



Welfare policy in the era of neoliberalism: A comparative analysis of the Indian welfare model before and after 1990

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Abstract

The study aims to examine and analyse welfare programs from the period of independence and subsequent adoption of neoliberal policies in India. The evolution of welfare policy in India reflects broader global economic changes, particularly the emergence of neoliberalism in the 1990s. This study does a comparative analysis of the Indian welfare model before and after 1990, highlighting the substantial changes induced by economic liberalisation. Before 1990, India's welfare system was primarily based on a state-centric socialist model, prioritising universal access to essential services such as food, healthcare, and employment. Welfare was seen as a basic right of citizenship, shown by early flagship programs such as the Public Distribution System and rural employment projects (Dreze and Sen 2002: 70) ^[15]. Post-1990, the implementation of neoliberal economic policies—characterized by privatisation, fiscal austerity, and market deregulation (Harvey 2005: 5) ^[29]—reconfigured welfare assistance into a system of targeted, conditional benefits. Initiatives such as the Targeted Public Distribution System (TPDS) and Direct Benefit Transfers (DBT) exemplify this paradigm shift. The persistent existence of crucial rights-based legislations like MGNREGA (2005) and NFSA (2013) illustrates a hybrid welfare model that harmonises neoliberal imperatives with social rights (Chatterjee 2004: 55) ^[10]. This study argues that neoliberal reforms have fragmented the welfare system, leading to novel exclusions while maintaining selective inclusions for politically powerful factions. The data highlights a notable paradox: While India's economy rapidly grew after liberalisation, the breadth of social services contracted and became more conditional, disproportionately affecting marginalised populations (Jha 2018: 122) ^[30]. This study is very important because it gives an organised way to compare Indian aid in two different times. It concludes that India's current welfare system is neither a complete decline of the state nor a complete takeover by neoliberalism. Instead, it is a complicated, contested space where old vows to social justice live alongside new market logics in an uncomfortable way. It is still very important for democracy to think about benefits in terms of more than just economy and real fairness. This study also talks about and examines the years from 2014 to 2023, after the NDA government took office.

Keywords: India, washington consensus, welfare policy, neoliberalism, structural reform, mixed economy

Introduction

The welfare state is a notion that exemplifies the dedication of a government to guaranteeing economic stability, social equality, and fundamental human rights for all of its residents. The welfare policy encompasses a wide range of services, ranging from provisions for food security and medical care to assurances of job and educational opportunities. As a result of the constitutional Directive Principles of State Policy (DPSP), welfare development in India was intricately connected to the post-independence vision of a socialist economy. This vision was greatly affected by political ideology. On the other hand, the trajectory of Indian welfare programs underwent a significant change with the implementation of neoliberal restructuring resulting from the Economic Reforms of 1991. Neoliberalism, as articulated by David Harvey (2005: 2) ^[29], aims to "re-establish the conditions for capital accumulation and to re-establish the authority of economic elites" via the promotion of deregulation, privatisation, and less government interference. In India, this resulted in a transition from universal state assistance to targeted, conditional benefits. This research seeks to conduct a comparative analysis of Indian welfare models pre- and post-1990, emphasising the impact of neoliberal economic policies on the framework of social security and benefit provision.

In the Indian setting, welfare policy may be traced to the Maurya and Ashoka Empires of the welfare state. Nonetheless, the genesis of kingship, whereby the monarch embodies the exclusive power of the state, is expressed by Kautilya's assertion that "the most succinct description of the aspects of 'Rajya' is to claim that the king is the 'state' (Sharma 1996: 85; Kautilya 1992: 59) ^[34, 53]." Nonetheless, this assertion shouldn't be understood in the manner in which King Louis XIV of France proclaimed himself to be the state. This remark indicates that the monarch is the paramount and supreme among the seven components (Saptanga) of the state. He has the paramount role since he is the catalyst for society advancement and wealth, ultimately rendering everything dependent upon him. The king has substantial authority but is governed by Dharma. No one is superior than the Dharma. Nonetheless, it may also be linked to ancient Indian epics, where Manu said that the Lord constructed the monarch using fundamental elements derived from Indra, Varun, Agni, the Sun, the Moon, and Kubera. The sentence signifies that the monarch has the attributes of these deities, hence enhancing his rank and significance. This statement pertains to the royal function rather than the person of the monarch. The examination of the welfare rolls of the state in ancient India reflects the functions and responsibilities of the king, given the unity and affinity between the state and the monarch, as

well as the ascribed to the latter (Prasad, A. Hari and K. Raghu Ram Reddy 2016: 421)^[48].

Following independence, the objective of the Directive Principles is to create a Welfare State. The objective of Fundamental Rights is similar; nevertheless, there are notable distinctions between the two. The First Directive Principles are non-justiciable, while Fundamental Rights are justiciable and enforceable. Secondly, these Principles serve only as guides, instructions, or directives for the State to formulate policies and execute them as a means of achieving the objectives of a Welfare State. The Constitution guarantees Fundamental Rights, and the State is obligated to safeguard the rights of all its inhabitants. Directive Principles vary from Fundamental Rights; nonetheless, both are complimentary to one another.

Nonetheless, despite being a well-established democracy characterised by free and fair elections, a politically competitive environment, a relatively active civil society, and an operational federal structure, India continues to rank inadequately regarding the coverage, generosity, efficiency, and quality of its social protection up to 1990. Following economic reform, few alterations have been seen in the welfare policy aimed at enhancing the well-being of the populace. Since 2014, several new policies have been implemented to enhance public welfare while concurrently prioritising the nation's economic progress. This study examines the evolution of the welfare state and the influence of neoliberal policies on economic growth and the welfare model.

It is clear that Western concepts of welfarism have never been entirely relevant to the Indian context, and both the endorsement and the criticism of welfarism in India have originated from other sources. The Indian welfare state has been defined in Part IV of the Indian Constitution via the Directive Principles of State Policy. The Nehruvian strategies of planning and development are interpreted in this context to comprehend the concept of the Leviathan proposed by India's first Prime Minister. Nehru's welfare state model is characterised by three key elements: Nehruvian democratic socialism, strategic planning and industrialisation, and a dedication to secular principles. Nehru envisioned a welfare state founded on the permission and trust of the people within a democratic socialist framework characterised by planning and decentralisation. His methodical reflections on industrialisation appropriate for India, infrastructure development particularly large-scale power and steel projects, urban planning aesthetics, and refugee rehabilitation illuminate the kind of Leviathan he envisioned. Within the context of a democratic democracy, his efforts to establish a robust centralised bureaucracy, characterised by Weberian unity of command, also signify the existence of a state that fulfils both productive and protective tasks. His perspective on social hierarchy and prejudice, together with his policies aimed at equalising people by transcending boundaries of gender, religion, and caste, must be understood in this context. The primary aspects of the Nehruvian welfare state diverged from the established conventions of the West. Nehru's interpretation of socialism beyond mere welfarism. Western concepts of welfarism originated from methodological individualism, but Nehru's perspective was rooted on social identities (Kuriakose, F. and D. K. Iyer 2015:1)^[33]. In *Samatha v. State of Andhra Pradesh* (AIR 1977 SC 3297 at 3326), the Supreme Court affirmed that the Indian Constitution aims to

create an egalitarian social order, ensuring social, economic, and political justice for every citizen within a framework of social and economic democracy. The Supreme Court reiterated in *Paschim Banga Khet Mazdoor Samity v. State of West Bengal* (AIR 1996 SC 2426) that "The Constitution envisions the formation of a welfare state at both the federal and state levels." In a welfare state, the government's principal obligation is to ensure the well-being of its citizens.

