Azim Premji University

REALISING RIGHTS

A Handbook of Welfare in India

CENTRE FOR THE STUDY OF THE INDIAN ECONOMY

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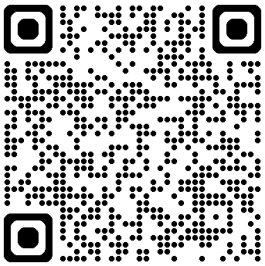

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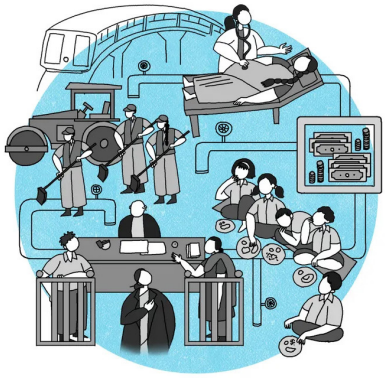

Functioning of Public Systems

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Arjun Jayadev proposed and initiated this Handbook. We express immense gratitude to him for giving us the freedom and flexibility to work on this Handbook, for providing thoughtful guidance and valuable feedback throughout the process.

We thank all the authors for readily agreeing to contribute to this Handbook and sharing their wisdom from years of involvement with welfare delivery in India. Each author is an academic or a civil society practitioner with years of immersive experience on welfare. The Handbook is informed by decades of experience and expertise of various civil society movements in this country who have struggled for a recognition of basic socio-economic rights and consistently contributed to realising the constitutional imagination of welfare through laws, policies and programmes.

We hope this Handbook is a resource for all those wishing to engage with welfare policies in India from a rights-based perspective.

We take responsibility for any remaining errors and omissions.

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Foreword

Dr PV Ramesh

At Independence, India inherited not merely the burdens of colonial extraction, feudal economic and social systems, pervasive poverty, illiteracy, ill-health, but also the formidable challenge of building a nation-state of continental diversity and to nurture democratic polity committed to the dignity of every citizen. The architects of the Constitution responded to the challenges with grand vision, moral clarity, foundational principles, and appropriate institutional framework. While guaranteeing civil and political liberties through Fundamental Rights, it laid down, through the Directive Principles of State Policy (DPSP), an ambitious and far-reaching social compact: the State would strive to secure adequate means of livelihoods, reduce inequalities, promote education and public health, protect the vulnerable and create conditions in which freedom would be meaningful for all.

Drawing from the extensive and deep expertise of distinguished academics and practitioners, this 'Handbook of Welfare in India' edited by the Centre for the Study of the Indian Economy, Azim Premji University, maps the evolution of major social and economic policies and programmes – from their constitutional moorings in the DPSP, through the rights-based legislative surge of the first decade of the current century to the contemporary shift towards technology mediated Direct Benefit Transfers (DBT) and 'New Welfarism'.

Over the past eight decades, India has built one of the world's largest and most complex welfare architectures. It encompasses food security systems that reach hundreds of millions of people, schooling and school feeding programmes, integrated child development services, public health initiatives, rural employment guarantee, social pensions, affirmative action, decentralised local governance and rapidly expanding ecosystem of digital service delivery. Few democratic societies have attempted welfare interventions on such a scale, addressing the development needs of extraordinary geographic, linguistic, social and cultural diversity.

However, India's journey has been characterised by persistent paradoxes. Rapid economic growth has coexisted with deep social and economic inequalities. High aggregate prosperity has not translated into commensurate improvements in nutrition, learning outcomes or access to quality health care. Informality continues to dominate labour markets. Gender, caste, tribal and regional disparities remain substantial. Public institutions are characterised by uneven capacity, variable quality and fragmented accountability.

The rights-based legislations embodied a conception of welfare as capability expansion as in Amartya Sen's framework. However, the 'New Welfarism' paradigm favours visible, subsidised provisioning of private goods over investment in intangible public goods such as quality schooling or primary healthcare. The political logic appears to be clear. These cash transfers generate electoral returns more readily than slow-building institutional reforms. The welfare delivery mechanism as well has moved from analogue to digital with the intention of reduced leakages, quicker fund flows, and improved last mile delivery

With this as the deliberate backdrop, this Handbook's analytical power lies in its refusal to treat the shift from a rights-based approach in welfare to 'New Welfarism' as merely technical or inevitable. Across seventeen chapters it traces how the move from entitlements to transfers alters the foundational principles and core objectives. What emerges is a coherent argument for refocusing on rights and universal basic services as the foundational pillars of India's welfare regime. The volume does not romanticise the first decade of the current century; it acknowledges implementation gaps, leakages, and capacity constraints. Yet it demonstrates that rights-based laws embedded accountability and participation in ways that pure transfer regimes rarely replicate. A commitment to free public services, the editors and contributors insist, must be accompanied by attention to 'how' those services are delivered - through empowered local governments, transparent data, public participation, social audits, and grievance mechanisms that treat citizens as agents rather than passive recipients. Further, universality need not entail uniformity: protective and promotional measures (reservations, targeted interventions, preferential recruitment of marginalised providers) are essential to counter deep social and economic discrimination.

For a global audience, India's experience offers instructive lessons. Post-colonial welfare states have often oscillated between expansive constitutional promises and pragmatic, targeted interventions shaped by fiscal constraints and political incentives. The Indian case illustrates both the promise of legislating socio-economic rights and the risks of hollowing them out through technological tools or for electoral dividends. Digital governance, while globally ascendant, here reveals its double edge: it can enhance transparency yet also centralise power, sideline local knowledge, and generate new forms of exclusion, especially when rural infrastructure and public services are scarce and bureaucratic capacities lag.

The Handbook's insistence on institutional architecture - on the interplay between legal entitlements, delivery mechanisms, and accountability - provides a template for application to the welfare regimes elsewhere in the Global South and beyond.

This volume is more than a catalogue of schemes and their shortcomings. It is a sustained meditation on the gap between India's constitutional imagination of welfare - as a springboard for equal capabilities and dignified citizenship - and the realities of implementation. By grounding analysis in empirical evidence while keeping the DPSP and rights framework at the centre, the Handbook equips readers to assess not only what welfare programmes deliver but whether they advance or erode the deeper project of socio-economic justice. In a country where real wages remain stagnant, informal employment dominates, and inequalities of caste, gender, and region persist, the stakes could not be higher. The work of realising the constitutional promise, as the introduction concludes, remains unfinished. This Handbook is an indispensable guide for those committed to completing it.

Dr PV Ramesh is a retired IAS officer who has served, among other roles, as Additional Chief Secretary and State Development Commissioner, Government of Andhra Pradesh. He has held senior roles in international organisations such as the World Bank, United Nations Population Fund, United Nations Office for Project Services and the International Fund for Agricultural Development.

01

Ph.Studio/Oct.51,A31a. DELHI MUNICIPAL ELECTIONS ON (15.10.51). Men and Women voters waiting in queues to cast their vote.
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Realising Rights: An Introduction to the Handbook

CHAPTER 01

Realising Rights: An Introduction to the Handbook

Dipa Sinha and Rajendran Narayanan

India's record on public services and human development is well-known for its contradictions. There has been some real progress: life expectancy has more than doubled since independence, primary school enrolment has approached universality, and infant, child and maternal mortality have fallen substantially. Yet the country consistently underperforms on outcomes that matter. Learning levels remain poor, child malnutrition is far worse than India's per capita income would predict, most workers are in the informal sector with little or no protection, out-of-pocket expenditures on healthcare remain high, and inequalities along religion, caste and gender lines run deep.

The term 'welfare state' is used to refer to a wide range of state arrangements and obligations towards citizens. In this Handbook, we limit our attention to major social policies of the Union government that can be anchored in advancing

socio-economic rights. Institutional architecture and modes of delivery are vital to this, shaping whether the rights envisioned in India's constitutional imagination of welfare are actually realised.

This introductory chapter traces the constitutional foundations of India's welfare commitments, through the rights-based expansion of the 2000s, to the current juncture, where there is a shift away from rights towards an emphasis on transfers. Mainstream discussions on welfare are charged with debates on 'freebies', alongside notions of the fiscal burden of welfare interventions, and treating digitisation as being synonymous with efficiency. At such a time, this Handbook argues for refocusing attention on rights and universal basic services as the foundational pillars of India's welfare regime.

1.1 The welfare overture: From duty to rights

Welfare states are integral to most modern democracies. Emphasising their inseparability from democratic flourishing, the eminent political scientist Harold Wilensky referred to welfare regimes as 'one of the great structural uniformities of modern society' (Wilensky 2006). While the concept of a 'welfare state' emerged in the context of post-World War II western democracies, post-colonial societies such as India incorporated state obligations towards welfare in their founding constitutions.

'It is the intention of this Assembly that in future both the legislature and the executive should not merely pay lip service to these principles enacted in this part, but that they should be made the basis of all executive and legislative action that may be taken hereafter in the matter of the governance of the country.'

- Dr B.R. Ambedkar, Constituent Assembly Debates, 19 November 1948

In India's case, these were laid out in the Directive Principles of State Policy (DPSPs), which constitute a blueprint for socio-economic justice. The DPSPs are not legally enforceable, but 'it shall be the duty of the State to apply these principles in making laws.'[1] Many of these have since been codified into law; others are delivered through a web of schemes, entitlements and transfers implemented by Union and state governments. The idea was to make 'central' the principles of promoting welfare and securing the 'rights to work, education and public assistance in cases of unemployment, old age, sickness and disability' (among others), central and the 'basis of all executive and legislative action'.[2]

At the dawn of Independence, the twin wounds of the Bengal famine and the horrors of Partition were still fresh. The immediate concerns that had to be

1 Article 37 of the Constitution of India.

2 Constituent Assembly Debates 19 November 1948

addressed were — high levels of illiteracy, extreme poverty and severe food shortages, while simultaneously facing the challenge of boosting economic growth. In 1950-51, the monthly per capita income was just around ₹22, equivalent to around ₹1,040 in 2011–12 prices (Ministry of Finance 2025). The economy was predominantly agrarian, with agriculture contributing around half of national income (Rao 1979) and engaging over 70 per cent of the workforce. Only 11 per cent were employed in manufacturing and trade, while the remainder worked largely in informal services (Sarma 1958). Land distribution was also highly unequal, with more than two out of five rural households being landless in 1954–55 and 47 per cent owning no land or less than one acre, while their share of total land was only 1 per cent (Mahalanobis 1958). Land ownership was skewed in favour of the historically dominant castes.

It was in this atmosphere of inequality and squalor that institutions of governance had to be created with the unenviable task of ensuring that the country's production expanded and that its fruits were efficiently and equitably distributed. It was believed that redistribution of resources was not possible unless adequate resources were generated in the first place.

Progressive laws for labour regulation and social protection were promulgated mainly for those in formal employment in the industrial sector, reflecting the expectation that industrialisation would drive growth. These provisions also had antecedents in the labour movements of the pre-Independence period. However, for the vast majority of rural informal sector workers, 'self-reliance' and a sense of 'duty' towards one's community and nation became central tenets in place of substantive legislation or state provision. A pamphlet issued in 1957 by the Ministry of Community Development, titled 'The Road to Welfare State', urged the rural workforce to engage in local community development work and noted that 'community projects, a plan of the people, by the people, for the people' would 'lay the foundation of the welfare state' (Tillin 2025). From an institutional standpoint, the Block Development Office was set up as a nodal office for welfare delivery in health, education, agriculture and related areas and remains central to the implementation of welfare policies even today.

'We cannot have a welfare state in India with all socialism or even communism in the world unless our national income goes up greatly.... In India there is no existing wealth for you to divide; there is only poverty to divide.... We must produce wealth and then divide it equitably.'

- Jawaharlal Nehru, 1958[3]

3 Jawaharlal Nehru, *Jawaharlal Nehru's Speeches*, Vol. III (Ministry of Information and Broadcasting, Government of India, 1958), 17, quoted in Niranjan Sahoo, Ambar Kumar Ghosh, and Alok Chaurasia, "'Freebies' and Welfare Schemes: Setting a Framework for the Debate in India," Observer Research Foundation, February 16, 2023.

Divergent welfare trajectories

Person A belongs to a rural household with low-income

Person A's mother was a labourer unable to miss work for breastfeeding and care. Person A was undernourished.

Person A went to the nearest school with limited facilities and had no viable alternatives

Lack of educational attainment led to informal, low-productivity employment with poor income. Person A often falls ill, has low savings and relies on informal credit.

Person A had to continue working into their old-age, with no safety net for retirement.

Person B also belongs to a low-income household, but their family has access to good quality public healthcare and education

Person B and their mother received ante- and post-natal, and early childhood care at the local anganwadi, and Person B grew up healthy.

Person B's local school was well funded and had adequate teachers and resources.

Access to good quality education allowed Person B to be in more secure employment and have higher savings.

During old-age Person B had access to savings, public health and social security.

Icons: Infant by Petai Jantrapoon; childhood vaccination by Tini Sumiarsih; person by asianson.design; person by Gan Khoon Lay, from Noun Project (CC BY 3.0)

The 1960s saw the Green Revolution, which was successful in achieving food sufficiency but resulted in higher rural inequality. Official statistics showed that in 1973–74, a quarter century after Independence, 55 per cent of India's population was below the poverty line (Reserve Bank of India, Database on Indian Economy, Table HBS 14D). Two key interventions were instituted during this period: (a) the Food Corporation of India was established, and continues to be the engine of the Public Distribution System (PDS); and (b) a mandate requiring banks[4] to direct 40 per cent of their credit to 'priority sectors' in rural areas was formulated. This created a pathway for various financial inclusion programmes and other banking services that became pivotal to welfare delivery in later years.

With industrialisation failing to generate the employment that had been anticipated, poverty alleviation, child nutrition and employment programmes were introduced as more direct interventions from the 1970s onwards. For the first time, the radical language of economic rights envisioned in the DPSP entered the popular imagination as calls for an 'employment guarantee' began to take shape. The 1980s saw some expansion in public expenditure, mainly in agriculture, rural infrastructure and public works, which had a measurable effect on poverty reduction.

Structural adjustment policies were introduced in India in the 1990s. These came alongside a shift in the ideological climate towards privatisation, reduced direct provisioning and means-tested targeting of schemes. Budgetary allocations for various sub-sectors of the social sector showed a declining trend during this period (Panchamukhi 2000). Operationally, though, there was one landmark institutional initiative: the 73rd Constitutional Amendment of 1992 created the Eleventh Schedule of the Constitution and outlined a three-tier structure of Panchayati Raj institutions at the village, block and district levels. Through this, several important functions, such as land development, drinking water, poverty alleviation and women and child development, were devolved to the panchayats. Elections of representatives with mandatory reservations for scheduled castes, scheduled tribes and women were important milestones in decentralised governance, a key aspect of the welfare state.

In the 2000s, the character of the welfare regime began to change. From 2004 onwards, major social policies reflected a significant shift towards the language of rights (Chopra 2014). A series of rights-based laws, such as the National Rural Employment Guarantee Act (NREGA) in 2005, the Forest Rights Act in 2006, the Right to Education Act in 2009 and the National Food Security Act (NFSA) in 2013, were passed. Beyond legislation, major programmatic initiatives were undertaken. Such as the National Rural Health Mission in 2005,[5] the Sarva Shiksha Abhiyan in Edcuation, in addition to the expansion of the Integrated Child Devel-

4 Banks began to be nationalised in 1969.

5 Later merged into the National Health Mission in 2013

opment Scheme (ICDS) alongside substantial reforms to the PDS in several states with a renewed focus on nutrition as a whole. Mechanisms of accountability came in to mainstream use "via" the Right to Information Act (2005), social audits, independent commissions and grievance redress systems. (Adhikari and Heller 2024). These programmes were usually associated with building local institutional capacity through schools, anganwadis, health centres, ration shops, work sites and so on. Community monitoring was formalised through local school education committees, anganwadi mothers' committees, vigilance committees for ration shops, and village health, sanitation and nutrition committees.

Most of these interventions aimed to achieve clear welfare objectives, such as sending children to school, improving child nutrition, enhancing access to healthcare and guaranteeing employment at minimum wages, while protecting basic rights to education, health, nutrition, work and social protection. Decentralisation was built into programme design. In summary, attempts were made to create institutions or strengthen existing ones, to ensure that the socio-economic rights of individuals were honoured. Drawing upon the DPSP, these interventions began to show results.

1.2 From entitlements to transfers: When rights holders turned beneficiaries

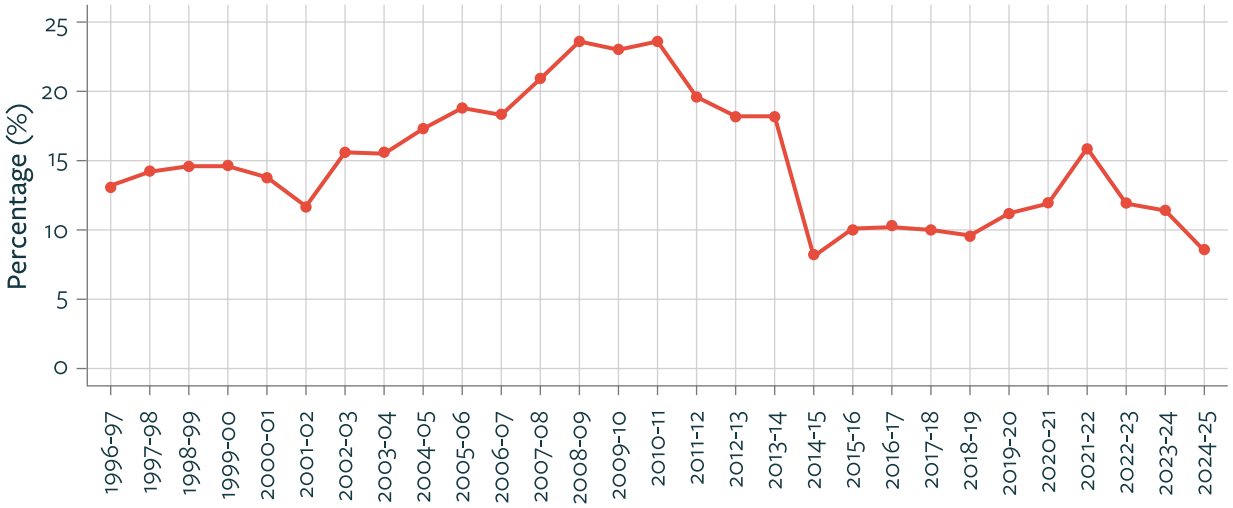
Over the last decade (since 2015), the welfare space has undergone a reconfiguration. Shifting away from the rights-based approach to Direct Benefit Transfers (DBTs) and centralised flagship schemes. The older initiatives continue, albeit under changed names and with modified approaches. For instance, under the NFSA 2013, two-thirds of the population are legally entitled to foodgrains at highly subsidised rates. Following the COVID-19 pandemic, this has been altered through the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), under which foodgrains are distributed free of cost. The Sarva Shiksha Abhiyan of the 2000s is now the Samagra Shiksha Abhiyan, the ICDS is now Saksham Anganwadi, and the school mid-day meal programme is now PM POSHAN. Along with the change in nomenclature, the Centre-state relationship in welfare is also changing, as responsibility for delivery has increasingly moved to states through the restructuring of centrally sponsored schemes, changes in the revenue-sharing framework following the GST transition, and reduced central contributions to scheme funding (see Figure 1.1). Some programmes have undergone significant changes to the cost-sharing norms, from either being fully centrally sponsored or based on 75:25 Centre–state contributions, to a revised system of 60:40 contributions. The most recent example of such altering rights-based welfare is the repeal of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) under which the Centre was responsible for 100 per cent of the labour costs and its replacement with the Viksit Bharat Guarantee

for Rozgar and Ajeevika Mission, Grameen Act (VB-GRAM-G Act), wherein states have to contribute to 40 per cent of the wages.. States are thus expected to spend more of their own resources on programmes. The Union government's share of total social sector expenditure has declined from a high of about 25 per cent in 2009 to around 10–14 per cent in the last decade. Furthermore, the share of social sector expenditure in total Union government expenditure has declined from around 22 per cent in the early 2010s to less than 20 per cent from 2022 onwards, indicating a declining priority to the social sectors in the union budget. (Figure 1.2).

Since 2015, there has been a simultaneous change in the design and mode of welfare provisioning. One observes the emergence of 'New Welfarism', in which there is a preference for subsidised public provisioning of tangible goods and services over the provision of intangible public goods such as quality healthcare and education. It is argued that New Welfarism may be favoured over traditional redistribution because it is seen to offer greater electoral opportunities (Anand, Dimble and Subramanian 2020). As a result, in some domains there has been a visible expansion of several flagship schemes: housing under PM Awas Yojana, toilets under Swachh Bharat, LPG connections under Ujjwala Yojana and cash transfers to farmers through PM KISAN. It has been argued that this shift substantially changes the nature of the citizen–state relationship, making people dependent on the whims of the state (Khera 2025). Furthermore, these transfers are seen as compensatory in nature, making up for the failure to create employment and ensure decent wages (Hasan 2025; Bhattacharya 2026).

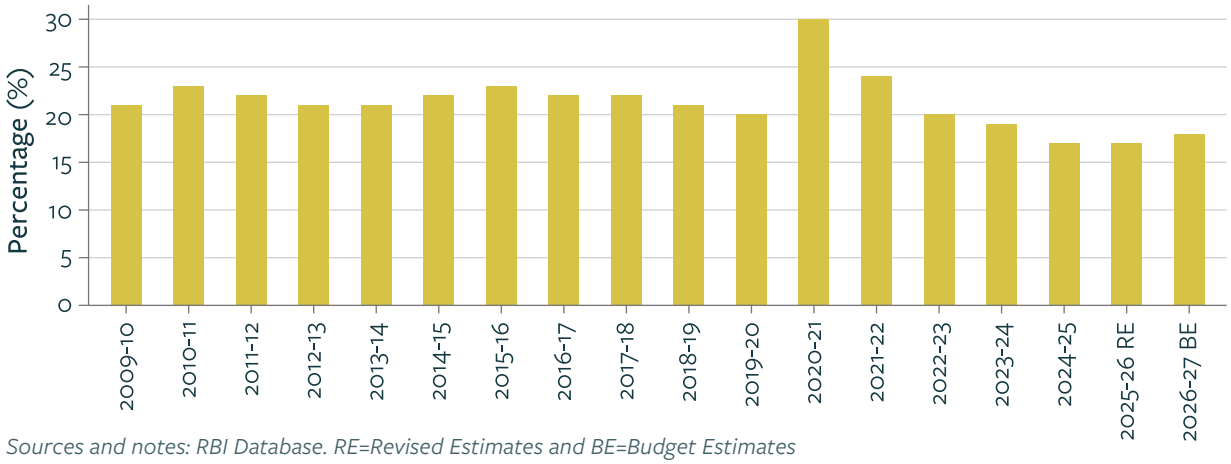
The emergence of digital governance and the expansion of the JAM trinity (Jan Dhan–Aadhaar–Mobile) have, in part, facilitated this transition to New Welfarism by creating the ecosystem for DBT and introducing a technological layer between citizens and the state. In doing so, they have become both a platform and a

Figure 1.1: Union government share in total social sector expenditure



Sources and notes: RBI Database.
State: 2023-24 Revised Estimates; 2024-25 Budget Estimates. Centre: 2024-25 Revised Estimates

Figure 1.2: Social sector expenditure as a % of Union budget



Sources and notes: RBI Database. RE=Revised Estimates and BE=Budget Estimates

governance philosophy. The linking of entitlements to digital identities was undertaken in the hope of delivering welfare more effectively by limiting leakages. The Union government currently implements 324 DBT schemes across fifty-six ministries. Such schemes, particularly unconditional cash transfers in the name of women, have now made an entry into state programmes. About seventeen states currently have such a transfer programme, with many political parties promising some form of cash transfer during election campaigns.

There are important positives associated with digital governance. In line with Section 4 of the Right to Information Act, which mandates proactive disclosure of information, most welfare programmes are now accompanied by a public-facing, web-based management information system. This has made public scrutiny possible. For the state, transfers of funds accompanied by a digital trail have become quicker, administrative overheads have been reduced and dashboards provide a quick reference to key metrics of programme functioning. Increased penetration of bank accounts has improved last-mile access. Faster registration of grievances and quicker resolution are promising aspects of digital governance. However, these positives need to be balanced with some notes of caution, as many chapters in this Handbook highlight. Veeraraghavan (2021) observes three key features of digital governance: 'top-down, iterative and detail-oriented.' This has meant that field-level bureaucrats are often neither privy to technological changes nor adequately trained to adapt to centralised digital architecture and its updates. The lack of clear protocols further exacerbates this problem, and the onus of compliance across digital platforms often falls on the rural poor, resulting in new forms of exclusion (Buddha and Tamang 2023; Drèze 2025). Moreover, digital infrastructures evolve much faster than uneven rural infrastructures can keep pace with, resulting in violations of rights (Nair 2026).

The rapidly evolving modes of delivery and changing welfare regime are altering some of the core objectives of rights-based legislation. These Acts came with legal entitlements, accountability mechanisms and grievance redress systems

that gave citizens formal recourse when entitlements were not delivered. The new cash transfers largely do not. New Welfarism and DBTs provide easily measurable outputs and outcomes. Important as they are, building local institutional capacity, improving accountability and enabling individuals to make claims have been rendered secondary. Some scholars argue that this shift in the governance mindset, from inputs and processes to outputs and outcomes, has hindered the everyday practice of citizenship, making the state distant, opaque and less accountable (Falcao 2024; Chaudhuri 2020; Dhorajiwala 2020). A rights-based welfare regime implies that emphasis must be placed not only on what the state achieves (outputs and outcomes) but also on how it achieves it (inputs and processes).

1.3 This Handbook

This Handbook attempts to map the major interventions of the Union government that together constitute India's welfare regime, examined from a rights-based perspective. Examining policy intent with actual outcomes, it assesses both the successes and the reasons for significant gaps, and reflects on what the current trajectory suggests about the future. With an explicit focus on rural welfare, it covers laws, policies and schemes related to food, health, education, work and social protection, tracing the history of each, assessing its current status and interrogating how well these interventions are actually working.

Each chapter is written by an academic or civil society practitioner with sustained engagement with the scheme or domain in question. The chapters document the objectives and rationale of each intervention, the status of implementation and the key challenges as the authors see them. The aim is not a comprehensive audit but a reckoning with where each domain stands and what the main unresolved problems are.

The Handbook brings together seventeen chapters across major welfare domains and a set of cross-cutting themes. The opening chapter (Chapter 2) on the macroeconomics of welfare highlights the importance of social sector spending not just for human development outcomes but for the economy as a whole. By making the case for welfare spending while also discussing possible sources of finance, it lays out the economic arguments in favour of expanding public services. The next chapter (Chapter 3) on social justice delineates the underlying social inequalities in India and reviews the existing protective, promotional and participative measures undertaken to advance social justice. It finds that in recent times there has been a shift towards individual benefits and away from the inclusion of marginalised groups.

The next set of chapters (Chapters 4 to 6) covers important schemes that address maternal and child nutrition, along with women's reproductive rights. The Pradhan Mantri Matru Vandana Yojana (PMMVY), the ICDS and school meals are

all part of the NFSA, providing specified nutritional entitlements. These chapters highlight the relevance of these programmes to the lives of millions of women and children and how the benefits they provide, in the form of cash transfers and meals, contribute to a range of objectives, from recognising women's unpaid care work to enabling early childhood development and meaningful participation in school education. At the same time, reduced and inadequate financial contributions by governments are recorded across all three schemes. Concerns surrounding quality and exclusion are highlighted: maternity benefit amounts are too low, mid-day meals are bereft of nutritive items like eggs and the ICDS is not geared towards reaching children under the age of three. Digitisation, especially in PMMVY and ICDS, has created significant barriers, leading to further exclusions. These are documented through case studies from the field.

Chapters 7 and 8 address school education. Chapter 7 follows the trajectory of expansion in school access to near-universalisation of elementary education and examines the centrality of the Right to Education (RTE) Act. Despite near-universal enrolment, poor learning outcomes remain a significant challenge. Chapter 8 addresses a specific entitlement under the RTE Act: reservations in private schools for children from economically disadvantaged groups. This provision was introduced to move towards a more inclusive schooling system and has been considered one of the Act's progressive elements. Many gaps remain in implementation, with uneven admissions across states, poor monitoring and impunity among many private schools.

