The Welfare State
Challenges for Governance

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Influenced by the ideals of equality and the compulsions of electoral politics, elected governments in India have embraced the implementation of welfare measures to improve the quality of life of their citizens. Starting with the creation of large bureaucracies to implement welfare programmes, policy formulation of welfare measures has, over the years, moved from state distribution of goods and services to the more recent efforts to empower the individual through placing financial resources at her disposal to let her decide how she wants to improve her quality of life. Technological advances in the digital sphere have enabled governments to move in this direction, exemplified by the paradigm shift in Indian economic and social policy in recent years. This paper seeks to highlight the path taken so far and the challenges facing the welfare state in India in the coming decades.

Keywords: *welfare state, Constitution of India, Sarva Shiksha Abhiyan, National Health Mission, Integrated Child Development Services, child malnutrition, child mortality, public distribution system, supplementary nutrition programme, JAM, Aadhaar, universal basic income, economic survey, Supreme Court*

The concept of the 'welfare state', as it is commonly understood today, is a creation of the post-World War II era. While there have been efforts by societies and governments right since the 18th century to mitigate the hardships faced by the most disadvantaged sections of society it is only after 1945 that the idea of ensuring a certain level social services for all citizens has gained currency. This was witnessed in the Western world and in the large body of nations which secured their independence from their colonial masters in the decades from the 1940s to the 1960s. The span of the welfare state has been well articulated by Asa Briggs (1961):

> A "welfare state" is a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces in at least three directions – first, by guaranteeing individuals and families a minimum income irrespective of the market value of their

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> work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain "social contingencies" (for example, sickness, old age and unemployment) which lead otherwise to individual and family crises; and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services. (p.228)

This is not to discount the variations in the structure and range of welfare measures that different national governments adopt to meet the needs of their citizens. These differences arise both because of the ideologies influencing the governing elites charged with the formulation of welfare policies as well as the pressures brought to bear on governments as the economy/society moves from a pre-industrial structure into its modern, industrial version. Growing industrialisation and urbanisation disrupt traditional, rural patterns of life with their support systems, particularly in relation to the family, and bring up issues related to the elderly, working women and unemployed youth. Concerns about equality and meeting the minimum basic needs of every citizen also inform State efforts to supply welfare services.

The Constitution of India has enunciated several provisions directed towards securing the welfare of the citizens of India. Some of these, like the provision of free and compulsory education to children in the six-14 age group and the restriction on employment of children under 14 in hazardous occupations, are embedded in the Fundamental Rights vested in citizens. The Directive Principles of State Policy in Part IV of the Constitution (while not binding on the State) are quite explicit in their intention in exhorting the State to take several steps to secure the welfare of its citizens. These include the right to adequate means of livelihood, equal pay for equal work for both men and women, securing just and humane conditions of work, early childhood care and education for children under six and maternity relief, among others.

Legislation relating to conditions of labour in industrial employment came into existence even prior to India's independence in 1947. This was probably reflective of the influence of the welfare state philosophy in the United Kingdom and many other Western countries, including the United States of America, as well as the growing numbers of factory workers in India and the spread of the nationalist movement. Acts governing workmen's compensation, payment of wages, formation of trade unions and conditions of industrial employment were enacted even prior to India's independence, with several other statutes, relating to conditions of work and provision of facilities (Factories Act, 1948), minimum wages (Minimum Wages Act, 1948) and the settlement of disputes between employers and workmen (Industrial Disputes Act, 1947) coming into force even prior to the adoption of the Constitution. Many other legislations have been enacted in the years after independence, covering both the formal and the informal sector.

What, however, really marks out the welfarist approach of the Indian State is its adoption of extensive public policy measures, right from 1947, in the areas of food security, housing, healthcare and education, as evidenced by the development of the

public distribution system, the emphasis on public hospitals and dispensaries, the universalisation of school education and the provision of public housing. The public distribution system is operated jointly by the Central and State governments. While the Central government manages the procurement, storage and transportation of food grains, the State governments are responsible for the distribution of the food grains received to households through fair price shops. To provide families with a roof over their heads, house construction programmes have been taken up in both rural and urban areas over the past forty years. Health care has been sought to be provided through rural hospitals, primary health centres and sub-centres set up in rural areas and dispensaries and hospitals in urban areas, all managed by government-appointed health staff. With the constitutional mandate of providing free primary schooling to children in the six-14 age group, a massive structure of State-run primary and secondary schools has been created across the country, run by huge education bureaucracies under the control of State governments.

