

# Social Protection and Inclusive Growth

## Abstract

India is a country of villages having a large agrarian economy. Most of the workers in our economy deals with informal sector. The workers in the informal sector cannot reap the benefits occurs in formal sector. They are not covered by social security schemes, occupational safety and health measures, working conditional regulations. After independence with the economic planning the notion of welfare state have come in to existence. Government formulates the policies regarding welfare state. The famous economist PIGOU's welfare state hypothesis states that the optimum welfare attain when there is augment the welfare of the person without reducing the welfare of other person. In the era of globalization every country comes closer to one another. Sustainable development, inclusive growth, environment protection, peace, financial inclusion, social inclusion, etc are new goals targeting by all the countries. Poverty is the biggest hindrance in the attainment of these objectives. In India since planning poverty eradication programmes has been work out but still it is the giant problem in the path of our development.

Phillip and Rayhan states that, "The poor are more vulnerable than any other group. Vulnerable arises from the risks and insecurity caused by life cycles changes as death of earning member, illness, health hazards, natural calamities and the process of globalization and structural adjustment in the economy, global warming and increasingly flexible labour relations".

Some economists believe that poverty persists mainly due to the inability of some groups of people to participate in the process of development not because of vicious circle of the poverty. They cannot reap the benefits of the government policies. This is because there is not effective implementation of social protection programme in the economy. From ancient times in India this public helping system is followed. Before regulation of any policy regarding poverty alleviation or inclusive growth social protection measures must be well operated. The strategies that include measures to prevent, protect, and transform the diversely affect people's well being. India devotes 2% of gross domestic product (GDP) to social protection programme lowest in Asia. The spending allocated to each rural household on major centrally sponsored schemes is significant at 40% of the annual rural poverty line. This paper is a modest attempt to highlight the role of social protection in reducing the poverty. Some suggestion has been made to overcome the situation. Findings may be beneficial for the society as well as policy makers)

**Keywords:** Social Protection, Social Assistance, Social Insurance, Social Security, Inclusive Growth, Sustainable Development, Poverty Eradication, Economic Development.

## Introduction

This is not a new concept. In the early period Roman emperor expands a program to distribute free grains to the poor people. In Germany, Great Britain welfare system were established to target the working class. The countries endowed with the dualism principles, government provide social protection for workers in the formal sector; on the other hand informal sector is covered by the non-government organization s and individual philanthropic donations. World Bank and international labour organization are the major donors and the lead organization in the field. The world bank developed a tool called "Social risk management" (SRM). It is based on two assessments—

1. The poor are most exposed to diverse risks before shock occur
2. The poor have the fewest tools to deal with these risks.

The elements of SRM are Risk reduction, Risk mitigation, Risk coping. The international labour organization covers the issues related to social security as well as labour protection.

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**Objectives of The Study**

The specific objectives of the proposed study are as-

1. To assess the role of social protection in development of India.
2. To assess the various categories and implications of social protection programme.
3. To find out some measures to meet out the challenges to regulate the social protection programs.

**Research Methodolgy**

Data collected for the work through various secondary sources.

**Review of Literature**

Nicola wermer said that poverty in developing countries is predominantly a rural phenomenon. The 2001 IFAD rural poverty reports states that 1.2 billion human beings lived in extreme poverty. Social protection is only the tool for their upliftment. Devereux,S. & sabates-wheeler,R.(2004) states about the transformative framework for social protection. It also emphasis on anti welfare approach to social protection .The objective of the social protection is to reduce the economic and social vulnerability of poor and marginalized groups. Harvey etal 2007 wrote that social protection overlaps with a number of livelihoods, human capital and food security intervention. Raghbendra Jha (2014) states about the welfare schemes of India and their impact on social protection and growth. It also analysis India's attainment of social protection relative to an index of social protection provided by Asian development bank. Evie browne iin topic guide Jan 2015 wrote about the relation between social protection and poverty. Devesh kapur & prakirti nangra said that in the constitution article 41 of directive principles asks the states about the welfare schemes. India spends 1.4% of its GDP on social protection. It covers all the constitutional, legal and policy related aspects of social protection. Priti Darooka explains about the women's questions with social security, Health, labour, low gender, and human right..It explains Women's economic distress.J.Unni and U rani explains the broad definitions of social protection to include basic securities such as income food, health and shelter and economic securities including generating productive work.

