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“Outlays vs. Outcomes”**



**EDITOR**  
**U.C. AGARWAL**

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# THE SIGNIFICANCE OF SOCIAL SECURITY IN THE SOCIAL SECTOR DEVELOPMENT

T.S.N. SASTRY

*Social Sector Development does not mean simply economic development. It includes, economic-social and cultural perspectives too. All these put together will give boost to the social sector development which is mainly concerned with sustained economic growth. This being the real perspective of social sector development, social security is one of the important tools to achieve a comprehensive development. Social security is a holistic perspective in the realm of constitutional jurisprudence and encompasses various components beyond economic development. Its main concern is towards the overall development of the society in Toto. Its primary aim and objective is to engure adequate human development. No doubt, in the last half century, the successive governments of independent India have attempted variety of policy formulations to meet the parameters of the Constitution. In view of the important role played by social security, a modest attempt is made in this articles to examine its impact in the context of social sector development.*

## INTRODUCTION

AS RIGHTLY highlighted by the thematic paper of Agarwal<sup>1</sup>, Social Sector Development envisages an economic democracy knitted with socio-cultural perspectives<sup>2</sup>. On the same lines, the Constitution also has been woven around the welfarist notion to realise the epitome of social justice<sup>3</sup>. The progress of the polity is linked with the satisfaction

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<sup>1</sup>U.C. Agarwal: Thematic paper of the special issue.

<sup>2</sup>See Stephen. P. Marks, Introduction to the Right to Development in The Right to Development-A Primer, Centre for Development and Human Rights, 2003, pp 21-71.

<sup>3</sup>A. Laxminath, "Dr. Ambedkar and Political, Civil and Economic Rights" in Dr. B.R. Ambedkar and the Constitution, S.G. Bhat (ed.) 2001, pp. 112-159; also see Justice P. Venugopal: social Justice and Reservation, 1990, pp6-11.

of the spiritual and physical needs of all the members of the society. An invincible duty is cast upon the state to nurture the ideals of the Constitution in promoting the non-justiciable rights of the people to make them self-sufficient in enjoying their guaranteed justiciable rights. The sustainability of the social sector development lies not in its economic orientation, but in its close coordination with that of the concept of social security. Indeed today the growing concern of the United Nations is also on the issues of social security that of economic competitiveness between the nation-states<sup>4</sup>.

In a generic sense, social security means economic support rendered by the state to those who are in need. On this basis, the concept of social security was developed by the Western world in a narrower sense to protect the rights of their workers in the context of industrialisation<sup>5</sup>. But the quick succession of events around the globe, especially in the last half a century changed the augmentation of the notion of social security due to the impact of the ideology of human rights. In the contemporary era it can be described as a guarantee by the whole community to all its members for the maintenance of their standard of living or at least of tolerable living conditions by means of a redistribution of income based on national solidarity<sup>6</sup>.

In the Indian context, the perception of social security covers various areas beyond economic support and extends to the cherished values of the Constitution. Accordingly, social justice has a wide connotation which includes objective criteria than its subjective dimensions<sup>8</sup>. It deals with:

- Alleviation of poverty including elimination of hunger and deprivation
- Economic and Income Security
- Food and Nutritional security
- Social equity including gender dimensions
- Reaching the un-reached
- Empowerment of people at various levels including the individual and community, and elimination of voiceless.

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<sup>4</sup>For a detailed discussion see Bob Deacon; *Social Policy in a Global Context of Inequality, Globalization and World Politics*, Andrew Hurrell and Ngaire Woods (eds.), 2000. pp 211-47.

<sup>5</sup>National Academy for Training and Research in Social Security's Project on "Extending Coverage under current Social Security Legislation in India", available at <http://www.issa.int/pdf/research/studies> visited on July 29, 2005.

<sup>6</sup>Pierre Laroque, *ibid* at p.2

<sup>7</sup>The cherished values of the Constitution are: Justice, economic and political; Liberty-of thought, expression faith and worship; Equality of status and of opportunity; fraternity with dignity of the individual and the Unity and the integrity of the nation. For the Views of Ambedkar on this see *supra* n. 3, at pp.1766-68

<sup>8</sup>Report of the NCRWC, vol. II, Book 1 2002, p.293



These being the real concern of social security, it revolves round the persuasive notion of human rights, especially the economic, social and cultural rights of the individuals more so importantly on the Right to Development<sup>9</sup>. To achieve these imperatives of social democracy, the Constitution has enlisted an agenda of both justiciable and non-justiciable rights for the realisation of socio-economic necessities of the people of India.

