India hesitated little in the early 1990s to undertake the mandatory 'reform' process by levying user charges for services in public health facilities. In a number of States such as Assam, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttaranchal and West Bengal, the 'reform' is in force. Though it is reported that the poor as well as those cases of treatment under National Health Programmes and emergency cases are exempted from the purview of user charges, an across the border application is in effective force in general. In most of these States, services for which user fees are charged include amongst others registration,

[5] Note that population stabilization is in the Concurrent List, while health is a State subject.

diagnostic tests (pathological and radiological), bed charges, and operation theatre charges. Some States like Haryana levy rates for various services in all public health institutions from the lower level Primary Health Centre[6] upwards. In West Bengal, user charges apply only in secondary and tertiary level health facilities. In case of Madhya Pradesh and Kerala, the charges for various services are approved by *Rogi Kalyan Samitis*/Hospital Development Committees at the facility level, and hence vary across institutions. In Orissa, lower rates are levied in less developed and tribal districts.

Needless to say, such charges are instruments of restrictions and exclusion, and the primarily affected are the poor, as always. As discussed above in the context of the targeted PDS, it goes without saying that unless a foolproof targeting mechanism built into the scheme is available, it pays to have a universal programme wherein Type II errors (of false exclusion) are minimized, disregarding Type I errors (of false inclusion). No doubt, India will have to go a long way before health security for all is achieved.

Given this scenario of the medical services for health care, let us briefly touch upon some of the other determinants we have enlisted above. Balanced nutritional intake is intimately tied with food security, and we have already dealt with the two approaches in practice here, viz., the public distribution system and the supplementary feeding programmes for undernourished women and children. The right to access to safe drinking water and good sanitation facilities goes with housing security and we have briefly discussed them above.

(4) Education Security

The Indian constitution (Article 45 of the Directive Principles) provides that the State shall endeavour to provide, within a period of ten years from the commencement of the Constitution, for free and compulsory education for all children until they complete the age of fourteen years. A laudable object as it is, but it had remained an impossible task and in 2002, through the Eighty-sixth Amendment, a new article (21A: Right to education – 'The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.') was inserted and made education a fundamental right[7] – another example of the 'norm-right transition'. The National Policy on Education (NPE), 1986 modified in 1992 had the objective that education play a positive and interventionist role in correcting social and regional imbalances, empowering women and in securing rightful place for the disadvantaged and the minorities. This policy was a national level effort towards providing quality education to talented children at affordable rates. This policy led to the establishment of *Navodaya* schools and undertaking of schemes 'Operation Black Board'

[6] The reproductive and child health services reach the levels of community and household through the primary health care infrastructure.

[7] The Amendment included a new article that substituted the earlier Article 45 that now reads: 'The State shall endeavour to provide early childhood care and education for all children until they complete the age of six years.".

in the country. Literacy movement and spread of primary education was undertaken on a massive scale in States like Kerala by the government, private sector, voluntary organizations and the political society; however, initiative of such a scale has not come up in many other States, though the effort taken by Madhya Pradesh in the 1990s for spreading education and literacy in rural areas utilizing the services of educated youth of the village is noteworthy.

Apart from primary education and literacy movements, India has also a chain of higher education institutions and centres of technical excellences like the Indian Institutes of technology (IITs) and the Indian Institutes of Management (IIMs). Students with merit but not having very high means were also able to pursue their studies here. India has also a trained and quality scientific manpower, the largest in the world.

Education being in the concurrent list of the Constitution, much of the initiatives have been left to the States with due recognition for the need for national level policy initiatives. It should be noted that as a proportion of the Gross National Product (GNP) the share of education has declined from 3.4 percent in 1990-91 to 3.1 percent in the late 1990s; this share is well below the international norm of 6 percent of GNP on education (Dev and Mooij 2005). Also note that the Gross Enrolment ratio for the primary level, *i.e.,* classes I to V is 94.9 percent in 1999-2000, but only 58.8 percent for children in classes VI-VIII. This indicates that though there is substantial achievement in enrolment at the primary level, the problem of lower enrolment rates at the higher level or drop out rates is quite serious (National Human Development Report 2001:54)[8].

The Constitutional guarantee has necessitated the achievement of universalization of elementary education in a time bound manner through a number of programmes:

(i) Sarva Shiksha Abhiyan (SSA: National Program of Universal Elementary Education)

Launched in 2001, this flagship programme aims to achieve the objectives:

i) All children of 6-14 age in school/EGS (Education Guarantee Scheme) centre/bridge course by 2005;

ii) Bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010;

iii) Universal retention by 2010; iv) Focus on elementary education of satisfactory quality with emphasis on education for life.

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[8] Gross enrolment ratio for primary classes gives the proportion of children enrolled in such classes, irrespective of age to the total number of children in the age-group 6-11. The lesser enrolment ratio at the higher level can also be due to the fact that children of higher age get enrolled in primary classes.