Research Methodology

The research adhered to the prescribed methodology, integrating both qualitative and quantitative methods to provide a thorough analysis. The research used a comparative historical analysis, concentrating on Indian welfare measures before to and after 1990. Primary materials were government papers such as the Five-Year Plans, studies issued by the NITI Aayog, and significant legislative legislations such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA, 2005) and the National Food Security Act (NFSA, 2013). Secondary sources included academic books and peer-reviewed journal articles cited in the literature study. The methodological methodology used document analysis, content analysis, and comparison analysis to rigorously assess the development and execution of policy across several time periods

The Concept of Welfare State in India

In the Indian context, 'Dana' represents the first notion of social welfare, with its underlying philosophy referred to as 'Dana', 'Dharma', or 'Dhamma'. Daria, etymologically meaning sharing, included a range of interpretations from duty or responsibility to charity or equality. In the Moghul era of mediaeval India, generosity was referred to as 'Khairat' (alms). The objective of social welfare in this era was articulated as 'Lok Sangraha,' 'Loka Sreya,' or 'Sarvodaya' in Indian history. Welfare activities have been present in India in various forms throughout history, from rudimentary manifestations during the reigns of the Khalifs, Tughlaks, Shersha, and Akbar, to more developed initiatives during the Golden Age of the Guptas and Vikramaditya, and even earlier in the idealised 'Rama Rajya' era. The Smritis and Srutis promoted the most commendable and exemplary welfare measures, which remain unprecedented in this material and prosaic realm to this day. Vivekananda once proclaimed, 'Him I call Mahatma whose heart bleeds for the poor'; this served as a clarion call to the West to assist the impoverished. He emphasised that neglecting the plight of the destitute, while being educated at their expense, constitutes treachery, stating, 'So long as millions live in hunger and ignorance, I hold everyone a traitor who pays not the least heed to them.'

The foundation of Indian welfare state in the modern era

In contemporary times, the British Government focused only on tax collection, forsaking its fundamental responsibilities to establish a Welfare State. This does not imply that the Government was unresponsive to the demands of the people in India. Undoubtedly, measures were implemented to regulate public safety, health, morals, labour, commerce, business, and education. All these measures primarily served to enhance their commerce and influence. Following independence, India was to initiate nation-building and extensive reconstruction of its economy

in alignment with philosophical and constitutional mandates to improve the lives of individuals ensnared in the detrimental cycle of poverty, illiteracy, ignorance, superstitions, unemployment, and caste rigidities. Initiatives such as the Community Development Programme and National Extension Service initiatives were established for the development of rural regions. The Community Development Programme (CDP) and National Extension Scheme were designed for integrated rural development and the establishment of enduring rural assets. The CDP emphasised the significance of basic education, adult education, and social education to broaden the perspectives of rural populations (Reddy, Anand Madhu Sudhan, 2022: 51)^[49]

Indian Constitution and Welfare State

The architects of the Indian Constitution envisioned that the Directive Principles articulated in Articles 38 to 51 would facilitate the attainment of social and economic democracy in India, with the objective of establishing a welfare state. Specifically, Articles 38, 39, 41, 42, 43, 46, and 47 are the directive principles aimed at fostering a socialistic framework within Indian society. The Gandhian ideology of the ideal governance of Gramme Swaraj is manifested in Articles 40, 43, 46, 47, 48, 48A, and 49. The foundational liberal intellectual concepts of basic education, uniform civil code, independent judiciary, and world peace are enshrined in Articles 44, 45, 50, and 51 of the constitution. In addition to these, the Constitution (42nd and 44th) Amendment Acts of 1976 and 1978 included many other themes into the list of Directive Principles. The Constitution (42nd Amendment) Act introduced Articles 39A, 43A, and 48A, while the Constitution (44th Amendment) Act included Article 38A. Collectively, they consist of the following: Article 39A mandates the provision of free legal help to the impoverished. b) A provision exists to ensure worker engagement in industrial management (Article 43A) c) There exists a stipulation for the protection and enhancement of the environment and the abundance of trees (Article 48A) d) A provision exists for establishing sufficient chances for children's growth (Article 38A). The Directive Principles in several sections of the Indian Constitution include (Basu, D. D. 1999: 147)^[3] As: Article 350A mandates the State to provide sufficient facilities for education in the mother language at the primary school level for students belonging to linguistic minority groups. B) Article 351 mandates the State to foster the dissemination and advancement of Hindi to facilitate its emergence as the medium of expression within all facets of India's composite culture. C) Article 335 mandates the State to advocate for the demands of Scheduled Castes (SCs) and Scheduled Tribes (STs) regarding employment in government service, contingent upon the preservation of administrative efficiency (Government of India 1950; Reddy, Anand Madhu Sudhan, 2022: 50-51)^[20, 49].

Provisions in the Indian Constitution for marginalised groups: Article 15(3) permits the State to create specific legislation to protect women and children. Article 15(4) and Article 16(4) empower the state to establish distinct provisions for the reserve of positions for any Backward Class of citizens within the State. Article 38 empowers the state to establish a social order that enhances the welfare of its citizens. Article 39A: Equitable justice and pro bono legal assistance. Article 40: Structure of Village Panchayats.

Article 41: Right to employment, education, and public help under certain circumstances. Article 42: Mandate for equitable and humane working conditions and maternity leave provisions. Article 43: Adequate remuneration and related provisions for labourers. Article 43-A: Involvement of labourers in industrial management. Article 43-B: Advancement of cooperative organisations. Article 45: Mandate for early childhood care and education for children under six years of age. Article 46: Advancement of education and economic welfare of Scheduled Castes, Scheduled Tribes, and other marginalised groups. Article 47: Obligation of the state to enhance nutritional standards, elevate living conditions, and advance public health. Article 48: Structuring of agricultural and livestock management. The Indian Constitution include the Directive Principles of State Policy in Articles 36 to 51, which provide the basis for a welfare-oriented, socialist state. The Directive Principles are not legally enforceable; instead, they represent the essential long-term objectives of a welfare state that guide the nation's developmental trajectory. It is the responsibility of the State to implement these principles via the legislative process (Government of India 1950)^[20].

Neoliberalism

The theoretical and conceptual foundation of classical liberalism is based on the relationship between private property, "the market" and the individual. A leading historian of liberalism writes, "private property is the embodiment of individual liberty in its most primeval form and market freedoms are indivisible components of the basic liberties of the person (Gray 1986: 50; Henry, John F. 2010: 543)^[26, 28]." The Great Depression and economic stagnation resulted in unemployment. In 1924, Keynes proclaimed "the end of laissez-faire." For a comprehensive discussion of these developments across the several schools of economic theory (Henry, John F. 2010: 544)^[28].

Renowned scholar David Harvey articulated it comprehensively as "Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defence, police and legal structures and functions required to secure private property rights and to guarantee, by force, if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets (once created) must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions (particularly in democracies) for their own benefit (Harvey 2005: 2)^[29]."