Since the late 1990, India has expanded the ambit of social and economic rights for its citizens and launched various policies for welfare state. Social protection is a means to build the resilience of the extreme poor, as a tool for increasing economic growth, and a basic human right.

Out of two components of social welfare policy –public goods and social protection, India focused on second one .It has prioritized coping and curative measures over prevention.

**Definitions**

Social protection is defined by United Nations Research Institute for Social Development. "Social protection consists of policies and programme designed to reduce poverty and vulnerability by promoting efficient labour market, diminishing

people's exposés to risk and enhancing their capacity to manage economic and social risk, such as unemployment, exclusion, sickness disability and old age".

**European Communities**

"Specific set of actions to address the vulnerability of people's life through social insurance through social assistance and through inclusion efforts".

**UNDP**

"Policies designed to reduce people's exposure to risks, enhancing their capacity to protect themselves against hazards and loss of income".

It is commonly understood as all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risk and enhance the social status and rights of the marginalized groups.

**Objectives of Social Protection**

They are as-

1. To reduce poverty and vulnerability.
2. Building human capital
3. Empowering women and girls
4. Improving livelihood
5. Responding to social, economic and other shock
6. Form a safety net to meet out the basic needs in the time of crisis.
7. Improving opportunity for inclusive growth.
8. Equity and social stability.
9. Empowering human rights.

**Catagories of Social Protection**

Social protection is a broad concept that covers a wide range of private, public initiatives to provide income to the poor and invest in the capabilities. It include all the measures enrich the human capital.

**Promotive Measures**

These included the measures enhancing the income and capabilities. The services includes counseling, placement assistance, job matching, labour exchanges, training, promotion of small and medium entrepreneurs, direct job creation, start up incentives, job rotation ,job sharing ,income maintenance . By influencing the labour market policies protection against the employed people has been given.

**Protective and Preventive Measures**

These measures includes state pension saving clubs, social insurance schemes. It made the needs of people easily accessible food, water, safety health care etc. social security systems contributes not only to human security, dignity, equity and social justice but also provides a foundation for political inclusion, empowerment and development of democracy. They protect the beneficiaries from catastrophic expenses in exchange for regular payments of premiums. Insurance schemes are reducing the risk of the event of shock.

**Transformative Measures**

It include the social assistance schemes for the most vulnerable group with no other means of support such as single parent households, victims of natural disasters or civil conflict handicapped people. Welfare and social services, cash transfers, family

allowances, and subsidies such as life line tariffs, housing subsidies or support of lower process of food in crises are provided them. Now a day a new version of recovery and rehabilitation has come in to existence for the poor.

**Policy Regarding The Selection of Beneficiaries of Social Protection**

There are two approaches .One approach is based upon the principle of universalism .Being a citizen of any country a person is entitled to benefits from social protection programmes. Such as social security which follows this principle.

Another approach is based upon the selection of the beneficiaries on the bases of the income or capabilities. In India schemes for BPL people, disabled people ladies

**Policy Framework in India**

There are number of mechanisms that provide social protection in various nations and in India also. Government is involved in the provision of social protection following a developmentalism model in which social protection is seen as a tool to promote economic growth .The National commission for enterprises in unorganized sector (NCEUS) in 2004 has reported that 79 % of workers in unorganized sector lived on an income less than rs.20 a day. In formal sector only 8% workers enjoys social security. It proposed legislation for a national minimum security package for unorganized sector.

These measures are used to reduce the risk of unemployment and increase the earning and make the person economically viable on the other hand make them viable for social, financial inclusion and productive employment. AS the 20 point programme, backward classes schemes, child schemes, disabled schemes, minorities scheme, tribal schemes, urban schemes, women schemes, old people’s schemes.