Implemented in partnership with the States with a 3:1 cost-sharing ratio during the tenth Plan period and 1:1 after that,[9] SSA addresses the needs of 194 million children in the age group of 6-14 years. The Government of India has created a non-lapsable fund '*Prarambhik Shiksha Kosh*' (Primary education Fund) for funding the SSA. The scheme covers 0.97 million existing primary and upper primary schools and 3.695 million existing teachers. The achievements of SSA till September 30, 2006 include opening of 1,64,477 new schools, construction of 97,999 School buildings, construction of 2,81,001 additional classrooms, 1,50,202 drinking water facilities, construction of 1,93,608 toilets, supply of free textbooks to 57.8 million children and appointment of 6,66,840 teachers. About 0.3 million teachers receive in-service training each year. It is reported that there has been a significant reduction in the number of out of school children on account of SSA interventions (Government of India 2007: Chapter 10).

SSA intends to work through 'P4' – 'public, private, *panchayat* partnership', that is for effectively involving *Panchayat Raj* organisation, namely Village Education Committee or School Development and Management Committee (SDMC)/*Gram Panchayat* Education Committees, School Management Committees, Mother-Teacher Associations, Parent-Teachers Associations, and other Basic Education co-ordination organizations.

SSA is complemented by another national flagship program, the Mid-Day Meal Scheme.

(ii) National Programme for Education of Girls at Elementary Education (NPEGEL)

Launched in July, 2003 as a focused intervention aimed at enhancing girls' education, NPEGEL provides for development of a "model school" in every cluster (in about 3,164 educationally backward blocks in 25 States) with more intense community mobilization and supervision of girls' enrolment in schools. Gender-sensitization of teachers, development of gender-sensitive learning materials and provision of need-based incentives like stationery, workbooks and uniforms are some of its objectives.

Under the scheme, among others, over 51,345 Early Childhood Care and Education (ECCE) centres are being supported in areas not covered by Integrated Child Development Services (ICDS) scheme to help free girls from sibling care responsibilities and attend schools. Free uniforms have been given as a direct educational incentive to about 20 million girls in educationally backward blocks. 18.4 million girls were benefited under NPEGEL till October 31, 2006.

(iii) *Kasturba Gandhi Balika Vidyalaya* (KGBV) Scheme

Launched in July 2004 for setting up residential schools at upper primary level for girls belonging predominantly to the SC, ST, OBC and minority communities, this programme is being implemented in educationally backward blocks of the country where female rural

[9] Note that three external partners (the World Bank, the United Kingdom, and the EC) contribute $ 1.05 billion to the Central Government's share.

literacy is below the national average and gender gap in literacy is above the national average. The scheme provides for a minimum reservation of 75 per cent of the enrolment for girls from SC, ST, OBC or minority communities and for the remaining 25 per cent, priority is accorded to girls from families below poverty line. The scheme is funded on cost-sharing basis between the Central Government and the States in the ratio of 3:1.

(iv) National Literacy Mission (NLM)

The main programmes of the Mission include Total Literacy Campaign to provide basic literacy to the non-literates, followed by Post-Literacy Programme for the reinforcement of the literacy skills to the neo- literates and the Continuing Education Programme to provide facilities for life-long education to the community at large. At present, 101 districts are implementing Total Literacy Campaigns, 171 districts Post-Literacy Programmes and 325 districts Continuing Education Programmes.

It goes without saying that despite the constitutional imperative and large scale interventions, education security still eludes many. It has been found that 'multiple forms of inequality – market inequality (poverty), status inequality (membership of "backward" caste), spatial and sexual disparity – render certain social groups incapable of achieving freedom from illiteracy and innumeracy. In precise terms, the groups persistently excluded from basic schooling include: the poor, people in rural areas, religious minorities, Scheduled Castes and Scheduled tribes, and almost in every case, women (girl children). Pu differently, in the field of elementary education there exists a vicious interplay of economic disadvantage, religious/caste discrimination, gender disparity and rural/urban differences which reinforce each other.' Appasamy, *et al*. 1996: 42) The results from the NSSO survey (55th Round 1999-00) corroborate this.

(5) Income/Employment Security

Article 39 (Directive Principles) of the Indian constitution provides that the 'State shall, in particular, direct its policy towards securing (a) that the citizens, men and women equally, have the right to an adequate means of livelihood…' Millions of Indians are still left out without any means of livelihood and are born and die repeating the life of their parents in the vicious cycle of poverty. This is despite the fact of Indian recognition of right to work as a human right.[10] Though it took more than half a century for India to translate the Article 39 norm into a *limited* right in the form of National Rural Employment Guarantee Scheme, 2005, a number of projects have been in implementation to provide work and thus income security to the poor through direct anti-poverty programmes. These programmes broadly fall under two heads: (i) employment

[10] Article 23 of UDHR: 'Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.'
Article 6 of ICESCR: 'The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.'

generation programmes and (ii) workfare programmes. Initially carried out with a view to facilitating asset distribution, the first of these projects are now redesigned for (self-) employment generation. The workfare programmes, reminiscent of the 1834 Poor Law, provide employment to the poor who are in need but without regular employment. Below we discuss the currently available programmes in these two groups.

