



## Universal Social Welfare

This article is based on [“Making social welfare universal”](#) which was published in The Hindu on 29/04/2021. It talks about the need for universal social welfare architecture in India.

India is one of the largest welfare states in the world and yet, with atrocities caused by Covid-19, the state failed to provide social welfare to most of its vulnerable citizens. Presently owing to the pandemic, India is witnessing multiple crises: a crumbling health infrastructure, mass inter- and intra-migration and food insecurity.

Moreover, the extenuating circumstances brought by the second wave of the pandemic has pushed an estimated 75 million people into poverty and brought even the middle and upper-class citizens to their knees.

The pandemic has thus revealed that leveraging our existing schemes and providing universal social security is of utmost importance. This will help absorb the impact of external shocks on our vulnerable populations.

### What is the Social Security/Welfare System?

- According to the [International Labour Organisation \(ILO\)](#), Social Security is a comprehensive approach designed to prevent deprivation, give assurance to the individual of a basic minimum income for himself and his dependents and to protect the individual from any uncertainties.
- It is also comprised of two elements, namely:
  - Right to a Standard of Living adequate for the health and well-being, including food, clothing, housing and medical care and necessary social services.
  - Right to Income Security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond any person's control.

### Need For Universal Social Welfare

- **Majority of Workforce is in Unorganised Sector:** The organised sector workers constitute less than 10% of all workers in India.
  - This leaves more than 90% of the workforce without job security, labour rights and post-retirement provisions.
  - Also, in a dynamic market-economy, workers will lose jobs at a faster pace with technological changes. Thus, workers need to keep learning to stay productively employed.
  - However, in spite of great attention given to skills development in the last 15 years, the results are not very encouraging.
- **Illness Is Universal, But Healthcare Is Not:** Economic capital, in the absence of social capital, has proven to be insufficient in accessing healthcare facilities.
  - Further, Out-of-pocket health expenses create barriers to seeking healthcare and can push

marginal households into poverty, form as much as nearly 90% of private expenditure on health.

- Also Covid-19 has highlighted the urgency for providing universal free health care. It has demonstrated that private health care can be afforded only by the wealthy.
- **Inadequate Expenditure on Social Security:** India has a broad aim of social protection programs, but the overall public expenditure on social protection (excluding public healthcare) is only approx. 1.5% of the GDP, lower than many middle-income countries across the world.
  - Further, the country has over 500 direct benefit transfer schemes for which various Central, State, and Line departments are responsible. However, these schemes have not reached those in need.
  - Moreover, existing schemes are fractionalised across various departments and sub-schemes. This causes problems beginning with data collection to last-mile delivery.
- **Intended Benefits:** Having a universal system would improve the ease of application by consolidating the data of all eligible beneficiaries under one database.
  - For instance, the Pradhan Mantri Garib Kalyan Yojana (PMGKY) is one scheme that can be strengthened into universal social security.
    - It already consolidates the public distribution system (PDS), the provision of gas cylinders, and wages for the MGNREGS.
  - Having a universal scheme would take away this access/exclusion barrier.
    - For example, PDS can be linked to a universal identification card such as the Aadhaar or voter card, in the absence of a ration card.
    - Making other schemes/welfare provisions like education, maternity benefits, disability benefits etc. also universal would ensure a better standard of living for the people.

### Case Study: Universal Social Welfare Model

- An example of such a social protection scheme is the Poor Law System in Ireland.
- In the 19th century, Ireland, a country that was staggering under the weight of poverty and famine, introduced the Poor Law System to provide relief that was financed by local property taxes.
- These laws were notable for not only providing timely assistance but maintaining the dignity and respectability of the poor while doing so.
- They were not designed as hand-outs but as necessary responses to a time of economic crisis.
- Today, the social welfare system in Ireland has evolved into a four-fold apparatus that promises social insurance, social assistance, universal schemes, and extra benefits/supplements.

### Way Forward

- **Emulating Pulse Polio Universal Immunisation Programme:** We have seen an example of a universal healthcare programme that India ran successfully — the Pulse Polio Universal Immunisation Programme.
  - In 2014, India was declared polio-free. It took a dedicated effort over a number of years.
  - With the advancements in knowledge and technology, a universal coverage of social welfare is possible in a shorter time frame.
  - The implementation can be eased through a focus on data digitisation, data-driven decision-making and collaboration across government departments.
- **Building on Existing Systems:** The Pradhan Mantri Garib Kalyan Yojana (PMGKY) is one scheme that can be strengthened into universal social security.
  - It already consolidates the public distribution system (PDS), the provision of gas cylinders,

and wages for the MGNREGS.

- **Urban MGNREGA:** **MGNREGA** has proved its utility by providing employment to millions of workers who have reverse migrated.
  - Thus, there is a case for extending this programme to urban areas with municipal bodies being given the responsibility for providing a fixed no of days work to all those seeking it.
  - Municipal bodies have a range of work to get done, such as improving sanitation, minor repairs, in which they could productively use labour.
- **Providing Universal Health Coverage:** There is a need to establish the **Ayushman Bharat-National Health Agency** at all levels of governance for management of the **Pradhan Mantri Jan Aarogya Yojana (PM-JAY)**.
  - Further, there is a need to review and iron out the challenges with the business model of **Jan Aushadhi stores** to ensure that they can function as self-sustaining entities and scale up rapidly across the country.

## Conclusion

International experience also emphasizes the need to move away from a one-size-fits-all model by allowing sub-national governments greater flexibility as political economy, labor markets, demographic attributes and risk profiles vary by location.

Hence, or establishing an universal social protection architecture, India should enable local governments to design, plan and deliver a core basket of benefits within a nationally defined policy framework and budget.

### ***Drishti Mains Question***

The Covid-19 pandemic has highlighted the need for establishing an universal social protection architecture in India. Justify.

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