India as a post-colonial welfare state

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Introduction

India was a British colony for more than 150 years. Although Britain is one of the earlier welfare states of the world, the welfare state did not occupy significant space in the history of India under British rule. The story of welfare state development in India is the story of post-colonial development. The challenges for the emergence of a welfare state are not linked to the colonial nature of administration but to the social inequalities in India. These social inequalities are rooted in the social structure which evolved from the less egalitarian philosophy professed by the Hindu religion. The responsibility to address these challenges has been transferred to the new administration post India’s independence in 1947. The theoretical grounding for building a modern nation is in the Constitution of India which provides the framework for the welfare state. The idea of modernity and ‘development’ as a vehicle to achieve it has defined the welfare state in Indian polity. In this chapter, we argue that post-colonial welfare states tend to incur more ‘developmental expenditure’ than ‘social expenditure’.

This chapter is organised into five sections. In the first section, we examine the evolution of the idea of development in the global development discourse in the post-colonial era followed by shifts in the policy focus. The second and third sections, respectively, examine two apparatuses (the Constitution and development planning) that were effective in bringing social change in India. In the fourth section we present the data pertaining to development expenditure and social sector expenditure to argue why social policy presents only a partial view of welfare in the post-colonial context. In the final section, we examine whether social policy is sufficient to deal with a variety of social evils in the Global South, particularly India.

The idea of development

The contemporary ideas of development are rooted in the conceptualisation of modernity which is primarily based on Darwinian evolutionary ideas. Accordingly, those people who had not yet become ‘modern’ were described as underdeveloped and therefore a clean distinction between the native and coloniser has emerged where the natives were considered underdeveloped vis-à-vis colonisers. Thus, in the post-colonial era (starting primarily around the
1950s) most of the Global South was viewed as underdeveloped and hence has become the target for development. The international organisations such as UNDP, WHO, UNICEF, as well as various international aid agencies such as DfID, AusAid, USAID, NORAD, Danida, CIDA, SIDA and GIZ, took it upon themselves as their mission to achieve development. These efforts were supplemented by civil society and philanthropic initiatives that funded development projects such as the Ford Foundation, Rockefeller, Melinda and Gates. Amidst these targeted development initiatives, the question that has continued to persist is: what exactly was being targeted?

The overarching theoretical agreement on the idea of development was the belief that modernisation would eliminate social inequalities. Thus, in the 1950s, the theories such as the ‘big push’ (Rosenstein-Rodan 1943), ‘take off into sustained growth’ (Rostow 1956) and ‘critical minimum effort’ (Leibenstein 1957) dominated policy attention. The fundamental assumption of all these theories was equating growth with development and a belief that an injection of investment is a precondition for development. The thesis of the model is that

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\text{in order for the growth rate of income to be higher than that of the population (so that per capita income growth is positive) a minimum threshold of the investment to GNP ratio is required given the prevailing capital–output ratio.}
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(Thorbecke 2006: 3)

However, it was soon realised that, unlike the Western countries, the issue of low productivity in the countries of the Global South was “related to the social structure and the attitudes supported by that structure, the widespread existence of absentee land ownership and tenancy being of particular importance” (Myrdal 1968: 1546). Thus, the idea of development changed to addressing societal structures that prevented productivity and growth which led to a shift in policy focus. Here, what gained most significant attention was that of the theories of ‘balanced growth’ between agriculture and industry (Nurkse 1953).

Dualist economic structure in the Global South (Lewis 1954), which was distinct from the formal economy (Pellissery 2013) of the Western industrialised world, required a significantly different social policy conceptualisation. Particularly in the Indian context, by early the 1970s the focus of welfare policies shifted to a large concentration of the population in rural areas. Integrated rural development programmes and poverty alleviation programmes that aimed at the basic needs such as sanitation, water supply and food production attracted significant attention. Thus, slowly, the emphasis of development theories changed from aggregate measures to composite measures, which factored in the quality of life and access to basic needs. It is here where the shift towards human development becomes significant.

While there was agreement on the idea of endogenous growth and the importance of technology and human capital (Romer 1990), the policy prescriptions for human development had no such unanimity. A group of theorists, influenced by Amartya Sen (1985), prescribed that developing countries should focus on more investments in social infrastructure which would boost the productivity of the people. Another group of economists, led by Jagdish Bhagwati (2007), argued that only a focus on growth can yield enough resources for investing in social sector schemes. They argued that growth may raise inequality initially but sustained growth will eventually raise enough resources for the state to redistribute and mitigate the effects of the initial inequality.