Expenditure on these programmes has been significant over the years, even if there has been criticism from various quarters that, as a percentage of government budgets, budget outlays, especially in the critical areas of education and healthcare have been inadequate and fall far short of allocations in other countries. For example, India's government expenditure per student on primary education as a percentage of gross domestic product (GDP) per capita fell from 11.9 to 9.5 between 1999 and 2015 as compared to a rise in the same period from 10.7 to 20 (in Brazil) and from 13.8 to 17.6 (in South Africa) (World Bank, 2017a). In the healthcare sector, India's public health expenditure as a percentage of GDP at 1.41 per cent is far below Brazil (3.82 per cent) and South Africa (4.24 per cent). In fact, with a public health expenditure of just 30 per cent of total health expenditure, India ranks among one of the lowest in the world, below its immediate South Asian neighbours (except for Bangladesh) and well below its Brazil, Russia, India, China and South Africa (BRICS) partners (World Bank, 2017b).

Recent changes in the federal fiscal architecture in India have raised fresh concerns about the role of the State in promoting social sector activities. State governments are now required to raise 40 per cent (as against the earlier 30 per cent) of prominent centrally sponsored schemes (CSS), like the Sarva Shiksha Abhiyan (Education for All Movement), Mid-Day Meal, National Health Mission and Integrated Child Development Services. With the acceptance by the Union government of the Fourteenth Finance Commission recommendation to devolve an additional 10 per cent of central taxes to the States coupled with the lesser contribution by the Union government to the CSS, there is naturally greater concern over the priority that States would give to flagship social sector schemes, given the past history of fiscal profligacy of State governments and the continuing pull of populist measures like farm loan waivers and provision of freebies to the population (television sets, laptops, etc.). The doing away with the distinction between plan and non-plan expenditure from financial year 2017-18 and the focus on capital and revenue expenditures also raise concern about the likely adverse impact on sectors like health and education, given that a very large part of the expenditure in these sectors is on the revenue account, which is the first area to experience budget cuts when there is any strain on State government finances.

There is also need to be cautious about drawing a simple correlation between government expenditure on a sector and outcomes in that sector. A recent analysis by IndiaSpend shows that although Rajasthan spent 5.6 per cent of aggregate expenditure on public health and family welfare as compared to 4.1 per cent per cent in undivided Andhra Pradesh, the former has a maternal mortality ratio of 244 deaths per 100,000 births as compared to 92 for the latter (Rao, 2017). A host of factors account for these variations, including household poverty levels, access to education opportunities, etc. but there is also the important factor of differences in governance standards in different States and in regions within a single State. Governance covers a range of activities – the preparation and adoption of coherent, logical policy measures, effective and timely targeting of budgetary resources to the appropriate sectors and geographical areas, putting in place and empowering the necessary implementation mechanisms and rigorously monitoring programme outcomes to assess effectiveness of fund utilisation and attainment of programme outcomes, with corrections being made as necessary to improve outcomes. This paper has drawn on experiences and analyses of programmes and pilot studies in four sectors to highlight governance issues and how these have a vital bearing on success or failure in achieving the stated objectives of programmes.

Public distribution system (PDS)

The PDS is implemented at the lowest level through the fair price shops (FPS) set up in most urban and rural habitations to enable households to purchase food grains at subsidised prices. As in most other States, this process of reaching food grains to the final consumer was riddled with corruption and mismanagement in the newly formed state of Chhattisgarh. Access of consumers to the FPS was limited by outreach problems, stocks of government food grains were illegally diverted to the open market, bogus ration cards were in circulation and there were delays in allocation, lifting and transportation of food grains. Above all, there was no accountability in the delivery machinery and no involvement in the entire distribution process of the communities and families for whom the food grains were intended. Recognising these systemic weaknesses, the Chhattisgarh government undertook PDS reforms from 2004 onwards through a five-pronged strategy:

(a) licences of 2872 privately run FPS were cancelled. The State government issued a new PDS Control Order in December 2004, with FPS being allotted only to Panchayati Raj institutions, urban local bodies, self-help groups and community-based cooperative societies;

(b) outreach capabilities of the PDS were enhanced by the setting up of one FPS in every panchayat. Rice procurement was decentralised to improve accountability and the middleman was eliminated through the direct supply of food grains by the Civil Supplies Corporation to the FPS;

(c) the financial viability of the FPS system was enhanced through a series of measures including access to interest-free working capital loans, providing one months' food

grain stock on credit and increasing the commission payable to shops on the sale of food grains and kerosene;

(d) computerisation of the supply and demand ends of the distribution chain, through computerisation of ration cards, supply chain management and FPS enabled the monitoring of stock position, food grain movement and sales in FPS; and

(e) the digitisation of processes led to greater transparency in the system, which was augmented by community participation in monitoring the distribution of food grains and use of call centres and SMS alerts to monitor food grain movement and distribution (Sheel, n.d.).