Mixed economy to Neo-liberalism in india

Following its independence from British control in 1947, India embraced a domestic variation of Keynesianism,

characterised by a 'mixed-economy' development strategy, which included substantial public sector investments while allowing some sectors to remain accessible to private capital. Between 1990 and 1991, India had a balance of payments problem. India secured loans from global governance entities such as the World Bank and the International Monetary Fund (IMF) to address this situation. These loans were accompanied by conditionality, requiring India to undergo structural adjustments, namely the adoption of neoliberal economic policies. Although India's policy shift was abrupt and prompted by duress from the US-backed IMF, it was not devoid of internal backing. Neoliberalism garnered the backing of the Indian elite, shown via both class and caste dynamics, as well as power structures (Ahmed, Waqar 2009: 38-39) ^[2]. Nevertheless, the initiation of neoliberal economic reforms in the 1990s has fiercely advocated for the state's withdrawal from education and healthcare, resulting in the corporatisation and commodification of these services, as well as many facets of social and cultural life (Giroux 2009: 59) ^[19].

Understanding India Welfare Policy in the modern era

India used the Russian Five-Year Plan model, leading to the establishment of the Planning Commission in 1951. The principal aim of all the programs was development accompanied by social fairness and self-sufficiency. The Indian government, as a welfare state, assumes complete responsibility for ensuring appropriate living conditions for its citizens. Nonetheless, the 1950s and 1960s were the first phases of social welfare, characterised by a mostly inadequate and residual approach to welfare provision over these two decades of financial allocation planning. The 1970s was a pivotal decade during which social assistance established its own character. Significant national and worldwide events occurred this year concerning social policy, legislation, programs, and initiatives. The 1980s and 1990s saw a consolidation of governmental welfare initiatives that has persisted into the 21st century. The government established an extensive Constitution that includes the basic rights and obligations of people, the Preamble, and the Directive Principles of State Policy. The Indian Constitution addresses a society characterised by social order and fairness in economic, social, and political realms (Article 38). It addresses the reduction of disparities in status, resources, and opportunity. Article 41 addresses the right to social security and employment. The Right to Health is articulated in Article 21, signifying not only the right to physical well-being but also the autonomy to govern one's body and health, including sexual and reproductive freedoms, as well as the right to be free from intrusive actions such as non-consensual medical treatment and experimentation. The State acknowledges the entitlement of all individuals to fundamental necessities such as sustenance, housing, and apparel. Article 45 pertains to free and obligatory education till the age of 14 years. The Constitutional provisions are bolstered by a multitude of legislations designed to safeguard citizens' rights and ensure their welfare. The prevalence of poverty in India decreased from 55% in 1973-74 to 36% in 1993-94 and 26% in 2000, remaining constant to the present day. The Indian government has established several initiatives to assist the impoverished in both urban and rural regions. The programs and schemes can be classified into four overarching categories, reflecting the Indian state's endeavour to assist

its impoverished population through poverty alleviation initiatives focused on food access, self-employment promotion, wage employment provision, and addressing fundamental needs such as health, education, housing, and sanitation facilities. Nevertheless, the nation confronts fatalities due to starvation and exhibits elevated levels of malnutrition. Notwithstanding the National Housing and Habitat Policy of 1998, instances of homelessness continue to be documented. The school dropout rate is high, as is the deficiency in education. The unemployment rate is high, with 93% of the nation's workforce engaged in the informal economy. The elderly lack a comprehensive financial aid program for old age. Notwithstanding a national health policy, the populace is deprived of the service. The majority of childbirths in rural regions still occur at home, resulting in persistently high infant and mother death rates. A significant portion of the population lacks access to sanitation and potable water. The nation has significant inequality in resource allocation, characterised by rural-urban and interstate divides, as well as the marginalisation of disadvantaged indigenous communities excluded from mainstream development. The federal structure, consisting of 28 states and 8 union territories, continues to provide a significant barrier to the country's successful functioning. Globalisation, initiated in 1991, has undoubtedly increased the accessibility of nation-states and the availability of services and goods; but, it has concurrently inflicted significant harm on indigenous markets. The influx of Chinese items on the market has diminished demand for domestically produced candles, perfumes, toys, and decorations, resulting in unemployment for a certain group of artisans and thus exacerbating their poverty. Reforms could not assist the impoverished; they only exacerbated the wealth of the affluent while diminishing that of the destitute. Although the private sector was never extraneous to the Indian economy, it was formerly restricted to certain domains focused on profit generation. Today, it is seen to have permeated the whole spectrum of the economy, including education, health, employment, and housing, with the objective of ensuring superior service quality and increased compensation. Companies such as Tata and Reliance are seen to be competing with the informal sector in the sale of vegetables. The state remains the primary decision-making entity, and the institutional-redistributive model/social democratic regime type is still seen as the most appropriate for India (Singla, Pamela and Alexandra Kaasch, 2011: 25-38) ^[52].

The country followed the socialist model of economy till 1980. India after independence was very much concerned with the problem of inequality, poverty alleviation and redistribution in the society. The five-year plan was implemented for welfare system. India is not a homogeneous country. There are multi diversity in the Indian society such as multi lingual, multi-cultural, multi religion, multi ethnic group, multi-regional group, multi sects as well as multi caste-based society. The five-year plan also followed the diversity in social development plan. The five-year planning system for social development was first implemented in USSR. The Indian first prime minster had a socialist mind and he was much influenced by socialist ideology. He followed the soviet model of five-year planning system for social and economic development and he initiated first just after independence of country in 1951. In the first plan, agriculture and industries were emphasised

for economic growth. In the 2nd plan (1956) decided to develop heavy industries and dam and much more focused on public owned sector. However, the private sector was also emphasised by the government. India followed a mixed economy model for the economic growth. During the fourth plan, India fought two wars, one with China and other with Pakistan. India realised soon economic and defence weakness and focused on both. Besides this, government also focused on public secondary and higher secondary school and decentralisation of power to local government level. It can also be seen that India started five-year plan to annual plan since 1966-67 to 1969 and this annual plan was failed to foster the economy (Sharma 2020: 45) ^[50].

Indira Gandhi served as Prime Minister in 1969, and during her administration from 1969 to 1974, the Fourth Five-Year Plan was executed, emphasising economic growth, defence, and agricultural advancement, notably via the Green Revolution. During this era, India nationalised 14 significant private banks to fortify the banking industry and enhance loan accessibility (Government of India 2002: 118) ^[21]. In 1971, India engaged in another conflict with Pakistan, resulting in the emancipation of Bangladesh (Gupta 2007: 134) ^[25]. The Fifth Five-Year Plan (1974–1979) prioritised poverty reduction and job creation. In 1977, a new administration assumed power and halted the plan midway, however the economic results mostly remained unaffected (Planning Commission 2006: 98) ^[43]. The Sixth Plan was revived in 1980 for the period of 1980–85, signifying a pivotal moment in India's economic policies. During this period, the Nehruvian socialist economic model started its transition towards a more liberalised framework, shaped by the recommendations of the Washington Consensus, including the reduction of public spending and the dismantling of public distribution networks (Ahluwalia 2002: 53–54) ^[1]. These alterations led to escalating commodity costs and heightened unemployment. The Seventh Plan (1985–1990) redirected its emphasis towards social development and economic growth, prioritising power production (Planning Commission 2006: 112) ^[43]. From 1989 to 1992, economic and political turmoil resulted in the cessation of regular planning, which was briefly substituted by yearly plans (Panigarola 2008: 77).