(i) Employment generation programmes:

(a) *Swarnjayanti Gram Swarojgar Yojana* (SGSY)

Launched in April 1999 by restructuring the erstwhile Integrated Rural Development Programme (IRDP) and allied programmes,[11] this project is a holistic self-employment generation programme. The emphasis here is on a focused approach to poverty alleviation, capitalising on the advantages of self help groups (SHGs). SGSY is funded on the same sharing basis as IAY. Up to December 31, 2006, 2.44 million self-help groups were formed and 7.33 million self-employed assisted with a total outlay of Rs.16,4436.6 million.

(b) *Swarna Jayanti Shahari Rozgar Yojana* (SJSRY)

All the programmes meant earlier for urban poverty alleviation were consolidated into SJSRY in December 1997, under two special components, *viz*., the Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP). The SJSRY is funded on the same sharing basis as IAY and SGSY (3:1). The number of urban poor assisted for setting up micro/group enterprises in 2005-06 was 98 thousand against a target of 80 thousand. The number of urban poor imparted skill training in 2005-06 was 0.142 million against a target of 0.1 million. Under UWEP, the number of mandays of employment generated was 4.35 million in 2005-06.

(ii) Workfare programmes

(a) *Sampoorna Grameen Rozgar Yojana* (SGRY)

The main objective of the workfare programme is to provide additional wage employment in rural areas, and to provide for food security, creation of durable community assets and infrastructure development. Different governments have employed this programme under different garbs, the latest title given to the scheme being SGRY. Launched on September 25, 2001, the present project, with a cash and food grains component, provides additional wage employment in the rural areas. The cash-component of SGRY is funded on the same sharing basis as IAY (3:1), while food grains are provided free of cost to the States and UTs. In 2005-06, 82.18 crore person-days of employment were generated with the Centre releasing Rs. 5497.43 crore as cash

[11] The IRDP was a self-employment programme for the rural poor households with three other sub-programmes, viz., the programme for Training for Rural Youth for Self-employment (TRYSEM), that for Development of Women and Children in Rural Areas (DWCRA) and the programme for distribution of toolkits.

component and about 37.30 lakh tonnes of food grains to the States/UTs. Besides, under the special component of the SGRY, with the States/UTs meeting the cash components, Centre released 15.64 lakh tonnes of food grains to the 11 calamity affected States.

(b) National Rural Employment Guarantee Scheme (NREGS) 2005

The NREG Act[12] was passed in September, 2005, and the scheme came into force from February 2, 2006 in 200 identified districts of the country with the objective of providing 100 days of guaranteed unskilled wage employment to each rural household opting for it – another example of the *norm-right transition*, though with very limited coverage. The scheme subsumes the erstwhile programmes of SGRY and National Food for Work Programme (NFFWP) in these districts. The scheme is expected to cover all the districts of the country within five years. It is proposed in the 2007-08 Budget that the NREGS will be expanded in 2007 from the current level of 200 districts to 330 districts. The NREGS is a demand-driven scheme, carrying a legal guarantee of employment, and the basic principle adopted is to give the labourer work and simultaneously produce durable assets, by undertaking works like water conservation, drought proofing (including afforestation/tree plantation), land development, flood-control/protection (including drainage in waterlogged areas) and rural connectivity in terms of all-weather roads. Till 31 January 2007, about 34.7 million job cards were issued; and of the 15 million households who demanded employment, 14.7 million were provided employment. Under the scheme, up to December 2006, out of the 536.5 million person-days of employment generated, 211.3 million were for women.

The scope of the scheme has been criticized as narrow as the beneficiaries are restricted to households below poverty line. Other criticisms include inadequate role for the *Panchayats* in selection of projects under the scheme (Vaidyanathan 2005). It has also been pointed out that rather than unemployment, the real problem is the inadequate wages received by the agricultural labour in rural India. Even full employment will not help the rural households to cross the poverty line at prevailing market wage rates for agricultural workers (Kannan quoted in Saith 2005). Vaidyanathan (2005) has estimated the cost of implementation of the scheme, if it aims to wipe out the unemployment deficit of 7 billion person days in a year (based on the Current Daily Status unemployment rate relating to 1999-2000) at Rs. 330-340 billion, assuming an average wage rate of Rs. 60 for males and Rs. 45 for females. And this cost comes to about one percent only of the GDP of 2005-06. This sufficiently indicates that finding budgetary resources for a full-fledged scheme is *never* a challenging task.

It is found that despite the introduction of the NREG Act, no appreciable spurt in government expenditure on rural employment programmes is noticeable (Chakraborty 2007). In fact the direct expenditure on rural employment declined from 0.2 per cent of GDP in 1996-97 to 0.13 per cent of GDP in 2001, and though it increased to 0.40 per

[12] The employment Guarantee scheme has a predecessor in a similar project that was in implementation by the Government of Maharashtra to give work to agricultural labours during the period from November to May when the agricultural labourers do not have sufficient work.

cent of GDP thereafter, it again fell to 0.33 per cent of GDP in 2006-07, even with the introduction of the NREG programme. In terms of the share in the central government's budget, the NREG scheme has made no difference to government expenditure on rural employment programmes (*ibid.*). The expenditure on these programmes as a percentage of revenue and expenditure of the government declined sharply in the first three years of the 2000s with a marginal increase in the revised estimate for 2005-06 and budget estimate for 2006-07. It is significant to note that there was a sharp and continuous decline in the allocation under the *Swarnajayanti Gram Swarozgar Yojana* (SGSY), with a corresponding increase in the share of *Sampoorna Grameen Rozgar Yojana* (SGRY) from 23.3 to 62.1 per cent between 1999-2000 and 2003-04. Again the same trend appeared in terms of a sharp fall in the share of SGRY allocation thereafter with a corresponding increase in the allocation for the National Food for Work (NFFW) programme that was later replaced with the NREGA in 2005-06. In absolute terms, the SGRY allocation declined from Rs 96.4 billion in 2003-04 to Rs 27 billion in 2006-07. The total NREGA allocation in the year 2006-07 was only Rs 101.7 billion.