These measures led to FPS coverage being extended from 2.1 million to 3.5 million customers, with the Chhattisgarh government incurring an annual expenditure of 1800 crore in subsidising the sale price of food grains. More importantly, independent assessments show a reduction in leakages and diversion of food grains to the open market. The estimation is that leakages from the system are down from about 50 per cent to about 10 per cent. The Chhattisgarh model has been touted as an example of how State resolve coupled with public participation and the use of digital technology can lead to effective implementation of welfare programmes (Sheel, n.d.; Drèze & Khera, 2015).

Health care

As observed earlier in this paper, over 62 per cent of Indians pay out of their pockets for access to private health care. This is despite an extensive network of government health facilities, staffed by qualified medical personnel, available to the public at a very nominal cost. A study carried out in Udaipur district of Rajasthan in 2002-03 by Abhijit Bannerjee and Esther Duflo (2009) reveals that both supply and demand factors play a role in poor delivery of health services. Doctors in primary health centres (PHCs) and auxiliary nurse midwives (ANMs) are frequently absent from their duty locations. The study showed that absenteeism in health sub-centres was positively related to distance from the main road, though facilities closer to the district headquarters or other towns did not report lesser rates of absenteeism. This bears out the experience of the present author in his extensive travels across different districts of Maharashtra during his service days. PHCs in remote tribal areas were invariably unattended, with doctors not reporting for duty for months at a time. Government doctors made money from private practice, neglecting their PHC duties. This contributes to a lack of confidence, especially among the poor, in the public health system and their reliance on private (often unskilled and untrained) “doctors”. The Udaipur study also highlights the prevailing popularity of curative rather than preventive remedies among the general public. At least in part, this arises from the lack of knowledge in the public and their faith in immediate relief from acute conditions rather than tackling chronic conditions. It also reflects the lack of attention of government doctors in explaining the symptoms to their patients and dealing patiently with their medical problems. While one is not

aware of the statistics, the daily out-patient department (OPD) attendance at a PHC is a good indicator of the efficaciousness of the public health delivery system. It is not surprising that a PHC in rural Tamil Nadu or in prosperous Western Maharashtra records far higher OPD numbers than one in rural Uttar Pradesh or Madhya Pradesh.

The lack of accountability in the public health system has been documented in the Udaipur study. But it is amply borne out by the experiences of this author, when touring tribal areas of Maharashtra as head of the State Nutrition Mission. PHC doctors (and their nursing staff) treat antenatal care (ANC) of pregnant mothers as a routine exercise, with no application of mind to the problems the mother might face at or before the time of delivery. Not surprisingly, the latest 2015 National Family Health Survey figures released by the Ministry of Health and Family Welfare, Government of India show that only 14-35 per cent of pregnant mothers had at least four ANC visits in Uttar Pradesh, Bihar and Madhya Pradesh, as compared to 81 per cent in Tamil Nadu and 90 per cent in Kerala (Government of India, Ministry of Heath and Family Welfare. n.d.). It follows almost axiomatically that maternal mortality rates are highest in those States where the public health delivery systems are weakest.

Child malnutrition and mortality

Even though India has, since 1975, had in place the nationwide Integrated Child Development Services (ICDS) programme to address the issues of under-five child health and nutrition, the inescapable fact remains that the country ranks extremely poorly in international comparisons in terms of under-five child mortality rates and stunting, wasting and underweight rates in under-five children. UNICEF's annual report *The State of the World's Children 2016* places India at 48th highest rank in 193 nations in under-5 child mortality, higher than its neighbours Bangladesh, Nepal and Sri Lanka (p.110). With 38.4 per cent of its under-five children stunted for their age, India is unfortunately in the company of nations with a far poorer record of economic development. Over 40 per cent of under-five children in five States – Bihar, Uttar Pradesh, Jharkhand, Meghalaya and Madhya Pradesh – are stunted, with unacceptably high figures for underweight and wasted children as well. (Government of India, Ministry of Heath and Family Welfare, n.d.).With a Union budget allocation of over ₹15,000 crores in each of the past five years (Centre for Budget and Governance Accountability, 2017), it defies comprehension as to why these do not translate into meaningful outcomes on the ground. With the Supreme Court of India mandating universalisation of the ICDS, there has been a major increase in the number of *anganwadis* meeting the needs of mothers and under-six children in all States of India. The reasons for the unsatisfactory performance on this front lie in the poor governance of this scheme in most States of the country. *Posts of anganwadi* workers are not filled in and infrastructure (including even buildings for children to sit in) is not in place in many parts of the country. The ICDS system also suffers from a top-down approach with an absence of accountability for child nutrition outcomes. Monitoring of a child nutrition indicator like weight for age is done infrequently with no analysis being done at policy levels to assess the position and take corrective policy measures. Despite many countries having gone in for recording