After 1990

Between 1992 and 1997, India executed the Eighth Five-Year Plan, signifying a substantial transition towards a market-oriented economy. This era solidified the economic changes begun by the New Economic Policy in 1991, highlighting liberalisation, privatisation, and globalisation. The initiative sought to modernise industries and reduce the budget deficit, so establishing a foundation for enduring economic prosperity (Planning Commission 1992: 5) ^[40]. The Ninth Five-Year Plan (1997–2002) aimed to use the nation's economic potential to foster development with social fairness and equality. Notwithstanding the obstacles presented by the Asian financial crisis, which resulted in a deceleration of economic development, the strategy prioritised poverty eradication and job creation (Planning Commission 1997: 10). The Tenth Five-Year Plan (2002–2007) sought to establish India as the fastest-growing economy, with a target GDP growth rate of 8%. The primary goals were a 5% reduction in poverty, an increase in literacy rates to 75%, and the advancement of gender equality in education. The strategy established the

foundation for the National Rural Employment Guarantee Act (NREGA), adopted in 2005, which ensures 100 days of guaranteed wage employment in rural regions (Planning Commission 2002: 15; Ministry of Rural Development 2005:3) ^[36]. The Eleventh Five-Year Plan (2007–2012) prioritised equitable development, seeking to diminish inequities across regions and communities. It established sub-plans for Scheduled Castes (SC) and Scheduled Tribes (ST), emphasising education, health, and housing for marginalised populations. The plan established a goal of 9% GDP growth, emphasising social sector advancement (Planning Commission 2007: 20) ^[44]. The Twelfth Five-Year Plan (2012–2017) maintained an emphasis on equitable and sustainable development. It underscored the need for collaborative initiatives between the national and state governments to tackle poverty, regional disparities, and the empowerment of marginalised groups, including Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), and minorities. The plan prioritised health, education, and infrastructure development to attain its inclusive growth goals (Planning Commission 2013: 25) ^[45].

The economic development and social challenges in India

Land is the primary problem in India, since the nation has a substantial amount of agricultural land that has not been adequately shared among the landless or small landholders. Initially, the Indian National Congress was fundamentally grounded on socialism and nationalism. The higher castes or landowners have had significant influence on the Congress Party. These groups had distinct interests (Frankel 2005: 45) ^[16]. Nehru was a socialist who ardently supported both agricultural and industrial growth in the nation. Nehru advocated for land reform to provide land to the cultivator. The Indian government enacted laws to eliminate landlords as part of land reform. However, the government was unable to get the land from the landowners. In the early nineties, a macroeconomic crisis occurred inside the economic system. The nation encountered a budget imbalance and undertook measures to restore macroeconomic stability by reducing public spending and implementing economic reforms (Chandra, Bipan *et al.*: 334-336, 525-528) “Over time the state in India has shifted from a reluctant pro-capitalist state with a socialist ideology to an enthusiastic pro-capitalist state with a neo-liberal ideology (Kohli 2007:1) ^[32].” In 1980, India liberalised its economy, resulting in growth accelerating from 3.5 to 5.5 percent; nevertheless, international investors retracted their investments, leading to the collapse of the Indian economy. The era was characterised by political and economic revolution globally. The fall of the U.S.S.R. resulted in a decline in the economies of socialist nations. Numerous socialist nations implemented neoliberal policies. China has likewise opted for a market-based approach. India changed its economy; yet, the employment market remained unliberalized. Between 1994 and 1997, India's economic growth rate grew to 7.5 percent. Following 1997, the Asian crisis occurred, resulting in stagnation within the Indian economy. Many Asian nations borrowed from the IMF; nevertheless, India's economy was less affected due to the effective management of its regulatory structure. On one side, India's growth rate has significantly grown and maintained economic stability since 2000. The growth rate from 2003 to 2011 averaged

around 8.5 percent. Following 2011, India's growth rate fell to about 5 percent in 2012-13. The recession from 2007 to 2010 hardly affected her economy. India's per capita income and buying power have significantly improved since 1991. The growth percentage of India may be tracked from 1950, with a growth rate of 3.5% from 1950 to 1980, 5.5% from 1980 to 1992, 6.0% from 1992 to 2003, and 8.5% from 2003 to 2011 (Economic Survey 2010–11). In 2010, some experts forecasted that the Indian economy will surpass that of China and the United States in the next decades, highlighting support for the United Nations Security Council. India was ranked 134th in the World Bank's Doing Business report (2011) [58]. India was experiencing robust economic development and enhancing its worldwide stature. Conversely, India is incapable of safeguarding human social security and addressing social challenges such as poverty, health, education, and living standards. The United Nations Development Report indicates that India's ranking is 121st globally (Human Development Report 2010). From 2003 to 2011, the Indian economy had consistent rising pace; nevertheless, inequality simultaneously increased. It is said that hunger in India reached 17.3% in 1983, which decreased to 2.5% in 2004-2005. It is said that India has significantly progressed in the domain of poverty alleviation, with just 32% or less individuals living below the poverty line. The National Sample Survey Office (NSSO) has said that poverty in India decreased from 45.3 percent in 1993–94 to 32 percent in 2009–10. The criterion for identifying the Below Poverty Line group is inadequate. At that time, the prices of goods were very high. Montak Singh Ahluwalia, president of the India Planning Commission, and Indian Finance Minister P. Chidambaram contended that anyone earning less Rs 22 are classified as living below the poverty line. At that time, the assessment indicated that Rs 22 was equivalent to 0.26 Euros and 0.36 dollars. James Lamont authored an article in the Financial Times titled “High Growth Fails to Feed India’s Hungry.” The parameter is necessary to adjust in accordance with the market value of currency. The literacy percentage among the backward classes is said to have increased, with census figures indicating 18.5% in 1950–51, 28.3% in 1960–61, 34.4% in 1970–71, 43.6% in 1980–81, 52.2% in 1990–91, 64.8% in 2000–01, and 74.0% in 2010–11 (Census of India 2011). The census indicates that the literacy rate rose from 18.5% in 1950 to 74.04%; nonetheless, the dropout rate in higher education remains very high. India's 1950 constitution designates health and education as state subjects, while social security, encompassing labour welfare and employment-related social insurance such as pensions, provident funds, health insurance, and maternity benefits, is included in the concurrent list, which is jointly governed by the Centre and the states (Tillin, 2021) [55].