(c) *Pradhan Mantri Gram Sadak Yojana* (PMGSY)

Launched on December 25, 2000 as a fully Centrally sponsored scheme, this project aims to provide all-weather connectivity to all the eligible unconnected habitations in the rural areas through public works. Up to December 2006, with cumulative expenditure of Rs. 182,810 million, about 107,569 km of road works were completed.

Summing up

It is to be noted that ensuring basic social security involves removal of disabilities and lack of opportunities based on prejudices like caste, religion and sex. The nationalist movement took up the cause of the socially excluded by highlighting the need for eliminating oppressive caste based practices like untouchability. The social agenda of the nationalist movement was incorporated into the philosophy of the state in post independence India. Not only were laws enacted for penalizing these uncivilized practices, legislations for positive discrimination to ensure more access to basic rights like education and greater access in public services for the castes who were earlier denied this were also enacted. Bringing women to the forefront of the nationalist activities was also undertaken during the period of nationalist struggle and the freedom movement did throw up quite a number of women activists and leaders. But even after five decades of independence, a law ensuring a statutory representation of the women in the Parliament and legislatures has not been enacted. Courts had to intervene to protect women's rights and in some instances even judicial intervention was found wanting in providing gender justice. The Constitutional and legal provisions need to be strengthened to provide protective and promotional security against gender inequality.

To sum up, many of the basic egalitarian ideals incorporated into the Directive Principles of Constitution like preventing exploitation, minimum wages, universal primary education and comprehensive land reforms has not gone much far at the implementation level, though some progress has really been recorded. Some Constitutional imperatives have been instituted for ensuring universal elementary education, judicial intervention for guaranteeing food and nutrition security for the vulnerable and statutory provisions for limited employment security for the poorest of the poor and for the proposed Bill[13] for old age security. Though very few and often ineffective in instrumental value, these cases of 'norm-right transition' are of bright promises with intrinsic values.

8. India's Initiatives in Social Security: A Comparison with some Countries.

As we have discussed already, the growth strategy adopted since independence attempted at a trickle down approach for poverty alleviation, poverty being the major cause for social insecurity. Later on, schemes for direct attack on income poverty were launched. But a comprehensive approach to various aspects of social security like employment security, educational security, food security, primary health security etc. was lacking, though all these were recognized as Constitutional priorities. In this section, a brief attempt to compare our experience with that of two other developing countries, viz. Sri Lank and China is made (Table 1).

Countries have attempted social security provision through 1) Asset redistribution such as policies relating to land 2) Policies relating to employment, self-employment and wage employment and 3) Direct public provision.

Land redistribution was a success in China but a failure in India. Dreaze and Sen (1989) state that the egalitarian distribution of assets (through formation of communes) and state interventions in primary health in pre-reform China provided a background for reforms to take place.[14] Land reform in China eliminated landlessness as a cause for destitution. The difference between rural poor in China and those in most of the developing countries is that in the latter rural poverty and landlessness often go together (Guhan 1994). In India and Bangladesh land reform had been prominent on the agenda but actual implementation fell short of the original promises and objectives, reflecting the difficulty of reformist redistribution by autonomous and stable governments (*ibid*). In the face of this failure, India has chosen schemes for employment and self-employment for alleviation of poverty.

[13] The union cabinet approved on February 22, 2007, the Maintenance and Welfare of Parents and Senior Citizens Bill 2006. Every person in the country is obligated by the bill to provide better care and comfortable financial assistance to his/her parents and grandparents. The bill says that the government would maintain data on senior citizens, pay them Rs 1,000 per month and provide enough old-age homes, especially for those who have nobody to take care of them.

[14] They have also cited the lack of democracy as a cause for the famines in the late 1950s after the Great Leap Forward.