Chapters 9 and 10 deal with health. Chapter 9 traces the history of the public health system, while Chapter 10 focuses on government-funded health insurance schemes, which are currently emerging as the main strategy for achieving universal health coverage. These chapters show that the public health system long followed a narrow approach focused on vertical programmes, though this was partially reversed through the National Health Mission, which strengthened the public health system more comprehensively. High out-of-pocket expenditures and distortions introduced by an unregulated private sector remain prevalent. Health insurance schemes at the state level, and PMJAY nationally, have been introduced to address out-of-pocket expenditure, but evidence suggests that they have so far not been successful in doing so. Further, market failures associated with health insurance, such as asymmetric information and moral hazard, appear to be features of public health insurance schemes as well.

Chapter 11 discusses the Public Distribution System, which is the single largest scheme in terms of coverage. This chapter shows how the reach of the PDS expanded significantly after the NFSA, especially in poorer states that did not have their own initiatives. Current challenges, such as outdated population estimates and the lack of diversity in the food distributed, are highlighted.

Chapter 12 on the right to work has been written at a time when MGNREGA was replaced by the VB-GRAM-G Act. Unlike most chapters, which focus in depth on a specific scheme, this chapter traces the history of the right to work in India and locates MGNREGA within that context. The achievements and challenges of MGNREGA, along with concerns surrounding its repeal and replacement, are discussed.

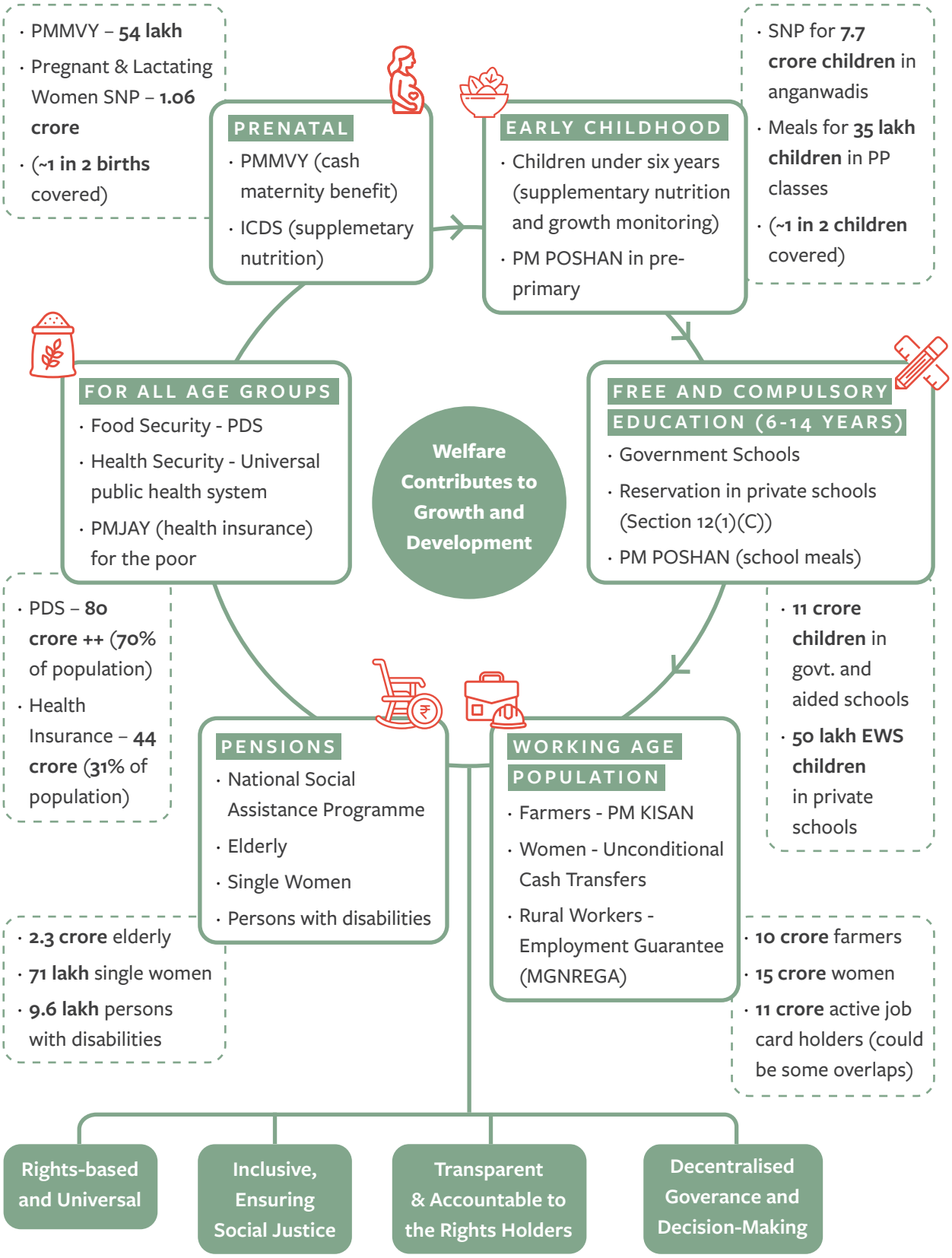
Though each of them addresses a different type, chapters 13 to 15 are all concerned with cash transfers. Chapter 13 discusses social security pensions, which have been part of the rights-based basket of entitlements since their inception. The chapter examines the neglect of these pensions at the Union level, reflected in stagnant coverage and resources, as well as state-wise differences in entitlements. Chapter 14 discusses PM KISAN, an income transfer programme targeted at farmers and one of the largest schemes of the new welfare dispensation. Both chapters, along with those on the PDS and MGNREGA, also discuss the exclusions that digitisation has introduced into these schemes. Chapter 15 is an outlier in this Handbook as it does not discuss a Union government scheme but discusses various unconditional cash transfer schemes introduced by state governments in recent years. The chapter examines the nature and extent of these schemes and the questions they pose for the future of public service provision, given the fiscal pressures they create and the ways in which they could transform citizen–state relationships.

The final three chapters focus on dimensions that affect the implementation of all the schemes and shape the way in which they reach people. Chapter 16 on social accountability discusses how the rights-based legislation of the 2000s also brought in a new system of social accountability through measures such as social audits and decentralised grievance redress mechanisms. Some of these are now being reversed through amendments to the Right to Information Act and the introduction of the Digital Personal Data Protection Act, 2023. Chapter 17 on decentralisation discusses the importance of transferring funds, functions and functionaries to local governments. It finds that while significant progress has been made, gram panchayats remain largely disempowered, functioning more as cogs in the administrative machinery than as self-governing local bodies. The final chapter (Chapter 18) brings together the concerns regarding digitisation raised across the Handbook,, showing how it has led to exclusion and confusion, and expands this discussion to examine how the ‘digital state’ is affecting citizenship, rights and welfare more broadly.

These chapters do not exhaustively cover all the welfare schemes of the Union government but have been chosen to represent the most relevant ones for the discussion on strengthening a rights-based welfare regime. Schemes providing tangible goods and services such as housing (PM-AWAS), cooking gas connections (Ujjwala Yojana) or free public transport also represent real improvements

in people's lives. The concern, rather, is ensuring that such provisioning includes the legal entitlements, accountability mechanisms, and institutional capacity that a rights-based welfare regime requires

Figure 1.3: Life-cycle of major welfare schemes



Icons: Baby by Made by Made; education by Kasanah; employment by ari supriharyati; prenatal by Good Wife; Grain by Andi Nur Abdillah, from Noun Project (CC BY 3.0)

The schemes covered by these chapters reach more than two-thirds of the population, cut across the life cycle from 'cradle to grave' and are critical to the lives of the most marginalised. Although this Handbook only includes centrally sponsored schemes, state governments contribute substantially to each of them in terms of resources and are primarily responsible for implementation. Several important state government initiatives also exist and the chapters provide many examples.

1.4 Implications and pathways

The welfare space in India is currently in flux: rights-based programmes are jostling for space alongside 'New Welfarism'. The interventions discussed in this Handbook mostly belong to the 'old' welfare regime. Their age does not make them any less relevant. They are grounded in an idea of socio-economic justice that goes beyond income provision, asking instead whether people are actually able to live decent lives, access education, healthcare and nutrition and participate as equal citizens. The Indian welfare state, in its conceptual imagination, is meant to advance capabilities by serving as a springboard for equal opportunities. This is consistent with what Sen (1999) calls the 'beings and doings' that development must make possible, and with Drèze and Sen's argument that growth without a commensurate expansion of basic capabilities represents a fundamental failure of public action (Drèze and Sen 2013).

The agenda of universal provision of services and social security in a rights framework is of great significance in the current economic situation. Although significant strides have been made in terms of economic growth, this has not been accompanied by the creation of decent jobs or by the movement of workers out of the informal sector (Basole 2022). Real wages have remained stagnant (Das and Usami 2023; Drèze and Das 2024). These conditions constrain the capabilities of a large proportion of Indians to participate as free and equal agents.

In alignment with Ambedkar's vision of socio-economic justice, the chapters in this Handbook seek to place fundamental social and economic rights on the same footing as civil and political rights. They call for a stronger rights-based approach to welfare delivery while recognising the gaps in existing legislations. Some common principles emerge. The importance of universal basic services, in keeping with constitutional provisions, runs through almost every chapter. Universality does not mean uniformity. Given the depth of social and economic discrimination in Indian society, universalism must be accompanied by protective and promotional features that actively ensure inclusion: reservations, preference in the location of services and the appointment of service providers, geographically targeted programmes and similar interventions.

A commitment to free public services does not absolve the state of accountability for the quality of those services or for the exclusions that persist within them.

Ensuring that services build community solidarity and are delivered with dignity requires mechanisms for participation, public scrutiny, transparency, accountability and time-bound grievance redress. Social audits, open data and decentralised grievance mechanisms have been tried in various forms and need to be deepened and expanded, not rolled back. Local governments need to be empowered, allowing flexibility as well as decentralised decision-making. Digitisation must be undertaken through consultation and accompanied by legal safeguards. Grounding welfare in a rights-based framework needs reimagining citizens as rights-holders making claims on the state rather than as 'beneficiaries' receiving largesse from a benevolent benefactor.

Establishing these as the criteria by which welfare policy is assessed can help shape the contribution of welfare to democratic processes. It is through welfare that democratic commitments are made real in people's lives and through which a more equitable and productive society becomes possible. In India, that commitment was there from the beginning. It was a promise we made to ourselves in the Constitution. Seventy-nine years on, the work of realising that promise remains a work in progress.

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02

P.P.S. Old Pix, A23d. Grading and baling of Tobacoo.
Public Resource via Internet Archive

Financing Rights: The Macroeconomics of Social Welfare Programmes

Over the years, many social welfare programmes in India have been recast as rights resulting in debates surrounding the means to finance these rights. There is a persistent tension in the allocation of finances between capital expenditure for big infrastructure and spending on social welfare policies. Critics see welfare expenditure as a net cost to society, inducing rigidities in the labour market. However, it has been observed that increased spending on social welfare policies has both short and long-term positive impacts for economic development. In the short term, it reduces poverty and inequalities while in the long run by creating a more educated and healthier workforce it contributes to higher productivity and growth. Welfare spending in India has been inadequate, although there exists a strong economic rationale to increase it and this can be achieved through a more progressive tax regime including wealth and inheritance taxes.

CHAPTER 02

Financing Rights: The Macroeconomics of Social Welfare Programmes

Jayati Ghosh

Social spending in general refers to public and private expenditure aimed at enhancing social well-being, reducing multidimensional poverty, improving health and education outcomes and promoting greater equality. Welfare programmes are typically understood as part of social spending or social policy programmes, encompassing interventions such as healthcare, education, food and nutrition support, old-age pensions, disability support, child support and family benefits, unemployment benefits and housing support. The concept of a 'social protection floor' seeks to guarantee minimum well-being and basic standards across the life cycle, implying differentiated provisions, including those based on gender. Proponents of such an approach have increasingly used a rights-based framework in which public provision may be required to ensure essential social and economic rights, such as the rights to life and livelihood, food, housing, health, education and social security against shocks.

A significant part of such welfare spending also covers activities that are broadly described as 'care activities'. Many of these continue to be performed in unpaid fashion, mainly by women and girls within households. There is a strong link between the extent of good-quality public service provision and the availability of recognised and good-quality care services.

A framework for social welfare spending that is based on essential human rights obviates the need for economic justification, since it posits the realisation of such rights as a social goal that must be met. The economy must therefore be made to conform to this goal through public action. In other words, economic arrangements, institutions and policies should serve the needs of the society, within planetary limits, rather than the other way around.

In purely economic terms, social welfare spending or social protection can be seen as an investment in human capabilities, which makes it a major contributor to the economy. At the same time, it is also quite different from other public expenditures, such as those on infrastructure or industrial policies for development. It can also have positive macroeconomic effects, as considered below, in terms of demand management, macroeconomic stabilisation and countercyclical economic policies.

In this context, the economic implications of such public spending have been the subject of debate for a very long period. In recent decades, opponents of social spending, and in particular of various social protection programmes, have made arguments that are part of a more general critique of the welfare state (summarised in Atkinson 1999). Essentially, such spending is seen as a net cost to society, generating 'inefficiencies' by crowding out what is presumed to be more efficient private sector investment, and introducing 'rigidities' in the labour market. These include reducing the incentives for unemployed workers to seek employment, and thereby generating greater tendencies for open unemployment. These arguments explicitly or implicitly rely on perceived trade-offs between equity and efficiency, or between equity and growth. Fiscal deficits that arise due to such spending are therefore seen as not only unsustainable but inefficient.

The concept of a 'social protection floor' seeks to guarantee minimum well-being and basic standards across the life cycle, implying differentiated provisions, including those based on gender.

These short-run macroeconomic arguments against social policy have their counterpart in longer-run approaches to economic development. Since such spending is seen as a cost, simply paying for consumption, this implies a diversion of resources away from productive investment, thereby reducing the potential for economic growth. At best, social welfare programmes are then justified only as a residual category of 'safety nets' that are designed to respond to shocks, counteract policy failures or adjust for development-related negative impacts. These arguments

remain strongly embedded in the attitudes of policy makers in many countries, including in India, where the attitude to social spending has been relatively niggardly and its deployment has been for political purposes rather than expected economic gains.

Yet the evidence is strong that such arguments are not valid, and that social spending—and welfare expenditure in particular—has strong positive effects on economic activity in the short run, as well as positive developmental impacts over the medium and long run. Therefore, it is not just positive for 'beneficiaries', but extends beyond that to wider economic benefits, because of the positive externalities that result. Some short-run effects are obvious, such as the reduction of absolute poverty, reducing economic inequalities and the positive countercyclical effects that reduce the intensity and length of economic slumps. Macroeconomically, since such spending is disproportionately directed to lower-income sections of society, the multiplier effects tend to be significantly larger than most other forms of public spending.

In addition, there are important long-term impacts that are crucial to the development process, not only because of the clear benefits to an economy of a healthier, better-educated work force, but because such spending also helps in managing the conflicts and contradictions of a development process that necessarily involves change. Social security works positively on development through effects on demographics, distribution and incentives. In particular, greater equity—or the reduction of vertical and horizontal inequalities by improving conditions of life and access to opportunities for the entire population—plays a significant, albeit under-acknowledged, role in both speeding up and easing the development process.

Mkandawire (2001) argued that social policy 'should be conceived as involving overall and prior concerns with social development, and as a key instrument that works in tandem with economic policy to ensure equitable and socially sustainable development.' He identified social policy as the set of collective interventions that directly impact social welfare (such as adequate and secure livelihoods and incomes), social institutions (the structures, rules and constraints that shape social interaction) and social relations (ranging from the micro to the global levels, encompassing intra-household relations of class, community, ethnicity, gender, etc.). He noted that these are important determinants of economic development, which, in turn, facilitate achievements in these areas through positive feedback loops.

The importance of the role played in conflict management and improving social cohesion should also not be ignored. This promotes greater social stability through a process of accumulation that can involve dislocation and rapid change. The greater openness of economies in the period of globalisation has intensified economic and social vulnerability and added external shocks to those generated

internally. That is why Rodrik (1998) argued that institutions of conflict management are a necessary complement to economic openness, and that failure to manage internal conflict can magnify the negative effects of external shocks. Indeed, this argument now appears prescient for many countries, across all levels of per capita income: 'every trade regime implies particular patterns of income distribution, and this in turn implies social policies either to sustain those patterns of distribution or to correct their social or political failures. Failure to do so can lead to integration into the world system that engenders social disintegration at the national level, with the distinct possibility of policy reversal toward protectionism' (Mkandawire 2001, 24). Therefore, conflicts over distribution in the course of a development process require a role of the state as a mediator or as a partner in social concertation to strike acceptable bargains on income distribution (Vartiainen 1999).

Obviously, different political economy configurations will result in different social policy regimes, just as they also produce different political capacities for the extraction of resources necessary for financing social programmes. But this does not divide simply along democratic/authoritarian lines. Eventually, every state, including the most authoritarian, has to be concerned with some degree of popular legitimacy, especially when the accumulation process can impact national cohesion. This is why it has been argued that 'the pursuit of social policies that enhance accumulation while securing the state the necessary legitimacy for political stability has constituted the cornerstone of developmental management' (Mkandawire 2001, 19).

A range of factors affects how social policy acts to induce economic and political stability to assist or induce growth. It is also evident that different patterns of accumulation for economic growth, with corresponding distributional effects, have varying results in terms of meeting the spectrum of social goals that are now on both national and international agendas, such as the Sustainable Development Goals.

2.1 Cross-country empirical evidence

Increased public welfare expenditure that is universal, or effectively targeted to the poor without unwarranted exclusion, improves income distribution in obvious ways by improving the conditions of life of the poor. Yet there is a body of literature that argues that such moves towards greater equity are in contradiction with a rapid accumulation process: in microeconomic terms, because inequality is supposed to act as an incentive for investment and innovation; and in macroeconomic terms, because the rich tend to save more, which releases more domestic resources for investment. However, this position has been discredited by recent research, which points to a negative relationship between economic inequality and growth. It is now more widely accepted that reducing inequality can be good for economic performance (see Stiglitz 2012 for a more extensive discussion).

Inequality results in lower aggregate demand, as those at the bottom spend a larger fraction of their income than those at the top. Deficient aggregate demand and a smaller and more sluggish expansion of the domestic market cause unemployment and underutilisation of other resources. These can have dynamic negative multiplier effects, leading to losses of potential aggregate income over time. The lack of income and access to essential social services among lower-income groups has knock-on effects for overall economic performance: hunger or malnourishment, lack of adequate healthcare and children who may not receive the education they need to live up to their potential. All this affects current economic performance and, even more, future growth prospects (Ferreira and Peragine 2015).

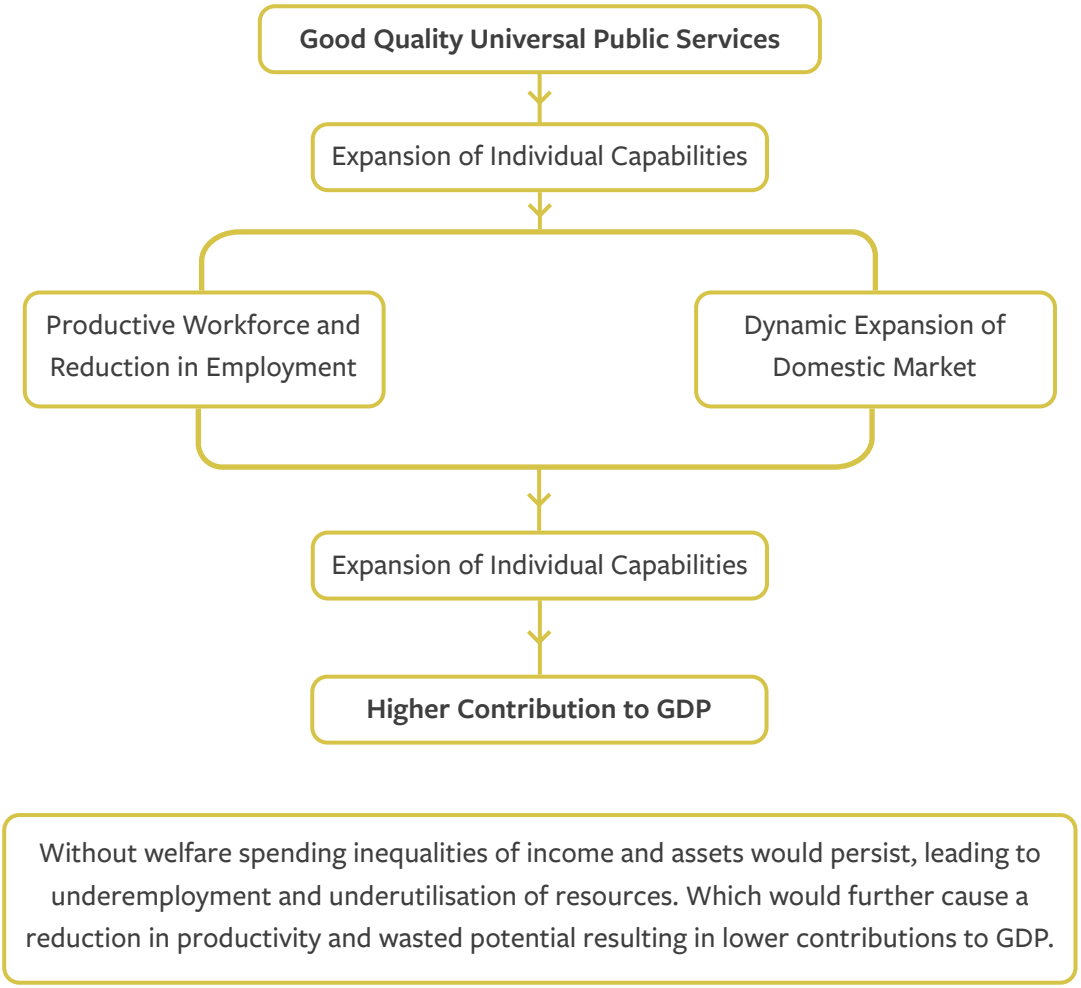
Specifically for this discussion, those at the bottom or in the informal sector, especially in countries with weak systems of social protection, are highly vulnerable to adverse shocks. These require coping mechanisms and survival strategies that may reduce productivity immediately and make it more difficult to make the long-term investments and other decisions that might improve it.

Inequalities of incomes and assets, in the absence of compensating social spending, both reflect and further reinforce inequality of opportunity, wasting the potential of those at the bottom. When good-quality public services are not universally provided, those who are better off can access the best privatised education and healthcare, while others—usually the bulk of the population—cannot. This undermines their chances of progress.

A substantial amount of recent research has found positive relationships between public social spending and the gross domestic product (GDP), both in the short term and over a longer period. Furthermore, this relationship has been found across different levels of base-period per capita income. It can also be argued that correlation is not causation. However, the argument that was widely prevalent in policy circles earlier—that increased social spending is a luxury that poor countries cannot afford, and that such spending would be an outcome of the growth process rather than one of the factors driving it—is not validated by empirical studies.

One study involving researchers from the International Monetary Fund (IMF) (Furceri and Zdzienicka 2012) used a panel of Organisation for Economic Co-operation and Development (OECD) countries from 1980 to 2005 to find that social spending had expansionary effects on GDP. In that study, an increase of 1 per cent in social spending increased GDP by about 0.1 percentage points, which, given the share of social spending in GDP, suggested a multiplier of about 0.6. The effect, while similar to that of total government spending, was larger in periods of severe downturns. Unsurprisingly, such spending positively affected private consumption. While it was found to have negligible effects on investment, it is likely that such effects could operate over a longer period because of the impact on consumption, and, therefore, expansion of the domestic market. Among the main social spending

Figure 2.1: Economic effects of public social spending on inequality and development



subcategories (education, healthcare including sanitation, social security and housing/community amenities), spending on health and unemployment benefits were found to have the greatest effects.

Another study analysing trends in developing countries over the period 1990–2013 (Ahuja and Pandit 2022) found that all categories of social spending produced a significant reduction in income inequality. Further, the impact of health and education spending on economic growth was significant. According to them, this indicates that 'both health and education spending can break the trade-off between equity and efficiency; that is, it can lead to both growth and progressive distributional change.' A study for Latin American countries (Quinonez 2024) found that increased levels of overall social spending were strongly associated with reduced levels of income inequality in the region. However, each of the four main areas of social spending was observed to have different effects on income inequality and these varied across countries.

Aggregate public investments in education, particularly during formative years, consistently predict higher social mobility (Iversen, Krishna and Sen 2021). A 25-country OECD panel (2000–09) showed that a 1 per cent increase in health spending is associated with a 14 per cent reduction in intergenerational inequality (Aizer 2014). Similarly, stunting due to malnutrition in poor children—which can be reduced through public interventions to provide nutritious food—has been directly linked to adult earnings and economic productivity because of its impact on cognition and educational achievement (De Sanctis et al. 2021; McGovern et al. 2017).

Haile and Niño-Zarazúa (2018) examined the causal effect of government spending on the social sectors (health, education and social protection) on three measures of aggregate welfare: the Human Development Index, the inequality-adjusted Human Development Index, and child mortality rates, using longitudinal data from 55 low and middle-income countries from 1990 to 2009. They found that strong government social spending has played a significant role in improving aggregate welfare in the developing world.

Another recent study by Development Pathways (2022) considered the potential impact of social protection policies on the economies of eight countries across four continents (Bangladesh, Colombia, Costa Rica, Georgia, Ghana, India, Rwanda, and Serbia). This study simulated the impact of investing the equivalent of just 1 per cent of GDP in each of these countries on domestic indicators such as GDP growth, employment and tax revenues, as well as on households' income by wealth quantiles, poverty and inequality. This research confirmed many of the analytical arguments made in favour of the positive impact of social protection: positive returns on the economy and GDP growth, increased tax revenues, lower poverty, and reduced barriers for women entering or returning to paid work. Social protection plays an important part in consumption smoothing, which is particularly helpful in enabling lower-income households to cope with adverse shocks. Households are thereby better able to avoid being forced into negative coping strategies, such as selling household assets or taking children out of school. The simulations also reinforce the expectation of higher multiplier effects of social protection investments, by showing that they induce an increase in labour demand.