Social expenditure

The government's social spending, bolstered by economic growth, encompasses several initiatives like as the rural health policy, subsidised food, the right to education, infrastructure development programs in rural areas, and the MGNREGA 100 days employment guarantee program, among others. Social expenditure constituted 7.27% of GDP in 2006 and 10.33% in 2009. Nevertheless, the social spending is significantly inadequate in relation to the substantial impoverished population. In malnutrition, 47% of children are affected by this issue, surpassing the

prevalence in African nations. A significant portion of the population is impacted by anaemia. Since the beginning of economic reforms in 1990-91, the state's proportion of social spending has seen a modest growth (Deshpande *et al.* 2017) [13]. The allocations from consecutive Finance Commissions have significantly augmented the economic autonomy of the federal states, increasing tax devolution from 25.4 percent between 1984 and 1989 to 42 percent between 2015 and 2020 (Betz, Joachim 2019: 7) [5]. The institutional framework in India has remained mostly unchanged. Nonetheless, a significant exception pertains to the true decentralisation of responsibilities and financial resources to district and municipal levels after the constitutional revisions of 1993-94. The fruits of economic progress should more effectively include disadvantaged minorities, namely the Scheduled Tribes, Scheduled Castes, Other Backward Castes (ST, SC, OBCs), and Muslims, for whose empowerment the 11th Five-Year Plan presents many ideas. The 12th Five-Year Plan also emphasises that criticism of its focus on economic growth is unfounded, asserting that swift increases in gross domestic product are crucial for facilitating comprehensive economic and social development, thereby providing the resources necessary to fund inclusive programs. Attaining regional equilibrium is essential; income disparity must be maintained within acceptable parameters (Planning Commission 2013; Betz, Joachim 2019: 8-9) [5, 45].

India's states had distinct disparities in their welfare regimes throughout the era of multi-party-political fragmentation from 1989 to 2014 (Tillin, Louise 2022: 86-87) [56]. During the first years of the UPA administration, India implemented a significant anti-poverty initiative, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), designed to provide remunerated employment, upon request, to rural families via local public works projects. The tenure of the UPA administration at the Centre was marked by significant political regionalisation, enabling states to claim credit for the effective execution of federal initiatives (Tillin and Pereira 2017) [54]. By 2014, Indian states have begun to exhibit characteristics indicative of unique subnational welfare regimes rather than mere variations within a national welfare framework. During the period from 2009 to 2014, the second term of the Congress Party-led United Progressive Alliance (UPA) administration was in power at the national level. From 2004 to 2014, the UPA administration implemented a rights-based policy framework aimed at creating legal entitlements for social provisions to enable individuals to advocate for improved service delivery. A variety of social rights—pertaining to education, sustenance, work, and information—were established by law (Dreze and Khera 2017; Tillin, Louise 2022: 87) [12, 56]. Gough and Wood (2004) proposed the notion of 'informal security regimes' as a type of welfare regime characterised by permeable boundaries among the market, state, family, and community, thereby undermining the state's capacity to independently mitigate risks arising from market dependence or to contest entrenched hierarchies and dependencies within social relations (Wood 2004; Tillin, Louise 2022: 88) [56]. In budgetary terms, India's state governments account for more than 70% of overall social sector spending. The states' proportion of overall spending consistently rose throughout the second term of the UPA administration (2009–14), reaching 72% by 2013–14. The augmentation of state-level social

spending is likely attributable to many causes, including the rise in tax revenues across several states as economic development accelerated in the mid-2000s, with the heightened electoral significance of welfare programs during a phase of political regionalisation (Tillin, Louise 2022: 93) ^[56]. From 1996 to 2014, regional parties occupied a greater number of seats than both the Congress Party and the BJP. Political regionalisation and economic liberalisation collaborated to position state governments at the forefront of addressing the disparities arising from increasing inequality during rapid economic expansion. The socioeconomic foundations of political parties in various regions of India changed due to the political mobilisation of lower castes and classes, alongside the emergence of new regional parties. Coalition governments of national and regional parties became standard at the Centre. By the 2000s, state chief ministers have increasingly asserted electoral credit from voters for centrally conceived and supported programs, such as the MGNREGA (Tillin and Pereira, 2017; Tillin, Louise 2022: 91) ^[54, 56]. The main elements of social assistance spending in India are the MGNREGA and the subsidised food program (Public Distribution System – PDS), which offers subsidised wheat, rice, and other commodities for acquisition via fair-price stores. These were around 33% and 49% of total social spending, respectively, in the late 2000s, prior to the subsequent development of the Public Distribution System under the National Food Security Act (NFSA 2013) (Dutta *et al.* 2010; Tillin, Louise 2022: 93) ^[11, 56]. From 1989 to 2014, when India functioned as a more decentralised federation, state administrations had the power to develop their own subnational welfare systems (Tillin, Louise 2022: 97-98) ^[56].

Sources of funding and expenditures before and after 2014

In the Financial Year 2009-10, the Government of India's Total Receipts (after tax devolution to states) amounted to ₹10.24 lakh crore. This rose to 35.10 lakh crore in the Financial Year 2020-21. For the current fiscal year, namely Financial Year 2022-23, an additional increment to ₹39.45 lakh crore was allocated in the Budget Estimates. Revenue Receipts have virtually increase fourfold throughout the previous 15 years, out of Total Receipts. The composition of total earnings from 2009-10 to 2022-23 has been elucidated. The proportion of Revenue Receipts in India's Total Receipts rose from 56 percent in the Financial Year 2009-10 to a maximum of 70 percent in the Financial Year 2016-17. The Budget Estimates for Financial Year 2022-23 are anticipated to revert to the levels of Financial Year 2009-10. The proportion of Capital Receipts is increasing, after a downward trend from the Financial Year 2009-10 to the Financial Year 2018-19. During the Financial Year 2020-21, the first year of the COVID-19 epidemic, further borrowings elevated the proportion of Capital Receipts to almost 50 percent. For the current year, the projection is reduced to 44 percent (Shrivastava, Avantika *et al.* 2023: 2) ^[51]. Since the Financial Year 2009-10, tax revenues and borrowings have constituted the predominant portion of the Government of India's total receipts. In the Financial Year 2009-10, 45 percent of Total Receipts originated from tax income, which rose to 58 percent in the Financial Year 2017-18. Since that time, the proportion of tax income has decreased, necessitating further borrowing in the following years. The

proportion of tax income in Total Receipts reached its worst during the COVID-19 epidemic, at 41 percent in the Financial Year 2020-21, while borrowings constituted 52 percent. With the economic recovery and increased revenues, the proportion of borrowings was anticipated to decrease to 42 percent in the Budget Estimates for Financial Year 2022-23, akin to the levels seen in Financial Year 2009-10 (Shrivastava, Avantika *et al.* 2023: 3) ^[51].

Over the last 15 years, spending on the revenue component has been around 81-89 percent, while the remaining 11-19 percent has been allocated to capital investment. In the Financial Year 2017-18, the Government of India allocated 39 percent of overall spending to committed obligations, which decreased by 3 percentage points in the Budget Estimates for Financial Year 2022-23, resulting in a total of 36 percent. A significant domain of expenditure for the Government of India is subsidies, including those for fertilisers, fuel, and food, among others. An in-depth examination of subsidies is illuminating. In the Financial Year 2009-10, the Government of India allocated 14 percent of its budget on subsidies, which rose to 18 percent in the Financial Year 2012-13. Subsidies as a proportion of overall spending began to decrease from the Financial Year 2014-15, falling from 16 percent to 9 percent by the Financial Year 2019-20. Subsidies reached a record high in the Financial Year 2020-21, constituting 20 percent of overall spending. This was mainly attributable to food subsidies, since complimentary food grains were provided to qualified individuals via the Targeted Public Distribution System (TPDS) plan, as well as to migrant families under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), a food security initiative during the COVID-19 pandemic. In the Financial Year 2009-10, a total of 1.41 lakh crore was allocated for subsidies. This rose by 83 percent to ₹2.58 lakh crore in the Financial Year 2014-15. The reduction in subsidies is evident not just as a proportion of overall spending but also in the absolute amount of monies. In the Financial Year 2019-20, the sum was Rs. 2.28 lakh, representing a 12 percent decrease compared to the Financial Year 2014-15, even in nominal terms (Shrivastava, Avantika *et al.* 2023: 4) ^[51].