In spite of the broad objectives laid down by the Constitution in realising the economic and social aspirations of the people through the cannon of human rights jurisprudence, millions of the citizens day in and day out are craving for the economic and social security. If an attempt is made to make an independent study into it, one is surrounded with an innumerable questions interwoven with each other. In view of the complexity of the intricacies surrounding the concept of social security an attempt is made to throw light in a shuttle manner with respect to few aspects to signify the importance of social security in social sector development.

#### *Poverty*

Poverty can be defined as the inability of an individual to secure a normative minimum level of living. It has been denied by many scholars including Amartya Sen mainly due to economic criteria<sup>10</sup>. But it has several components coupled with it and deprives the basic freedom of life and liberty of an individual as guaranteed under Article 21 of the Constitution. In the end it has a direct bearing on the social sector development.

In order to eradicate poverty and to make the polity self-sufficient, the Constitution imposes an obligation on the State to promote and protect the well-being of people in realising their justiciable and non-justiciable rights without any deviation. To fulfil the constitutional mandate to root out poverty several programmes and schemes have been evolved over the years.<sup>11</sup> Among the various schemes adopted the Public Distribution System (PDS) is considered as the key strategic scheme with an outlay of Rs. 15,000/- crore. However, in view of the sharp criticism that the rich and middle class are only the beneficiaries of the scheme,

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<sup>9</sup>For a detailed Discussion on the nature and objects of Right to Development, Right to Development, *supra* n.2.

<sup>10</sup>The World Bank, World Development Report on Poverty 1990 available at [www. World Bank.org](http://www.World Bank.org) visited on August 2, 2005 also see, Amartya Sen, *Hunger and Public Action*, 1989 also see the Select literature cited by NCRWC, Vol. II Book I at p 314

<sup>11</sup>For a detailed discussion on the various schemes and programmes NCRWC *ibid* pp. 298-302.

in December 2000, the Government launched another scheme specially targeting the Below Poverty Line (BPL) families in order to make the PDS more focused. This scheme has been launched with a subsidy of Rs. 2,315 crore, with a focused aim to identify 10 million poor families and providing them rice and wheat for a nominal cost. The present Budget also allocated an amount of Rs.35,000, crore for the scheme. This scheme is also faulted on two counts. One is identification of poor families would be entrusted to the executive machinery instead of leaving it to *gram sabhas* and Panchayats. The other is the targeted PDS may prove very expensive without a matching social achievement. Well, in spite of launching schemes such as above with huge amount of money, they are not reaching the targeted groups due to lack of sustained efforts on the part of the government to over see the functioning of the PDS with a careful mechanism without any interference from the executive or other nefarious actors on behalf of the political bosses of the country.

#### *Health Care*

Apart from the constitutional obligations, being a party to the Alma Atta Declaration, 1978 that assured health for all by the year 2000, the Government is under an obligation not to abuse the health and well-being of people of India. But even after a quarter century after the Alma Atta Declaration, health care remains a distant dream for the millions of citizenry of the country, especially for the rural folk and people living BPL in the urban areas. For example, despite the commitment to assure universal immunisation coverage to all children by the year 2000, the national Family Health Survey reports only 42 per cent children between 12-23 months are only fully immunised.

In the last 50 years, no doubt the health services have undergone considerable change. In terms of manpower the health sector includes 29,000 doctors, 18,000 nurse-midwives, 13,4000 auxiliary nurse midwives, 73,000 male multipurpose workers, 21,000 pharmacists, and another 60,000 paramedical staff in addition to a good number of non-technical staff<sup>12</sup>. The number seems to be fairly large, but by international comparisons, the ratios are only modest in terms of the population of the country. In terms of financial resources, the aggregate expenditure is only 5.2 per cent of the GDP. Though the figure is comparatively higher than that of China in terms of financial allocation, but 40 to 50 per cent population in the country is not covered with basic minimum medical facilities. Every year a huge number of people are reaching their grave yard in silence due to lack of adequate health care.