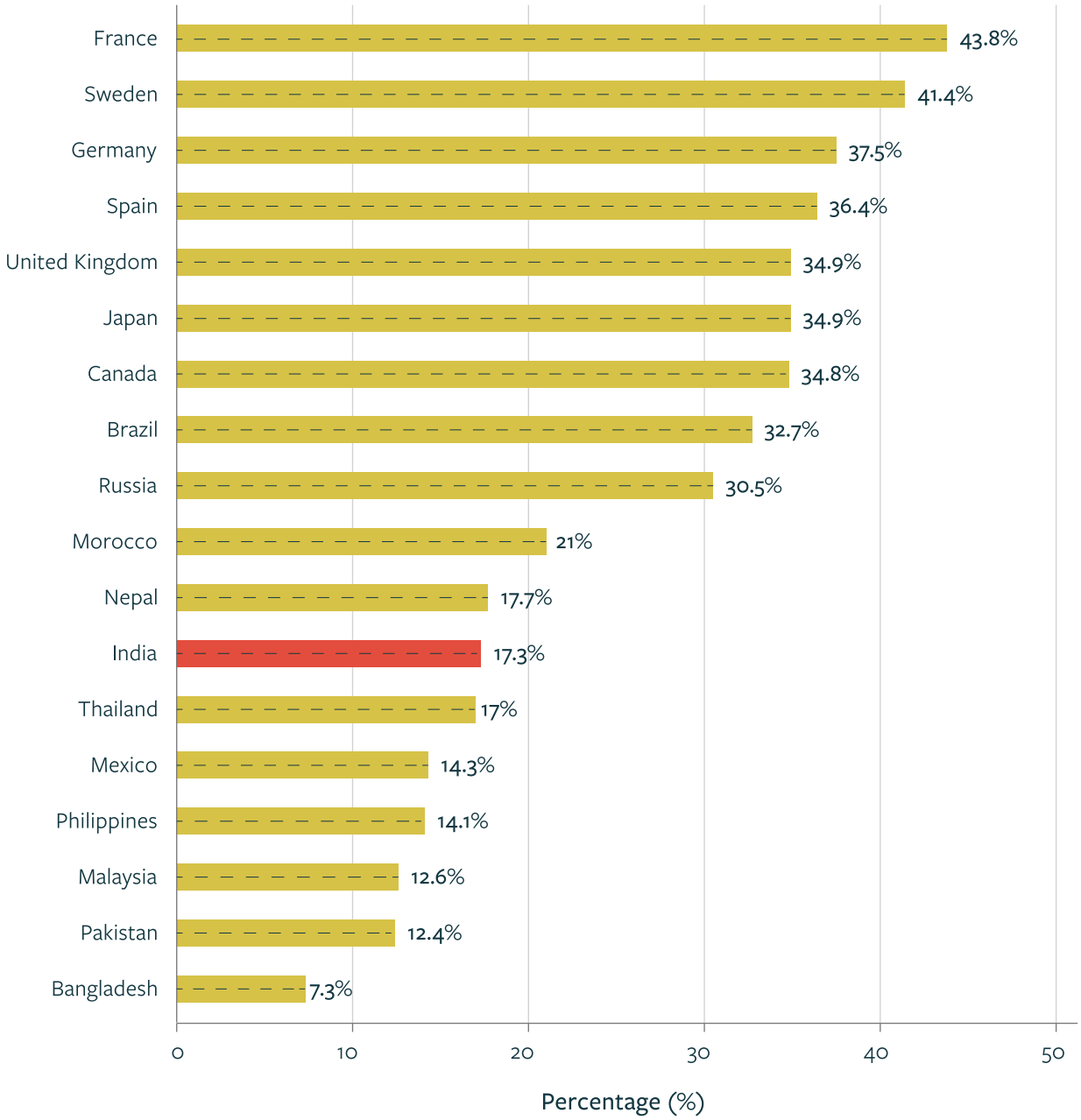
Significantly, the analysis also suggests that total tax revenues increase with public spending on social protection. Increasing such spending by 1 per cent of GDP leads to an increase in total government tax revenues of between 0.6 per cent and 3.5 per cent in the eight countries considered. This works through the mechanism of increased economic activity, which means that, in effect, the 'cost' to the government is significantly lower than the initial budgetary outlay. The macroeconomic cushioning effect is evident, particularly in cases of economic shocks and business cycle downswings. The simulations also confirm the important role of social protection in reducing poverty and inequality, including gender inequality.

It is important to note that increased social welfare spending, including social protection, can occur at many different levels of per capita income. Countries in Latin America provide good examples of how this has worked, especially in recent years. Three main types of social protection institutions are at the core of social protection in the region: occupational insurance, personal pensions and social assistance. Social assistance consists mainly of family transfers or conditional income transfers and old-age transfers. It has been argued that the emergence and evolution of social protection institutions in Latin America have been associated with significant political realignments (Barrientos 2025).

Left parties, trade unions and other labour-based organisations in Latin America traditionally favoured occupational insurance as the social protection institution of choice. However, from the early 1990s, conditional income transfer programmes spread through the region during the 'Pink Tide', when many left-leaning governments took power (Borges 2023). In Brazil in the early 1990s, there was a programme to support children's schooling by providing cash transfers to economically vulnerable families, which was scaled up to Bolsa Escola in 2001. This, along with other schemes, was consolidated into the *Bolsa Família* system of cash transfers in 2003 by the Lula government, which also committed to 'Zero Hunger', implemented through food assistance in kind.

In Mexico, the social impact of the agricultural trade liberalisation associated with the North American Free Trade Agreement (NAFTA), which affected peasant livelihoods and employment, led to PROGRESA. This was designed as a rules-based conditional family cash transfer programme that linked income transfers with schooling and health. These social assistance transfers in Latin America were decoupled from employment. Since conditional transfers typically provided only around 20 per cent of household income, it was expected that recipients would receive other income through employment. Old-age and disability transfers have also expanded in the region. Universal pensions—transfers offered to all above a certain age—were introduced in Bolivia; transfers were paid to all older people without formal pensions in Chile; while in Guatemala, such pensions were provided only to older people living in poverty. In all of these examples, the impact on poverty reduction was notable. In countries like Argentina, where social protection measures were combined with increases in minimum wages, there were also positive effects in terms of a more rapid recovery from the economic and financial crisis.

Figure 2.2: Share of Tax Revenue to GDP, Selected Countries, 2023



Sources and notes: UNU-WIDER Government Revenue Dataset (2025)

2.2 Financing social welfare spending

Notwithstanding the many positive economic effects of social welfare spending, it will require additional public spending if it is to be effective. Significantly enhanced public expenditure will be required both directly, to ensure basic needs for all and social protection (along with transformative green investments); and indirectly, to enable private investments in areas where commercial profitability can be assured without denying access or reducing quality, by underwriting them.

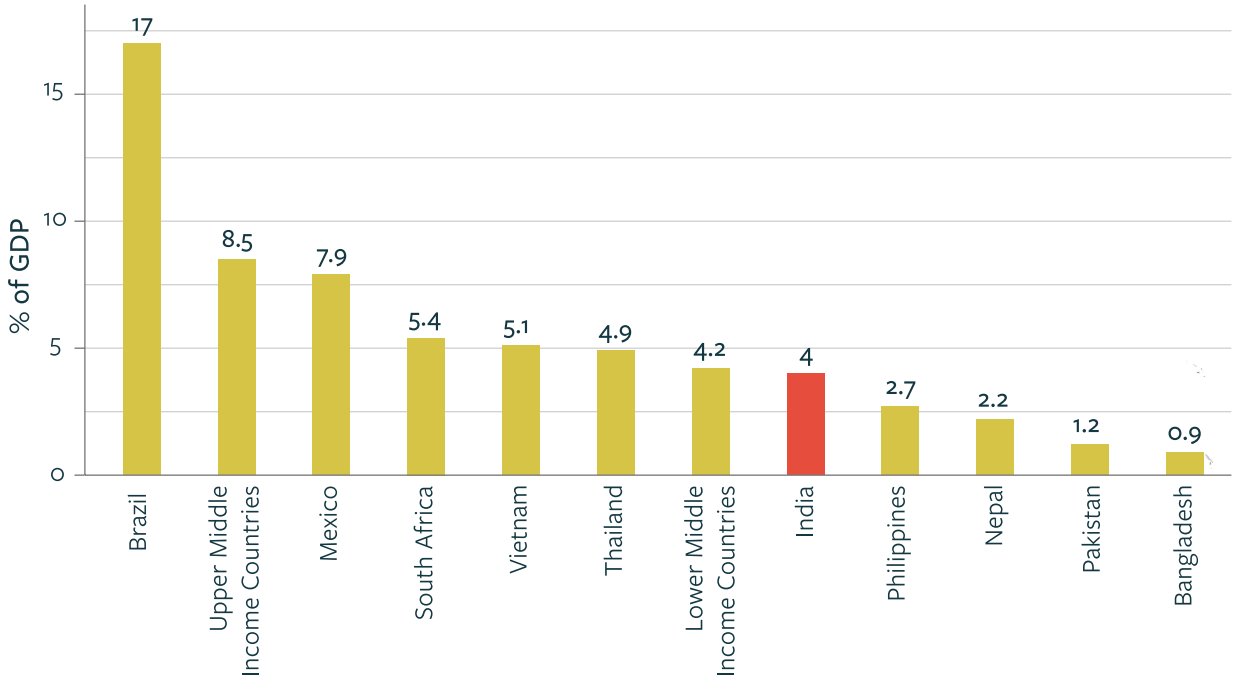
This typically brings forth the question of how such spending is to be financed. Using borrowing from the central bank (deficit financing of budgets through money creation) is possible, but can also run up against macroeconomic

constraints such as inflationary pressures. Relying on external finances, such as Official Development Assistance (ODA), is increasingly problematic, fraught with other dangers, and, in any case, less likely because of the global decline in aid spending by donor governments and multilateral institutions. Therefore, domestic public finance is key: sustaining prolonged higher levels of public expenditure directed to social welfare necessarily requires significantly more tax revenues.

This, in turn, requires a major shift in the central government's approach towards a more progressive fiscal policy. Tax-to-GDP ratios in India are relatively low, even when compared to other middle-income countries, and among the lowest in the G20 countries. And the tax system is also regressive, relying on taxes that fall disproportionately on the poor and middle classes (indirect taxes) rather than on the rich, who have been the main beneficiaries of recent growth.

There is obviously a political economy of domestic resource mobilisation, which must be recognised as determining the ability of governments to tax, and the nature of taxation (whether progressive or regressive) in different socio-political contexts. There are also significant constraints on states' ability to tax, posed by the international economic architecture, and in particular by globally accepted systems of taxation with regard to entities with a cross-border presence. The tax systems in operation around the world today are both outdated and regressive. They simply cannot deliver the public revenues required or ensure that the rich pay more than the poor relative to income. They fail to recognise the massive changes in the ability of multinational companies and rich individuals to avoid taxes that have been

Figure 2.3: Expenditure on Social Protection as a % of GDP (excluding health), Selected Countries (2023 or latest available year)



Sources and notes: World Social Protection Data Dashboards, ILO

generated by globalisation and financial flows. They also do not take into account how companies shift profits and wealthy individuals shift assets into low-tax jurisdictions.

Moreover, these systems rely far too heavily on indirect taxes such as value added tax (VAT), which fall more severely on the poor. Over the past few decades, this has been associated with a marked decline in public wealth alongside a rise in highly concentrated private wealth, as shown in the World Inequality Report 2022 (World Inequality Lab 2022). As a result, current tax systems in most countries—and particularly in lower-income countries that are victims of large illicit financial flows—cannot raise the required public resources and may even add to ballooning inequality.

However, there are ways to address this, if there is the political will to do so. It is possible, for example, to tax multinational companies to ensure that they pay the same effective rate as purely domestic companies; to tax windfall profits in all sectors, especially profits made during periods of scarcity and speculation when the rest of the world is worse off; to tax individually held wealth, especially the assets of the extremely wealthy taxpayers, wherever they are held; and to tax incomes from capital more progressively.

At least some of these measures depend on international coordination, because of the enhanced ability of rich corporations and individuals to shift resources across borders. The current system came into place around a century ago, when multinational corporations were rare, and when the rich in each country could not easily park their wealth in tax havens. As a result, this system barely acknowledges the possibility of companies and wealthy individuals moving their profits, incomes and assets to low-tax jurisdictions to avoid being taxed where they reside. Yet such practices are now so common that the largest global corporations and the richest individuals in the world pay barely any taxes on their incomes or assets.

A major weakness in the global tax system is the ability of multinational companies (MNCs) to manipulate their profits by shifting them to other countries. This is possible because the system treats each subsidiary of a corporation as an individual, separate entity. By shifting profits to low-tax jurisdictions, MNCs typically pay only a fraction of what domestic companies have to pay. Analysis of country-by-country reporting of profits by MNCs shows that about 35 per cent of foreign profits, amounting to $1 trillion, were shifted to tax havens in 2022 (EU Tax Observatory 2024). This can be prevented if multinational corporations are treated as single entities and taxed accordingly, based on their sales and employment in each country to determine their share of global profits. This would need to be combined with a global minimum tax floor to fight tax competition and the race to the bottom in tax rates.

In fact, the international initiative to address this – the OECD Base Erosion and Profit Shifting (BEPS) 'inclusive process' – has had only limited success and has now effectively collapsed. One major outcome of negotiations that stretched over seven years was the 2021 agreement to enforce a minimum corporate tax rate. While the principle was important, the agreed rate of 15 per cent was far below 25 per cent – the median of global corporate tax rates and close to rates in some tax havens. This would generate at most around $200 billion in additional revenue globally, whereas a 25 per cent minimum rate could generate as much as $500 billion annually. Indeed, a low global minimum tax rate could trigger another race to the bottom in corporate income tax rates.

However, even this low minimum rate had little effect because of carve-outs introduced subsequently. One major carveout allows firms to demonstrate 'economic substance', enabling MNCs to benefit from reporting profits in tax havens by investing capital and hiring workers there. As a result, revenue gains from this measure have been very limited: only 3 per cent of global corporate income tax revenue, rather than the projected 9 per cent; meanwhile, profit shifting has continued unabated. More recently, the US administration demanded that G7 countries exempt US MNCs from this, a demand that was tamely accepted in a rushed meeting of the OECD Inclusive Process in January 2026. This is a clear example of coercive power in action, effectively undermining the entire effort.

The other 'pillar' of the OECD–BEPS negotiations was unitary taxation, which involves treating MNCs as a single entity, as they effectively are, rather than as separate entities in each country operating at 'arm's-length' from one another. The basic idea is to apportion taxable profits across all countries in which MNCs have an economic presence, using a formula based on factors such as sales and employment, and allowing each country to tax its share of the total profits at its own corporate tax rate. Yet the OECD compromise was extremely narrow in scope: it included only the largest MNCs, applied only to profits above 10 per cent, and allocated just one-quarter of those profits to potential global taxation. This limited revenue potential meant that developing countries would receive negligible additional tax revenues. In return, they were required to relinquish autonomous tax measures like digital services taxes, which have been implemented successfully by several countries – and submit to problematic investor-state dispute resolution processes. In any case, even this compromise did not come into force, and the current geopolitical context makes its implementation even less likely.

Taxation of the very wealthy has long been considered difficult because extremely rich individuals can move their money across jurisdictions, both legally and illegally, to avoid taxes. As the Global Tax Evasion Report 2024 shows (EU Tax Observatory 2024), this occurs through a range of mechanisms: clearly illegal practices such as concealing income in offshore bank accounts, as well as grey-

zone tax-saving strategies, including profit shifting to foreign shell companies and the creation of holding companies or trusts that obscure beneficial ownership to manage personal wealth, and avoid individual income taxes. Global billionaires have effective tax rates as low as 0 to 0.5 per cent of their wealth, largely because they rely on shell companies to avoid income taxation.

There have been some positive steps in recent years to address this. To enable the taxation of extreme wealth, even the simple sharing of banking information across countries has been a breakthrough. The US Foreign Account Tax Compliance Act (FATCA), implemented in 2014, required banks worldwide to report the account holdings of US taxpayers, under threat of penalties. From 2017, the automatic exchange of banking information through the OECD's Common Reporting Standard (CRS) expanded to cover more than 110 jurisdictions (though notably excluding the US). These measures have made it more difficult for very wealthy individuals to conceal offshore financial wealth. In 2022 alone, around $12.6 trillion in offshore wealth was reported to foreign tax authorities through these mechanisms.

Even so, this does not mean that such assets and incomes are subsequently taxed. Many governments have been reluctant to do so, fearing resistance and capital flight, and often responding to pressure from powerful lobbies representing the wealthy and large corporations. Offshore tax evasion has also not disappeared: it is estimated that around 25 per cent of global offshore financial wealth remains untaxed. Not all offshore financial institutions comply with reporting requirements, and the US – which itself contains several tax haven states – does not participate in the CRS. In addition, very wealthy individuals can shift into non-financial assets, such as real estate.

It is often argued that wealth taxes are difficult and cumbersome to implement because the costs of identifying and tracking wealth outweigh potential revenue gains. One way of dealing with this would be to introduce a global minimum wealth tax targeting only those with very large fortunes, say as dollar billionaires or centimillionaires, and focusing on relatively easily identifiable assets, including financial assets and land or real estate. Even a modest tax rate of 2 per cent – barely noticeable for those with such enormous wealth – could generate substantial revenues, estimated at close to $250 billion annually from fewer than 3,000 individuals. In a recent report commissioned by the Brazilian presidency of the G20, Gabriel Zucman (2024) outlines a blueprint for such a tax, arguing that the primary constraint is political will. This position is increasingly reflected in government discourse: the final statement of the G20 Summit in Rio in November 2024 (endorsed by the Government of India) declared that 'With full respect to tax sovereignty, we will seek to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed.'

This is why the ongoing intergovernmental negotiations at the United Nations towards a framework tax convention on international tax cooperation are so significant. They offer an opportunity to rework the current international tax architecture towards more comprehensive and equitable solutions. The UN remains a body with a rules-based decision-making process, universal membership, and participation from all member countries, providing the basis for a more democratic and genuinely inclusive system than the OECD-led process. The absence of the US from these negotiations is clearly a concern; however, coordination among other countries, or even among a subset of them, could still become the basis for initiating a process of fair taxation of both MNCs and extreme wealth. In addition, the UN negotiations are also considering protocols on taxation of digital services and on dispute settlement, both of which could have significant positive effects on revenue collection.

These developments are of direct relevance for India, where major opportunities for progressive taxation continue to be overlooked. According to researchers at the World Inequality Lab, India has become one of the most unequal countries in the world in terms of both wealth and income distribution. A substantial share of GDP growth in recent decades has accrued to the top 10 per cent of the population, particularly to the very wealthy. Such extreme inequality has not translated into higher investment rates, productivity, or economic dynamism. Instead, it has contributed to the stagnation of mass consumption demand, which in turn acts as a deterrent to private investment. It has also deepened social divisions and increased political tensions. From the perspective of expanding social spending, it is therefore critical to pursue more progressive taxation strategies, both domestically and through international cooperation.

2.3 The Indian experience

While the preceding discussion has been general, its relevance to India is apparent. The Indian economy has developed several strengths over three decades of relatively rapid expansion, including a degree of economic diversification, sectoral sophistication, and a young population with rising levels of education that could support future growth. But these strengths are also accompanied by structural weaknesses: the absence of dynamic inter-sectoral linkages, stagnation in manufacturing output and employment, the dominance of informal employment, and the inadequate expansion of livelihood opportunities for the majority of the population – all of which are associated with rising inequality (Bharti et al. 2024).

The growing disconnect between output growth and employment expansion is of particular concern, especially given India's demographic structure of a predominantly young population. Indeed, the Indian economy reflects the limitations of a prolonged period of rapid economic growth that has not been matched by sus-

tained social policy interventions capable of distributing its benefits more widely or improving human development outcomes for the majority alongside aggregate income growth. This failure is closely linked to insufficient structural transformation: a large share of the workforce remains trapped in low-productivity activities in agriculture and services, which in turn contributes further to the lack of this structural change.

Some public interventions – particularly the rights-based policies introduced in the latter half of the 2000s – have been important and, if expanded and implemented more effectively, could have helped reverse these trends. Even today, a stronger emphasis on social policy, including welfare programmes, would not only improve the conditions of the vast majority but also support a more inclusive pattern of development. Such an approach could stimulate growth from below, as rising domestic demand would enable and incentivise small and medium enterprises across sectors to flourish, thereby increasing wages and improving the livelihoods of the self-employed.

Despite the clear economic rationale of such a strategy, public social spending in India remains extremely low, even as per capita incomes have risen. Data inadequacies – particularly the lack of comparable cross-country data for India – make precise comparisons difficult. Moreover, the ILO's standard measures of social protection, such as the proportion of the population covered, can be misleading because they do not capture the adequacy of the social security benefits that are received. For instance, the International Labour Organisation (ILO) estimates that more than half of the population in Asia and the Pacific received at least one form of social protection benefit (ILO 2025), but this figure is heavily influenced by East and Southeast Asia. South Asia continues to be among the lowest-spending regions on social protection, including healthcare, at just 5.1 per cent of GDP in 2023, compared to 9.4 per cent in Southeast Asia and the Pacific and 13.7 per cent in East Asia. High-income countries, including those in North America, Europe and East Asia, spend, on average, around one- quarter of GDP on social protection.

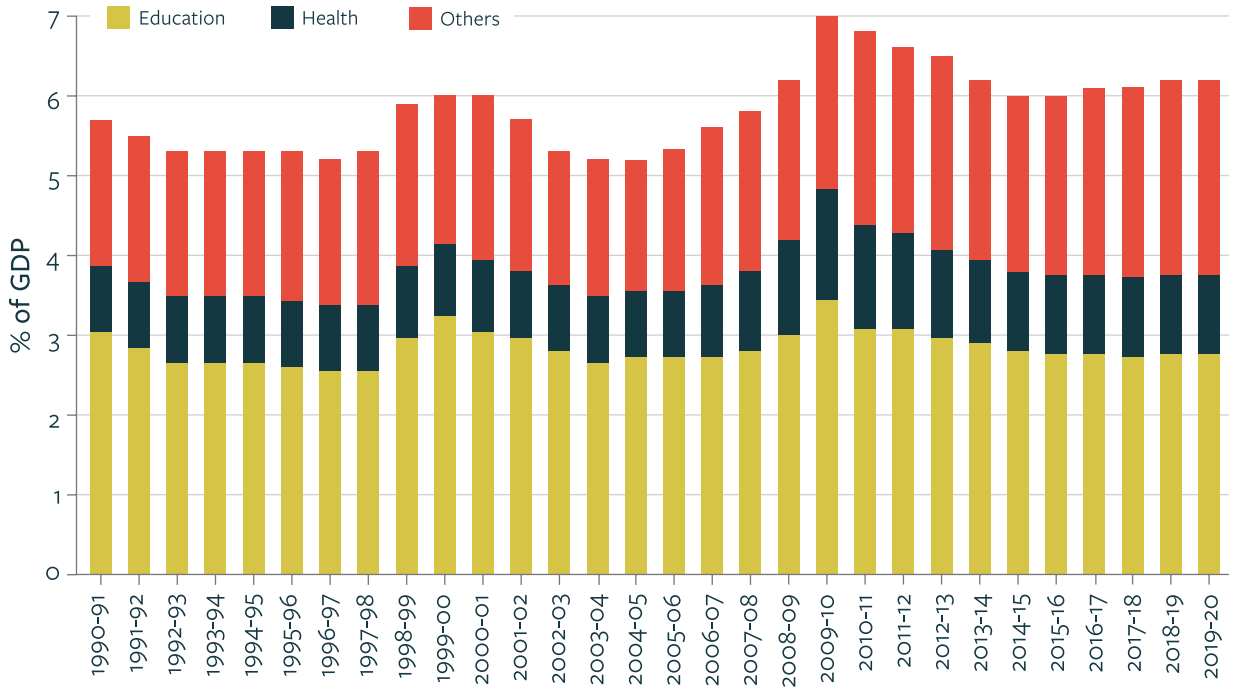
In the decade beginning in 2004, there was a shift in the government's approach to social welfare, towards a 'rights-based approach' in which basic socio-economic rights were formally recognised and legislated. The rights to work, food, education and information were established through laws that made it the state's obligation to ensure a minimum level of provision accessible to all (Ghosh 2006; Ruparelia et al. 2009). The rights to health and adequate housing were proposed but not legislated. The right to work was operationalised in a limited form, restricted to rural areas, through the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which promised 100 days of work for every rural household. In practice, however, only around 40–50 days of work per year were

provided on average, and fewer than 10 per cent of households received the full 100 days of work in any given year.

The right to food was formalised through the National Food Security Act (NFSA) 2013, which built on the existing foodgrain procurement and distribution system. Eligible households were provided subsidised food (₹2 per kg for wheat and ₹3 per kg for rice), with eligibility determined by lists of households classified as 'below poverty line (BPL) based on the socio-economic census of 2011–12. Since this list has not been updated despite significant demographic change, both Type I (unjustified exclusion) and Type II (unwarranted inclusion) errors are widespread, with at least 100 million people estimated to have been excluded (Khera and Somanchi 2020). Nevertheless, framing of such public provisioning in terms of enforceable rights represented an important institutional shift.

However, in the decade since 2014, the Union government has made significant adjustments – in most cases amounting to reversals – of this approach. Social spending is no longer framed as a means of realising basic socio-economic rights; instead, it is presented as a discretionary provision by the state. Bose and Banerjee (2025) note that trends over the past thirty years indicate stagnation in the ratio of public spending on human development to GDP in India, pointing to 'underperformance in social spending in India and the need for greater investments'. Figure 2.4 illustrates this. The evidence further suggests that since 2014, the Union government has not increased such spending either in real per capita terms or as a share of GDP; if anything, it has reduced it.

Figure 2.4: Social expenditure as a percentage of GDP in India

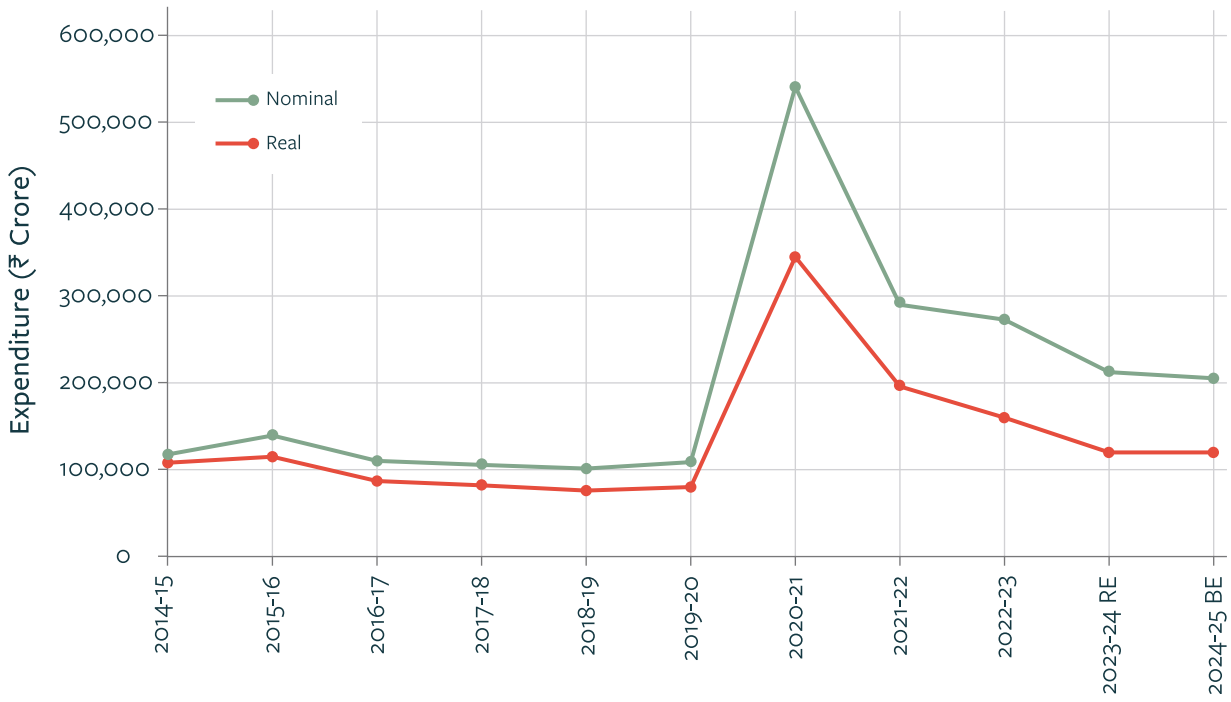


Sources and notes: Bose, Sukanya, and Saikat Banerjee. 2025. "Social Spending and Fiscal Policy in India: Towards an Alternate Macro-Fiscal Framework Integrating Human Development". Working Paper 25/422. National Institute of Public Finance and Policy.

Khera and Asjad (2024) note that because many of the schemes introduced by the United Progressive Alliance (UPA) government were enshrined in law, it was difficult to defund them entirely. However, allocations to several schemes were substantially reduced, and some were renamed. The new welfare measures introduced by the National Democratic Alliance (NDA) government, largely in the form of cash transfers targeted at specific groups, broadly offset these reductions, but differed in approach, shifting from a rights-based framework to a more paternalistic model.

A further issue concerns the impact of inflation on the real value of benefits available to households. The provision of free food to NFSA beneficiaries since the peak of the COVID-19 pandemic has received considerable attention. However, it is important to note that the NFSA already provides highly subsidised food. The difference for 5 kg per month – ₹10 or ₹15, as opposed to no payment – was therefore marginal for the rights holders. As Figure 2.5 shows, the total expenditure on the food subsidy increased only modestly beyond the pandemic years. In nominal terms, the food subsidy rose by around 78 per cent between 2014–15 and 2024–25, but the increase in real terms over the same period was less than 14 per cent. While the pandemic years were exceptional in terms of food subsidy expenditure, this was not accompanied by comparable increases in other essential forms of social protection, whether in healthcare or livelihoods support.