Table 1:
Development Indicators of India, Sri Lanka and China

Development Indicators: as in 2004	China	India	Sri Lanka
Human development Index value	0.768	0.611	0.755
Human development Index Rank	81	126	93
Life expectancy at birth (years)	71.9	63.6	74.3
Adult literacy rate (% ages 15 and above)	90.9	61	90.7
Combined gross enrollment ratio for primary, secondary and tertiary schools (%)	700	621	631
GDP per capita (PPP US$)	58961	31392	4390
Population without sustainable access to an improved water source	23	14	21
Children underweight for age (% under age 5 1996-2004)	8	47	29
Population undernourished (% of total, 2001-03)	12	20	22
Probability at birth of not surviving to age 40 (% of cohort, 2000-05)	6.9	16.6	4.3
Population living below $1 a day (% 1990-2004)	16.6	34.7	5.6
Population living below $2 a day (% 1990-2004)	46.7	79.9	41.6
Population living below the national poverty line (% 1990-2003)	4.6	28.6	25
Health expenditure per capita (PPP US$, 2003)	278	82	121
Public health expenditure (% of GDP, 2003)	2	1.2	1.6
Public expenditure on education (% of GDP, 2002-04)	2.2*	3.3	3.2*
Military expenditure (% of GDP, 2004)	2.4	3	2.8
Total debt service (% of GDP, 2004)	1.2	2.8	3.8

Note: * = for 1991.
Source: www.undp.org

Sri Lanka is an example for the attempt to provide social security through direct public provisioning. India's public distribution system, as we have already discussed, is predominantly urban biased and the coverage can in no way claimed to be universal. Though there have been no severe famines in independent India, the problem of malnutrition among women and children is quite substantial. Compared with this, Sri Lanka had had a near universal coverage of subsidized food distribution till 1978 when she abandoned the universal coverage leaving the richer 50 percent population ineligible for the provision and a food stamp system was adopted. Sri Lanka's performance is comparable with that of Kerala that attempted direct emphasis on the methods of asset redistribution and direct public provisioning in quite contrast to other States in India. India attempted to provide social security through self- and wage employment especially, since the 1980s; but countries, which adopted the asset redistribution and direct public provisioning have better human development indicators also. Though India has achieved faster economic growth, the social insecurities of different dimensions are quite substantial. This lends support to the argument that the redistribution of land, for which legislations have been passed by all States has to be implemented with political will and public provisioning of basic needs has to be strengthened.

9. Social Sector Spending- Centre- State Division of Powers

Under the Indian Constitution, the subjects are divided into different entries such as Union List: those which are under the exclusive power of the Centre, State List: those which are exclusively in the jurisdiction of the State and Concurrent List: those which are simultaneously handled by the Centre and the States, but where the Central legislations take precedence over those of the States and the Residuary List: items not mentioned in the above three lists are included in the residuary list and handled by the Centre. Most of the subjects finding mention in the budgetary classification of 'Social Sector Services' are in the Concurrent List of the Constitution, but the expenditure burden is shouldered substantially by the States. The items are 1) Education, 2) Health, 3) Nutrition, 4) Labour welfare measures, 5) Information and Broadcasting (in the Union List), 6) Water Supply and Sanitation, 7) Social Security and Welfare Measures (Old age pensions, unemployment benefits etc.), 8) Natural Calamity Relief, and 9) Other services. In these items (1), (2), (3), (5) and (6) can be classified as Basic Social Security Measures and (7) and (8) as Contingent Social Security Measures. Item (4) includes basic as well as contingent security measures.

During the period 1980-81 to 1999-2000, 88 percent of the social sector spending was by the State Governments. The States together spend 32 percent of their total expenditure on social services. A substantial component, almost 95 percent of the social sector expenditure is revenue in nature, with capital expenditure constituting an unfortunate minor proportion. Most of these services are labour intensive and compensation to the personnel will constitute a substantial portion of the expenditure. It is to be taken note of that spending is only a partial indicator and it is delivery of services in an effective way that is more important. In Table 2, per capita revenue expenditure on basic social security rights of education, health, housing and nutrition, and rank according to Human Development Index of fourteen major States for three time periods are given.

The States that are in the top half in per capita basic social sector spending (expenditure on education, health, housing and nutrition) are Punjab, Kerala, Gujarat, Maharastra, Haryana,Tamil Nadu and Karnataka in NSSO 1987 round, Kerala, Tamil Nadu, Maharastra, Haryana, Punjab, Rajasthan and Karnataka in NSSO 1994 round and Maharastra, Punjab, Kerala, Tamil Nadu, Karnataka, Haryana and Gujarat in NSSO 2000 round. With minor differences (for instance, Rajasthan in 1991), these are also the States that occupy the top half in the array of the Human Development Index. This shows that there is a *prima facie* outlay and outcome relationship in so far as basic social security expenditure is concerned.[15]

[15] It should be noted that this prima facie association *does not* mean that the highest spending State is the one, which tops in human development index.

Table 2: Per Capita social sector revenue expenditure (SE) of 14 Indian States for NSSO Quinquennial years (in Rs.) and Human Development Index (HDI)

43rd Round (1987)	SE	HDI 1981	50th Round (1994)	SE	HDI 1991	55th Round (2000)	SE	HDI 2001
Punjab	249	2	Kerala	605	1	Maharashtra	1273	4
Kerala	248	1	Tamil Nadu	559	3	Punjab	1025	2
Gujarat	240	4	Maharashtra	522	4	Kerala	971	1
Maharashtra	234	3	Haryana	513	5	Tamil Nadu	931	3
Haryana	227	5	Punjab	497	2	Karnataka	900	7
Tamil Nadu	218	7	Rajasthan	478	11	Haryana	897	5
Karnataka	213	6	Karnataka	465	7	Gujarat	865	6
Rajasthan	184	12	Gujarat	451	6	Rajasthan	820	9
Andhra Pradesh	173	9	Orissa	392	12	Andhra Pradesh	737	10
West Bengal	163	8	Andhra Pradesh	374	9	West Bengal	736	8
Orissa	154	11	West Bengal	348	8	Orissa	609	11
Madhya Pradesh	150	14	Madhya Pradesh	313	13	Uttar Pradesh	420	13
Uttar Pradesh	113	13	Uttar Pradesh	275	14	Bihar	360	15
Bihar	91	15	Bihar	257	15	Madhya Pradesh	355	12