<sup>12</sup>See Right to Development supra n. 2, at pp 219-25.



After liberalisation, the health sector has opened its doors wide to private sector. Though health care is expanding in the private sector compared to that of the public sector, the cost of health care is abnormally high in these privately run hospitals and majority of the population is not in a position to utilise them. The upper middle class and middle class families in the urban areas are preferring these hospitals though they are beyond their reach, only due to lack of proper care by the medical staff, paucity of medicines and the unhygienic conditions in the state run hospitals etc. The negligent attitude of the government, poor allocation of funds for conducting research and development in medical care, ultimately depriving millions of the citizens are at a bay from the basic necessity of right to health. Thousands of people are dying every year even from common waterborne epidemic diseases like cholera, malaria, anemia, filaria etc, shows clearly that how much backward we are in the most common and basic aspect of social security in this era. The recent death toll in the state of Maharashtra, Andhra Pradesh, Gujarat and other parts of the country due to rains is a standing example that the political bosses must wake up from their slumber to induce confidence in the minds of the people that the state is there to protect their basic health which is wealth of the nation.

#### *Right to Work*

Unemployment in India has been one of the main concerns even before the Independence. The need to orient the economic and social policies of the state to be attained through planning has specified in the Directive Principles of State Policy. Accordingly, it is the duty of the State to meet the expectations of the people and to frame welfarist policies such as the alleviation of poverty and employment. Employment is one area, which will effectively eradicate poverty to a great extent. Among the various provisions, Article 41 of the Constitution is the most important provision for securing the right to work, to education and public assistance in cases of unemployment.

In spite of the mandate of the Constitution to develop the State into a welfare one through employment, it did not receive much attention of the policy makers until the late 70s. Though, a few schemes such as *Jawahar Rozgar Yojana*, *Nehru Rozgar Yojana* have been evolved by the fifth and sixth Five Year Plans, Right to Work caught the attention of the Government only in 1988 when it proposed to make it as a Fundamental Right. The Pandora's box was opened by the State in the National Development Council meeting in 1990 attended by all the Chief Ministers and Governors all of the states. However, in view of the complexities involved in it, no consensus has emerged and the proposed

amendment to the Constitution remained only as a dream.

Ours being mainly an agrarian country, employment on massive scale can come only from the rural sector. Signifying the unemployment in India, Sir M. Visveswaraya suggested a three phase scheme way back in 1932 in order to increase the production of agriculture and to enlarge employment by rapid industrialisation, through rural reconstruction policy perspectives with an establishment of practical training institutions<sup>13</sup>. These principles hold good even today because 1006 million people (about 70 % of the population) live in rural areas and mainly depend on agriculture. The NCRWC also in its strategic plan for 80 million jobs to be created in a phased manner has also given much attention to rural employment schemes<sup>14</sup>. To meet the expenditure that is going to be resulted for the creation of huge number of jobs, it has suggested to cut subsidies on various items such as food, kerosene, LPG, Fertilisers, and MP's Local Area Development Programme (MPLAD) which will enable the state to meet the required amount to generate employment. The reasons given by the NCRWC for the abolition of the above subsidies seems to be all right on theoretical framework but in practice, the BPL families will be certainly hard hit by abolishing the subsidies on the basic necessity items. However, without bothering much about the affect on the BPL and middle class families, in the last two years the state has reduced the subsidies to a great extent without touching the MPLAD Scheme. This is totally an unfair way of looking into the suggestions given by the NCRWC. As rightly pointed out by the Speaker of the Lok Sabha Somnath Chatterjee, it is blatant subversion of the 73rd Amendment to the Constitution which guarantees the *gram swaraj* by keeping MPLAD scheme<sup>15</sup>. It is time that the MPs, should think in terms of the development of the country than to attract voters through their backdoor populist gimmicks.