Figure 2.5: Expenditure on food subsidies in real and nominal terms



Sources and notes: Accountability Initiative. 2024. "BUDGET FY 2024-25 (Interim) the Last Decade of Social Spending Where Have Government Revenues Gone?". The spike in 2020-21 includes the additional subsidy towards covid relief as well as correction in the budgetary accounting by offsetting of past loans to Food Corporation of India from National Small Savings Fund.

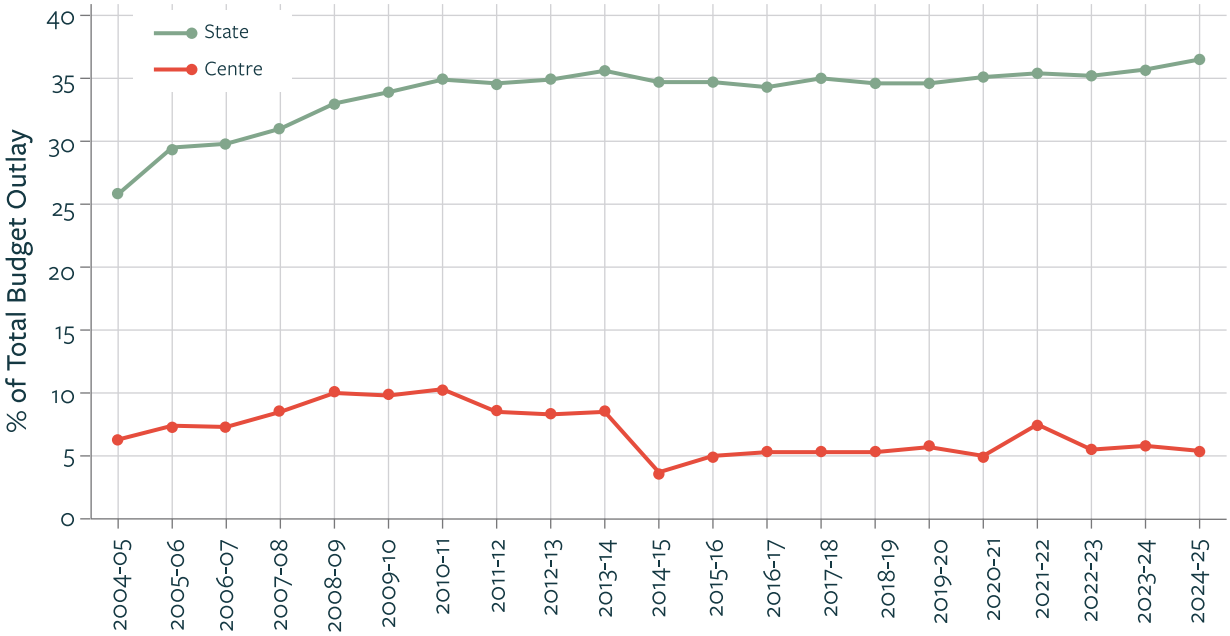
As a result, persistently low and clearly inadequate social spending by the Union government remains a major constraint on India's development. However, central spending constitutes only one component of total social spending, since state governments also bear significant responsibility. It is therefore important to assess their role, particularly over the past decade.

2.4 Fiscal federalism and social spending in India

Most of the increase in social spending in India over the past decade has been driven by the state governments, which have sharply raised their own social spending.

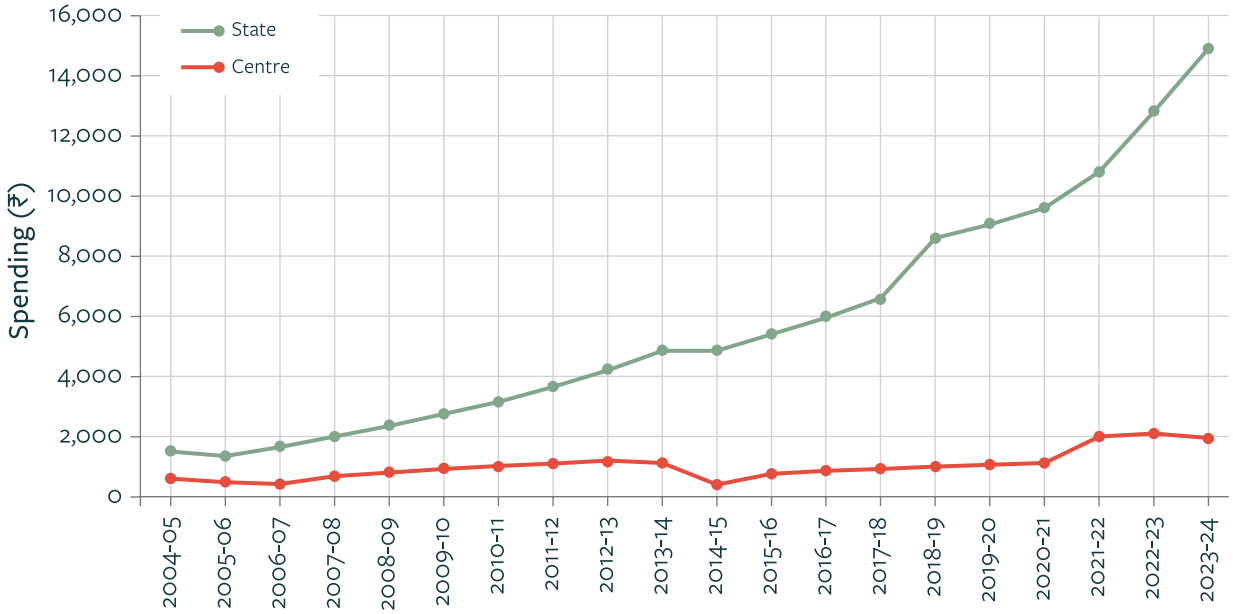
As Figure 2.6 shows, the share of social spending in the total budgetary outlays of the Union government declined from 2014–15 onwards and remained lower for most of the subsequent period, apart from the exceptional year of the COVID-19 pandemic (2021–22). This resulted in a drop in the average share of social spending in total expenditure, from 8.5 per cent during 2004–05 to 2013–14, to as low as 5.3 per cent in the period thereafter. By contrast, state governments demonstrated a much stronger and steadily increasing commitment to social sector spending over this period. Their expenditures exceeded those of the Union government by more than four times up to 2013–14 and by more than eight times thereafter. The divergence is clearly reflected in per capita social spending by Union and state governments, as shown in Figure 2.7. These figures are presented in nominal

Figure 2.6: Social services expenditure of central and state governments as a total percentage of budget outlays



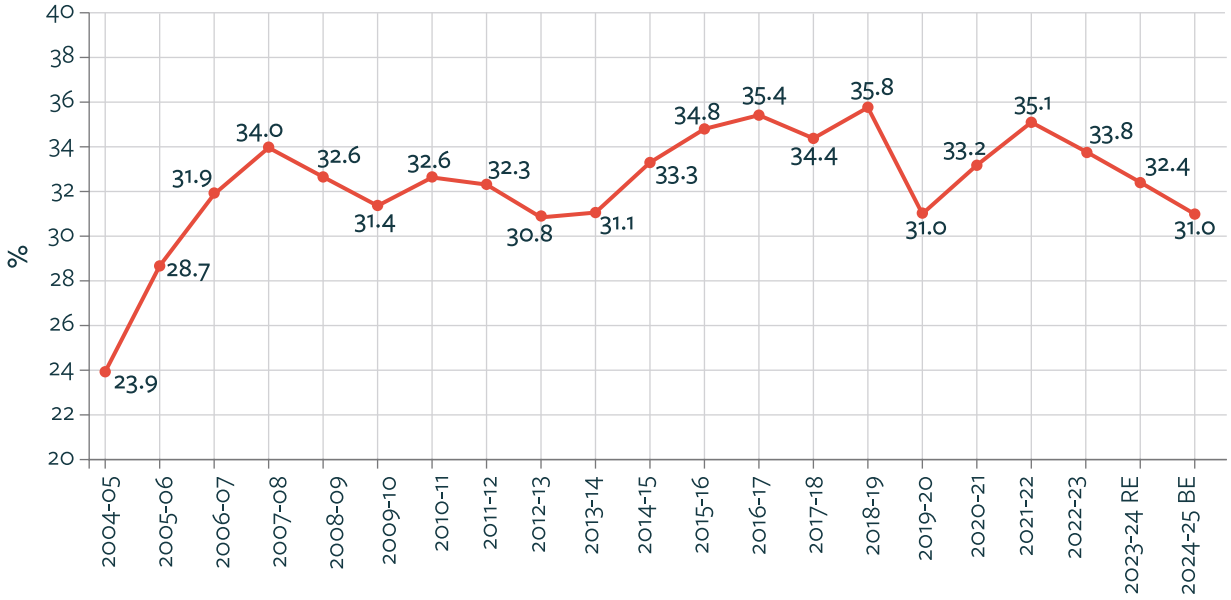
Sources and notes: Handbook of Statistics on the Indian Economy and Handbook of Statistics on Indian States, Reserve Bank of India, accessed on 8 November 2025.

Figure 2.7: Per capita social spending of central and state governments



Sources and notes: Handbook of Statistics on the Indian Economy and Handbook of Statistics on Indian States, Reserve Bank of India, accessed on 8 November 2025.

Figure 2.8: Percentage of fiscal transfers from Centre in total state revenues

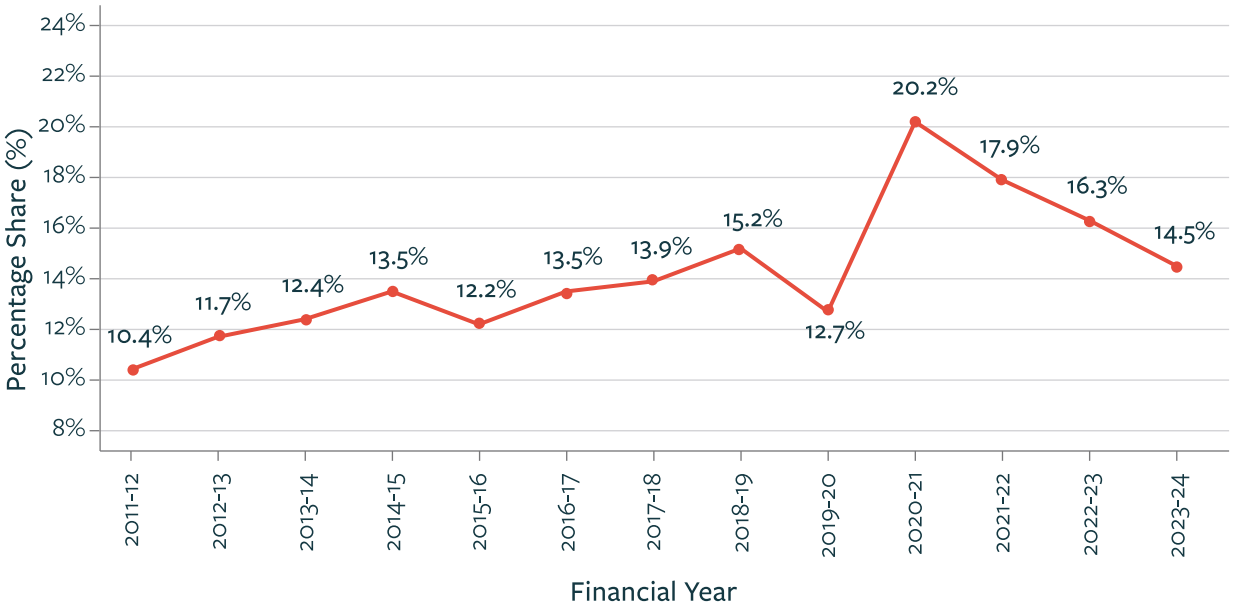


Sources and notes: Handbook of Statistics on the Indian Economy, Reserve Bank of India, accessed on 17 April 2026.

terms and therefore do not account for the effects of inflation. In addition, owing to the absence of Census data after 2011, the estimates rely on population projections that have yet to be fully validated.

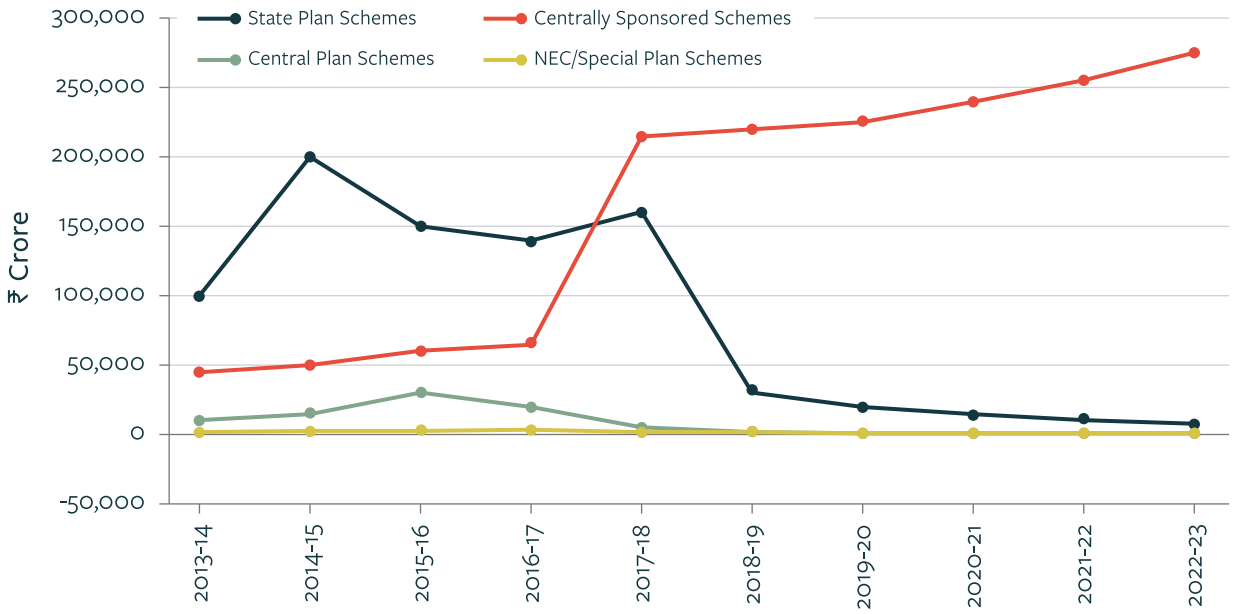
The expansion of social spending by state governments is particularly notable given concurrent changes in the fiscal structure and the reduced role of transfers from the Centre. Figure 2.8 illustrates this shift. The Fourteenth Finance Commission (2014) increased the share of tax devolution to states from 32 per cent to 42 per cent, with the intention of providing greater fiscal autonomy, flexibility and enabling states to design programmes suited to their specific contexts, rather

Figure 2.9: Share of cesses and surcharges in gross tax revenue



Sources and notes: Year-wise details of Major Cesses levied and collected [Data set]. Dataful. https://dataful.in/datasets/21210.

Figure 2.10: Centre's transfers for plan schemes



Sources and notes: Handbook of Statistics on the Indian Economy and Handbook of Statistics on Indian States, Reserve Bank of India, accessed on 8 November 2025.

than relying on centrally sponsored schemes that were not always designed for specific state contexts. While the Union government initially implemented this recommendation, as reflected in higher tax transfers, it subsequently sought to offset its effects by increasing reliance on cesses and surcharges, which are not shared with states. Figure 2.9 illustrates this shift. The share of cesses and surcharges in gross tax revenue rose from 10.4 per cent in 2011–12 to a peak of 20 per cent in 2020–21, before declining to 14.5 per cent in 2023–24.

This meant that state governments had to reduce their dependence on fiscal transfers from the Centre, with such transfers declining from a peak of 35.8 per

cent in 2018–19 to 31 per cent in 2024-25. Furthermore, as Figure 2.10 indicates, the Union government has continued to prioritise fiscal centralisation by reducing – and in some cases effectively eliminating – transfers for state plan schemes, instead concentrating non-tax transfers on centrally planned schemes that often come with conditions not always aligned with state priorities.

2.5 Conclusion

International evidence on public spending in social sectors, particularly social protection and welfare programmes, indicates that such expenditure has significant positive effects across social, economic and political domains. As noted earlier, these include reductions in poverty and inequality; stronger multiplier effects, especially in employment generation; and countercyclical impacts that mitigate the severity and duration of economic downturns. Such spending also advances the broader development process, not only through the economic gains associated with a healthier and better educated workforce, but also by helping to manage the tensions and contradictions inherent in a development process that necessarily involves change.

Social protection contributes to development through its effects on demographics, distribution and incentives, while reductions in inequality help to ease social strains that accompany processes of economic development. It is also critical for the generation of good-quality employment – an area that has remained a major weakness, and at times a failure, of India's accumulation strategy. In this context, the trajectory of social welfare spending in India can be characterised as one of largely missed opportunities, punctuated by important positive developments (especially in certain states), that require more significant expansion and consolidation. The future trajectory of the Indian economy will depend to a considerable extent on how current and future governments respond to this challenge.

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03

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Social Inclusion in India: History, Shifts and Contemporary Jurisprudence

Evidence on human development outcomes suggests that structural inequities based on social identity persist. The caste system forms the basis of social and economic inequalities and normalises discrimination against the marginalised in India. Meanwhile, social exclusion based on other identities is also pervasive. The Constitution of India includes several provisions towards substantive equality as well as for preventive, promotive and participatory measures for ensuring inclusion. However, implementation has consistently fallen short of intent. Recent changes in the orientation of welfare policies such as reductions in budgets and increased privatisation dilute constitutional promises. Varied experiences and needs of marginalised communities must be recognised, with the allocation of adequate government resources to address inequalities, not out of largesse but as a fulfilment of the State's constitutional obligation towards social justice.

CHAPTER 03

Social Inclusion in India: History, Shifts and Contemporary Jurisprudence

Annie Namala and Aditi Anand

'Political democracy cannot last unless there lies at the base of it social democracy.'[1]

'... rights are nothing unless remedies are provided whereby people can seek to obtain redress when rights are invaded.'[2]

Dr B.R. Ambedkar

3.1 Understanding social inclusion in the Indian context

Social exclusion takes various forms. Its nature, form and scope differ across contexts and are reflected in various socio-political systemic practices such as caste, colonialism and apartheid. The caste system excludes people from the same territory based on the values assigned by birth; colonialism excludes people in foreign territories based on the perceived superiority of one civilisation over another; and apartheid excludes people based on the colour of their skin. Nearly every society has

1 Annihilation of Caste (1936).

2 Constituent Assembly Debates 17 December 1946.

practised some form of exclusion and discrimination, often embedded in its social and institutional structures.

The term 'social exclusion' was first introduced by René Lenoir (1974), then France's Secretary of State for Social Action, to describe marginalised groups excluded and unsupported by the social safety net. The concept soon took hold in developed countries, but there were concerns about its relevance to developing nations where the majority population lacked social protection coverage and development benchmarks were far from being met. This understanding was expanded through Amartya Sen's (2000) elaboration of hidden and passive forms of social exclusion, evident in enduring prejudices and bias, discrimination, targeted violence, cultural erasure, weak implementation of targeted provisions, limited access to justice, minimal agency in public decision-making and continuing development inequalities.

The prevalence of a pervasive caste system in India has cemented the link between social and economic inequalities. For centuries, this has meant normalised and internalised discriminatory practices that denied marginalised communities ownership of assets, access to education and participation in public spaces. Based on learnings from sustained protests and strategic interventions by affected communities, the understanding of social exclusion in India has evolved and expanded to inform strategies for social inclusion in increasingly nuanced ways. There is, however, a need for constant vigilance to maintain, deepen and expand our understanding of an increasingly socially just world. India stands out in having laid down a robust constitutional framework to address the needs of a deeply stratified and unequal people and to aim towards an equitable and socially just society.

This chapter discusses the constitutional framework for social inclusion in India, followed by the specific interventions that exist to ensure protection, promotion and participation of socially excluded groups in the process of development. Towards the end of the chapter, we propose a 5R framework to promote social inclusion (Recognition, Respect, Representation, Reparation and Reclamation).

3.1.1 Evolution of social inclusion in India

One of the founding ideas of Indian democracy, articulated by Dr B.R. Ambedkar, was that political rights are meaningless without social equality rooted in the principles of liberty, equality and fraternity. These principles were envisioned as interdependent ethical pillars: liberty enabling individuality, equality ensuring justice and fraternity fostering unity (Meena 2025).

Shaped by these emancipatory ideas, the Constitution adopted in 1950 committed itself to social justice and inclusion – imperfectly, but with integrated mechanisms to evolve and improve. It acknowledged the entrenched exclusions produced

by caste, tribe, gender and religion and the far-reaching inequalities they had generated. This constitutional spirit thus informed the legislation, schemes and policies that followed.

The exclusions continue: historically marginalised communities own little or no land, face unequal access to affordable, quality education and encounter restricted access to public spaces and infrastructure. The constitutional provisions of inclusion remain as critical as ever. They are categorised below as protective, promotional and participative measures.

Protective measures

These provisions aim to protect affected communities from continued discrimination, violence and further exclusion. The Fundamental Rights (Articles 12–35) lay the constitutional foundation for equality, inclusion and safeguarding from violations, irrespective of an individual's social location. Article 17 explicitly abolishes untouchability and prohibits its practice in any form, marking a decisive break from over three thousand years of caste-based exploitation. The Constitution also details political, social and economic safeguards for the historically marginalised scheduled castes (SCs) and scheduled tribes (STs). Article 15 prohibits discrimination on the basis of social identities, including religion.

Promotional measures

These provisions aim to promote rights and development of historically disadvantaged communities to address cumulative and continuing exclusions. They were framed around the recognition during Constitutional Assembly debates that formal equality[3] is not adequate for historically excluded communities and that affirmative action was required to achieve substantive equality. This led to reservations in education, employment and politics. Article 15(4) legitimises reservation in education and Article 15(5), introduced through the 93rd Amendment in 2005, extends this to private educational institutions. The importance of constitutional backing for such equity measures was underscored by the *Champakam Dorairajan* case in 1951, in which the Supreme Court struck down a caste-based seat allocation order as violative of Article 15(1). The judgment directly led to the First Constitutional Amendment in 1951, which added Article 15(4) to explicitly permit special provisions for socially and educationally backward classes.

3 *Formal equality* refers to declaring equality before law, policies or in institutional mechanisms, without providing the wherewithal to realise equality in real life. Formal equality does not recognise structural inequality as reflected in social, gender, economic and political power relations. *Substantive equality*, by contrast, means achieving equal outcomes by addressing different circumstances and providing what people in different contexts need to reach the same level of opportunity or well-being. India's legal and policy frameworks have scaffolded formal equality with special provisions for specific disadvantaged groups.

Article 16(4) provides for reservation in public employment. The Directive Principles of State Policy (Article 36–51) further anchor the promotion of social and economic justice. Articles 29 and 30 mandate protection of minority interests (religion, language, script and culture) and the right to access education in state or minority institutions. Article 46 mandates promotion of the educational and economic interests of SCs, STs and other weaker sections. The constitutional framework permits reservation on grounds of social and educational backwardness, but not based on religion alone.

The Constitutional (Scheduled Castes) Order, 1950, originally restricted SC status to Hindus, and was subsequently amended to include Sikhs and Buddhists. Social hierarchies among Muslims were formally recognised by the Kalelkar Commission in 1955 – qualifying many Muslim communities for other backward castes (OBC) status – and the Mandal Commission in 1980 designated around two hundred Muslim communities as OBCs. The Sachar Committee in 2006 reported that Muslims rank amongst the most economically, educationally and socially backward sections of Indian society. A key recommendation of the Ranganathan Misra Commission in 2007—to extend SC status to Dalit converts to Christianity and Islam—remains unimplemented.

Participative measures

These provisions aim to enhance the participation of historically marginalised communities in decision-making. The Constitution mandates reservation in representation in the Lok Sabha (Article 330) and the state legislative assemblies (Article 332). The 73rd and 74th Amendments conferred constitutional status on rural panchayats, urban municipalities and local bodies, extending reservations and making governance more participative through decentralisation. The Panchayat Extension to Scheduled Areas (PESA) Act, 1996, further empowered tribal communities through self-governance by granting special powers to the gram sabha.

Over the decades, several legal frameworks have been adopted to realise these constitutional principles. The complexity of social exclusion – its causes and consequences – demands continuous attention to its less visible dimensions. Marginalised communities have raised demands for reservation in education and private sector employment. Even other spheres such as the media, literature, curriculum and historical records offer further spaces where social justice and inclusion can be intentionally advanced.

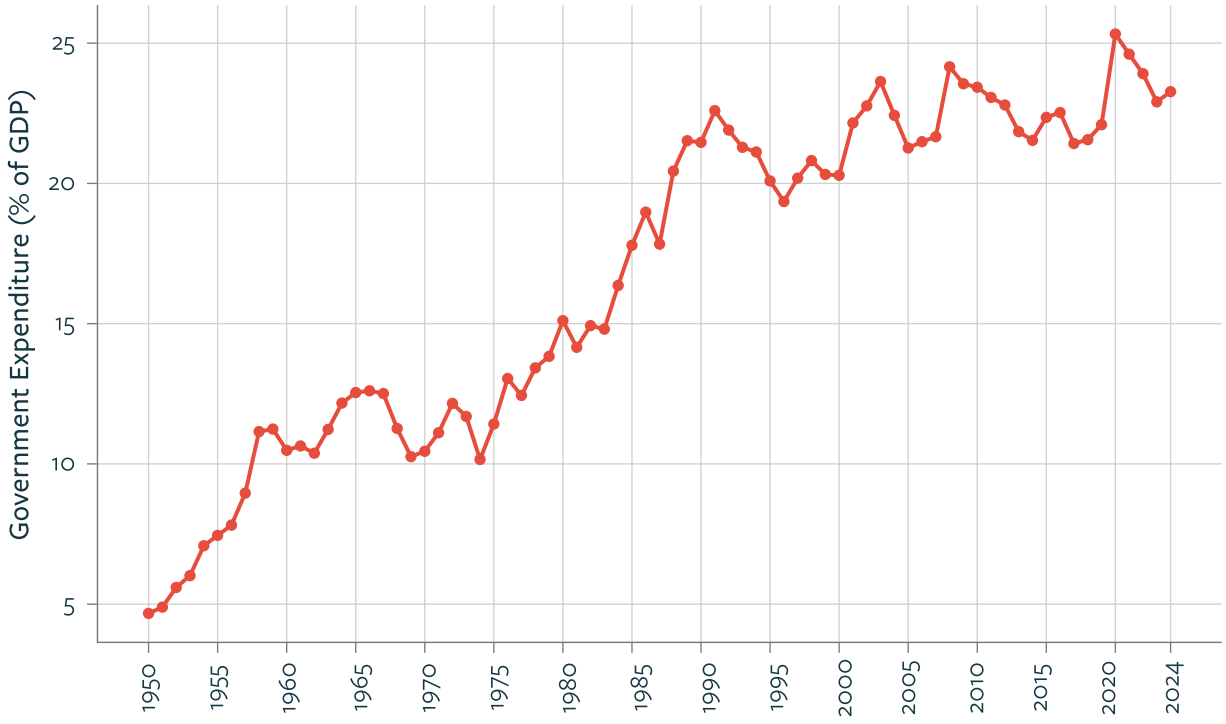
3.1.2 Shifts in inclusive policy making

The Planning Commission, set up in 1950 as an executive body, had a broad mandate to plan and monitor socio-economic growth in India. It was responsible for assessing national resources, formulating Five-Year Plans, setting developmental

priorities, allocating resources across sectors and ministries, monitoring implementation and advising the government on policy. Parallel state-level planning bodies were also established. Initially, the Five-Year Plans were designed along broad themes such as agriculture, industrialisation and transportation. In time, however, it became clear that this generalised approach was unable to address deepening regional and social disparities. Targeted policies, budgets and tracking mechanisms were evolved in response.