Source: Computed from the RBI Bulletin, Various issues, and National Human Development Report 2001

Let us take an illustrative example of one outcome indicator – under-nutrition among children under five. Dev and Mooij (2005) show that under-nutrition among children aged 1-5 years came down in Kerala and Tamil Nadu during the period 1975-2001 much faster than for all-States (Table 3). These two States have been implementing noon-meal schemes for primary and upper primary school going

Table 3:
Comparison of Undernutrition among children

State	Undernutrition %		
	1975-76	1991-92	2000-01
Kerala	56.8	35.6	28.8
Tamil Nadu	59.6	47.4	39.0
All States	62.5	56.2	50.5

Source: Table 3.7 Dev and Mooij (2005:53) children and running a scheme for providing supplementary nutrition to pregnant and lactating mothers and pre-school children with universal coverage. Both Kerala and Tamil Nadu are in middle income States group and the improvement has been possible through consistent State level initiatives.

As Human Development Index includes a dimension of per capita income also, it is interesting to note that most of the States, which are in the top half of the per capita basic social security spending also have incidence of chronic poverty indicators less than all-India averages[16]. We illustrate this in Table 4 with three indicators: 'Extremely Poor', 'Very Poor and 'Moderately Poor', according to the distance of per capita total expenditure from the State specific poverty line, that is up to 50 percent, 50–75 percent and between 75 and 100 percent respectively. For all these three indicators, Kerala, Punjab, Gujarat and Haryana had incidence below than that of all-India average during 1993-94 and 1999-2000. All the seven States recorded a reduction in the incidence of these indicators from 1993-94 to 1999-2000.

Table 4: Comparison of Incidence of Chronic Poverty

State	NSSO 50th			NSSO 55th		
	Extremely poor	Very poor	Moderately Poor	Extremely poor	Very poor	Moderately Poor
Kerala	1.5 (2.0)	9.4 (9.8)	16.0 (14.5)	0.2 (0.9)	1.9 (6.2)	7.5 (13.7)
Tamil Nadu	1.9 (3.7)	12.4 (18.2)	20.6 (21.7)	0.6 (1.2)	5.7 (7.9)	14.4 (14.6)
Punjab	0.1 (0)	3.0 (2.2)	8.7 (8.6)	0.0 (0.0)	1.1 (0.9)	4.9 (4.5)
Gujarat	0.5 (1.2)	6.5 (10.7)	15.6 (17.6)	0.2 (0.4)	3.3 (3.7)	9.1 (11.1)
Haryana	1.1 (0.2)	8.8 (4.9)	19.5 (11.5)	0.6 (1.2)	1.5 (3.6)	5.9 (6.4)
Maharashtra	3.2 (5.9)	16.0 (18.4)	21.9 (16.6)	0.7 (2.4)	6.5 (12.4)	16.8 (14.4)
Karnataka	1.4 (4.9)	11.2 (21.7)	19.0 (18.1)	0.3 (1.9)	3.3 (9.3)	13.6 (15.3)
All-India	2.0 (2.9)	14.7 (15.1)	22.1 (17.7)	0.8 (1.2)	8.2 (9.2)	18.3 (14.8)

Source: Table 3.5a Dev and Mooij (2005:53)
Note Figures within parentheses denotes urban and those outside denote rural.

[16] A look at each one of the States more closely shows some exceptions especially for urban poverty. The reasons for these State-wise trends requires a deeper analysis and can throw up very interesting results.

It may be difficult to establish a direct linkage between the per capita basic social security expenditure and poverty.[17] Factors like agricultural growth and economic growth can also alleviate poverty as it is in the case of States like Punjab. But in the case of middle income States like Kerala, higher per capita basic social security expenditure is a part of a larger State-level initiative of giving priority to social sector spending, public distribution system and land reforms. The consequence of these initiatives is a comparatively lower incidence of chronic poverty, even without high economic and agricultural growth (See Kannan 1996 for a discussion). Another pertinent point to be noted here is that indicators for rural poverty in all these States are less than the all-India level, except in the case of Maharastra in the NSSO 50th round (1993-94), where as urban poverty shows a mixed trend[18].