The table below explains the expenditure on major public services in India –

Years	Expenditure (rs. billion) on Health, Water Supply, Sanitation, and Elementary Education
2004-05	50
2005-06	100
2006-07	150
2007-08	200
2008-09	250
2009-10	300
2010-11	350

**Source:** Mita choudhury and H.K Amar nath ,”An estimate of public expenditure on health in india” (NIPFP 2012) and Goi Ministry of finance ,union budget ,expenditure ,vol- II,various yearas.

The some schemes for social protection are-  
**Public Distribution System (PDS)**

In India there is security for cooking and lighting. The subsidy is given to cope up with hunger and malnutrition. The public distribution system is the most efficient program for the food security. It absorbs public resources at almost 1% of GDP. It covers up to 25% of the households.

**Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREG)**

This scheme has achieved impressive coverage in comparison to previous program. In 2005 Indian parliament enhance the livelihood security of households in rural areas of the country. According to a survey 31%of the Scheduled castes (SC), 25% of the scheduled tribes (ST), and approx 51% of woman workers have been enrolled in this program. It works tremendously in the field of employment generation.

**Rashtriya swasthya bima yojana (RSBY)**

In India insurance and pension programs are covered the population less than 10%.Government has introduced a targeted health insurance scheme for poor RSBY. It provides subsidized hospitalization coverage for a registration fee of rs.30 annually up to a limit of rs.30, 000 per family. It is growing rapidly and provides insurance to more than 40000 people.

**Janani Suraksha Yojana**

This aims to encourage institutional deliveries among pregnant women in order to reduce maternal and infant mortality by offering women cash reward for delivering in public health centers in accredited private health facilities or at home with medical care.

**Accredited Social Health Activists (ASHAs)**

Women trained to liaise between pregnant females an public health facilities are also given cash for encouraging women to deliver in hospitals.

The government has launched the National social Assistance programme, for the poor. Under these Indira Gandhi old age pension scheme and Widow Pension scheme, the Central government contributes rs.200 and 300 per month respectively. Another is Aam admi bima yojana for insurance.

**Challenges before The Sector**

The programme is well designed but implementation challenges still appear. The states with higher poverty are allocated more funds from the central budget but they have lower capacity to spend effectively. Leakages and diversion of grains from the PDS are high. Only 40% grains released by the government reach households. Leakage of subsidies limits the impact on the poor.As MNEREGA does not guarantee for 100 days employment. It have supply side constraints rather than demand side. The mechanism has loopholes like incomplete job cards, account passbooks and delayed payment of wages.Some states like Andhra Pradesh, Kerala, Gujarat, Tamil Nadu Rajasthan, and Karnataka has witnessed the problem in the service delivery.The public evaluation of t entitlement programmes (PEEP) survey in 2013 reported that 97 % of pension holders are duplicate persons, some persons are getting two pensions and the pensions receive by the pensioners are delays of over a month or more.

**Conclusion and Suggestion**

Social protection has become one of the three main elements of developments along with growth and human development .After two decades of economic liberalization , the share of the trade in GDP tripled and India became much more integrated on the capital account but most of the class has not ripe the

benefits of this. In India and many other countries have identified the benefits of targeted cash transfer. Government's financial inclusion programme JAN-DHAN yojana significantly improve the delivery of social protection program's benefits. Bihar government has introduced food stamps or coupons to improve access. Other states such as Tamilnadu and Chhattisgarh robust monitoring through IT solution for this leakage problem. Innovations in implementing these programs are must. Some suggestion in this regards as follows---

1. IT based solutions should adapt for monitoring and planning and focuses on accountability and community involvement.
2. State government should have some freedom to adapt the programme according to the needs of the poor in their states.
3. Vast majority of informal sector workers must be take in to consideration. some measures must be taken in this regard.
4. Particular attention needs to be paid to female participation in and their access to social welfare programe.
5. Social protection schemes must be covered the risks arising from the climate change and natural environmental disasters.

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