height for age to measure stunting in their child populations, governments in India are yet to accept this anthropometric indicator, although it has been recommended by the World Health Organization in 2006 (WHO, 2006). No systematic assessment of wasting by geographical area has been undertaken by any State government in India. Given the paucity of accurate, up to date data on these indicators, State policy has been piecemeal, dictated by political exigencies and emergency situations, such as media reports of child deaths due to malnutrition (Torgalkar, 2016).

A major problem has been the excessive focus on the supplementary nutrition programme, which seeks to augment the calorie intake of under-five children, to the exclusion of other components of the ICDS programme, such as growth monitoring of children and nutrition and health counselling of adolescent girls and mothers. The reports of the Commissioners appointed by the Supreme Court bring out clearly the nexus between contractors, the bureaucracy and the political class in supplying nutritious food to children under the ICDS.[1] Through skilful interpretation of the orders of the Supreme Court, State governments have manoeuvred to ensure supply of take home rations (THR) by contractors without going through a tendering process. There has been criticism of the quality of the rations, with a study in Maharashtra showing most under-three children do not find the THR palatable, with a large part of it being fed to cattle and other domestic animals (Marathe, Yakkundi, & Shukla, 2015). Another recent study of the implementation of the ICDS in Chhattisgarh and Uttar Pradesh highlights the large-scale corruption and financial misappropriation in the supply of both THR and hot cooked meals in Uttar Pradesh, where there is no local participation in their distribution, as compared to Chhattisgarh, where the involvement of women's groups in the supply of both THR and hot cooked meals has led to enhanced community participation (Chanchani, 2017).

Primary education

School enrolment in the six-14 age group stands at 96.9 per cent in 2016. The proportion of six-14 age group children not enrolled in schools is highest in States like Uttar Pradesh and Madhya Pradesh. It is in these same States that the proportion of girls in the 11-14 age group who are out of school is also highest. Increases in the percentage of children enrolled in private schools reflects the disenchantment of parents with the public-school system. What is more striking is the poor reading and arithmetic abilities in students enrolled in classes III to VIII in government schools. The Annual Status of Education Report 2016 reveals a shocking situation – in a majority of Indian States, including many of the larger ones, less than 50 per cent of government school children in Standard V can read Standard II level text. Even more appalling, in no State in India can more than 50 per cent of government school children in Standard V do division exercises (ASER, 2017). As pithily enunciated by Rukmini Banerji, Chief Executive Officer, Pratham Education Foundation, "On the face of it, India is close to

[1]Two reports dated October 31, 2012 and November 29, 2012 submitted to the Supreme Court of India by the Commissioners to the Supreme Court on the Supplementary Nutrition Programme in Maharashtra, Karnataka, Uttar Pradesh and Gujarat.

"schooling for all". But our journey towards "learning for all" is yet to begin" (2017, p. 15). This situation in Indian schools probably explains why India has, after 2009, chosen not to participate in the Program for International Student Assessment (PISA), a survey conducted by the Organisation for Economic Cooperation and Development to test education systems by comparing the test performance of 15-year-old pupils. In the tests that year, in which students from Tamil Nadu and Himachal Pradesh participated, India was placed 72nd out of 74 participating countries (Venkatachalam, 2017). Trying to find give excuses for such performance as arising out of a "socio-cultural disconnect" with the testing system still raises the question of how well India's education system prepares its students for competing with and surviving in the outside world.

While family poverty and poor educational attainments of parents do inhibit learning outcomes by, among other things, affecting the learning environment at home and handicapping the disadvantaged child, the teaching pedagogy in government schools, with its emphasis on rote learning (the "chalk and talk" methodology) fails to reach out to the majority of pupils in the classroom. Disengaged from the education process, these students become disinterested and, at some point, may well drop out of the education system altogether. Even if they continue in the system, their inability to grasp the rudiments of language and arithmetic leaves large swathes of students incapable of meeting the exacting demands of the modern economy. The losers in this process are the children, their families and the country at large.