Table 5: Trends of Social Sector Expenditure in India (Central and State Governments together)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
As percentage of GDP:						
Total expenditure	28.26	28.77	28.85	27.82	28.3	27.19
Expenditure on social sector	6.04	5.93	5.68	5.66	6.23	6.04
Education	2.98	2.96	2.79	2.74	2.88	2.87
Health	1.25	1.28	1.26	1.25	1.41	1.39
Others	1.81	1.68	1.64	1.67	1.95	1.78
As percentage of total expenditure:						
Expenditure on social sector	21.4	20.6	19.7	20.4	22	22.2
Education	10.6	10.3	9.7	9.9	10.2	10.6
Health	4.4	4.5	4.4	4.5	5	5.1
Others	6.4	5.8	5.7	6	6.9	6.5
As percentage of social sector expenditure:						
Education	49.4	49.9	49	48.5	46.2	47.6
Health	20.7	21.7	22.2	22.1	22.6	23
Others	29.9	28.4	28.8	29.5	31.2	29.4

Source: Budget documents of Central and State Governments; RBI

[17] The budgetary classification of "Social Sector Expenditure" does not include the spending on Centrally sponsored income poverty alleviation schemes.

[18] The difference in levels of urban and rural poverty needs further analysis considering the migration of rural poor to the urban areas and higher unemployment in urban areas.

10. Road Map to more Comprehensive Social Security initiatives

The most important aspect emerging from the discussion of the social security measures in India is that there has been Constitutional and official recognition of the need to provide both basic and contingent social security to the needy and the vulnerable sections of the population. But the disturbing point is that even after a period of five decades of independence, much of the benefits have not reached the needy and there is lack of timely availability of state support, though this cannot be said to be true in a uniform manner through out the country.

A Critical Review of the Existing Schemes for Poverty alleviation.

As stated earlier, the initiatives for direct attack on poverty through self-employment, entrepreneurship and wage employment can be considered only as a second best options of intervention for poverty alleviation. The first best option is obviously the redistribution of the productive assets like land. The initiatives in this regard have been hamstrung barring the success in abolition of *Zamindari*, due to social and political constraints. Having recognized this, the area where attention is to be focussed is the efficiency in implementation of these schemes measured by their outcomes.

It needs to be mentioned that though there has been a multitude of governmental initiatives, especially since the 1980s, 63 percent of the villages in India do not have *pucca*, all weather connecting roads, one half of the villages do not have any source of protected drinking water, about a quarter of villages in States like Uttar Pradesh, Himachal Pradesh and Orissa do not have even primary schools and only 22 percent of the villages have a health sub-centre within. (Rao 2002). While critically examining the adequacy of various schemes, it has also to be kept in mind that there has been improvement in various development indicators over a period of time since independence. As we have already seen, the proportion of population below poverty line, according to official estimates, has come down from approximately 50 percent in the beginning of the 1970s to 26 percent in 1999-2000. This is quite significant despite the criticism that anti-poverty programmes are suffering from lack of effectiveness and leakages. It is also noteworthy that though the problem of malnutrition still persists, there has been no occurrence of famine in independent India and one of the reasons for this is the coverage by the public distribution system, though very limited in many regions. As we have already seen, health indicators have shown improvement over time. On the flip side is the lopsidedness of the achievements across the States within the country. While Punjab, Haryana and Kerala have population below poverty lines at 6.16, 8.74 and 12.74 percentage respectively, Orissa, Bihar, Madhya Pradesh and Uttar Pradesh have 47.15, 42.6, 37.43 and 31.15 percentage respectively. Reasons for this can range from disparities in economic growth rates, coverage of anti-poverty schemes and public distribution system. As far as malnutrition is concerned, at the all-India level, 47 percent of the children under the age of three suffer from it, according to the National Family Health Survey (NFHS) 1998-99. The States like Orissa, Bihar, Madhya Pradesh and Uttar Pradesh, have respectively 54.4, 54.4, 57.4 and 51.7 percent children under three suffering from malnutrition, while in the States like Kerala, and Tamil Nadu it is 26.9 and

36.7 percent respectively. Though this is not a low figure by absolute standards, it is lower compared with the States mentioned above and the all-India average. This is due to a larger coverage under the supplementary nutrition prograammes like ICDS. Many other development indicators also can reflect these differentials across the States. This brings out the need for improving the coverage of social security initiatives in States showing poorer outcomes. The adequacy of the schemes will have to be mainly evaluated in ensuring a better balance in the achievements in development indicators across the country.

Dev (2002) emphasizes the need for independent, *i.e.*, other than official, evaluations of the schemes for poverty alleviation and employment generation. The main drawbacks of these programmes are 1) inclusion errors (covering the non-poor) tend to be sizeable; 2) while the programme impacts are generally positive, their effectiveness is quite slow and considerably below official estimates; and 3) there are significant variations across regions (Srivastava 1997 cited in Dev 2002: 66). Another study by Fan *et al*. (1999, cited in Dev *op. cit.*) examined the impact of government expenditure relating to rural infrastructure and anti-poverty porgrammes on poverty. The results of the study show that investments in rural roads and agricultural research and development have the greatest impact, while government spending specifically targetted to poverty reduction such as rural development and employment programmes have only modest effects. Nayyar (2005) has stated that economic growth is a necessary though not a sufficient condition for poverty reduction, but it is just important to protect the poor through public expenditure on anti-poverty porgrammes as these do make a difference despite leakages. But these programmes make a difference depending on other variants like higher literacy levels, life expectancy, lower inequality in asset ownership, better physical infrastructure and the wider social and political context (*ibid.*). However, Dev (2002: 67) points out that there is relevance for anti-poverty programmes in a country like India, where substantial sections are outside the market. Instead of the present top-down bureaucratic approach and lack of people's participation, there is need for involving *Panchayats*, Non-Governmental Organizations (NGOs), Self-Help Groups and community-based organizations for strengthening these programmes. Rao (2002) opines that though the whole of the decline in poverty cannot be attributed to anti-poverty porgrammes alone, there appears to be a consensus among researchers that these programmes have been an important factor in reduction of poverty over the last three decades.