Regarding the distribution of social sector spending across various components, aside from Food Subsidies, the primary focus areas from Financial Year 2009-10 to Financial Year 2019-20-23 have been rural development, particularly the employment guarantee scheme MGNREGS, at 21 percent, and education, predominantly free education for all children, including arts and culture, at 16 percent. In this document, the term 'social sector' encompasses education, rural development, health, water and sanitation, nutrition, social security and justice, food security, welfare of the urban poor, tribal and minority issues, jobs, development of skills, children and women's welfare, and cultural and sports activities (Shrivastava, Avantika *et al.* 2023: 5) ^[51].

Spending Patterns for Social Policies

Initially, social spending as a proportion of overall expenditure by the central government and federal states increased post-2007/08, but subsequently stabilised (the increase in 2016/17 pertains to budget projections rather than actual expenditure). Nonetheless, the leap towards the conclusion of the first decade of the new century is evident. However, the proportion of education and health spending relative to GDP has consistently fallen short of the

anticipated levels for over a decade (6 percent and 2–3 percent, respectively). Social spending does not exhibit a discernible increase in the allocation for education and health; instead, there is a growth in the “less productive” categories, including social security. This perception is reinforced when transitioning from aggregate spending to more detailed categories (Betz, Joachim 2019: 9) ^[5].

Among the newly implemented or expanded initiatives, the rural employment program received the most substantial allocation of new funding post-2004/05 (declining after 2009/10), while expenditures for midday meals for schoolchildren and the Integrated Child Development Services initially increased but subsequently decreased, receiving considerably less focus. The mid-day initiative was initiated by the federal government in 1995, but was substantially enhanced only in 2004. Currently, it encompasses over 100 million children, incurring an expenditure of around 0.1 percent of GDP. The ICDS offers nutrition, health care, and preschool education for children under six years old. Although it started in 1975, its progress was sluggish; nonetheless, it saw significant expansion post-2006, according to a directive by the Supreme Court. Despite varying implementation attempts across federal states, a discernible improvement in services and favourable results for child nutrition and health is evident. The RSBY was established in 2008 as a health insurance program for the impoverished. It offers coverage of up to INR 30,000 for hospitalisation expenses for members of Below Poverty Line (BPL) households, aimed at diminishing or perhaps eradicating catastrophic out-of-pocket expenditures, in which regard India ranked lowest globally (WHO and World Bank 2017) ^[9, 60]. The premium expenses are distributed between the national and state governments, remaining low, decreasing from INR 10 billion in 2013/14 to INR 5 billion in 2016/17 (Betz, Joachim 2019: 10) ^[5].

The definitive criterion for a more significant avenue of effective social investment would be vocational education. In this context, India ranks inadequately, with a spending of just INR 18 billion in 2016/17—albeit a notable increase compared to previous years, and consistent with the “Skill India” initiative of the Modi administration. Less productive, albeit protective, plans nevertheless constitute the majority of social spending. Non-contributory pensions for widows, the aged, and the handicapped are financially negligible, constituting just 0.06 percent of central spending GDP in 2016/17. They were supplied from 1995 forward, but are not adjusted for inflation (Betz, Joachim 2019: 11) ^[5].

Conversely, the Public Distribution System (PDS), which offers subsidised wheat and rice rations, was established in the 1940s but was limited in the late 1990s to just impoverished families, while others were had to pay a higher price for these rations. It was consistently marked by substantial leakages (to the non-poor, intermediaries, and retailers), estimated to exceed 50 percent, which cast doubt on its nutritional efficacy, but it nonetheless had a notable influence on rural poverty, particularly in the more well controlled federal states. This consequence incurred substantial financial expenses, with the PDS using INR 1,511 billion of central spending in 2016/17, representing a considerable portion of overall expenditure (3.8 percent), almost equivalent to the combined outlay on public health by the central and federal governments. While education and health services have indeed grown, their growth has

been comparatively slower than that of the overall social budget. The quality of these services has not significantly improved, as indicated by learning outcomes measured by ASER surveys over several years, and by persistently high rates of infant and maternal mortality, as well as malnutrition, where India performs worse than some neighbouring countries (Betz, Joachim 2019: 11) ^[5].

This has been particularly evident in the instances of MNREGA and the midday meal program, accompanied by a substantial rise in the proportion of participants inside the PDS. Tamil Nadu has achieved universal access, but most other federal states continue to use a “exclusion approach” targeting primarily those with visible affluence (Betz, Joachim 2019: 12) ^[5].

A comparative Social Sector Expenditure trends

The Government of India's spending on the social sector as a percentage of overall expenditure has stayed essentially unchanged. In the Financial Year 2009–10, the Government of India allocated 21 percent of its overall spending to the social sector. This decreased somewhat to 20 percent in the Financial Year 2019-20. In the last 14 years, almost one-third (30 percent) of the Government of India's social sector expenditure was allocated to subsidised food for the lowest two-thirds of the population. This proportion exceeded 50 percent in the Financial Year 2020-21 during the epidemic. Regarding the distribution of social sector expenditure across various components, aside from Food Subsidy, the other focal areas from Financial Year 2009-10 to Financial Year 2019-20-23 have been rural development, particularly the employment guarantee scheme MGNREGS, at 21 percent, and education, predominantly free education for all children, including art and culture, at 16 percent. In this brief, the phrase 'social sector' encompasses education, rural development, health, water and sanitation, nutrition, social security and justice, food security, welfare of the urban poor, tribal and minority issues, employment, skill development, women's and children's welfare, and sports and culture. The Government of India's social sector spending has been determined by aggregating the budgets of the relevant departments concerned with the aforementioned sectors. Included are the Department of School Education and Literacy (DoSEL), the Department of Drinking Water and Sanitation (DDWS), the Ministry of Labour and Employment (MoL&E), the Department of Social Justice and Empowerment (DSJE), and the Ministry of Women and Child Development (MWCD), among others (Shrivastava, Avantika *et al.* 2023: 5) ^[51].

During the COVID-19 epidemic, the proportion of spending on the social sector reached an unprecedented 30 percent. The distribution of food and the settlement of arrears by the Food Corporation of India led to the Government of India spending ₹5.55 lakh crore, marking the biggest expenditure on a single item, excluding interest payments. During the Financial Year 2020-21, the departments prioritised during the COVID-19 epidemic included the Department of Rural Development and the Department of Health and Family Welfare. Concurrently, other essential departments saw budget reductions. The entities comprised the Ministry of Women and Child Development, Tribal and Minority Affairs, Water Resources and Drinking Water, and Youth Affairs and Culture. An additional statistic for analysing spending patterns across development sectors is the examination of the average yearly growth rate during the same timeframe. At the aggregate level, social sector

spending increased by 11 percent annually from Financial Year 2009-10 to Financial Year 2020-21. Development sectors that saw accelerated growth were Labour, Employment and Skill Development (19 percent); Housing, Urban Development, Water, and Sanitation (18 percent); Medical and Public Health and Family Welfare (12 percent); and Food Subsidy and Civil Supplies (13 percent) (Shrivastava, Avantika *et al.* 2023: 6) ^[51].