It is evident from the aforesaid brief overview that contestations on the idea of development existed both in terms of the theory and policy prescriptions. While the early ideas imagined that social policy would be similar in both Western industrialised countries and the Global South,
soon the need to discover appropriate context-specific social policies was realised. In India, the organisational apparatus that was adopted to translate the idea of development was through the Constitution and economic institutions, particularly the Planning Commission. In subsequent sections we will examine these two institutions in terms of how they imagined a future for the country, as distinct from the post-colonial era.

**Constitutional governance for social change**

Fukuyama (2011) in his seminal work on *Origins of Political Order* distinguishes two types of modern legal systems. He argues that countries, where a modern legal system replaced the traditional law, faced huge resistance compared to countries where the Constitution was the social contract around which a nation was built. India had a codified Hindu legal system dating back to 200 BC. This legal system, which had legitimacy in the dominant sections of society, perpetuated durable inequality. The feudalistic nature of production, organised through a division of labour (caste system), that existed in India had its foundation in this Hindu social order and British colonial rule strengthened these social inequalities (Jayaram 2011). “If a ‘social question’ in independent India had to be appropriately framed, it should have been as Hindu reformation, i.e. challenging the internal contradictions of Hindu social philosophy in the light of modernist values of mid-20th century” (Pellissery 2017).

With the idea of development and modernity at its heart, the Constitution of India had to seek ways to reform traditional law. In this sense, the Indian Constitution aimed to be transformative, as it intended to break with “old forms of state, society, and culture (social formations) and inaugurating a new order of things” (Baxi 2013: 21). This was the dream of the founding fathers of the nation-state of India. The first prime minister of the country, Jawaharlal Nehru, viewed the objective of the Constitution as “the removal of all invidious social and customary barriers which come in the way of the full development of the individual as well as of any group” (Baxi 2013: 22). On the other hand, the architect of the Indian Constitution, B.R. Ambedkar, viewed the Constitution of India as a tryst with destiny to live with contradictions:

> On the 26th of January 1950, we are going to enter into a life of contradictions. In politics we will have equality and in social and economic life we will have inequality.

> In politics we will be recognizing the principle of one man one vote and one vote one value. In our social and economic life, we shall, by reason of our social and economic structure, continue to deny the principle of one man one value. How long shall we continue to live this life of contradictions? How long shall we continue to deny equality in our social and economic life? If we continue to deny it for long, we will do so only by putting our political democracy in peril. We must remove this contradiction at the earliest possible moment or else those who suffer from inequality will blow up the structure of political democracy which this Assembly has so laboriously built up.⁶

The Constitution granted certain fundamental rights to the citizens (articles 12–35) and directive principles to the state (articles 36–51). The fundamental rights were considered as justiciable rights and the basic tenant of liberal democracy (e.g. freedom of speech, religion, etc.), while directive principles required the state to develop programmes for the welfare of the citizens. The stated objectives of directive principles included “state to secure a social order for the promotion of the welfare of the people” (article 38). Eventually, the social policy aims were translated through these directive principles. India, being a federal state, with a clear distinction of responsibilities between the Union government and the regional state governments, the directive
principles became the primary responsibility of the regional state governments. At the Union level, the institutions of the Planning Commission (which was transformed into the Policy Commission in 2015) and the Financial Commission assumed the responsibility of reducing intra-state inequality. In the next section, we will review key programmes which translated the directive principles through the planning process.

Development planning as welfare arrangement

In the post-colonial context, as the welfare state is subsumed within development approaches, social development as an idea framed policies towards social investment as early as the 1970s (Midgley and Tang 2001; Pellissery 2017). These development programmes were defined primarily through ‘five-year plans’, inspired by the erstwhile socialist planning model of the Soviet Union.