NITI Aayog, which replaced the Planning Commission in 2015, was conceived as a government think tank, premised on the idea that since government expenditure played only a minority role in the GDP, the need for a centralised planning agency was diminishing. This was part of an attempt to shift to a new paradigm that departs from viewing the government as the sole driver of development and social inclusion to increasingly frame development as a collaborative enterprise where government is one among many actors. This is evidenced also by flattening public expenditure, which has lingered around 22-23 per cent since 2001 onwards, except for a slight increase during the COVID-19 pandemic years (Figure 3.1). Designed to bring different stakeholders together for deliberation, unlike its predecessor, NITI Aayog lacks the institutional authority to enforce actions, ensure convergence between ministries, allocate funds or question underutilisation (Aiyar 2025).

Figure 3.1: Government expenditure as a share of GDP (Centre and states combined)



Sources and notes: IMF World Economic Outlook Database

With the dismantling of the Planning Commission came the merger of plan and non-plan budgets and an effective transition from a targeted to a universal approach to development. The Supreme Court's 2022 ruling upholding the 10 per cent reservation in government jobs and educational institutions for the 'economically weaker sections' (EWS) – while explicitly excluding SCs, STs and OBCs from its scope – further reinforces past exclusions. As the dissenting judgment noted, among the population living below the poverty line, 38 per cent are SC, 48.4 per cent are ST and 13.9 per cent are OBC (Rajagopal 2022). Effectively, only 5.8 per cent of those below the poverty line are eligible for this 10 per cent reservation. While reservation on grounds of economic deprivation is constitutionally feasible, the exclusion of historically marginalised communities from its scope highlights a shift towards a more generalised and less intersectional approach to development.

This shift parallels a broader reconceptualisation of marginalisation. Current discourse increasingly speaks of 'new castes' comprising youth or women, reframing exclusion through categories disconnected from India's specific realities of caste-based oppression and religious discrimination. Such language risks creating false equivalencies: a young person from a dominant caste facing unemployment confronts different systemic barriers than a young Dalit or Muslim youth navigating both economic challenges and identity-based discrimination in hiring, housing and social mobility. This shift manifests in an emphasis on entrepreneurship, skill development and self-help groups – valuable initiatives, but insufficient when divorced from acknowledgement of structural barriers.

The planning commission had established a critical accountability loop: planners and community mobilisers in each state and national unit, engaged with target communities, academics, experts and civil society organisations, ensuring that feedback from communities could be consistently channelled into policy. NITI Aayog did not inherit this institutional machinery and lacks the human resources to function similarly; the role of gathering community inputs has been outsourced to private consultancies, leaving that accountability loop broken. This is also indicative of two broader shifts that have shaped recent policy discourse in India: – a wave of privatisation and a shrinking civic space. Competitive regulations have given way to relatively unchecked privatisation, even in human development sectors such as education and healthcare where marginalised communities have historically depended on public provisioning. The balance that earlier came from maintaining regular feedback from civil society has also been disrupted, with rights-based advocacy organisations facing increasing operational challenges owing to revised compliance policies.

3.1.3 Investing in fraternity for inclusive futures

Fraternity – one of the three foundational principles articulated by Dr Ambedkar – transforms democracy into a system of ethical relationships based on mutual respect (Ambedkar 2014). In the Constitution, it is recognised in the Preamble and in Article 51A, which enjoins every citizen to promote harmony and the spirit of common brotherhood. Fraternity transcends caste, religion and region, binding citizens in the moral unity necessary for sustaining democratic life (Omvedt 2004). It transforms the political principle of equality into a social sentiment of solidarity, making democracy both a legal order and a moral fellowship (Jaffrelot 2005).

The Indian Constitution on Fraternity and Equality

Article 51A (e)

'to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women'

Article 14

Equality before law

'The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India.'

The constitutional promise of social inclusion cannot be fully realised through liberty and equality alone. While these principles can be institutionalised through legal frameworks and rights-based mechanisms, fraternity demands a fundamentally different approach; one rooted in ethical consciousness and social empathy. As the Supreme Court acknowledged in Indra Sawhney v. Union of India, persistent inequality inherently precludes unity between social groups, making fraternity unattainable without substantive equality of opportunity. The 2011 decision of the Supreme Court in Nandini Sundar v. State of Chhattisgarh offers a further development by situating fraternity within constitutional reasoning and establishing it as integral to constitutionalism itself.

Promoting social inclusion, therefore, goes beyond governance and institutional mechanisms. It envisions inclusion in civic and community life where marginalised and non-marginalised populations can interface, engage, cooperate and collaborate without discrimination. Public education among non-marginalised populations to build understanding and empathy, the availability of common spaces for fear-free informal interaction, and strategic opportunities for joint effort all deserve greater attention. Continuous academic and community enquiry into evolving forms of discrimination and disadvantage is necessary to build contextualised responses. Constitutional provisions can create structures for liberty and equality, but fraternity necessitates ongoing social transformation through education, dialogue and the conscious dismantling of prejudice. Only through such sustained attention to fraternity can India's constitutional vision of an inclusive society be meaningfully achieved, transforming legal guarantees into a lived social reality.

3.2 Social inclusion mechanisms in India – What worked, what did not and who was left behind

Over seven decades of independent governance, India has developed an elaborate architecture of protective legislation, promotional schemes and participatory mechanisms intended to redress historical injustices and create pathways to substantive equality. Yet systemic exclusions persist, resources fail to reach intended beneficiaries, and entire communities remain absent from the national development agenda.

This section examines India's social inclusion landscape through selected mechanisms to assess what has worked, where implementation has faltered and, crucially, who continues to be left behind. The analysis reveals not only implementation gaps but also structural challenges embedded in how social inclusion policy is conceived and executed. Understanding these patterns is essential to reimagining an approach to inclusion that better serves marginalised communities.

3.2.1 Protective mechanisms

Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989

The enactment of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act 1989 (SC/ST PoA Act), followed the realisation that existing laws – such as the Protection of Civil Rights Act, 1955 – were proving inadequate to check continuing gross indignities and systemic violence (Acharya and Acharya 2020). By the 1980s, increasing education and awareness of constitutional rights and entitlement among Dalits[4] and Adivasis[5] had led to greater assertion of identity, which in turn irked the dominant castes and triggered violence aimed at preserving existing hierarchies (Saxena 2018).

In 1978, a Dalit procession in Agra was attacked with bricks and stones as it entered a dominant-caste neighbourhood; in 1980, a demand in Hathras that Dalit youth be served in the same utensils as others sparked targeted violence in which shops were looted, cattle killed, and houses burnt. Political changes in Andhra Pradesh in 1983 led to a surge in atrocities, including the 1985 Karamchedu massacre – in which a Kamma mob killed six and grievously injured twenty Madiga Dalits – and the 1991 Tsunduru carnage, in which ten members of the Mala community were killed. In Maharashtra, the *Patit Pawan Sangathan* conducted major attacks on Adivasi settlements in Dhulia in 1983–84. Records show that atrocities against Dalits

4 The term 'Dalit' means 'oppressed', 'broken' or 'crushed'. Adopted by people otherwise referred to as Harijans or 'Untouchables', it has come to symbolise a movement for the eradication of centuries-old caste-based oppression. In legal and constitutional terms, Dalits are known in India as the Scheduled Castes.

5 'Adivasis' is the collective name for the indigenous peoples of India, deriving from the Hindi word *adi* (of earliest times) and *vasi* (inhabitant). Officially designated Scheduled Tribes, the term was coined in the 1930s as part of a political movement to forge a collective identity.

and Adivasis rose from 1,089 in 1966 to 5,969 in 1977; while the general crime rate fell by 10 per cent, atrocities against these communities rose by 41.9 per cent and murders increased by 100 per cent (Shakir 1982).

These were not isolated incidents but reflective of systemic violence, underscoring the need to protect the right to life and livelihood of Dalits and Adivasis, and ensure dignity through institutional mechanisms. The 1989 Act established criminal liability for twenty-two specific atrocities and created special courts for trials. It has since evolved through several amendments. The 1995 rules provided procedural substance that the Act initially lacked, establishing mandatory district and state monitoring and vigilance committees, requiring investigations by officers of at least Deputy Superintendent of Police rank and introducing a structured schedule for victim relief and rehabilitation tied to specific milestones in the legal process (Acharya and Acharya 2020). These guidelines were informed by a year-long mobilisation by Dalit leaders, including a nationwide 'Chalo Dilli' campaign led by then member of parliament Shri Ram Vilas Paswan, following the Tsundru massacre.

An Amendment in 2015 (enforced in 2016) significantly broadened the law's scope expanding categories of atrocities from 22 to 47, introducing Section 4 to make the *wilful neglect* of duties by public servants a punishable offence and adding a dedicated chapter on the rights of victims and witnesses (Saxena 2018). Another amendment in 2018, followed a Supreme Court ruling[6] that diluted the law by mandating preliminary inquiries before registration of a First Information Report (FIR) and allowing anticipatory bail. Following protests and mobilisation by Dalit leaders, Parliament swiftly enacted Section 18A, which expressly nullified these judicial directives, reaffirmed that no preliminary inquiry is required for registration of an FIR and restored the absolute bar on anticipatory bail under Section 438 of the Code of Criminal Procedure (CrPC), 1973 for offences under the Act, a provision intended to prevent the accused from tampering with evidence or threatening victims. This was eventually upheld by the apex court.[7]

This chapter is being written amid a further apparent wave of evolution of this seminal legislation. Recent judicial decisions have interpreted the law in ways that elevate the threshold for proving offences and risk undermining its foundational purpose (Huchhanavar 2024). Current jurisprudence has introduced a requirement for caste-specific intent beyond mere knowledge of a victim's caste;[8] and the requirement that an offence occur 'in any place within public view'[9] has

6 Dr Subhash Kashinath Mahajan v. State of Maharashtra, 2018.

7 In Prathvi Raj Chauhan v. Union of India, 2020, the Supreme Court upheld Section 18A but introduced an exception allowing pre-arrest bail in *very exceptional cases* to prevent miscarriage of justice where the complaint does not *prima facie* make a case.

8 Dashrath Sahu v. State of Chhattisgarh, 2024, Bhawana Gupta v. State of Punjab, 2024, Keshaw Kumar Mahato v. State of Bihar 2026.

9 In Swaran Singh v. State through Standing Counsel, 2008, the Supreme Court ruled that the place of the crime must be visible to the public.

been narrowly interpreted to exclude incidents occurring within the four walls of a building – such as homes[10] and staff rooms[11] – on the ground that these are private spaces.

3.2.2 Promotional mechanisms

Scheduled Caste Sub-Plan (SCSP) and Tribal Sub-Plan (TSP)

With the Fifth (1974–1979) and Sixth (1980–1985) Five-Year Plans, planning transitioned to more targeted interventions for STs and SCs. The TSP and the SCSP (previously the Special Component Plan) were introduced with funds proportionate to population. TSP funds were allocated to projects and schemes where tribal communities resided, based on a needs assessment for each region and community. For SCs, who are geographically dispersed, funds were earmarked across ministries with physical targets set for monitoring. Interventions spanned education (through scholarships), economic empowerment (through income and employment-generating avenues, including entrepreneurship) and housing.

Implementation consistently fell short of intent. A Central Standing Tripartite Committee established in May 1999 identified systematic violations: states quantified funds only from divisible sectors; plan outlays did not reach SC habitations; priority sectors such as education and health were not planned according to need; large infrastructure projects with no direct benefits to SCs were counted under SCSP; and allocations were often merely notional. Funds were not released on time, utilisation in many states was less than half of the allocated amounts, and SCSP funds were diverted to general sectors due to the absence of proper budget heads (Planning Commission 2006). In 2006, the Union government made budgetary allocations under the plans non-divertible and non-lapsable. Yet significant gaps persisted: for instance, the Delhi government was found to have diverted ₹744 crore between 2006 and 2010 from the SCSP to projects related to the Commonwealth Games (The Times of India 2010).

The Narendra Jadhav Task Force in 2010 examined challenges in fund utilisation under both sub-plans and recommended remedial actions. It categorised ministries into four groups –the first group was under no obligation to earmark funds as they were unable to quantify community-specific benefits and the other three were defined according to varied requirements to allocate defined proportions to targeted SC/ST schemes. As a result, forty ministries began reporting on TSP/SCSP

10 In Hitesh Verma v. State of Uttarakhand, 2020, the complainant, a Dalit woman, alleged that four dominant-caste men entered her house under construction, abused her and her husband, gave death threats, and also took away the construction material. The Supreme Court reasoned that remarks made within the four walls of a building would not constitute an offence under the Act. See also Rajinder Kaur v. State of Punjab, 2023.

11 In Ashutosh Tiwari v. The State of Madhya Pradesh, 2023, the Madhya Pradesh High Court held that a staff room does not qualify as a public place, thereby not meeting the criteria for intentional humiliation in any place within public view.

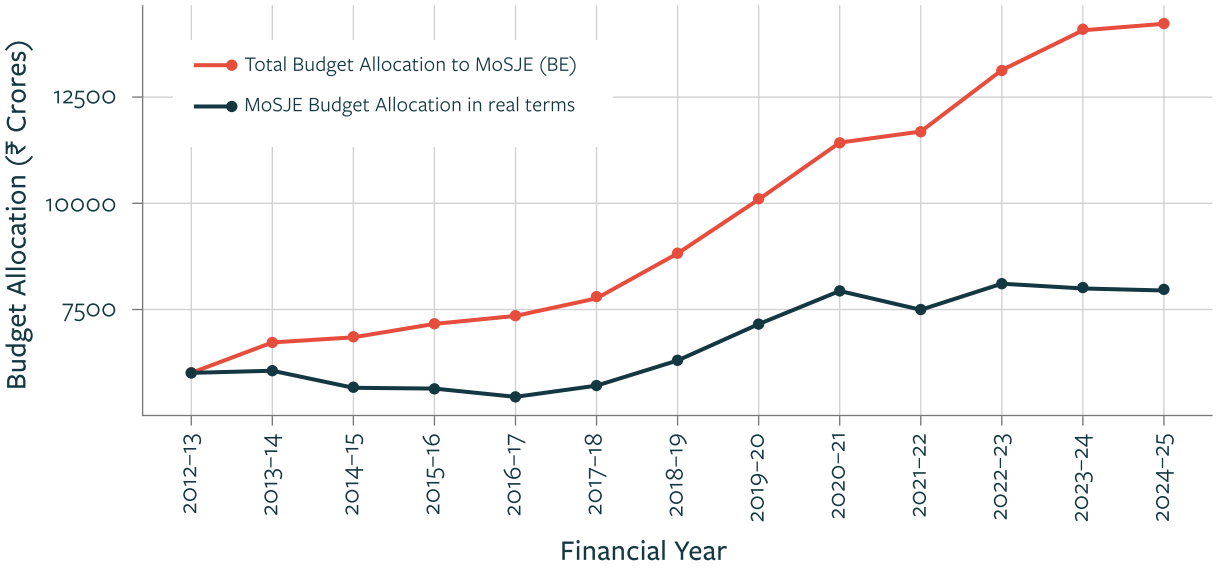
utilisation, compared with only the Ministry of Social Justice and Empowerment and the Ministry of Tribal Affairs previously.

The Planning Commission's dismantling in 2015 and the merger of plan and non-plan[12] budgets from 2017–18 fundamentally altered this architecture. NITI Aayog's 2017 guidelines rechristened SCSP as Development Action Plan for Scheduled Castes (DAPSC) and STSP as Development Action Plan for Scheduled Tribes (DAPST), shifting from the earmarking of funds for identified targets to overall scheme allocations under centrally sponsored schemes and central sector schemes.

The impact is evident in the numbers. Only 30 of 236 schemes under DAPSC are genuinely targeted at SCs, and only 31 of 244 schemes under DAPST are targeted at STs; the majority of funds are allocated to general sector programmes with notional benefits. In 2025–26, DAPST allocations reached 8.2 per cent of the total budget, but only 3.3 per cent was directed at targeted schemes; between 2015–16 and 2024–25, targeted schemes accounted for merely 35.6 per cent of TSP allocations. While allocations for SCs should be 16.8 per cent of the total budget based on their share in the population; only 10.7 per cent was made, with a mere 3.9 per cent for targeted interventions in 2025–26 (NCDHR 2025).

Additionally, while allocations for the Ministry of Social Justice and Empowerment[13] have increased in absolute terms, they have been stagnant in real terms (Figure 3.2).

Figure 3.2: Budget allocation to Ministry of Social Justice and Empowerment (MoSJE)



Sources and notes: Expenditure Statements of Union Budget of India
Real terms calculated using Consumer Food Price Index (CFPI) inflation rates with 2012 as base year

12 Plan Expenditure funded new developmental schemes under Five-Year Plans; Non-Plan Expenditure covered routine and maintenance costs (salaries, defence, interest) for existing services.

13 Responsible for drafting the SCSP bill aimed at addressing persistent underfunding and diversion of sub-plan funds to general schemes.

Legislation recognising rights of STs

The ST community faces distinctive challenges arising from geographical isolation and forest dependence. The Forest Rights Act (FRA), 2006, represents a landmark legislation that legally vests decision-making powers in gram sabhas to rectify historical dispossession. It recognises individual and community forest rights and institutionalises the right to protect and conserve forests through a three-tier verification structure: forest rights committee at the gram sabha level, sub-divisional level committee and district-level committee.

Complementing this framework are also recent central schemes: Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN), launched in November 2023, which focuses on the seventy-five communities categorised as Particularly Vulnerable Tribal Groups (PVTGs) and aims to enhance their socio-economic conditions through basic facilities; and Pradhan Mantri Janjatiya Vikas Mission (PMJVM), a central sector scheme to promote livelihood-driven development among tribal communities.

Despite these efforts, implementation falls significantly short as nearly half of the ST population continues to live in extreme poverty. The FRA's impact remains limited by uneven implementation and government actions that frequently undermine its objectives, resulting in large numbers of rejected claims. PM-JANMAN, despite clearly defined targets, has seen only a small fraction of approved housing units completed, with many habitations still lacking piped water. The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DA-JGUA), allocated ₹2,000 crore in 2024–25 (NCDHR 2025), risks undermining the FRA's primary legislative intent by enabling faster infrastructure clearances and commercial investments at the cost of community control and turning forest rights data into a tool for land commodification (Sethi 2023; Bijoy 2024).

3.2.3 Participative mechanisms

The constitutional and legislative framework establishes multiple avenues for citizen participation, with specified reservations for SCs, STs and women. The 73rd and 74th Constitutional Amendments created legal frameworks through panchayati raj institutions and urban local bodies for decentralised governance. The Women's Reservation Bill[14] is set to mandate 33 per cent (one-third) reservation of seats in the Lok Sabha and state assemblies for women. Vigilance and monitoring committees under the SC/ST PoA Act, 1989, the Public Distribution System, the Integrated Child Development Services, mid-day meals and health missions include civil society representation. Public hearings are mandated under the Environmental

14 The bill will be enacted in conjunction with the results of the next census and the subsequent nationwide delimitation exercise.

Impact Assessment and school management committees operate under the Right to Education Act.

Implementation, however, faces serious challenges. While representatives are elected, their functioning is undermined by bureaucratic decision-making on agenda items, resource allocation and fund disbursal. Bureaucratic support systems like the panchayat secretary make decisions on behalf of elected representatives. Consultations, community mobilisation and social audit mechanisms on programmes are patchy across programmes and states undermining the intention behind participative mechanisms.

Realising fuller participation across governance systems would require attention to foundational structural conditions, including the extent of fiscal and administrative authority devolved to local levels.

Box 3.1: Tools for social justice - Measures and mechanisms

Protective

Article 15- prohibits discrimination on grounds of social identity

Article 17 - abolished untouchability and prohibited its practice in any form

Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act - to check indignities and systemic violence

Participative

Article 330 and 332 - reservation in representation in Union and state assemblies respectively

Panchayat Extension to Scheduled Areas (PESA), Act, 1996 - designed to empower tribal communities through self-governance by giving special powers to Gram Sabha.

73rd and 74th Constitutional Amendments - legal frameworks for decentralised governance with reservation for SC/ST communities and women

Promotional

Article 15 (4) - reservation in education

Article 16 (4) - reservation in public employment

Articles 29 and 30 - protection of minority interests; right to access education in state or minority institutions

Article 46 - promotion of educational and economic interests of SC, ST and other weaker sections

Development Action Plan for SCs (DAPSC) and Development Action Plan for STs (DAPST) - to earmark budget towards welfare and development of SC, ST communities

Forest Rights Act - recognises the rights of traditional forest dwelling communities on forest land and resources

Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) - basic facilities for socio-economic development of Particularly Vulnerable Tribal Groups (PVTGs)

Pradhan Mantri Janjatiya Vikas Mission (PMJVM) - facilitate and promote livelihood opportunities for the tribal population

3.2.4 Social inclusion initiatives run by states

Dalit Bandhu Scheme, Telangana

The Dalit Bandhu Scheme, initiated by the former Telangana Rashtra Samithi (TRS; now Bharat Rashtra Samithi, BRS) government under Chief Minister K. Chandrashekar Rao (KCR), was conceptualised as the state's largest direct benefit transfer programme for the comprehensive economic and social empowerment of SC households. The scheme provides ₹10 lakh to each eligible[15] household for establishing micro-enterprises across six sectors: agriculture, transport, manufacturing, retail, services and supplies and animal husbandry. It is implemented through the Telangana Scheduled Castes Co-operative Development Corporation.

The scheme was piloted in Huzurabad district in saturation mode,[16] before expanding to 100 beneficiaries per district (11,837 total) in phase one. Initial selection through MLA recommendations was subsequently replaced by district collector-led committees following allegations of political interference and corruption. Studies show significant positive outcomes. In Yadadri Bhuvanagiri district, average incomes rose 2.5 times – from ₹1.14 lakh to ₹2.92 lakh (Satpathy and Deep 2023). In Huzurabad, 44 per cent of households reported income increases of over 50 per cent, with 11 per cent seeing over 100 per cent growth (Centre for Economic and Social Studies 2023). The scheme reduced the Dalit-non-Dalit asset ownership gap by 25 per cent for key durables, decreased caste conflict reporting by 40 per cent among Dalits and 30 per cent among non-Dalits, and generated employment for over 23,000 workers.

The scheme has also attracted criticism. It made minimal impact on caste-based segregation norms, and non-Dalit respondents in treated constituencies were observed to become significantly less supportive of affirmative action for Dalits in government jobs, education and subsidised credit. Phase-wise beneficiary selection created a sense of 'double deprivation' among those not yet included, potentially disrupting intra-community cohesion. These criticisms must be addressed to sustain and expand the scheme's impact, but they do not diminish the substantial gains it has achieved.

Residential schools for SC and ST children in Andhra Pradesh

Residential Schools for SC and ST children in Andhra Pradesh are managed by the Andhra Pradesh Social Welfare Residential Educational Institutions Society (APSWREIS) and the Andhra Pradesh Tribal Welfare Residential Educational Insti-

15 Applicants must belong to the SC community, be Telangana residents aged 25–50, have an annual income below ₹2.5 lakh, own less than three acres of agricultural or one acre of residential land, and have passed the 10th standard. They should not have availed other government loans, must have a viable business plan, and must contribute 10 per cent of the project cost. Families with professionally qualified members are ineligible.

16 'Saturation mode' means that all eligible citizens in the area are beneficiaries of the scheme.

tutions Society (APTWREIS, known as 'Gurukulam'), respectively. Both focus on measurable academic outcomes through quality education, technology integration and specialised coaching.

The 2025 examination cycle shows notable success: APSWREIS's Dr B.R. Ambedkar IIT-NEET Centres saw 129 of 176 students qualify in JEE Main and Advanced, and 143 of 180 qualify in NEET, with 55 securing seats in IITs, NITs, and MBBS programmes. The system achieves higher pass rates than state averages and facilitates SC/ST students' access to private institutions. Curriculum includes sports, career counselling and mental health initiatives.

The model is not without challenges. With only 500 students receiving specialised coaching out of over 10,000 in the system, scalability is a concern. Critics argue that the emphasis on flagship and 'model' schools leads to neglect of regular government school infrastructure. The practice of ranking and transferring 'meritorious' students – where merit correlates with socioeconomic status – creates disparities in educational equity. Infrastructure gaps, inadequate teachers and language barriers between the medium of instruction and ST students' mother tongues remain unaddressed.

3.2.4 Costs and consequences of absent social inclusion measures

Denotified and Nomadic Tribes

The marginalisation of nomadic communities in India—later categorised as Denotified and Nomadic Tribes (DNTs)—was decisively entrenched under British rule by the Criminal Tribes Act (CTA) of 1871. Before its enactment, these communities – who moved across the subcontinent earning livelihoods through livestock rearing, service provision, cultural handicrafts and performances, and hunting and gathering – were socially respected and commonly enjoyed royal patronage. Their nomadic nature, seamless mobility across forests, physical prowess owing to generations of warfare and adaptability were perceived by the colonial state as threats to its efforts to exploit India's natural and human resources, leading to the systematic labelling of such communities as 'thugs' and 'thieves'. The CTA formalised this process by ascribing 'criminal traits' to certain communities by birth, thereby legally stripping them of their civil liberties.

The CTA was repealed in 1952 and these communities were formally 'de-notified'; many continued to reside in isolated hamlets or walled, policed enclosures and only discovered that India was independent two years after the new Constitution was adopted. Having been absent from the dialogues that informed constitutional thought on social inclusion, their specific challenges were not addressed in the founding document. They were subsequently added to SC, ST and OBC lists

at the discretion of individual states, depending on where each community was deemed to fit. Reports by the Renke Commission (2008) and the Idate Commission (2017) have described DNTs as the 'poorest among the poor' and 'most downtrodden', clearly establishing that their absorption into existing administrative categories has not translated into empowerment.

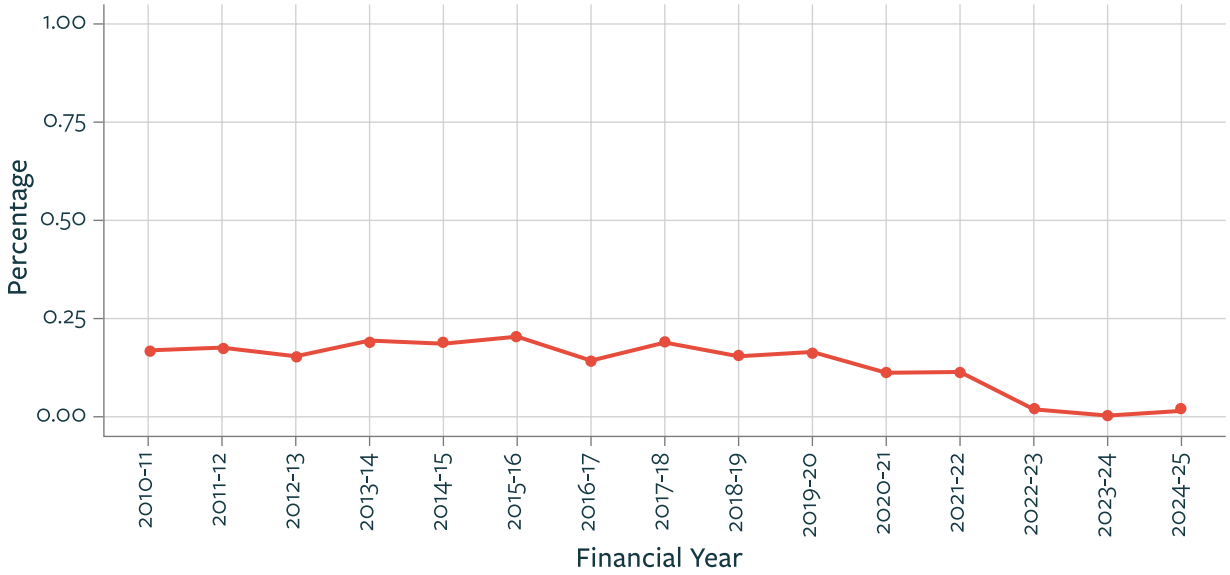
Some estimates suggest that DNT communities constitute approximately 140 million people. As of 2025, the sole national targeted intervention is the Scheme for Economic Empowerment for DNTs (SEED), which provides coaching for competitive examinations, health insurance, financial assistance for housing and livelihood support. It received barely ₹40 crore in 2025–26 allocations (Press Information Bureau 2025). This neglect is compounded by the absence of reliable population data, inadequate institutional mechanisms for outreach, and a superficial understanding of DNT cultures, leading to ineffective interventions and continued marginalisation.