It is in this context that we need to iterate the need for demand from active societal, non-governmental and also political movements so that the supply is forced from a not so empathetic administration. To make the implementation of law effective, mere allocation of funds and having government machinery ready are not enough. It has to be activated and if necessary put on notice by vigilant non-governmental initiatives.

There have been successes in States where political initiatives and mass mobilzation have taken place. In short, the implementation of the legislative commitments required something more than mere efforts from governmental machinery. To galvanize the governmental machinery to act according to Constitutional and national priorities like universal literacy and implementation of land reforms, political and mass action was a necessary condition. In places where such actions were weak or non-existent, the commitments have largely remained on paper. In future also, the involvement of the local level of the government and non-governmental mass initiatives will hold the key along with state efforts to provide basic and contingent social security.

A Road map to the a Comprehensive Social Security Scheme

What needs to be highlighted is that though there are a number of schemes covering various sections and target groups, the focus and efforts get splintered due to numerosity of programmes and inflexible rules and problems in implementation. A major criticism of these schemes is that they are inflexible to the local area needs as the operational details, eligibility criteria etc., are formulated at the Central level, while putting pressure on the State budgets through the requirement of matching contributions. The larger problem of deprivation, which includes in addition to poverty proper, *i.e.*, lack of income and assets, physical weakness (under-nutrition, sickness, disability, lack of strength), isolation (ignorance, illiteracy, lack of access, peripheral location), vulnerability (to contingencies; to becoming poorer) and powerlessness (Chambers 1992) remains. In addition to schemes for attacking the problems of general social insecurity like poverty and unemployment, specific schemes for alleviating the problems of intra-household vulnerability are also necessary to tackle the problem of deprivation. Employment Schemes for women and nutrition programmes for children and pregnant and lactating mothers are initiatives in this regard. Though each of these aspects has been recognized in official documents, what is lacking is a comprehensive and focussed programme to tackle this multi-dimensional problem. Another area requiring focus is Contingent Social security measures for the vulnerable. The sections of the population who are vulnerable may not be below the poverty line, but are most likely to fall below the poverty line, in case of an adverse contingency resulting in loss of capabilities. Vulnerability lies less in exposure to crisis and more in the ability to deal with its consequences. What distinguishes more vulnerable households is their capacity to cope with risk. In the event of a crisis, attempts by poorer households to cope can often lead them into debt and then the burden of accumulated debt, into impoverishment. Crisis coping mechanisms thus have a direct bearing on the poverty process, since they underpin the process of downward mobility. The vulnerable are also a category who can be described as tomorrow's poor, as they may be above poverty line, but they are sufficiently close to the line to be vulnerable (Cook *et al*. 2003: 141-144). For these groups, the provision of contingent security measures is very crucial. Measures like unemployment relief, old age pensions etc., fall in this category. In the Indian situation, much remains to be done in this regard.

We need a few but focussed social security schemes covering both basic social security needs and contingent needs. States should get more flexibility in formulating poverty alleviation schemes according to regional specifications. The urgent necessity is

1) assistance to destitiutes, especially those who are aged, handicapped and sick by providing a pension which is linked to some price index so that it can ensure the beneficary's sustenance;

2) an employment guarantee for the able bodied to do at least casual labour and earn a living in times of distress;
3) programmes for self-employment of the poor by providing financial support, technical assistance and facilitation for marketing; these programmes should be flexible ones catering to local level requirements and details like eligibility criteria may be worked out at the *Panchayat* level, if necessary with State government's approval;
4) Programmes to improve nutritional status of the vulnerable groups like children and women by providing supplementary nutrition and noon-meals;
5) an umbrella legislation for providing minimum social security to the workforce in the unorganized sector.

It will be desirable if the implementation of all these schemes is done at the *panchayat* level with people's participation and social audit at the *Grama Sabha*. Evaluation of the schemes can be done by the funding State governments or the Union Government separately.

The challenge faced is three pronged:
1) Revamping the numerous existing schemes;
2) Debureacratizing them; and
3) Introducing flexibility to take care of regional specifications.

Another challenge is finding the budgetary resources to finance these schemes. This will necessitate efforts to generate more tax and non-tax revenues by both the Centre and the States by breaking the political-economic barriers and attempting simplification and rationalization of tax laws and rates. The transition in the process of economic liberalization and globalization has posed new challenges to social security in many countries. Many of the universal schemes have been converted into targeted ones due to the policies of fiscal targeting. At the same time the coverage of social security measures for the vulnerable sections remain quite inadequate. Though India has recognized many social security initiatives and implemented them, the task ahead, *i.e.*, giving a comprehensive basic social security cover to the poor and the vulnerable is an enormous task, but given the political will, this is, of course, not an impossible task.

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