In the initial years, the focus of these programmes was on agricultural development and a substantial increase of food production through the Community Development (CD) approach. The village was the reference unit under this approach and the village government (local self-government) was responsible for the development that was inclusive of social, economic and political targets. In this approach, there was no separation of ‘social policy’ and ‘economic policy’. Sen (2017) does not consider the first five-year plan (1951–1956) as a plan but as a reconstruction agenda of the economy that was damaged irreparably due to the centuries of exploitation under British rule. The second plan (1956–1961) took off with an obligation to ‘increase the growth rate of the gross domestic product’ of the economy through establishing heavy industries with public investment. The emphasis of this plan was on rapid industrialisation and increase in the savings rate of the economy. The third and fourth plans were also designed with a mandate that broadly focused on continuing with the agenda set by the second plan.

Despite the different approaches, as poverty was still haunting the nation, by the 1970s the basic needs approaches and poverty reduction took centre-stage of policy planning. Thus, the fifth plan (1974–1979) is considered as an important milestone in the development trajectory of India, as the ideas of poverty alleviation entered the agenda of the planning process with then Prime Minister Indira Gandhi coining the term ‘Garibi Hatao’ (or remove poverty). Since then all the plans have attempted to achieve a balance between economic development and welfare. Later, the focus of development shifted to creating industrial growth and boosting national income. In the later part of this section we will examine some of the welfare measures that the governments have initiated aiming towards reducing poverty-induced hunger, illiteracy and improving the health conditions of the citizens of India.

The major challenge facing the Indian sovereign state immediately after Independence was to feed the citizens and build a hunger-free nation. To meet the food demands of the citizenry, India resorted to importing food from foreign countries in the 1950s. In the 1960s, the ‘Green Revolution’ paved the way for bio-technologically modified high-yielding variety seeds which were used to meet the increasing demand for food. Three interlinked policies were introduced in the mid-1960s: (1) output price policies including a minimum support price for farmers when grains are procured; (2) input price subsidies, and (3) a public distribution system (PDS) to provide relatively low-cost food grains without harming the interests of the producers. This new agricultural strategy was largely successful in increasing production, which more than doubled, from 63 million tons in 1965 to 154 million tons in 1991, and drastically reduced the need for food grain imports (Suryarnarayana 1995). It is important to note here the integrated approach of food production and food distribution. Very often, ‘social policy’ researchers looking for social sector expenditure have separated the ‘public
distribution system from the other two policies. However, development economics viewed all three inseparably.

The literacy rate in India at the time of Independence was 18.33 per cent, and by the 2011 census it had increased to 74.04 per cent. This phenomenal growth in literacy levels was the result of multiple policy interventions by the state at different times in the post-colonial history. One such development intervention that deserves attention from the social policy viewpoint is Sarva Shiksha Abhiyan. At the time of Independence, this was a programme aimed at the universalisation of elementary education in which the government guarantees free education for children up to the age of 14. This programme later took the shape of legislation which was enacted as the Right to Education Act in 2006. It is a comprehensive programme in a way that apart from providing quality education to the children, the principles of childcare are also practised through a midday meal scheme. Children from poor areas are often obliged to skip schooling, since their families force them to undertake work to earn money. To avoid this, children are provided with a cooked meal in the school which will not only encourage them to attend school but also help in meeting their nutritional needs.

The third important development intervention worth mentioning in the context of social policies is the National Rural Health Mission. Launched in 2005, the National Rural Health Mission (NRHM) adopted a synergistic approach, covering all vital determinants of health such as nutrition, sanitation, hygiene and safe drinking water. Its major goal is to reduce infant and maternal mortality rates, and the prevention of communicable and non-communicable diseases. An innovative cash transfer programme is being implemented as part of the NRHM under which cash incentives (for the first two live births) are provided to women who undergo institutional delivery. Currently, the maternal mortality rate (MMR) stands at “178 per 100,000 live births in 2012 which is a substantial improvement from an estimated MMR level of 437 per 100,000 live births in 1990–91” (Nakray 2015).

So far we have emphasised how interventions by the government have resulted in social development. Yet, it should be noted that if we go by measures of government expenditure for the social sector, what is being spent is hugely inadequate compared to the levels of deprivation and poverty. There are several mechanisms carried out by households which reduce the welfare gap. For instance, in the context of health insurance not being covered for the vast majority of the population, approximately 73 per cent of health expenses are paid for out of the pockets of Indian citizens (Duggal 2007). Seasonal migration is another strategy through which Indian households deal with income shocks. The decennial census of 2011 showed that two out of five Indians are internal migrants (roughly translated as 450 million people). Since Indian federal states’ boundaries are drawn on a linguistic basis, internal migration poses several citizenship issues. Yet, remittances by migrants provide a strong welfare measure.