The Habitual Offenders Act, which replaced the CTA, sought to shift the focus from communities labelled as 'criminal tribes' to individual 'habitual offenders'. In practice, however, individuals from the same communities continued to be criminalised and carry the stigma imposed under colonial law. Police training manuals have not been updated to reflect this shift, and laws governing wildlife protection, livestock trading, snake catching and liquor production have been framed with little recognition of community knowledge or practice. Ongoing documentation efforts by the Anthropological Survey of India and Tribal Research Institutes seek to categorise DNTs and recommend their inclusion in existing SC, ST, or OBC lists. However, absorbing them into existing categories rather than recognising them as a distinct broad category will continue their exclusion and marginalisation. The multi-fold challenges DNTs continue to face – and their persistent absence from India's development agenda – are a testament to the necessity of targeted interventions for any meaningful degree of inclusion.

Muslims

The homogenous identity of Muslims during the Constituent Assembly debates obscured caste-like structures within the community. Subsequent commissions have consistently highlighted poor education outcomes, high poverty rates, unemployment and extreme vulnerability among Muslim communities. A large proportion of Muslims have been covered under the OBC category following the Mandal Commission, enabling access to reservation in education under Article 15(4) and in public employment under Article 16(4). States like Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana have created sub-categories for Muslim reservation under the OBC quota.

Figure 3.3: Ministry of Minority Affairs budget as % of total government expenditure



Sources and notes: Expenditure Statements of Union Budget of India

The Ministry of Minority Affairs (MoMA), set up in 2006 and separate from the Ministry of Social Justice, serves as the nodal agency for minority welfare policies. Under successive governments, several schemes were evolved to address educational backwardness and marginalisation among the community, including the Prime Minister's 15-Point Programme for Minorities, the Multi-sectoral Development Programme, schemes to enhance madrasa education, the Maulana Azad National Fellowship (MANF) and the Maulana Azad Education Foundation (MAEF).

Since about 2017, however, minority inclusion has been progressively deprioritised. MoMA's share of the total Union budget has declined sharply, accompanied by severe fund utilisation issues (Figure 3.3). The MANF, which provided financial assistance to minority students pursuing MPhil and PhD, was discontinued in 2022 on grounds of an overlap with other schemes. The MAEF, on the other hand, was established as a voluntary, non-political, non-profit social service organisation, fully funded by MoMA to promote education among educationally disadvantaged minorities. This foundation, which provided grant-in-aid to develop and expand educational institutions serving minority communities, saw its funding fall from ₹90 crore in 2020–21 to ₹1 lakh in 2022–23. In February 2024, MoMA issued an order to close the foundation without public explanation. Educational scholarship programmes (Pre-Matric, Post-Matric and Merit-cum-Means) remain the primary intervention for Muslim students, though these too have faced inadequate and reduced funding.[17]

17 Scholarship schemes include pre-matric scholarships for minority students in Classes 1–10, available to those from families with an annual income below ₹1 lakh and who secure at least 50 per cent marks. Post-matric scholarships are available from Class 11 onwards for students from families with an annual income below ₹2 lakh. Merit-cum-means scholarships are also provided for higher education. Detailed eligibility criteria and benefit structures vary across schemes and have been periodically revised.

Beyond welfare schemes, Muslims face a pattern of violence, mob attacks and hate crimes. Arbitrary demolitions of mosques and residential properties have created a climate of insecurity (Dasgupta 2024; Mateen and Pasha 2023). Legislative changes raise further concerns: the Citizenship Amendment Act (CAA), 2019, has been criticised for religious discrimination (Apoorvanand 2024; Amnesty International 2024); the Waqf Amendment Bill, 2024, raises minority rights concerns (Siddiqui 2025); and the Uttarakhand Uniform Civil Code specifically targets Muslim personal law (Salam 2024). Voter disenfranchisement is an emerging concern, with Muslims reportedly among the primary targets of registration manipulation leading to mass deletion of names from electoral rolls.

3.3 Overarching challenges

Several critical intervention priorities emerge across all marginalised communities. First, budgetary reform is essential: the transition from notional to genuinely targeted allocations must be accompanied by transparent tracking mechanisms to ensure funds reach intended beneficiaries rather than being absorbed by general schemes. Independent monitoring bodies with representation from affected communities are needed, moving beyond currently non-functional mechanisms to establish robust oversight of scheme delivery and outcomes. Second, a fundamental shift from welfare to rights-based frameworks is required, particularly regarding forest rights, land rights and protection from discrimination. Social inclusion is not charity but a constitutional entitlement – one that requires legal backing similar to the SCSP/DAPSC legislation enacted in Andhra Pradesh, Telangana and Karnataka, creating enforceable obligations rather than discretionary benefits.

Third, intersectional and targeted interventions must replace the current generalised category-based approach. Schemes cannot assume homogeneous experiences within broad categories; they must explicitly recognise the compound disadvantages faced by those at the intersection of multiple marginalised identities and address how caste, class, gender, religion, disability and geography interact to produce distinctive forms of exclusion. Fourth, more and better data are needed to accurately inform policy interventions. The census must be conducted with strict regularity and the lives of marginalised communities documented in ways that understand, respect and build on their diverse identities. Between census rounds, citizen data practices[18] and their applications in official policymaking deserve closer study to consider their potential adoption in India.

Fifth, proactive documentation support is crucial, particularly for DNTs, PVTGs, Muslims and those displaced by development projects who lack identity

18 Recognising data gaps in reaching the most vulnerable populations for SDG implementation, the UN Statistical Commission launched the Collaborative on Citizen Data at the 4th UN World Data Forum in 2023. It is a multi-stakeholder platform to make data more inclusive, accountable and effective, facilitating communities to generate data that reflects their perspectives and needs.

papers required to access schemes. Current systems penalise the most marginalised for documentation gaps created by historical exclusion and displacement. Finally, genuine participatory planning processes must replace top-down beneficiary selection. This requires reviving the institutional architecture of community mobilisers and planners who understand local contexts, restoring fiscal and functional autonomy to local governments with empowered representatives from marginalised communities, and creating spaces for communities to articulate their own priorities rather than merely receive predetermined interventions. Without these systemic changes, inclusion-oriented policies risk remaining accounting exercises that legitimate continued structural inequity.

Towards meeting the constitutional goals of equity and social justice, we outline in Box 3.2 a nascent framework of broad principles within which to assess, design and evaluate policies for social inclusion.

Box 3.2: 5R Framework for social justice and inclusion

Dimension	Indicators
Recognition	• Naming the social groups that are excluded • Recognising the - root causes of social exclusion - form and nature of social exclusion - magnitude of the issue in terms of population groups, development inequalities, participation inequalities etc.
Respect	• Respect - the identity and culture, practices of the excluded groups - the contribution and leadership of the socially excluded communities in the national growth and development • Ensure dignity when rights and entitlements are implemented
Representation	• Proportionate representation in - various social and public spaces - leadership and decision-making spaces • Representation of the concerns and issues in the dialogues, policies, provisions
Reparation	• Adequate and effective legislative and other measures to - address historical social and economic disadvantages - promote social inclusion • Updated measures to meet the dynamic process of social exclusion-inclusion
Reclamation	• Public education for promoting social inclusion • Formal and informal public spaces for social interface across excluded and dominant sections • Active social inclusion measures based on experiential learning • Cultural and social interface based on mutual respect and dignity

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04

Ph. Studio/November, 1957/KN, A40d/A49j. A Lahouli mother and child in Kulu Valley.
Public Resource via Internet Archive

Recognising Reproductive Labour: Maternity Entitlements

Article 42 of the Constitution states 'the State shall make provision for securing just and humane conditions of work and for maternity relief'. Over the years, in fulfilment of this directive, India's maternity protection regime has taken many steps starting with the Maternity Benefit Act of 1961. While important, it failed to fully realise the goal of maternity protection within the domain of universal citizenship and labour rights as it only applied to a subset of women engaged in formal employment. It was the National Food Security Act (NFSA), 2013, that finally marked a vital shift by guaranteeing a universal cash transfer of ₹6000 to every pregnant woman as partial compensation for wage loss during pregnancy. However, the Pradhan Mantri Matru Vandana Yojana (PMMVY) (notified under NFSA) diluted this recognition of women's reproductive labour by marring it with conditionalities and digital barriers.

CHAPTER 04

Recognising Reproductive Labour: Maternity Entitlements

Sejal Dand and Neeta Hardikar

Maternity entitlements lie at the intersection of labour rights, social protection and gender justice. They reflect the extent to which the Indian state recognises women's reproductive labour – pregnancy, childbirth, recovery and infant care – as economically and socially productive work. Article 42 of the Constitution of India directs the State to secure 'just and humane conditions of work and maternity relief', locating maternity protection not within charity but within the domain of citizenship and labour rights.

A key step in this direction was the Maternity Benefit Act, 1961, although it applied only to a subset of women employed in formal establishments employing at least ten persons. However, over 90 per cent of women workers are engaged in informal employment, without contracts, paid leave or social insurance. Many are self-employed, including as unpaid workers in household enterprises. For women

NFSA: Provisions on Maternity Benefits and Nutritional Support

Section 4

(a) meal, free of charge, during pregnancy and six months after the child birth, through the local anganwadi, so as to meet the nutritional standards specified in Schedule II; and
(b) maternity benefit of not less than rupees six thousand, in such instalments as may be prescribed by the Central Government:
Provided that all pregnant women and lactating mothers in regular employment with the Central Government or State Governments or Public Sector Undertakings or those who are in receipt of similar benefits under any law for the time being in force shall not be entitled to benefits specified in clause (b).

Section 5

(1) Subject to the provisions contained in clause (b), every child up to the age of fourteen years shall have the following entitlements for his nutritional needs, namely:—
(a) in the case of children in the age group of six months to six years, age appropriate meal, free of charge, through the local anganwadi so as to meet the nutritional standards specified in Schedule II:
Provided that for children below the age of six months, exclusive breast feeding shall be promoted

outside the scope of the Maternity Benefit Act, pregnancy often results in income loss, nutritional deprivation and premature return to work, frequently under hazardous conditions and without wage compensation.

Feminist political economy has long argued that women's unpaid reproductive and care work sustains households, labour markets and the broader economy while remaining systematically unrecognised. Pregnancy and childbirth involve heightened nutritional needs, physical vulnerability and medically advised rest, followed by months of intensive care work associated with breastfeeding and infant care. Breastfeeding, often framed narrowly as a nutritional or behavioural intervention, is also labour. Exclusive breastfeeding during the first six months requires time, physical recovery and freedom from wage labour. For women dependent on daily wages, casual employment or seasonal work, this period entails substantial income loss. Without wage compensation, maternity can deepen household poverty and force women to resume work prematurely, undermining both maternal and infant health. Maternity entitlements must therefore compensate for income loss and enable rest, recovery and breastfeeding, particularly exclusive breastfeeding during the first six months of an infant's life (Heinrich Böll Foundation 2016). We approach maternity entitlements within this framework rather than as a conditional or nutritional welfare transfer.

Maternity entitlements allow women to stay away from employment-related work for six months and enable infants to access exclusive breastfeeding. They

are therefore also part of the interventions necessary to secure the right to food for children below six months of age. With this understanding, the National Food Security Act (NFSA), 2013, included a cash-based maternity benefit for all pregnant women, along with supplementary nutrition and breastfeeding promotion under Sections 4 and 5 of the Act.

This chapter focuses primarily on the Pradhan Mantri Matru Vandana Yojana (PMMVY), India's flagship maternity benefit scheme, implemented under the framework of the NFSA. While the NFSA legally mandates maternity benefits of not less than ₹6,000 for all pregnant and lactating women, PMMVY operationalises this right through a targeted, conditional and digitised scheme. Cash-based maternity benefits are only one component of maternity entitlements. However, given the scope of this Handbook, the chapter restricts itself to analysing PMMVY and does not evaluate wider determinants of maternal health, clinical and nutritional interventions or other labour legislations covering maternity benefits. Nor does it assess fertility control or population objectives embedded within social policy. Drawing on field studies and existing scholarship, the chapter situates the demand for universal maternity entitlements within the framework of social protection, constitutional rights and the care economy.

4.1 Evolution of maternity entitlements: From labour law to NFSA

India's maternity protection regime has evolved unevenly, reflecting persistent tensions between rights-based guarantees and targeted welfare approaches. The Maternity Benefit Act established wage protection during maternity for women employed in the organised sector, but it has largely been framed as a maternal health measure rather than a labour right. The Janani Suraksha Yojana (JSY), introduced in 2005, provided cash incentives for institutional deliveries, prioritising biomedical outcomes while neglecting income loss and postnatal care (Ministry of Health and Family Welfare 2005). The Indira Gandhi Matritva Sahyog Yojana (IGMSY), launched in 2010 as a pilot in fifty-two districts, marked the first attempt to combine income support with health conditionalities through instalment-based payments (Ministry of Women and Child Development 2011). Although limited in scale, IGMSY introduced the conditional cash transfer model that later shaped PMMVY.

In this context, the legal recognition of maternity entitlements under the NFSA marked a significant normative shift. The provision emerged from sustained advocacy and judicial recognition of maternity entitlements as integral to food security and infant nutrition, including the right to exclusive breastfeeding. Yet, instead of realising this universal guarantee, the PMMVY, introduced in 2017 to operationalise the NFSA mandate, transformed a statutory right into a targeted

scheme governed by eligibility criteria, conditionalities and digital controls. The implications of this shift are examined in the sections that follow.

4.2 PMMVY: Eligibility, access and exclusions

Although PMMVY was introduced to operationalise maternity entitlements under the NFSA, its design has substantially narrowed access to these entitlements. Restrictions based on birth order, age and documentation exclude large sections of pregnant women, while the programme's increasing reliance on digital verification systems has created new barriers to access. These exclusions are not experienced uniformly. Field evidence shows that they intersect with caste, migration status and women's location within informal labour markets, producing layered forms of disadvantage. Under the current PMMVY guidelines, eligibility is restricted primarily to first births and, in the case of second births, only where the child is a girl – a provision added in 2022 under PMMVY 2.0. Using a projected population of 143 crore and a crude birth rate of 18.4 per 1,000 (Office of the Registrar General and Census Commissioner, India 2025), India records approximately 2.63 crore births annually. Applying the Sample Registration System (SRS) birth-order distributions, the number of births eligible under PMMVY is estimated at 2.04 crore. This reduces to 1.83 crore after conservatively excluding women assumed to be covered under other schemes (see Annexure 4.2).

Scheme Name
Pradhan Mantri Matru Vandana Yojana (PMMVY)

Minimum Entitlements
Maternity benefit of ₹5000 in two instalments for first child and ₹6000 in one instalment if second child is a girl

Eligibility
At least 19 years old and a pregnant woman; first births and for second births, only girl children, conditional upon early registration of pregnancy and at least one Antenatal Check-up (ANC) for 1st installment and 'registration of childbirth and completion of the first cycle of universal vaccination' for 2nd installment

Year of introduction
2017 (Revised in 2022)

Why this scheme?
To provide cash incentive for partial compensation for the wage loss so that women can take adequate rest before and after delivery of the first child; and to improve health seeking behaviour amongst the pregnant women. To promote positive behavioural change towards girl child.

A comparison between these estimates based on birth-order data and the actual number of women receiving PMMVY benefits suggests that over half of pregnant women – approximately 55–60 per cent – remain outside the scheme's coverage. In 2024–25, about 80 lakh

women received payments under PMMVY (Figure 4.2). Women from scheduled castes (SC), scheduled tribes (ST) and other marginalised communities, as well as those from poorer states, are disproportionately affected by restrictions on the number of births covered (Sinha et al. 2016). These figures suggest that exclusion is not incidental to the scheme's functioning but built into its design. Coverage has also fluctuated significantly over time. Drèze and Khera (2023) note that while 36 per cent of births were covered under PMMVY in 2019–20, this figure declined to 23 per cent in 2021–22. These estimates define coverage as receipt of at least one instalment. Among women receiving the third instalment, the corresponding figures were 22 per cent and 13 per cent respectively. The decline points not only to limited coverage but also to difficulties in sustaining access across successive stages of the scheme.

The scheme also retains the minimum eligibility age of nineteen years inherited from IGMSY. According to the National Family Health Survey–5 (NFHS-5), 2019–21, 6.8 per cent of women aged 15–19 years in India were either mothers or pregnant. Among them, the majority were aged 18–19 years (88.4 per cent) and had already experienced one birth (88.6 per cent). Their exclusion from state support not only undermines the spirit of the NFSA but also conflicts with the juvenile justice and child protection frameworks that recognise adolescent mothers as requiring enhanced social assistance. NFHS–5 further shows that a striking 84.6 per cent of adolescent mothers reside in rural areas, while 62 per cent belong to poor households, underlining the compounded vulnerabilities associated with class, geography and age. The eastern states account for nearly half (47.2 per cent) of all adolescent mothers, pointing to regional patterns of deprivation and weak access to reproductive health and social protection services. Interestingly, 78 per cent of these young mothers have completed secondary or higher education. Early motherhood is therefore not confined to the least educated, but reflects deeper systemic failures – including gaps in sexual and reproductive health education, inadequate institutional support for continued schooling and socio-cultural pressures associated with early marriage and childbearing.

Exclusion under PMMVY is further shaped by the intersection of gender, labour and caste. Field research in Panchmahal district of Gujarat shows that Dalit and Adivasi women face compounded barriers: limited mobility, lack of documentation and discrimination at health centres. Anganwadi workers and Accredited Social Health Activists (ASHA) reported that women from dominant castes are often registered more quickly as they are better able to furnish paperwork or are more familiar with local officials. Similar patterns of structurally produced exclusion, including caste-based disparities in access to public services, have been documented elsewhere (Acharya 2010; Baru et al. 2010; Social Protection Initiative 2022).

A History of Maternity Provisions: Legislation and Policy

NATIONAL LEGISLATION ON MATERNITY BENEFITS

Article 42 of the Constitution, 1950
Mandated maternity relief

Factories Act, 1948; Plantation Labour Act, 1951
Sectoral labour rights linked to Maternity Benefit Act

Maternity Benefit Act, 1961
'to regulate the employment of women in certain establishments for certain period before and after child-birth and to provide for maternity benefit and certain other benefits.'

Beedi and Cigar Workers (Conditions of Employment) Act, 1966; Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
Other sectoral labour rights that provided a consolidated amount (to be notified by the state) as maternity benefit

Unorganised Sector Workers Social Security Act, 2008
Directed the Central government to notify a scheme for maternity benefits for unorganised workers

National Food Security Act (NFSA), 2013
Mandated a cash provision of at least ₹6,000 to all pregnant women

Maternity Benefit (Amended) Act, 2017
Paid maternity leave increased from twelve to twenty-six weeks among other amendments

Social Security Code, 2020
Subsumed the Maternity Benefit Act as well as other labour laws

SCHEMES OF UNION GOVERNMENT

National Maternity Benefit Scheme (NMBS) - 1995–2005
₹500/- per pregnancy for the first two live births for women above 19 years of age belonging to below poverty line (BPL) households

Janani Suraksha Yojana (JSY) - 2005
Conditional cash transfer scheme aimed at incentivising institutional deliveries

Indira Gandhi Matritva Sahyog Yojana (IGMSY) - 2010–16
Established the model of combining income support with health conditionalities through conditional cash transfers that shaped PMMVY. Implemented in 52 pilot districts

Pradhan Mantri Matru Vandana Yojana (PMMVY) - 2017
Scheme notified under NFSA

CASE STUDY

Early marriage, adolescent motherhood and financial exclusion

Kokila Ben, aged 18 and educated up to Class 12, migrated to her marital home of her own volition. During her first pregnancy, she did not receive any maternity benefits because she was registered only after six months of gestation. Following referral from a local clinic, she delivered at a private hospital in Godhra at a cost of ₹18,000. At the time of registration, she neither had a bank account nor updated identity documents, including an Aadhaar card and inclusion in the ration card of her marital household. As a result, she remained ineligible for maternity entitlements under PMMVY.

PMMVY requires proof of residence and registration at a fixed anganwadi centre.[1] Migrants, by definition, cannot fulfil these conditions. In states such as Gujarat and Maharashtra, local authorities often deny registration to out-of-state migrants due to lack of domicile documentation. As a result, migrant women, especially those engaged in brick kilns, construction and domestic labour, face near-total exclusion from the scheme. Caste and patriarchy also operate in subtle ways: village-level officials may delay applications from Dalit hamlets or demand additional documentation. In urban contexts, Muslim women living in informal settlements report exclusion arising from address-verification issues and linguistic barriers in online forms.

These patterns support the argument made by Agarwal and Dand (2016) that maternity entitlements cannot be separated from structural inequities in social reproduction. They must be understood not merely as health or welfare interventions but as mechanisms of redistributive justice.

4.2.1 Privileging digital compliance over care

PMMVY's increasing reliance on Aadhaar-linked verification and online registration systems has fundamentally reshaped how maternity entitlements are accessed. While digitised welfare delivery is often justified in the language of efficiency and transparency, in practice, these systems have created additional procedural burdens for women already located at the margins of formal social protection. Access to maternity entitlements increasingly depends not only on eligibility but also on the ability to navigate complex digital and administrative systems. PMMVY

1 See Mission Shakti guidelines. (https://pmmvy.wcd.gov.in/Content/assets/PDF/MissionShaktiGuidelines.pdf)

operates within the framework of Direct Benefit Transfer (DBT) schemes and relies heavily on Aadhaar-based identification, online registration and Aadhaar-seeded bank accounts. Emerging evidence suggests that these systems generate new barriers to access, particularly for women in rural, marginalised and resource-constrained settings. Field-based studies identify two broad categories of barriers (IT for Change 2024; Kuruva and Buddha 2026):

- documentation-related constraints, including incomplete forms and missing documents
- payment-related issues affecting receipt of benefits even among registered women

Access to PMMVY is therefore not guaranteed by eligibility alone, but depends on successful navigation of multiple procedural and technological steps. The interaction between Aadhaar, banking systems and digital platforms creates a layered system of conditional access. Women must not only register but also ensure that their personal details across databases, bank accounts and programme records are consistent and correctly linked. Any mismatch can result in delays or non-receipt of instalments. Many such cases are administratively recorded as 'pending' or 'rejected', even though they represent substantive denial of entitlements. Analyses of PMMVY implementation point to persistent delays in instalment-wise payments, often linked to verification processes, documentation requirements and system-level bottlenecks. Women from poorer households, remote areas and socially marginalised communities are more likely to face difficulties in accessing documentation, maintaining active bank accounts or completing digital verification processes. In such contexts, digitised welfare delivery can reinforce existing inequalities rather than reduce them.

A field inquiry conducted in October 2025 at an anganwadi centre in a tribal block of Gujarat covered twelve women who were either pregnant or lactating. Of these, six had delivered within the previous two years. Yet only two had received even a single instalment of their maternity entitlement. Since the online system provides no such option, none of the women received receipts acknowledging application submission. Lacking any official record, these women were forced to rely entirely on the goodwill of local ASHA workers or female health workers for updates. The Mamta cards[2] of all twelve women recorded low haemoglobin levels (between 6–9 g/dl), and most were classified as 'high-risk pregnancies'. All but one continued to perform physically demanding domestic and wage labour – on farms or at construction sites – throughout pregnancy and resumed work within a week of childbirth. The ASHA worker who had identified all twelve women was well aware of

2 The Mamta Card, also known as the Mother and Child Protection Card, is a name-based tracking system used in Gujarat to monitor maternal and child health services, including antenatal care (ANC), immunisation records, growth tracking and nutrition.

their socio-economic conditions and documentation gaps. Despite repeated efforts to assist them with Aadhaar updates, bank account activation, ration card inclusion and labour registration, only four women were able to complete the necessary formalities to obtain a Shramik card,[3] considered the least cumbersome document required for eligibility.

The case of **Tina Ben**, aged 28, from Rathwa Faliya, typifies these overlapping barriers. Illiterate and entirely dependent on her husband's mediation with the bank, she received only one instalment of ₹2,000 under PMMVY, credited to her husband's mobile-linked account. She had no awareness of the status of her entitlement. Among the twelve women interviewed, only one had her own mobile number linked to both Aadhaar and her bank account. The others relied on their husbands' phones and depended on migrant spouses to provide OTPs for every transaction. Updating bank passbooks was equally onerous. Even the two women who received benefits were required to make repeated trips to rural bank branches marked by long queues and erratic service.

The case of **Anjali Ben**, aged 22, from Damavav further illustrates the patriarchal architecture of welfare databases. She was excluded because her Aadhaar and voter identification had not been updated with her husband's name following marriage. At the time of registration, her name remained on the ration card of her maternal household, while her husband's household ration card did not include her name. Despite institutional delivery and antenatal care, she remained uncertain about her eligibility under the NaMo Shri scheme.[4] Such name-linkage requirements systematically disenfranchise newly married women by tying welfare access to patriarchal identity systems rather than individual citizenship. Similarly, **Sangeeta Ben**, a 29-year-old seasonal migrant worker from Panchmahal, endured multiple child losses and continues to be excluded from all maternity benefits. Spending eight months each year at construction sites in Surat, she lacks a local bank account and an updated ration card. Her case illustrates how migration and informal labour disrupt welfare access.

Vanita Ben, another migrant worker aged 26 years and in her third pregnancy, reported opting for home delivery due to mistrust of public health institutions arising from peers' accounts of neglect and verbal abuse during labour. Both her earlier home deliveries excluded her from JSY and PMMVY. Her experience demonstrates how institutional disrespect and gendered violence within maternal healthcare can deter women from accessing schemes intended to promote institutional deliveries.

Interviews with the Public Health Centre (PHC) staff and ASHA workers in the same block highlighted severe logistical constraints. Many expectant mothers

3 An identity document issued to registered construction workers in Gujarat.

4 A maternity benefit scheme implemented by the Government of Gujarat.

had Aadhaar and bank accounts registered in their natal villages, but these were rejected by the PMMVY system, which mandates marital domicile. Frontline workers also identified name inclusion in ration cards as a major obstacle. Poor internet connectivity, repeated portal failures, and recurring document rejections further complicated implementation. Despite uploading the same documents multiple times, frontline workers had little control over payment timelines or approval processes. No instalments had been credited since December 2024 for the women included in our October 2025 field inquiry. In essence, PMMVY's administrative logic privileges compliance over care. Rather than accommodating the lived realities of women in precarious conditions, the system assumes the ability to navigate complex digital and bureaucratic ecosystems. The burden of proving eligibility is thus shifted onto women least equipped to negotiate these systems.