Well, it is time that the State should realise that human development is the main ingredient for social sector development and should act sternly to minimise the wasteful expenditure and divert it towards employment generation. Among the various social security provisions, rural employment oriented schemes certainly help the country to achieve a healthy economy. In this regard we have to emulate the role model growth achieved by China. The Government of China which has launched the rural prosperity schemes between 1978 and 1992 today

<sup>13</sup> See NCRWC Working Paper on Employment 2002, Vol. II Book I, p.326

<sup>14</sup>Ibid, pp.337-350

<sup>15</sup>L. C. Jain "Either Stop MP Funds, or Give CAG Power to Act" Deccan Chronicle, 7 Aug., 2005, p. 8



not only increased its GNP from seven per cent to 33 per cent but also become a competitive economic player in the international arena. It is time that all the political parties unite in order to resolute unanimously to pass the National Rural Employment Guarantee Bill pending before the Parliament without diluting the objectives with a progressive attitude to lead the nation to prosperity<sup>16</sup>.

#### CONCLUSION

The above brief discussion certainly depicts that the mantra of the present UPA Government that "outcomes and outlays" can be achieved only if it reflects in action oriented policies to protect the social security concerns of the people, especially the BPL families<sup>17</sup>. At the same time, the policies framed by the Union needs to be supported by the States in the regional sphere. As rightly pointed out by Jayaram Ramesh<sup>18</sup>, the linking of devolution of funds with performance to be the criteria need to be adopted while allocating funds by the Union to various states.

Apart from the above, the following few steps need to be considered necessary for the social sector development.

- The Government should evolve a National Disaster Management System to protect the loss of human lives and property from natural disaster that take place every year in the country. Lack of proper disaster management system is not only causing loss to human lives but also impeding the economy. This is in turn affecting the strategic plan outlays and the attention of the government from framing welfarist measures.
- The MPLAD and the MLA LAD schemes need to be abolished with immediate effect. The schemes are eating away the mammoth amount of the exchequer. The Hon'ble members instead of harping on such silly schemes can really become popular by extending their services to the people in their respective constituencies.
- The tax structure needs to be re-oriented. In almost all the budgets passed by the Union and States majority of them have shown a soft corner approach with various concessions to corporate sector than that of encouraging the people, especially targeting the middle class employees of the country. In fact out

<sup>16</sup>Jayati Ghosh: Threshold of Real Change; Deccan Chronicle, Aug.6, 2005 p.6.

<sup>17</sup>Rohit Saran: In search of the Human Face, India Today Aug. 15, 2005, pp.44-49.

<sup>18</sup>Jayaram Ramesh: Out Lays a Vs. Comes, *ibid.*, at p. 50.

of the many aspects rationalising taxes will certainly help the state to implement the policies and spend the money allotted to the schemes properly once the employees are given the required financial freedom without resorting to corrupt practices. Corruption being the biggest enemy of the social sector development, the government should consider introducing lower tax rates to the employees without giving comparisons with that of the developed nations.

- In order to reach the benefits of social security schemes evolved by the state, the real beneficiaries need to be encouraged in the decision making process without resorting to coercive measures which will be counterproductive.
- The present move of the Government to enhance the constituencies of the MPs need to be shelved. When the country is not in a position to give at least a square meal a day to its population, increasing the seats by huge number will only add to the woes that the country is already facing.
- The Union and the states should reduce their fiscal deficits by rationalising their public spending and reorient their priorities to social sector areas like education, health, employment etc. to make the economy as sustainable.
- There is an urgent need to bring reforms in the Election system in the country. The number of parties needs to be regulated and elections should be conducted by fixing a specific period of time. The recent example of Bihar shows the kind of attitude and respect that the political parties have and wasting crores of rupees of the tax payers money just like that for the whims and fancies of the political inklings.

Last but not the least, as rightly pointed out by the Prime Minister Man Mohan Singh in his recent joint address to the US Congress, "the real test of a democracy is not in what is said in the constitution but in how it functions on the ground..."<sup>19</sup>

To make India a vibrant democracy as rightly underlined by the Prime Minister a lot has to be done in various social sector fronts especially to increase investment and infrastructure with a new impetus to boost agricultural sector, which is the key for the socio-economic development of India in the years to come.

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<sup>19</sup>For the speech of the Prime Minister see, Deccan Chronicle, 21 July 2005, p.8.