In the next section, we will examine the expenditure incurred by the state for these programmes. Our aim will be to understand whether separating development expenditure and social expenditure is possible in the light of welfare outcomes.

**Development expenditure and social expenditure**

As explained in the previous section, two broad types of spending are observed in the public finance accounts relevant for social policy. First, development expenditure includes spending on agriculture and allied activities, rural development, special area programmes, irrigation and flood control, energy, industry and minerals, transport and communications, science, technology and the environment. The second is social expenditure, which includes the money spent on education, sports, art and culture, medical and public health and family welfare, water supply and
sanitation, housing, welfare of historically deprived communities, labour and labour welfare, social security, nutrition, relief on account of natural calamities, and urban development. Table 20.1 lists expenses for both of these types of expenditure for the past decade.

As per the mandate of the Constitution of India, the majority of the social sector falls into the domain of state governments; hence the spending on their part is higher compared to the central government. Kaur and colleagues (2013) have analysed the data available and concluded that 80 per cent of the government (both central and state) expenditure on social services is incurred by state governments alone. The education and health services combined account for 60 per cent of the total social expenditure of the state governments. Between 1990/1991 and 2013/2014, the per capita social sector spending recorded a threefold increase of which education sector spending increased by 2.7 times and health sector spending increased by 2.3 times. The majority of the increase in social sector spending is recorded after 2000, though, despite this increase, India still remains below the international standard.

The aggregated data presented in Table 20.1 masks the regional differences among Indian states. Sen and Dreze (1995) have shown how social development in a state like Kerala is comparable to some of the advanced welfare states or China. At the same time, social development outcomes in some of the states in India are poorer than those in some of the African countries (Pellissery and Anand 2017).

While the data presented in Table 20.1 show a clear distinction of development and social sector expenditure, in reality, the distinction is not easy to make. The difference between ‘economic’ interests and ‘social’ interests of the state is often blurred (Mkandawire 2001). Within the discourse of development the blurring is deliberate, since the social policy addresses the issue of poverty politically rather than economically. The policy targets are often structural aspects of society and economy, rather than individuals whose welfare is to be ensured through de-commodification due to market operations (Polanyi 1944; Esping-Andersen 1990). To demonstrate, let us take an example of investment by the government in infrastructure. There is evidence now to show that the construction of rural roads and providing electricity has a significant impact upon poverty reduction, rather than providing a free school meal. Roads increase access to a range of institutions (e.g. selling agricultural produce, bringing a patient in timely manner to hospital). Similarly, electricity increases the welfare of individuals, including

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<th>Table 20.1 Developmental and social sector expenditure incurred by Union and state governments, 2005 to 2015 (in billion rupees)</th>
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Source: compiled by authors from the data courses of the Reserve Bank of India.
providing a conducive environment for study. These expenses are treated as ‘development’ expenditure, though their social impact is clearly visible here. In the post-colonial context, such development expenditures have yielded more dividends when compared to social expenditures.

**Structural features of inequality require social reforms**

So far, we have argued how development as an idea is integral to understanding social policy in post-colonial contexts. In the rest of this chapter we will make an assessment as to whether social policy is sufficient to deal with the five evils that Beveridge projected as the targets of social policy (Walker and Pellissery 2008). We argue that social policy as an administrative mechanism (Kaufmann 2012) is a weak instrument to deal with various social evils persisting in societies such as India. We take up three issues to demonstrate the same: access to land, corruption and gender.

India is still an agrarian society, with over 60 per cent of the population depending on agriculture for their livelihood. Yet, 30 per cent of the population is landless and only 5 per cent of households own more than 40 per cent of the total land area. This inequality has its roots in British colonial administration wherein ‘landlords’ were appointed by the British administration to collect the land tax on their behalf. Post Independence, these landlords have become a powerful political class since land was concentrated in the hands of these few. Land distribution was an important measure through which asset equality would have been achieved. The government of India made an ineffectual attempt at land distribution in the 1950s. This was ineffectual because the political class, in connivance with the bureaucrats, worked against the legislations of land reform. This asset inequality has huge implications for welfare outcomes. A recent report by the International Food Policy Research Institute ranks India fifty-fifth on the global hunger Index; 190 million people go to sleep hungry every day. Seventy per cent of the income of the poor is spent on food alone. These disappointing figures are of a nation that produces sufficient grain for all of its people, and is the biggest producer of milk in the world. In recent times, through the demand to acquire land for foreign investment and industry, the question of land reform is coming back (Pellissery et al. 2017). Social policy without appropriate land reform policies could only serve as ameliorative rather than transformative.