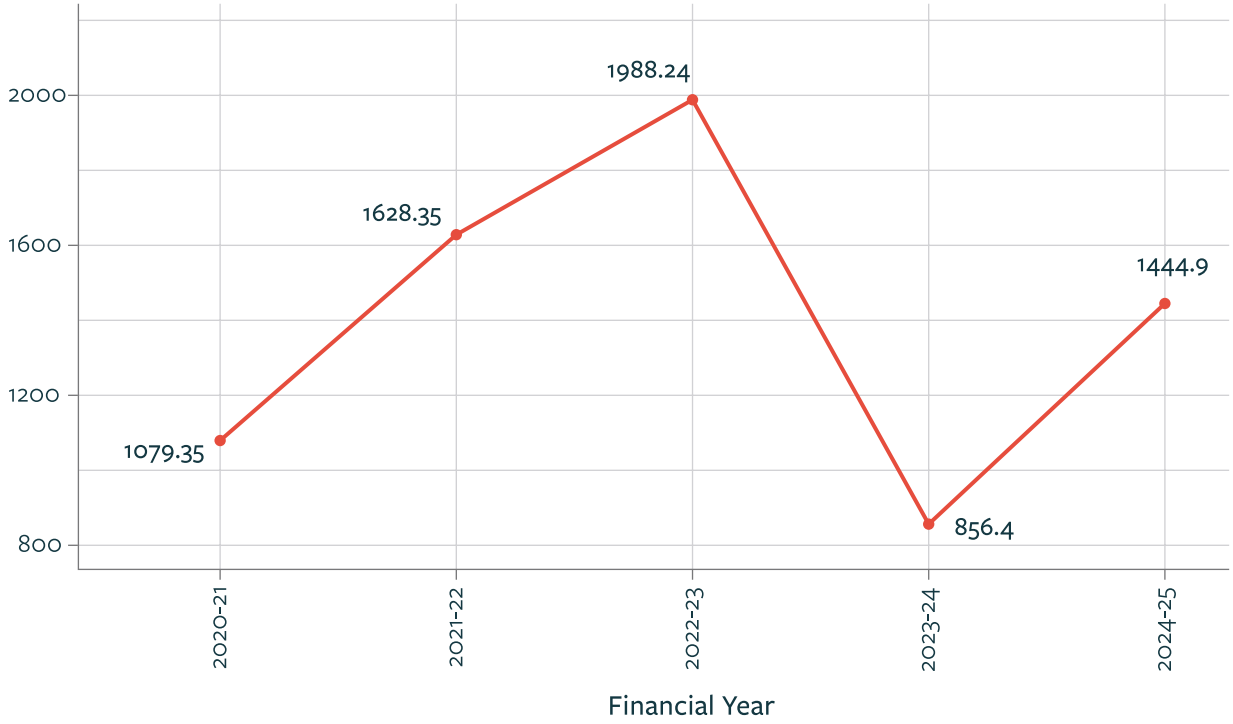
The evidence presented across policy analyses, field studies and practitioner accounts suggests that the difficulties in accessing maternity entitlements stem not only from gaps in implementation but also from deeper design choices prioritising conditionality, digitisation and administrative control. As scholars such as Jean Drèze have argued in the context of digital welfare, systems designed to improve efficiency can also generate new forms of exclusion when they fail to account for lived realities. In the case of PMMVY, the convergence of restrictive eligibility criteria, Aadhaar-linked verification and fragmented delivery systems has transformed a legal entitlement into a contingent and uncertain benefit, particularly for women in informal work, marginalised communities and resource-poor settings.

4.3 Budgetary allocations and implications

The limited coverage of PMMVY is reflected not only in the scheme's design but also in the level of budgetary commitment it has received since inception (Kapur, Rana and John 2023). The gap between the legal promise of maternity entitlements under the NFSA and actual public expenditure remains substantial. At the prevailing entitlement level of ₹5,000 per woman, the estimated annual requirement under PMMVY, based on current eligibility criteria, would be approximately ₹9,166 crore (see Annexure 4.2). Even this represents a diluted interpretation of the NFSA mandate. A universal NFSA-compliant scenario – covering all births at the statutory minimum of ₹6,000 – would require an estimated ₹14,202 crore annually. Assuming that 20 per cent of women receive higher maternity benefits through other sources, covering 80 per cent of pregnancies would still require allocations ranging from ₹12,624 crore (at ₹6,000 per woman) to ₹21,040 crore (at ₹10,000 per woman).

Actual expenditure under PMMVY has remained significantly lower than these estimates and has fluctuated across years. Official government data show that disbursements ranged from ₹856.4 crore in 2023–24 to ₹1988.24 crore in 2022–23,

Figure 4.1: Funds released under PMMVY (in ₹ crore)



Sources and notes: Ministry of Women and Child Development, Rajya Sabha Unstarred Question No. 2072, Session 267. Odisha did not implement PMMVY until 2024–25

without approaching even one-third of the estimated requirement under the scheme's existing eligibility framework (Figure 4.1).

The fiscal burden on states has increased following changes in cost-sharing arrangements between the Centre and states. PMMVY was initially fully funded by the Central government. However, the introduction of a 60:40 Centre–state cost-sharing formula in 2022 shifted a substantial share of expenditure onto state governments. Poorer states such as Bihar, Jharkhand, Chhattisgarh and several north-eastern states have struggled to mobilise matching funds, resulting in delays and partial implementation. States such as Tamil Nadu and Odisha, which operate independent maternity entitlement schemes, have faced reduced central support.

4.4 State schemes for maternity entitlements

While PMMVY remains the central maternity benefit programme, several states have developed parallel maternity entitlement schemes that provide broader coverage and greater administrative flexibility. Some of these schemes predate PMMVY and have subsequently integrated central benefits within existing state-level frameworks. Tamil Nadu and Odisha are among the earliest states to introduce cash-based maternity entitlements for women in rural areas and the informal sector. The schemes in these two states are discussed below, while a list of other state schemes is provided in Table 4.1.

Table 4.1: Selected state-level maternity entitlement schemes in India

State	Scheme	Year introduced	Benefit amount	Instalment structure
Assam	Wage Compensation Scheme for tea garden workers	2018	₹15,000	₹3,000 at registration during first trimester; ₹4,000 during sixth month of pregnancy; ₹4,000 after institutional delivery at government health institution; ₹4,000 six weeks after delivery
Goa	Mamta Scheme for girl child to improve sex ratio	2011	₹10,000	₹10,000 for institutional delivery of a girl child
Gujarat	NaMo Shri	2024	₹12,000	₹12,000 is inclusive of ₹5,000 under PMMVY. **First Pregnancy:** ₹5,000 at registration (₹2,000 from state government and ₹3,000 from Central government); ₹2,000 after six months of pregnancy (from state government) ₹3,000 immediately after institutional delivery (from state government) ₹2,000 after the 14-week vaccination (from Central government) **Second pregnancy:** ₹2,000 at registration; ₹3,000 after six months of pregnancy; ₹6,000 after institutional delivery (from Central government if newborn is a girl and from state government if newborn is a boy) ₹1,000 from state government after the 14-week vaccination

Table 4.1(contd): Selected state-level maternity entitlement schemes in India

State	Scheme	Year introduced	Benefit amount	Instalment structure
Karnataka	Mathrushree Yojana	2018	₹6,000	₹1,000 each at three months, two months and one month before delivery, and at one month, two months and three months after delivery
Odisha	Mamata Scheme	2011	₹10,000	₹6,000 during sixth month of pregnancy; ₹4,000 when infant reaches ten months of age
Rajasthan	Indira Gandhi/ Mukhya Mantri Matritva Poshan Yojana	2020	₹6,000	₹1,000; ₹1,000; ₹4,000
Tamil Nadu	Dr. Muthulakshmi Reddy Maternity Benefit Scheme	1987	₹18,000 cash transfer plus in-kind support for first child; ₹6,000 for second child (girl) under PMMVY	₹6,000 during fourth month of pregnancy; ₹6,000 after fourth month following delivery; ₹2,000 after ninth month following delivery

Sources and notes: RTI Response

4.4.1 Tamil Nadu's Dr Muthulakshmi Reddy maternity benefit scheme

Tamil Nadu provides one of India's most compelling examples of state-led innovation in maternity benefits. The Dr. Muthulakshmi Reddy Maternity Benefit Scheme (MRMBS), launched in 1987 and renamed in 2018, predates both IGMSY and PMMVY. It provides a cash transfer of ₹18,000 across multiple instalments linked to antenatal check-ups, institutional delivery and child immunisation. The Tamil Nadu scheme covers up to two live births and is not conditional on Aadhaar-linked digital registration. Women can register through the nearest PHC or anganwadi centre using offline documentation. Payments are disbursed through the state treasury system. The state's decentralised health infrastructure has been instrumental in the scheme's success. PHCs are mandated to maintain real-time

pregnancy registers while Village Health Nurses (VHNs) directly facilitate registration, documentation and follow-up visits. According to a 2019 study conducted in a semi-urban area of Chennai, 76 per cent of women utilised the scheme, while roughly 95 per cent were aware of it (Ali 2019).

Moreover, Tamil Nadu's scheme integrates nutritional support with maternity entitlements. Each instalment is accompanied by nutrition kits containing iron, folic acid and dry rations. This dual focus on cash support and nutrition strengthens linkages between the Integrated Child Development Services (ICDS) and health departments. Even so, pockets of exclusion remain. Urban poor and migrant women employed in construction or domestic work continue to be under-covered due to irregular health check-ups or lack of proof of residence. Despite these gaps, the scheme exemplifies how state-level commitment, administrative flexibility and fiscal prioritisation can achieve substantially higher levels of inclusion than centrally designed digital systems.

4.4.2 Odisha's Mamata Scheme

Launched in 2011, the Mamata Scheme is widely recognised as an early example of conditional cash transfers for maternity support. Implemented through the Department of Women and Child Development, the scheme initially provided ₹5,000 for up to two live births, disbursed in two instalments linked to antenatal care and child immunisation milestones. Introduced prior to PMMVY, it later served as one of the conceptual reference points for the central scheme. Following integration with PMMVY, the scheme was revised to provide ₹12,000 for girl child and ₹10,000 for boy child.[5]

Unlike PMMVY, Mamata's eligibility criteria remain relatively simple. Registration through an anganwadi centre and basic documentation such as proof of pregnancy and identity documents are generally sufficient, without mandatory Aadhaar-linked verification. Odisha's emphasis on community-level monitoring has also been notable. Monthly meetings involving anganwadi workers and supervisors are used to review beneficiary status, while the Women and Child Development Department publishes block-level fund-disbursement data through its portal — a level of transparency rarely observed in comparable schemes.

The scheme's relative success is also linked to political continuity. Over more than a decade, Odisha institutionalised maternity entitlements under the flagship Mission Shakti framework for women's empowerment. Official reports indicate that by 2023, more than 44 lakh women had benefited from the scheme, with cumulative disbursements exceeding ₹2,000 crore. Yet exclusion persists. Migrants and nomadic communities often miss registration because of seasonal mobility. Delays

5 Government of Odisha, Department of Women & Child Development. (2025). *Guidelines for MAMATA – Conditional Cash Transfer Scheme*. Retrieved from https://wcd.odisha.gov.in/en/ICDS/mamata

continue for women without active bank accounts and grievance redress systems remain weak. Odisha's experience nonetheless demonstrates that institutional simplicity, political will and local monitoring can achieve significantly higher inclusion than systems heavily dependent on centralised digital control.

4.5 Transparency, accountability and grievance redressal

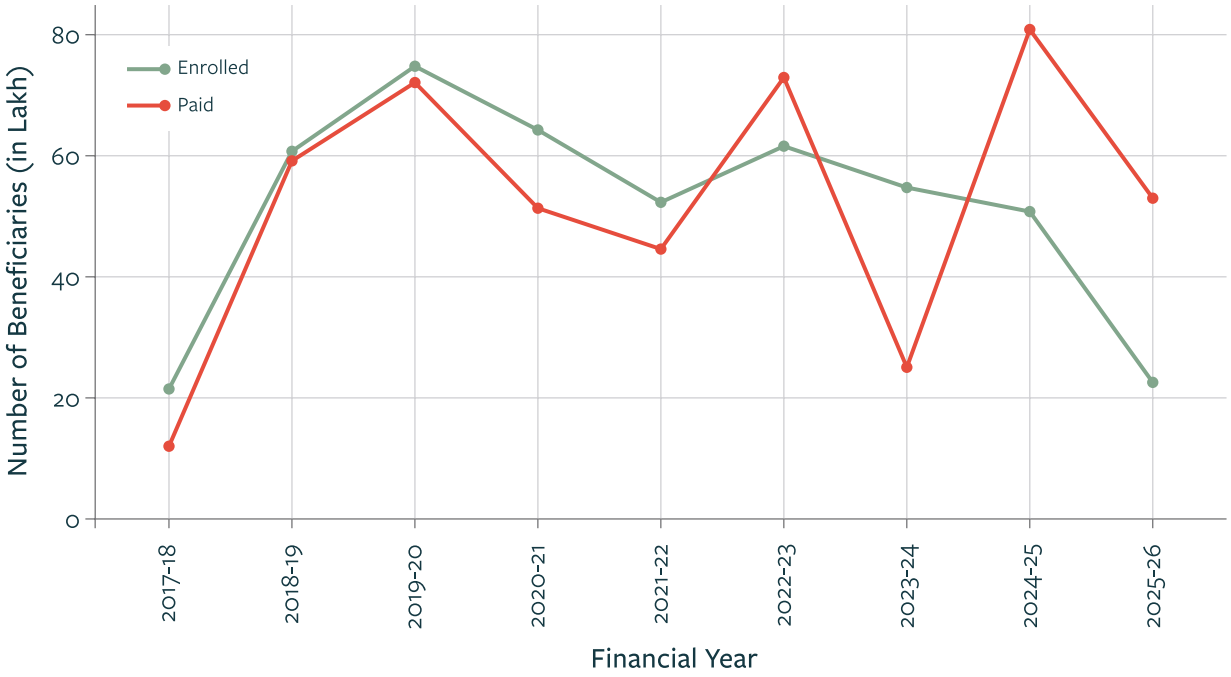
PMMVY does not maintain a publicly accessible data portal and therefore falls short of the proactive disclosure requirements of the Right to Information (RTI) Act, 2005 (Drèze and Khera 2023). The rights holders and frontline workers have limited means of tracking applications, payment status or reasons for delay beyond the information available on their dashboards. In the absence of publicly available data, we filed RTI requests seeking information from state governments. The responses received over a period of three months were compiled into Table 4.1.

During our field study, applicants reported that they did not receive acknowledgements or receipts after submitting forms. As a result, they had no documentary proof that their applications had been accepted or were under process. This left women dependent on local officials or ASHA workers for updates and created considerable uncertainty around payment status and eligibility. The absence of application receipts also limited women's ability to seek formal redress in cases of delay or non-payment. Many rights-holders reported being repeatedly asked to resubmit the same documents because of technical glitches, data-entry errors or migration from the earlier PMMVY-CAS software to PMMVYSoft. Even when payments were released, applicants often remained uncertain about which instalment had been credited, whether future instalments were pending or whether any rejection had occurred. No accessible grievance-redress mechanism was available at the local level. Informal complaints to the service providers became the only resort. Frontline workers — ASHAs, Anganwadi Workers and Auxiliary Nurse Midwives (ANMs) — play a crucial role in facilitating registration, documentation and follow-up. However, much of this labour remains unrecognised, as payment systems themselves frequently fail to operate according to prescribed timelines. Payments are often delayed for months, with little effective field-level tracking or follow-up.

Data observed on the dashboard of a frontline health worker during the field visit indicated a steep decline in coverage between the first and second instalments: nearly 68 per cent of enrolled women had received the first instalment, but only around 44 per cent had received the second. This points to both systemic leakage and to the scheme's inability to sustain continuity of support across successive stages of maternity care. National trends reflect similar patterns.[6] In 2019–20, about 78 per cent of estimated first births received at least one PMMVY instalment, while

6 Excluding Odisha, Tamil Nadu and Telangana.

Figure 4.2: PMMVY national trends in enrolment and payments (2017–18 and 2025–26)



Sources and notes: PMMVY Portal (pmmvy.wcd.gov.in). Includes both Center and State share
2025-26 is as on 30.10.2025. Before 2023-24, payments via PMMVY-CAS.
Telangana not implementing PMMVY. Odisha onboarded in FY 2025-26

only 48 per cent received the third instalment (Drèze, Khera and Somanchi 2021). There also remains a persistent gap between women enrolled under the scheme and those who ultimately receive payments, indicating continuing payment backlogs and administrative discontinuities.

The absence of a functional grievance-redress mechanism further deepens the crisis. Complaints are typically routed through multiple administrative layers to district-level officials, rarely eliciting feedback or resolution. 'Real-time monitoring' appears to disguise the harsh realities of real-time exclusion. For many women, the promise of a ₹5,000 entitlement collapses into a web of codes, passwords and frozen dashboards.

4.6 Policy imperatives and reform directions

The experiences of Tamil Nadu and Odisha offer valuable insights for policy redesign.

1. **Universal design versus conditionality:** Tamil Nadu's inclusion of second births and Odisha's two-birth eligibility contrast sharply with PMMVY's single-birth cap. Both states demonstrate that broader eligibility need not undermine fiscal sustainability when administrative systems function effectively.
2. **Offline registration:** The relative success of both states is closely tied to the availability of offline and assisted registration systems. This is particularly

important for women living in areas with poor connectivity – an issue insufficiently addressed within PMMVY.

3. **Decentralised delivery:** Tamil Nadu's PHC-led implementation and Odisha's ICDS-led monitoring prioritise local accountability and follow-up, unlike PMMVY's heavily centralised Public Financial Management System-based structure.
4. **Integration of Nutrition and Care:** Tamil Nadu's nutrition kits and Odisha's coordination with ICDS strengthen the relationship between cash support, nutrition and maternal care, linking maternity entitlements more directly with health outcomes and income security.

In short, Tamil Nadu and Odisha embody a 'universalist yet locally adaptive' model that operationalises the intent of the NFSA far better than the national scheme. In light of these experiences, a gender-just maternity entitlement policy must rest on three pillars: universality, adequacy and accessibility. Universality demands inclusion of all women irrespective of employment status or birth order. Adequacy requires benefits that reflect actual wage loss and are indexed to inflation. Accessibility necessitates simplified procedures and meaningful offline alternatives to digital systems. Strengthening transparency through social audits, dedicated grievance-redress mechanism, and increased budgetary commitments is equally essential to ensure timely disbursement, minimise leakages and reduce out-of-pocket expenses. Drawing on evidence from across states and existing scholarship, the following policy directions emerge as both urgent and feasible:

1. **Universalise Eligibility**
   - Extend coverage to all pregnancies irrespective of birth order or age, as mandated under the NFSA.
   - Remove the age-related restriction of 19 years and the requirement of the husband's Aadhaar details.
   - Include migrant and single women through portable entitlements, with Aadhaar used optionally rather than mandatorily.
2. **Simplify Documentation and Processes**
   - Delink Aadhaar–NPCI dependency and permit alternate payment channels.
   - Reintroduce offline registration at PHCs and anganwadi centres, particularly in rural and tribal regions with poor connectivity.
   - Standardise forms and reduce the number of mandatory documents from six to three.
3. **Strengthen Frontline Capacity**
   - Provide regular training and technical support to frontline workers.
   - Ensure timely payment of frontline-worker incentives.
   - Introduce simple grievance-redress mechanisms accessible through toll-free voice-based services rather than app-based systems.

4. **Enhance Fiscal Commitment**
   - Restore full central funding or adopt at least a 90:10 Centre–state cost-sharing formula for poorer states.
   - Index entitlement levels to inflation and increase benefits to at least 50 per cent of minimum wage for six months.
   - Earmark a separate budget head under NFSA for transparency.
5. **Institutional Convergence**
   - Establish a joint implementation cell between the Ministry of Women and Child Development and the Ministry of Health and Family Welfare to address coordination gaps where implementation responsibilities are divided.
   - Integrate PMMVY with ICDS nutritional services and JSY health incentives to create a 'continuum of care and income support'.
6. **Transparency and Social Accountability**
   - Mandate publication of block-level rights-holders and payment data.
   - Introduce annual social audits.
   - Involve women's collectives and self-help groups (SHGs) in monitoring disbursements.

4.7 Conclusion

The trajectory of maternity entitlements in India reflects an initial recognition of women's reproductive labour, followed by a gradual retreat from universality in policy implementation. Although the NFSA established maternity benefits as a legal right grounded in nutrition security and social citizenship, their operationalisation through the PMMVY has diluted this mandate through restrictive conditionalities, demographic exclusions and technologically mediated systems of access (Sinha and Dasgupta 2021). As a result, a universal entitlement has been transformed into a narrowly targeted provision that excludes large sections of pregnant and lactating women.

Maternity entitlements are fundamentally concerned with income security during pregnancy and lactation, enabling rest, recovery and breastfeeding, rather than functioning merely as behavioural incentives or supplementary nutrition support. Persistently low benefit amounts, restrictive eligibility criteria, including age-based exclusions and inadequate as well as volatile budgetary allocations reveal a deeper political economy in which women's reproductive labour continues to be undervalued. Taken together, these features represent systemic departures from both the intent of the NFSA and the constitutional mandate under Article 42. Restoring maternity entitlements as universal, wage-linked and adequately financed forms of social protection is therefore essential not only to fulfilling constitutional obligations but also to advancing a more gender-just welfare system.

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05

United Nations/21.9.49,A46b.A Lady Doctor is teaching a village woman the correct position in which the children should be carried.
Public Resource via Internet Archive

Nurture and Nourish: Ensuring Early Childhood Development

The Integrated Child Development Services (ICDS) programme was launched in 1975 with the aim of comprehensively addressing nutritional, health and educational needs of children below the age of six. The ICDS comprises supplementary nutrition, universal immunisation, nutrition and health education, health check-ups and referral services, and pre-school education delivered to ~6 crore children and ~75 lakh women via 14 lakh anganwadi centres across the country. It is a foundational programme aimed at shaping the welfare and development of every child. Over the past fifty years, the programme has continued to hold significance, with experts calling for its universalisation with equity and quality, and its expansion to include crèche services.

CHAPTER 05

Nurture and Nourish: Ensuring Early Childhood Development

*Sudeshna Sengupta**

Integrated Child Development Services (ICDS) was launched on 2 October 1975, one year after the announcement of the National Policy for Children, 1974, and fourteen years before the adoption of the United Nations Convention on the Rights of the Child (UNCRC) in 1989. It is a comprehensive package of six services: Supplementary Nutrition Programme (SNP), non-formal preschool education, Nutrition and Health Education (NHE), immunisation, health check-ups and referral services delivered through village-level anganwadi centres (AWCs). Health-related services are delivered through the existing public health system (Ministry of Women and Child Development 2022b). Since its inception, ICDS has expanded from one state (CAG 2013) to thirty-six states of India (Ministry of Women and Child Development 2024a).

* The author expresses sincere gratitude to Aamir Rasool for his support in digging up the policy trajectory.

This chapter briefly reviews its fifty-year trajectory in terms of policy evolution, budgetary allocations, coverage, institutional mechanisms, human resources and governance. The analysis draws primarily on secondary sources, including academic and NGO reports, newspaper articles, and government policy documents. For a detailed review of the scheme, see Prasad (2025). Earlier resources include the *Focus on Children under Six* (*FOCUS Report*) (Citizens' Initiative for the Rights of Children Under Six 2006), the World Bank report on undernutrition (Gragnolati et al. 2006) and working papers on *Strategies for Children under Six* prepared for the Eleventh and Twelfth Plans by the Working Group for Children under Six of the Right to Food Campaign and Jan Swasthya Abhiyan (Working Group for Children under Six 2007; 2012).

Rights-holders
Children below the age of six; Pregnant and Lactating Women

Minimum entitlements
Supplementary Nutrition
[Children aged 0–6 years: 500 kcal + 12–15 gm protein
Pregnant women/lactating women/ adolescent girls: 600 kcal + 18–20 gm protein
Severely malnourished children: 800 kcal + 20–25 gm protein]

Immunisation; Health check-ups; Referral services; Pre-school education; Nutrition and Health Education for Women

Eligibility criteria
The scheme is universal

Year of introduction
1975

Why this scheme?
Comprehensively addresses nutritional, health and educational needs of children below the age of six

These studies raise several pertinent issues for making the scheme more effective in addressing the health, nutrition and education needs of children under six. Key recommendations include universalising ICDS with improved quality and equity, strengthening provisions for crèche services and maternity entitlements, increasing attention to children under three years of age, expanding financial allocations, providing additional workers at AWCs, and improving the working conditions of frontline workers.

This chapter provides an overview of the evolution of the scheme over the years and examines current issues related to decentralisation and digitalisation in its governance. It also draws on an exploratory qualitative study conducted in three states to examine the implications of recent digital reforms, including the introduction of the Poshan Tracker app in 2021 and the mandatory use of facial recognition for take-home rations in 2025.

The 50-Year Trajectory of Integrated Child Development Services (ICDS)

PHASE I
25 YEARS

1975 – 2000 • The Foundational Era

The first quarter-century of India's integrated approach to child nutrition and development. The Integrated Child Development Services (ICDS) scheme was launched in 1975, establishing the foundational architecture of anganwadi-based service delivery for children under six, pregnant women, and lactating mothers across the country.

ICDS LAUNCH · 1975 | ANGANWADI SYSTEM ESTABLISHED | NATIONAL EXPANSION

PHASE II
13 YEARS

2001 – 2013 • The Rights-Based Turn

A transformative period defined by judicial intervention and the emergence of a rights-based framework for food security. The landmark Right to Food petition brought the question of nutrition entitlements before the Supreme Court of India, culminating in the enactment of a comprehensive statutory guarantee.

> **PUCL v Union of India and Others** | Writ Petition (Civil) No. 196 of 2001 — People's Union of Civil Liberties filed before the Supreme Court of India, establishing the right to food as a justiciable constitutional right.

PUCL PETITION FILED · 2001 | SUPREME COURT INTERIM ORDERS | RIGHT TO FOOD CAMPAIGN | NATIONAL FOOD SECURITY ACT · 2013

PHASE III
11 YEARS

2014 – 2024 • Restructuring & Reorientation

The change in Union government in 2014 ushered in a new approach to nutrition governance — marked by institutional restructuring, the convergence-based POSHAN Abhiyan, and the rebranding of flagship schemes. This phase concludes in 2024 with the end of POSHAN Abhiyan 2.0, marking a significant juncture for child nutrition policy in India.

NEW GOVERNMENT · 2014 | ICDS RESTRUCTURED | POSHAN ABHIYAN · 2018 | PM POSHAN · 2021 | POSHAN ABHIYAN 2.0 ENDS · 2024

Images: सुबोध कुलकर्णी, CC BY-SA 4.0 ; Post of India; Ministry of Information & Broadcasting (GODL-India), GODL-India , all via Wikimedia Commons

5.1 Journey of ICDS: Policies, budgets and coverage

The subsections below examine policies, budgets, coverage and reach.

5.1.1 Policy trajectory

ICDS is informed by a holistic approach to early childhood development.[1] The programme intends to improve the nutritional and health status of children under six years of age, laying the foundation for psychosocial development and reducing mortality, morbidity, malnutrition, and school dropout rates. Supplementary nutrition is provided through a combination of take-home rations and hot cooked meals. Nutrition and health education services are also provided to women aged fifteen to forty-five years to equip them with knowledge for better reproductive health and informed childcare. Health services include health check-ups, immunisation and referral services for more serious conditions, provided by the public health system.

Through various interim orders between 2001 and 2006, the Supreme Court, in the 'Right to Food Case' (*PUCL v. Union of India & Ors., CWP No. 196/2001*), directed the universalisation of anganwadis to cover every rural and urban settlement, ensuring access to ICDS services for all children under six, adolescent girls and for all pregnant and lactating women.

The National Food Security Act (NFSA), 2013, reinforced the universalisation of ICDS as ordered by the Supreme Court by making the supplementary nutrition programme a mandated universal entitlement for all children in the age group of six months to six years and all pregnant and lactating women (National Food Security Act 2013, Sections 4(a) and 5(1)(a)). The goal of universalisation of ICDS with quality across all six services under the scheme was also articulated by the then Planning Commission in the Eleventh (2007–2012) and the Twelfth (2012–2017) Five-Year Plans (Ministry of Women and Child Development 2011; Rao and Kaul 2018).

On the learning front, ICDS received a shot in the arm through the adoption of the Early Childhood Care and Education (ECCE) Policy, 2013, by the Ministry of Women and Child Development (MWCD). It recognised the importance of ICDS in realising holistic early childhood care and education (Ministry of Women and Child Development 2013). All the above-mentioned interventions by the Court, Parliament, Planning Commission and MWCD continued to bolster the reach, budget and impact of the programme.

1 *The Nurturing Care Framework for Early Childhood Development* (World Health Organization, UNICEF and World Bank Group 2018), defines an integrated approach for health, nutrition, early learning, care and protection for children under six years of age.

Figure 5.1: Landmark judicial directions on ICDS implementation

SUPREME COURT OF INDIA · PUCL v. UNION OF INDIA (WP CIVIL NO. 196 OF 2001)

Order of **28 November 2001**

NUTRITIONAL STANDARDS

The state governments/union territories were directed that every settlement should have one ICDS centre. Every ICDS in the country should provide 300 calories and 8–10 gm of protein to every child under six years of age; 600 calories and 16–20 gm of protein to each malnourished child and 500 calories & 20–25 gm of protein to every pregnant and lactating woman.