Where does India go from here?

The welfare state in India, therefore, has several challenges to confront as she moves forward on its path to becoming the economic powerhouse of the twenty-first century. Two of the concerns have already been dealt with in the preceding paragraphs. The first relates to what level of budgetary support the State needs to provide to promote welfare programmes. This depends on the extent to which the State desires to, or is compelled to (for populist and ideological reasons), extend the scope of welfare programmes and the population sought to be covered. Old age pensions, food security, maternity benefits, child nutrition, basic healthcare, etc. are all unexceptionable items in the basket of welfare goods and services. Issues arise on two fronts here:

(a) Where the coverage is targeted at specific segments of the population, the vexing question of identification of beneficiaries arises. The Economic Survey 2016-17 itself admits that "India's record of targeting welfare programmes to the poor has been suspect" (Government of India. Ministry of Finance, p. 180). Earlier efforts between 1992 and 2002 to identify households below the poverty line (BPL) were criticised on the grounds of data manipulation and corruption, leading to exclusion of the poor and inclusion of the undeserving rich in the lists. The Government of India sought to correct this through the Socio-Economic Caste Census, 2011(SECC), which attempted to measure poverty through an easily identifiable list of criteria based on socio-economic status. The SECC data has been used to identify rural households eligible for assistance in house construction under the Pradhan Mantri Awas Yojana

– Grameen. It will also be used for the National Social Assistance Programme (pensions for the rural poor) and for the National Rural Livelihood Mission;

(b) To surmount the problems of exclusion of genuine beneficiaries and in recognition of the need to reach out to large segments of the population, especially at times when inflation squeezes purchasing power, the Government of India moved from the targeted PDS approach to reaching nearly 70 per cent of all households under the National Food Security Act, 2013. This move has been criticised by those who feel this would put a huge burden on the public exchequer, while also including certain categories of household which may not need such food security support.

The second concern, dealt with extensively in the earlier parts of this paper, relates to the capacity of the State to effectively deliver welfare services. Lant Pritchett (2009) of Harvard University has put it rather trenchantly:

> *India is today a flailing state – a nation state in which the head, that is the elite institutions at the national (and in some states) level remain sound and functional but that this head is no longer reliably connected via nerves and sinews to its own limbs.* In many parts of India in many sectors, the everyday actions of the field level agents of the state – policemen, engineers, teachers, health workers – are increasingly beyond the control of the administration at the national or state level. (italics as in original)(p.4)

Effective service delivery of welfare programmes suffers (as do many other sectors of the economy and polity) from three major weaknesses inherent in the political and administrative systems of India:

(a) Social sector initiatives, which ensure successful welfare programmes, are mostly (if not always) individual driven, generally by civil servants with political support. As long as these "reform champions", and their backers at the political level, are in harness, programmes run smoothly with appreciable results. Once there is a change of guard, consequent on the transfer of the civil servant or the unseating of his political supporter, the programme peters out fairly rapidly;

(b) Administrative systems in most sectors, especially the social sector, are dysfunctional and prone to 'rent-seeking' behaviour in both the political and administrative elites. It is common knowledge that certain Ministries/Departments in State governments are known as automated teller machines (ATMs) for their cash disbursing abilities. Decision making is centralised at the government level, with ministers and senior civil servants having all the powers to approve contracts and transfer officers/staff at subordinate levels. This not only plays havoc with employee motivation but also stifles innovation and initiative at the cutting-edge level of programmes; and

(c) The secession of the elite from the use of many of these welfare services leads to sub-optimal delivery of services. A prominent example would be the failure of politicians and senior civil servants to use public transport, as is the case in, say, the United Kingdom. Many other services, such as water, electricity and even security, are being privatised by the elite, which then lives in an island of prosperity in a sea of mediocre services (Ramani, 2016).