Conversely, expenditures on Social Security and Welfare and Nutrition (8 percent) and Education, Art, and Culture (6 percent) increased at a rate slower than the average. An examination of the Compounded Annual Growth Rate (CAGR) from Financial Year 2009-10 to Financial Year 2022-23 Budget Estimates reveals that the sector, including Housing, Urban Development, Water, and Sanitation, has had the most significant growth, increasing fifteenfold from Financial Year 2009-10. Expenditures on Labour, Employment, and Skill Development have surged ninefold, while those on Medical Public Health and Family Welfare have risen 4.3 times during the Financial Year 2009-10. The Government of India allocates just one-fifth of its overall budget to the social sector. In contrast, state governments allocate a greater proportion of their budgets to social sector expenditures. During the Financial Year 2020-21, 41 percent of governmental expenditures were allocated to the social sector. It is projected to be 42 percent in the Financial Year 2022-23 Budget Estimates and is anticipated to remain at a comparable level in the Financial Year 2021-22 Revised Estimates. Since the Financial Year 2009-10, the proportion of expenditure on the social sector by states has increased gradually. A significant rise transpired between Financial Year 2004-05 and Financial Year 2009-10, rising from 29 percent to 39 percent, according per the Reserve Bank of India's report on state finances (Shrivastava, Avantika *et al.* 2023: 7) ^[51].

The Government of India alone have the authority to impose cess or levies. It levies a road and infrastructure cess on the retail sale of petrol, with the funds used for road construction. It furthermore collects a health and education cess often allocated to finance these fields. In the Financial Year 2022-23 Budget Estimates, 98 percent of the total allocations by the Government of India for the Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) project originated from funds collected via cess. Revenue generated from cess and surcharges is not required to be distributed to states. Consequently, it is distinct from the "divisible pool" of taxes and is exclusively allocated to the Government of India (Shrivastava, Avantika *et al.* 2023: 8) ^[51].

The recommendations of the 13th Finance Commission were effective from the Financial Year 2010-11 to the Financial Year 2014-15, the 14th Finance Commission from the Financial Year 2015-16 to the Financial Year 2019-20, and the 15th Finance Commission from the Financial Year 2020-21 onwards. The financial year 2009-10 marked the conclusion of the 12th Finance Commission. During the 14th Finance Commission time (Financial Year 2015-16 to Financial Year 2019-20), the allocation to states significantly increased, virtually doubling within three years. During the Financial Year 2019-20, the impact of cess and surcharges on devolution became apparent. A decline in income and some modifications to prior years' transfers significantly reduced the states' share (Shrivastava, Avantika *et al.* 2023: 8) ^[51].

In the Financial Year 2009-10, MGNREGS received the largest allocation within the Ministry of Rural Development

(MoRD) at 57 percent, followed by 47 percent in the Financial Year 2014-15, and 53 percent in the Budget Estimates for Financial Year 2022-23. The allocation for PMAY-G has been consistent around 14-16 percent, although the allocations for PMGSY have varied. The proportion of NSAP has decreased from 10 percent in the Financial Year 2014-15 to 7 percent in the Budget Estimates for Financial Year 2022-23. Likewise, Jal Jeevan Mission proportion of allocations under the Department of Drinking Water and Sanitation has always been substantial. The ratio was 87 percent in the Financial Year 2009-10, 76 percent in the Financial Year 2014-15, and 89 percent in the Budget Estimates for the Financial Year 2022-23. In the Financial Year 2014-15, Jal Jeevan Mission contribution declined owing to the emphasis on constructing toilets under SBM-G, which accounted for 23 percent that year. SBM-G's stake has subsequently decreased, reaching 11 percent in the Financial Year 2022-23 Budget Estimates (Shrivastava, Avantika *et al.* 2023: 11) ^[51].

Within the Department of School Education and Literacy (DoSEL), educational schemes have constituted the predominant portion. These were the Sarva Shiksha Abhiyan (SSA) in the Financial Years 2009-10 and 2014-15, and the Samagra Shiksha, which integrates SSA, Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Teacher Education, in the Budget Estimates for the Financial Year 2022-23. Prime Minister The percentage of POSHAN (formerly the Mid-Day Meal Scheme) has decreased from 28 percent in the Financial Year 2009-10 to 16 percent in the Budget Estimates for Financial Year 2022-23. Concurrently, additional expenditures have risen, mostly including allocations to autonomous entities such as Kendriya Vidyalayas. Nonetheless, in some instances, the proportion of funding for the principal initiative of the Ministry has altered. The proportion of NHM appropriations under the Ministry of Health and Family Welfare (MoHFW) has decreased from 73 percent in the Financial Year 2009-10 to 65 percent in the Financial Year 2014-15, and further to 43 percent in the Financial Year 2022-23 Budget Estimates. Expenditures under the Ministry have risen, including allocations for the Pradhan Mantri Swasthya Suraksha Yojana, funding for autonomous entities such as the All India Institute of Medical Sciences (AIIMS), and additional Centrally Funded Schemes (CSSs) like Ayushman Bharat (Shrivastava, Avantika *et al.* 2023: 12) ^[51].

Social Sector Schemes

This analysis examines the allocation of the Government of India for 19 projects throughout time. This has been accomplished in two ways: a) in nominal terms, reflecting the current actual prices; and b) in real terms, which adjusts the allocations for price fluctuations, namely inflation. Data originates from the Financial Year 2011-12 or from the inception of a specific program. The inflation basis is from 2012. Allocations for all schemes have risen in nominal terms, with the exception of the Pradhan Mantri Gramme Sadak Yojana (PMGSY). Allocations increased twofold for ten initiatives: Child Protection Services (CPS), Swachh Bharat Mission – Gramin (SBM-G), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), National Health Mission (NHM), Pradhan Mantri Awas Yojana – Gramin (PMAY-G), Pradhan Mantri Matru Vandana Yojana (PMMVY, formerly Indira Gandhi Matritva Sahyog Yojana), Pradhan Mantri Kisan Samman

Nidhi (PM KISAN), Food Subsidy (FS), Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), and the Jal Jeevan Mission (JJM). Conversely, this is not applicable when examining allocations in actual terms. Actual allocations decreased in 7 of the 19 chosen plans. The initiatives included: Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), Integrated Child Development Services (ICDS), Mission Saksham Anganwadi and Poshan 2.0, PM POSHAN, PMGSY, and National Social Assistance Programme (NSAP). Primarily, the programs that saw a significant reduction in real terms pertain to the delivery of services. Indeed, programs offering direct rights like as housing (PMAY-G), sanitation facilities (SBM-G), maternity assistance (PMMVY), monetary transfers (PM KISAN), and insurance (PMJAY) have been prioritised throughout time (Shrivastava, Avantika *et al.* 2023: 10) ^[51]. An examination of the patterns in scheme advancement, using government-provided production and outcome statistics, reveals a general increasing trajectory, with the exception of employment. An analysis has been conducted on health, education, jobs, and infrastructure.

