

Social protection profile: India¹

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Since 2018, the International Policy Centre for Inclusive Growth (IPC-IG) has partnered with the UNICEF Regional Office for South Asia and its respective Country Offices to develop a series of comparative papers on social protection (SP) in the region, covering: social expenditure, legal frameworks, design of flagship national non-contributory SP programmes— including their child- and gender-sensitive features—the socio-economic impacts of the COVID-19 crisis and the SP responses deployed, and findings from quasi-experimental impact evaluations. All of the studies listed, except the last one, were published in 2020. This One Pager highlights cross-cutting findings for India.

From a legal perspective, the country's Constitution enshrines SP as a policy principle, but not as a judicable right. The constitutional allocation of competences allows both central and state governments to design and implement SP programmes, resulting in numerous schemes at central, state and local levels—albeit not always well coordinated with each other. Although a general legal framework for SP is missing, different sets of laws have been enacted. For example, while not formally framed as SP, the National Food Security Act has direct implications for the operation of all food distribution programmes in the country, as well as on the eligibility criteria adopted by most poverty reduction schemes. Equally important, the Aadhar Act aims to provide efficient, transparent and targeted delivery of subsidies, benefits and services through the assignment of a unique identity number to residents.

Regarding social expenditure, the central government spent 1 per cent of gross domestic product (GDP) on health in 2016, 3.8 per cent on education in 2013, and 1.5 per cent on social assistance in 2016. There is a demand for higher spending considering the social issues the country faces, such as the high proportion of out-of-school children of lower secondary age and the high level of out-of-pocket spending on health.

In terms of general characteristics of flagship national non-contributory SP programmes, the typology of the seven programmes examined varies considerably. They include food (the Targeted Public Distribution System—TPDS—and the Mid-Day Meal scheme), cash transfer (*Pradhan Mantri Matru Vandana Yojana*—PMMVY—and *Janani Suraksha Yojana*—JSY) and mixed (National Social Assistance Programme—NSAP) programmes that target different vulnerable groups; subsidised health care for the poorest individuals (the National Health Protection Scheme—NHPS); and a large-scale cash-for-work programme (the Mahatma Gandhi National Rural Employment Guarantee Act—MGNREGA).

Enrolment conditions and criteria also vary, but most programmes that target poor people assess poverty through multi-categorical assessments which also take into consideration vulnerable castes and tribes (TPDS, JSY, NSAP and NHPS). Most of these programmes feature gender- and child-sensitive designs: notably two cash transfers focused on maternal and newborn health (respectively, JSY and PMMVY), one stream of the NSAP targeted at widows and single women, and other schemes, such as the MGNREGA, adopting quotas and other measures to enhance women's participation.

Among the programmes evaluated in the meta-review of impact evaluations, the MGNREGA has been the subject of the most studies, with strong desirable findings in terms of equilibrium wages, female labour force participation

and closing of the gender wage gap, especially in agriculture. Evidence also shows that the MGNREGA has greater impacts among poorer and more disadvantaged groups, while seasonal impacts show that the scheme is most effective during the agricultural off-season, when it works as a safety net to smoothen fluctuations in employment opportunities. Critical improvements needed for the programme include better implementation across regions and actions to mitigate small undesirable spillover effects, especially educational outcomes, and household work among adolescents.

The issue of implementation also featured as a limitation of the JSY, along with issues of inadequate economic incentives, and shortcomings related to public health services. Interestingly, the Mid-Day Meal scheme was found to be more efficient than its predecessor take-home grains initiatives in terms of educational outcomes and both intra-household and girl-sensitive food distribution. Studies assessing the TPDS found desirable impacts in reducing poverty and food insecurity, although a limited impact on nutritional outcomes. Finally, the old-age component of the NSAP evaluated found positive results on consumption and finances, with desirable spillover effects on other female household members, leading to a reduction in the burden of child care and greater labour force participation.

In terms of responses to COVID-19, India has both implemented new initiatives and expanded and adapted pre-existing schemes. The government announced in March 2020 an INR1.70 trillion relief package under the *Pradhan Mantri Garib Kalyan Yojana* to provide support to poor and vulnerable people and ensure their basic needs. It comprises policies targeting different groups, including elderly people, those with disabilities, students, farmers, poor people, widows, and specific categories of workers. The actions are equally varied, encompassing, for instance, cash and in-kind transfers, subsidies and health insurance, with the Aadhar—a biometric identification number—being key in identifying beneficiaries and avoiding duplication.

Given the considerations mentioned above, key policy recommendations are:

- Increase and improve the quality of expenditure on education, health and SP, and ensure the progressivity of SP programmes.
- Take further steps to strengthen implementation capacity across states, potentially creating better monitoring and incentive mechanisms, including earmarked funding to cover such disparities.
- Take further advantage of India's vast information technology expertise and mobile and Internet networks to develop more convenient delivery mechanisms, including mobile-based payment options.
- Shift from cash-only to cash-plus interventions.

Reference:

Alim, Abdul, Fabio Veras, Rafael Osório, and Pedro Arruda. 2020a. "UNICEF and IPC-IG paper series on Regular Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3ftQDq2>>. Accessed 29 October 2021.

Note:

1. Full references for the data cited in this One Pager can be found in the list of reports available in the blog posts listed above.