A solution to the problem of unsatisfactory service delivery has been sought through the promotion of cash transfers (especially the unconditional variety), which not only seek to check leakages but also to reduce the administrative costs of implementing welfare programmes, thereby freeing up more financial resources going to the beneficiary. The Aadhaar (or Unique Identification) initiative has been implemented since 2008. After some initial hesitation over the direction of this project, the present government at the national level has boldly pushed for its implementation, with necessary legislation being put in place and legal challenges to its scope being met fairly successfully. The Supreme Court has virtually given its seal of approval to the use of the Aadhaar number for a host of welfare and other schemes. Leaving aside the issue of privacy concerns (which has generated considerable debate), the question of cash transfers backed by use of sophisticated technology raises, as pointed out by Jean Drèze (2015) three issues for consideration at the level of public policy:

(a) The adoption of cash transfers is predicated on the required infrastructure being in place. JAM (jan dhan accounts, aadhaar identity numbers and mobile technology) are the trinity that underpin the success of cash transfers. Earlier efforts at cash transfers in Jharkhand, Puducherry and Andhra Pradesh ran into implementation problems. However, there has been a major change since the announcement of demonetisation in November 2016. Figures available prior to the demonetisation exercise suggest that about 70 per cent of the adult population had bank accounts, with active use of bank accounts in the region of 40 per cent. This number would have gone up further in 2017 with the government stressing the use of digital payments. About 90 per cent of the population (over 1.1 billion) have Aadhaar numbers. The push given to digital transactions after November 2016 and the rapid expansion of digital payment interfaces (through mobile phones) in the first few months of 2017 has brought many more Indians within the ambit of a seamless, cash-free transaction economy. The fact that 95 per cent of Mahatma Gandhi National Rural Employment Guarantee Scheme payments are being paid directly into beneficiary bank accounts is a pointer to the growing use of JAM. However, attention will still have to be paid to mobile connectivity issues and the easy access to banking channels, especially in more remote areas of the country;

(b) There will still be some areas where in-kind transfers and public services are essential, e.g., midday meals, bicycles for school children and free medicines. Distribution channels for such products and services will need to be efficiently run if welfare objectives are to be met. Furthermore, the insistence on Aadhaar numbers

for availing of public services like midday meals and tuberculosis treatment could raise potentially troubling issues of exclusion. Caution needs to be exercised in using digital technology in the provision of essential goods and services; and

(c) Cash transfers cannot and should not necessarily imply a withdrawal of the State from the provision of essential public services like healthcare and primary education. State-directed regulatory mechanisms will still be required to protect consumers from price exploitation by and poor service quality of private providers. Balancing private provision of services with public availability requires careful thought at government level.

The latest idea to catch the attention of policy planners is the concept of Universal Basic Income (UBI). UBI has three components: (a) universality, the guarantee of a minimum basic income to each individual in society; (b) unconditionality, the provision of this income without any conditions relating to the current economic status of the individual; and (c) agency, whereby the individual is given control over disposition of his resources, free of paternalistic handouts from a "benevolent" State. There are three evident benefits flowing from UBI: (a) with financial resources flowing directly into individual bank accounts, the vexatious issues of regional imbalances and cornering of finances by regions with powerful political interests can be addressed; (b) leakages outside the system can be minimised; and (c) exclusion errors can be virtually eliminated.

Implementing UBI requires keeping certain key issues in focus:

(a) political imperatives dictate that the well-off are excluded from UBI, either by defining criteria related to ownership of financial and physical assets or by requiring the better off to voluntarily relinquish their claims. This may be difficult to implement in practice and may give rise to the same problems that arose from BPL lists, related to exclusion of the deserving and wrong inclusion of the non-deserving;

(b) a "cover all" UBI would, apart from the issue of equity, also require a careful assessment of the fiscal burden and the ability of governments to sustain such expenditures on an ongoing basis, given that such a measure, once introduced, would be difficult to withdraw on a future date; and

(c) to make its fiscal ends meet, the State would have to consider withdrawing or curtailing existing subsidies or programmes, like fertiliser or food subsidies. This will meet with opposition from interest groups that currently benefit from the largesse of the State.

In a political democracy, the idea of the welfare state can never be negated, though implementation of specific components can be diluted or curtailed over time. Whether the concept takes the form of social security/social protection for specific social groups, a society-wide approach to providing basic opportunities for a better life in areas like healthcare and education or providing freebies calculated to attract electoral

support, the lure of the welfare state, at least in emerging economies like India, cannot be wished away. Governments will, of course, have to be mindful of fiscal constraints and the deficiencies in implementation through different modes in reaching the benefits to sections of, or the entire, population. Technology is a major ally of governments in their efforts to more effectively ensure that these programmes reach the intended individuals and groups. At the same time, State capacity will have a crucial role to play in determining how effectively programme objectives are attained and whether social investments are yielding returns that contribute to a healthier, empowered society of the future. The next decade will be crucial for determining the trajectory of the welfare state in India, as the imperatives of economic growth come in conflict with the goals of equitable distribution.

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