A second persistent evil in the public life of India is in the form of corruption. In the ranking of Transparency International, India, China and Brazil feature in the mid-range. At the heart of the problem is lack of social trust, which would bring transparency in citizen–citizen interactions (Rothstein and Uslaner 2005). Corruption has made a serious dent in the welfare outcomes, since access to public services is often blocked by bureaucrats with a rent-seeking aim. The quality of the public goods created by public contractors tends to be poor, since almost half of the money meant for such works is diverted to private misappropriation. Quality of services is also affected, since the service providers (e.g. schoolteachers or doctors) are regularly absent from schools and hospitals respectively as they are sure to receive patronage from their political masters. Experiences in the past have shown that the issue of corruption could not be dealt legally alone or through punitive measures. In 2012, a nationwide movement called ‘India Against Corruption’ brought together a number of organisations and individuals with a call to change attitudes. As a result, though there are several citizen initiatives to press accountability from service providers, a wider social reform is required to make significant progress.

A third pattern of poverty is the gendered nature of income deprivation. This is primarily due to the patriarchal nature of society. A range of social indicators such as poor literacy among women, female foeticide, high numbers of malnutrition among girl children, deaths of children
below the age of 5 due to mothers’ malnutrition, violence against women, etc. are directly linked to preference for boys, which has cultural roots. Although there are several women-specific policies, patriarchal society has a strong value orientation which enforces practices such as dowry (bride price), denial of inheritance sharing equally between boys and girls, and discrimination in law-enforcing institutions. Social policy alone is ineffective in dealing with the challenges forced by societal practices and cultural constructs.

Conclusion

This chapter has provided an overview of a post-colonial welfare state, taking the case of India, and its divergences and convergences with social policy interventions. As an idea, development and its policies had a more significant influence in post-colonial contexts than social policy. Expenditure data presented in the chapter shows that development expenditure is as equally important as social sector expenditure to achieve welfare outcomes, since structural aspects of poverty need to be addressed rather than individual welfare outcomes. Yet, there is no reason to draw a clear distinction between development and social policy. In recent times, the welfare state itself, being in crisis, is being reinvented through ideas such as social investment. These new ideas have more convergence with the ideas of development.

The chapter also raises the question of the effectiveness of social policy in post-colonial contexts where cultural values and societal norms may be stronger than the state, law and its regulations. By showing the impact of religious justification for a hierarchical society, widespread corruption and gender discrimination, we argue that social reforms are inevitable to create an environment where social policies could operate.

Notes

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2 Research Officer, Centre for the Study of Social Exclusion and Inclusive Policy, National Law School of India University, Bangalore.
4 Durable Inequality is a theory developed by Charles Tilly, according to which inequalities based on categorical distinctions are created as a solution to the existing organisational problems of the society. Since these are solutions to the problems, the society accepts the stratification, and therefore the inequalities will continue to persist (Pellissery et al. 2015).
5 The Constitution of India is a vision document in which goals of social transformation have a significant place. The Preamble of the Constitution of India is considered as the most important part of the document which lays down the goals of governance within the framework of Justice, Equality and Liberty. Eminent constitutional law experts call the entire Constitution the footnote of the preamble. The emphasis on ‘Constitutionally governed Independent India’ is relevant in this context.
7 The Public Distribution System consists of a network of more than 40,000 Fair Price Shops and claims to distribute annually commodities worth more than INR 15,000 crore to about 16 crore families, making it the largest distribution network of its type in the world.
8 Note that the Government of India passed the National Food Security Act in 2013. However, the integrated approach of food production and distribution is missing in this new Act.
9 Note that a revolutionary legislation of Right to Information (2006) required government officials to reveal the services provided, which forced them to stop these rent-seeking activities.
India as a post-colonial welfare state

References