Health

The Total Fertility Rate (TFR) is the average number of offspring a woman is expected to bear during her lifetime. A total fertility rate of 2.1 is regarded as the replacement level fertility rate necessary for achieving population stability, whereby the population renew itself. The National Population Policy of 2000 aimed to attain replacement level fertility by 2010. According to the National Family Health Survey (NFHS), the Total Fertility Rate (TFR) declined from 2.7 in 2005-06 (NFHS-3) to 2.2 in 2015-16 (NFHS-4), and further to 2 in 2019-21 (NFHS-5), therefore meeting its aim. The nation has had substantial advancements in institutional births, increasing from 39 percent (2005-06) to 89 percent (2019-21). A significant share of the rise in institutional deliveries has originated from public institutions, escalating from 18 percent in 2005-06 to 62 percent in 2019-21. This indicates that public systems are providing enhanced services, leading to a reduction in the Maternal Mortality Rate (MMR) from 212 in 2007-09 to 103 in 2017-19. A similar trend has been seen for the Infant Mortality Rate (IMR), Under-five Mortality Rate (U5MR), and Neonatal Mortality Rate (NNMR) (Shrivastava, Avantika *et al.* 2023: 13) ^[51].

Education

The Net Enrolment Rate (NER) serves as an indicator of advancements in public school education. The NER represents the proportion of children of official school age enrolled in a certain school level, expressed as a percentage of the total population of children of official school age. The Net Enrolment Ratio (NER) at the secondary level (Grades 9 and 10) has steadily risen from 44 percent in the fiscal year 2012-13 to 48 percent in the fiscal year 2021-22. In contrast to the NER in 2021-22, the Gross Enrolment Ratio (GER) for that year was 80 percent. This indicates that a significant percentage of secondary-level children are placed in a learning grade that does not correspond with their age. The time has seen notable enhancements in the infrastructure of government and government-aided schools, including upgrades in bathrooms, drinking water connections, and computer equipment. The proportion of schools equipped with operational toilets has significantly

risen from 68 percent in the Financial Year 2012-13 to 96 percent in the Financial Year 2021-22. The proportion of schools having operational drinking water increased from 79 percent in the fiscal year 2012-13 to 96 percent in the fiscal year 2021-22.

Employment

According to the Periodic Labour Force Survey (PLFS), the labour force participation rate (LFPR) in ordinary status (main and subsidiary status) for individuals aged 15 years and older in India was 54.9 percent in 2020-21. Over the last 15 years, unemployment in India has markedly risen. Data aggregated from NSSO Employment and Unemployment Survey Reports, NITI Aayog, Periodic Labour Force Survey (PLFS), and NSO indicate that urban unemployment has persistently exceeded rural unemployment over this timeframe. From 2009-10 to 2011-12, urban and rural unemployment remained constant; nevertheless, it surged dramatically between 2011-12 and 2018-19 (Government of India 2020; Shrivastava, Avantika *et al.* 2023: 14) ^[24, 51]. Rural unemployment rose to 50 per thousand individuals in 2018-19 from 17 per thousand in 2011-12, while urban unemployment jumped to 77 per thousand in 2018-19 from 34 per thousand in 2011-12. Women had higher unemployment rates in both rural and urban regions, categorised by gender and location. In 2018-19, urban women saw the greatest unemployment rate, with 99 individuals per thousand affected. From 2009-10 to 2011-12, unemployment among urban women declined from 57 per thousand to 52 per thousand. Conversely, unemployment among males in both urban and rural regions, as well as among rural women, rose over the same timeframe (Shrivastava, Avantika *et al.* 2023: 15) ^[51].

Analysis of the social benefit

India's progress prior to the economic reforms of 1990/91 was not significantly hindered by inadequate human development. The economy was protected from international competition by substantial tariff and non-tariff obstacles (Betz, Joachim 2019: 12) ^[5]. Following the dissolution of the Congress's monopoly and the emergence of regional parties, the incentives for delivering inclusive and well administered public services increased gradually. Demands for enhancement would surge if India elevated its manufacturing sector to the standards of its rivals, particularly China, and more effectively integrated it into global value chains in accordance with the "Make in India" initiative. Investment in human capital is most effective and cost-efficient at the early stages of child development (World Bank 2017) ^[9, 60], establishing a foundation for future progress and explaining the official focus on maternal health, addressing malnutrition, and preschool education. The labour force participation rate of women in India is notably low, particularly among those with a college education (Betz, Joachim 2019: 13-14) ^[5]. Income disparity has markedly increased in India following the implementation of economic reforms. However, income and wealth disparities have reached unprecedented levels, resembling those seen in Latin American cultures. The release of these findings by Chancel and Piketty (2018) ^[7] and Credit Suisse (2017), and India's dismal rating in income redistribution efforts, positioning the nation near the bottom (Oxfam 2017) ^[39], has incited vigorous discussion inside the country. Philip Keefer (2011) persuasively contends that only institutionalised parties, rather than

patronage-based ones, can effectively execute programs that serve the common interests of people, and only such parties can be held accountable by voters in instances of neglecting this duty. As the Hindu-nationalist BJP, a party far more institutionalised than its counterparts (Betz 2006) [4], ascends, other parties are compelled to emulate its techniques, resulting in a gradual contraction of the space for restricted ethnic and patronage parties inside India's states (Betz, Joachim 2019: 14) [5].

Conclusion

It is evident that after independence, India was not capable of providing so many social policies to uplift human well-being. However, India followed the planned economy as in the USSR. India's rapid growth can solve the unemployment problem. People in India are now better educated than ever before, so internal challenges like caste, regionalism and language hindrance will no longer sustain. In contemporary times, from an economic point of view, India has too much potential in terms of economic growth. The field of manufacturing and the service sector can lead in the next decade, as demonstrated in the paper. In terms of gender equality, political rights were given very early, just after of independence. Franchise rights have been given equally to men, but representation is not sufficient for men. Other sectors, such as employment opportunities, however, India has also opened the door in the employment opportunities, like entry in defence and paramilitary forces and airspace has given the opportunity a step towards gender equality. However, India is a liberal democratic country and followed by mixed economy and by institutional redistributive system.

Similarly, during the global recession, most of the country economy was affected but Indian economy was strong due regulatory system and mechanisms also a lesson for Nordic Countries and the World.

This study has traced the significant evolution of India's welfare state, focusing on the impact of neoliberal economic reforms introduced in 1991. Before 1990, the Indian welfare state was largely characterised by a mixed economy, where state intervention in social sectors such as health, education, and employment was prominent. Welfare policies, particularly those addressing poverty, were centrally planned, with a strong emphasis on self-reliance and social justice.

However, after the adoption of neoliberal reforms, the welfare approach underwent profound changes. The transition to a more market-driven economy resulted in a reduction in direct state intervention in welfare services, leading to privatisation, liberalisation, and decentralisation. Welfare policies became more aligned with global neoliberal agendas, focusing on economic growth, deregulation, and financial liberalisation. Notably, programs such as the National Rural Employment Guarantee Act (NREGA), Right to Education (RTE), and Right to Food (RTF) reflected attempts to balance market forces with social safeguards, though with varying degrees of success.

The findings underscore a critical shift in India's welfare policy from universal provisions to more targeted interventions. While there has been substantial progress in areas like poverty alleviation and social security, significant disparities persist, particularly in rural areas and among marginalised communities. The state's capacity to address these inequalities while navigating the pressures of global capitalism remains a central challenge.

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