Order of **7 October 2004**

EXPANSION & TRANSPARENCY

- Increasing the number of anganwadis from 6 lakh to 14 lakh
- Increasing the norms for supplementary nutrition
- Abolition of contractors for providing food in the AWCs
- Providing detailed information on ICDS in the website
- Ensure utilisation of all available finances

Order of **13 December 2006**

UNIVERSALISATION

- The Government of India shall sanction and operationalise a minimum of 14 lakh AWCs in a phased and even manner by December 2008. SC and ST habitations should be identified and prioritised.
- The Government of India should maintain the norm of opening one AWC per 1000 population as an upper limit and the minimum limit of opening of AWC should be 300.
- The rural and slum areas with 40 children under six years of age but no AWCs are entitled to an 'Anganwadi on demand' (not later than three months).
- The universalisation of the ICDS involves extending all ICDS services to all children under six and all pregnant and lactating women.
- The order holds the chief secretaries of the different states and union territories responsible for the proper implementation.

Source: Right to Food Campaign, Supreme Court Orders, https://web.archive.org/web/20150312114951/, http://www.righttofoodindia.org/orders/interimorders.html#box5

Image: Legaleagle86 at en.wikipedia, CC BY-SA 3.0, via Wikimedia Commons

In 2014, with the change in government, the ICDS Mission, introduced in 2013, was withdrawn. A renewed mission, called POSHAN Abhiyaan (National Nutrition Mission) was launched in 2018, to realise 'malnutrition-free India' with the following objectives (Ministry of Women and Child Development 2022d):

- Access to quality services (leveraging existing schemes such as ICDS and the National Health Mission (NHM), focusing on the crucial first 1,000 days)
- Cross-sectoral convergence across ministries
- Leveraging technology through the Poshan Tracker app
- Fostering Jan Andolan (a people's movement aimed at community engagement and mass awareness).

The restructured ICDS Mission was rolled out by the Union government in 2013. It involved the implementation of ICDS in a mission mode, with identified institutions, structures, targets and financing. The POSHAN Abhiyaan Mission had many similarities with the restructured ICDS in defining structures, including in the intent of empowering Panchayati Raj Institutions (PRI). Further, states were made more responsible for bolstering local governance and community ownership. It also introduced digitisation in governance as a new feature.

The National Education Policy (NEP), 2020, proposed a reorganisation of the school system to include children aged three to eight years as a continuum (Ministry of Education 2020). The NEP emphasised strengthening anganwadi centres by ensuring high-quality infrastructure and providing adequate teaching-learning materials. For capacity building of workers, an ECCE qualification pathway was introduced (Jhunjhunwala 2020). It rebranded anganwadi centres as 'learning centres' under the slogan 'Poshan Bhi, Shiksha Bhi' (education along with nutrition).

The renewed emphasis on crèches brought back the policy interest in anganwadi centre-cum-crèches, which were also mentioned in the Twelfth Five-Year Plan. MWCD issued guidelines under the Mission Shakti scheme to reorganise the National Crèche Scheme (NCS) as the Palna Scheme for women's empowerment (Ministry of Women and Child Development 2022f). It included both anganwadi centre-cum- crèches as well as standalone crèches, with the following objectives (Ministry of Women and Child Development 2022f):

a. providing a safe environment for children
b. providing services such as health, nutrition and cognitive development
c. enabling mothers to take up gainful employment

MWCD intends to establish 17,000 anganwadi-centre-cum-crèches across the country by 2025–26. As of 2023–24, 5,631 anganwadi-centre-cum-crèches had been approved (Singh 2024), but the number of operational crèches remains low, standing at 1,918 in 2024 (Prasad 2025).

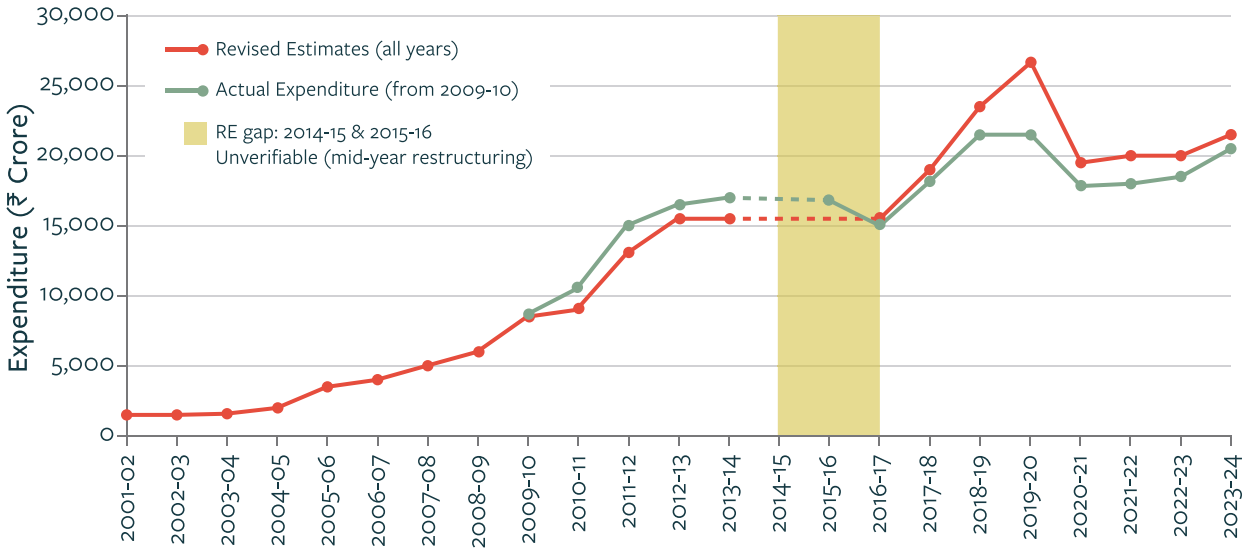
5.1.2 Budgets[2]

Between 2001–02 and 2006–07, the Union budget for ICDS doubled. There was a fifteen-fold increase in budget between the years 2001–02 and 2013–14 (Figure 5.3).

The year 2014–15 marked a point of departure in the way expenditures were presented in the budgets. The new government shifted more responsibilities to the states through the devolution proposed in the Fourteenth Finance Commission, where untied funds from Union government taxes to states were increased from 32 per cent to 42 per cent (Prasad et al. 2017). The ICDS budget dipped in the interim budget in 2014–15, but received a boost again in 2015–16, although it remained at the level of the 2013–14 budget (Figure 5.2).

Between 2016–17 and 2021–22, the budget allocations defined umbrella ICDS under POSHAN Abhiyaan, comprising the programmes Anganwadi Services, POSHAN Abhiyaan, and the Scheme for Adolescent Girls (SAG), with data on each of these schemes being provided separately. With the introduction of POSHAN 2.0 in 2021–22, the budgets for these schemes were amalgamated (Kundu 2023).

Figure 5.2: Revised estimates and actual expenditure of ICDS from 2001–02 to 2020–21



Sources and notes: Budget documents (2001–02 to 2020–21), Union budgets of India, Ministry of Finance, Government of India. https://www.indiabudget.gov.in/previous_union_budget.php
2001–02 to 2008–09: AE not reported in source data; RE used.
2014–15 AE excluded — structurally anomalous (₹336.51 crore) due to mid-year consolidation of schemes under umbrella ICDS.
2014–15 and 2015–16 RE excluded — Budget documents show only residual schemes (₹367 crore/ ₹498 crore); full consolidated RE unverifiable from available data.
2015–16 AE (₹16,834.55 crore) included — full-year figure with umbrella ICDS consolidated. 2023–24 RE (₹21,523.13 crore) included; AE awaited.

2 The figures quoted in this document are drawn from www.indiabudget.gov.in for each financial year.

Table 5.1: Cost norms for food under ICDS and NITI Aayog recommendations (₹)

	2006 Supreme Court judgement	2009–10 revisions	2013–14	2017 till date	NITI Aayog recommendations
Cost per child per day (6 months to 6 years)	2.00	4.00	6.00	8.00	10.00
Cost per child per day with severe malnutrition	2.70	6.00	9.00	12.00	15.00
Cost per Pregnant Women and Lactating Women	2.30	5.00	7.00	9.50	12.18

Sources and notes: Legal Action, Supreme Court Orders, Right to Food Campaign (Various Years); Supplementary Nutrition Programme: Cabinet approves increase of cost norms for Supplementary Nutrition provided in Anganwadis and in the Scheme for Adolescent Girls, Press release, Ministry of Women and Child Development, 2014; Evaluation of ICDS Scheme of India, IEG-NITI Aayog, 2020.

The devolution led to 'rationalisation' of schemes, which meant that it was now on the states to prioritise welfare schemes. The reorganisation led to a gradual decline in the union budget share for ICDS. After steadily increasing between 2013–14 and 2016–17, AE dropped by nearly ₹4,000 crores. In 2021–22, the share of the Union government in the Union budget for nutrition costs dropped from 60 per cent to 41 per cent (Centre for Policy Research 2023). The reduction in the share of the Union government occurred even when agencies such as NITI Aayog were recommending an increase in food costs. An IEG–NITI Aayog report observes that unit costs of food should have increased by 28 per cent from October 2017 to October 2022, notwithstanding the fact that the cost norms for food have remained unchanged since 2017 (NITI Aayog 2020). Table 5.1 provides information on the revised cost norms and NITI Aayog's recommendations.

Many other studies (Centre for Policy Research 2023; Kundu 2023) and a report by the Parliamentary Standing Committee (Parliament of India 2025) have also proposed increasing the cost norms for supplementary nutrition.

5.1.3 Coverage and reach

Between 1975 and 2000, ICDS had grown to 6,00,000 operational centres. In 2013–14, the number of operational AWCs increased to 13.4 lakhs. The Ninth Report of the Supreme Court Commissioners' Office (Saxena and Mander 2009) underlined that, in terms of operationalising sanctioned centres, all states except Jammu and Kashmir had over 80 per cent of sanctioned AWCs operational. The same report raised concerns that, despite the Court order to prioritise scheduled caste/scheduled tribe hamlets and urban slums, it was still not clear how much ICDS coverage existed in these habitations in the absence of disaggregated data. The rate of

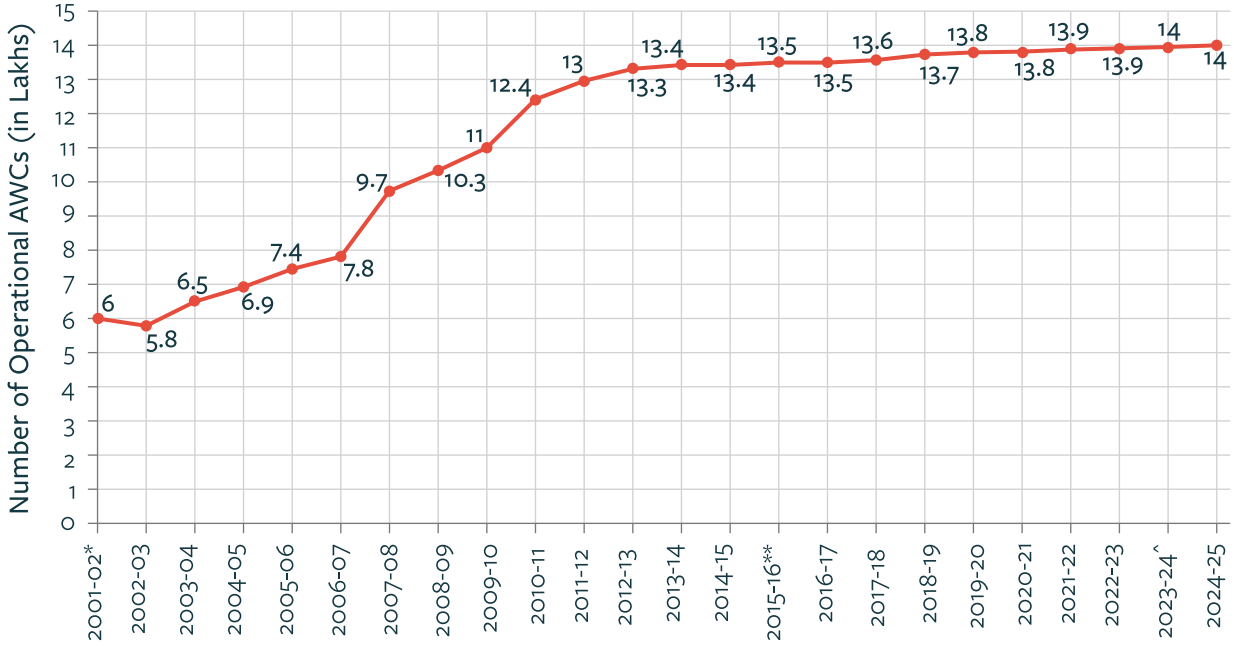
expansion stagnated post 2014. The trend lines for the number of AWCs since 2001–02 highlight this trend (Figure 5.3).

Similarly, the number of beneficiaries steadily grew between 2001 and 2013. The number of children increased from 2.95 crore to 8.49 crore, and women beneficiaries increased from 63 lakh to 1.8 crore, almost a threefold increase. It is clear that the policy boosts and budgetary support translated into substantial growth in coverage and reach.

However, there was a decline or stagnation in the number of beneficiaries in every category between 2015 and 2019 (NITI Aayog 2020). Between March 2017 and June 2022, the number of beneficiaries accessing nutrition services declined by 3 per cent and those using pre-school services decreased by 11 per cent (Centre for Policy Research 2024). The number of women beneficiaries experienced a steady decline from 2015–16 (Figure 5.4).

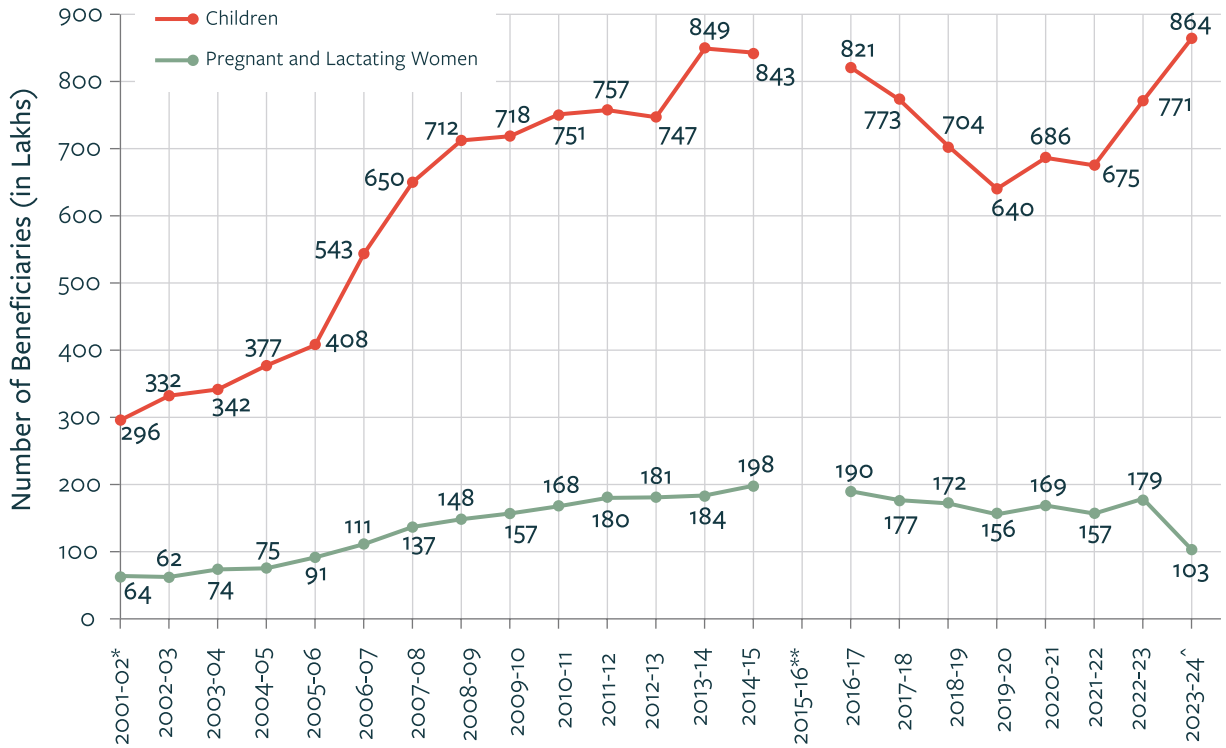
It is observed that all states experienced a significant increase in the number of AWCs between 2008–09 and 2013–14. Between 2013–14 and 2023–24, twenty-two states experienced an increase, while only five states experienced a decline, and in seven states the number of AWCs remained unchanged. In 2018, the POSHAN Abhiyaan was introduced. Between 2018–19 and 2023–24, there was no increase in the number of operational AWCs in twenty-one states. The states that experienced stagnancy in numbers or decline include Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, and Rajasthan. The stagnation observed in the number of AWCs nationally was a cumulative outcome of stagnation in the states.

Figure 5.3: Operational AWCs, 2001–02 to 2023–24



Sources and notes: Anganwadi Centres sanctioned and operational under Anganwadi Services Scheme, Annexures, Annual Reports (2001–02 to 2023–24), Ministry of Women and Child Development, Government of India. https://wcd.gov.in/documents/annual-report. Only approximate numbers reported for 2001–02.

Figure 5.4: Supplementary Nutrition Programme Beneficiaries (2001–02 and 2023–24)[3]



Sources: Beneficiaries under ICDS, Annexures, Annual Reports (2001–02 to 2023–24), Ministry of Women and Child Development, Government of India. https://wcd.gov.in/documents/annual-report
*Note: No data available for 2015-16 due to missing Annexures document. * Only approximate numbers reported for 2001–02.^ Beneficiary data for 2023-24 mentions only Aadhaar-verified members. No such distinction was reported in previous years.*

5.2 Institutional mechanisms

The administrative structures for planning, implementation and monitoring of ICDS flow from the MWCD down to the anganwadi worker level. The mission modes, Restructured ICDS (2014) as well as POSHAN Abhiyaan (2018), defined empowered and convergent panchayat-level structures and district-level structures alongside the administrative structures. These took the form of empowered committees that included both administrative staff from different departments, such as women and child development and health as well as elected representatives.

5.2.1 Institutions at the national and state level

Since its inception, ICDS has had a clearly defined administrative structure. The minister, MWCD is at the top of the structure, assisted by the minister of state and the secretary, MWCD.

3 In the MWCD Annual Report 2015–16, the annexures are missing, and the Annual Report 2016–17 presents only cumulative data; hence, there is no record of the actual number of beneficiaries. This explains the gap in the figures for those years.

Both missions proposed new structures while keeping the original administrative framework intact. They envisaged an Empowered Programme Committee (EPC) at the national and state level, and the committees are similar in composition through inter-ministerial convergence (Ministry of Women and Child Development 2022e, Ministry of Women and Child Development 2013). The CAG report 2012–13 (CAG 2013) and the NITI Aayog report (NITI Aayog 2020) reiterated the need for developing guidelines on convergence mechanisms. However, the ministry/department-specific demand for funds from MWCD in 2025 (Ministry of Women and Child Development 2025) was reported for the first time in the annual report of MWCD.

5.2.2 Structures at the district and PRI levels

The administrative structures below the state level are organised differently in rural and urban settings.

The EPC of POSHAN Abhiyaan at the district level is structured as seen in Figure 5.8. The committee holds the Annual Programme Implementation Plan (APIP) for the districts that are to be facilitated by the panchayats following the bottom-up approach and are responsible for grievance redressal and complaints.

5.2.3 Empowered community-level structures

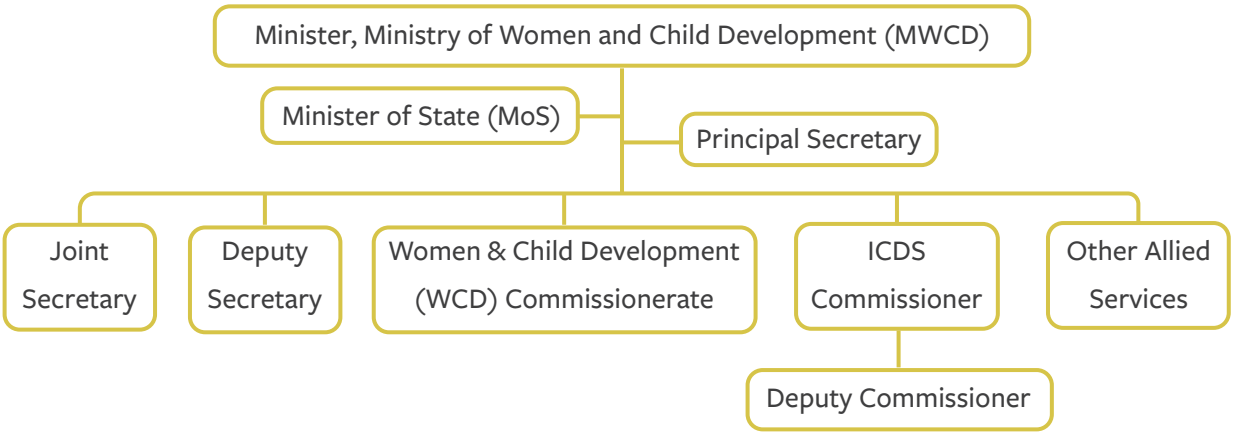
Decentralisation of governance by empowering PRI structures and community ownership has long been advocated by policymakers and experts (Prasad 2025; Sinha 2022; Planning Commission 2008; Working Group for Children under Six 2007). The Suposhit Gram Panchayat Abhiyaan was launched with the same vision (Press Information Bureau 2024). Its Jan Andolan pillar aims to foster community engagement and mass awareness around nutrition (Ministry of Women and Child Development 2024a; Parliament of India 2025). Poshan Maah and Poshan Pakhwada are observed in September and March every year with the participation of self-help groups, PRI members, frontline health and ICDS workers, and community members (Centre for Policy Research 2024).

The Village Health, Sanitation and Nutrition Committee (VHSNC), first envisaged under the restructured ICDS (Ministry of Women and Child Development 2012), functions under the National Health Mission (NHM) as a panchayat-level subcommittee (Ministry of Health and Family Welfare 2019; Ministry of Women and Child Development 2022e). It is responsible for implementing the Village Health, Sanitation and Nutrition Day (VHSND).

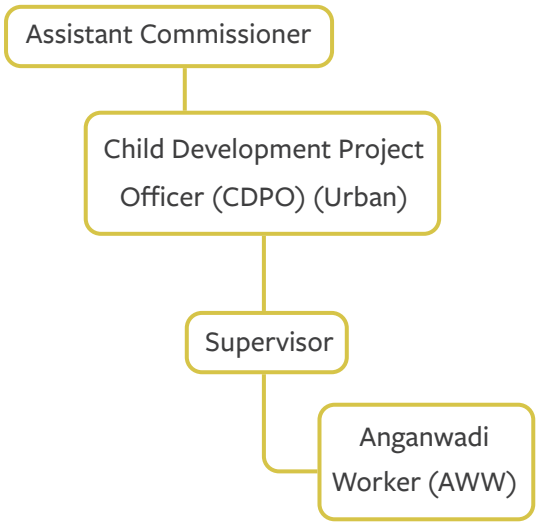
Anganwadi Level Monitoring and Support Committees (AWLMSC) were introduced by restructured ICDS as a monitoring mechanism by bringing Accredited Social Health Activists (ASHAs) within it (Ministry of Women and Child Development 2013). Kerala has AWLMSC at both the panchayat and block levels. They try

Figure 5.5: Administrative structures of ICDS

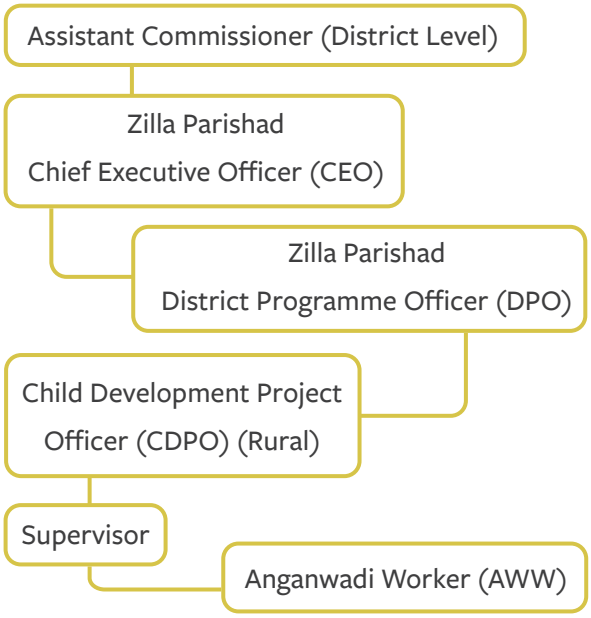
a. National Level



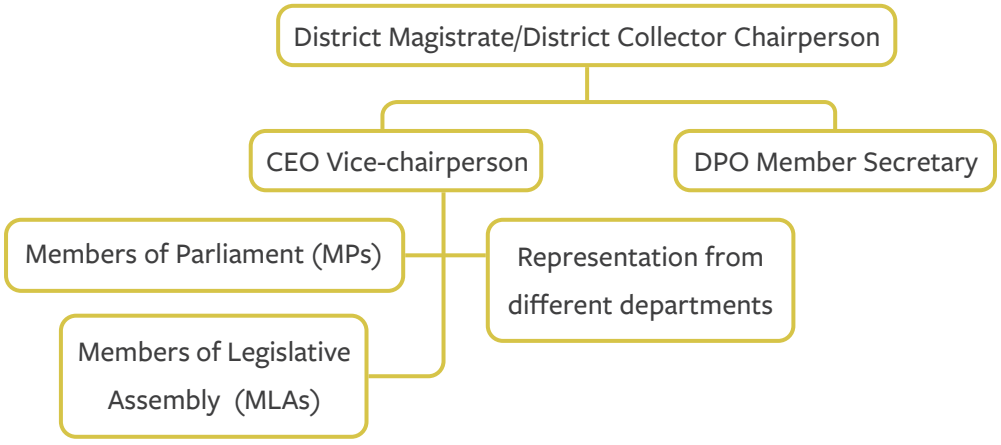
b. Urban - District level and below



c. Rural - Block level and below



d. Poshan Tracker: Empowered programme committee at district level



Sources and notes: Guidelines for Implementation and Monitoring, Manual for District Level Functionaries, Integrated Child Development Scheme, 2017

to resolve issues in a localised manner as the local self-governance department is strong in the state.

All the above structures bring together administrative and elected authorities and departmental representatives for convergence. While VHSNCs are responsible for monitoring malnutrition and linking children to nutritional rehabilitation centres, AWLMSCs are more focused on services at the level of ICDS centres.

5.3 Human resources

The functioning of ICDS depends mainly on its female workforce. Most of the Child Development Project Officers (CDPOs), supervisors, Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs) are women. This section focuses on AWWs, as they are the linchpin of the programme.

5.3.1 Eligibility and training

There are about 28 lakh AWWs and AWHs working under ICDS. As per the MWCD guidelines, they are selected from the locality by a committee constituted by the state government/ UT administration. AWWs age should be between 18 and 35 years, and the minimum educational qualification should be Class 10, which has recently been updated to Class 12, bringing their educational qualification at par with teachers recruited for pre-primary classes (Ministry of Women and Child Development 2022a). Training of AWWs is the responsibility of the National Institute of Public Cooperation and Child Development (NIPCCD). It is a twenty-six-day-long course with four days devoted to early learning and stimulation. The Indian Institute of Skill Development Training (IISDT) has recognised the work of AWWs as skilled and has taken a step toward its professionalisation. It runs a two-month-long online certificate course for which the minimum educational qualification is Class 10 (Indian Institute of Skill Development Training 2025).

The MWCD has sanctioned ₹4,76.05 crore for training under 'Poshan Bhi Padhai Bhi', and by 2025, 31,114 state-level master trainers and 1,45,481 AWWs had been trained across the country (Ministry of Women and Child Development 2024a). The training includes information on food groups, balanced diets and methods of addressing malnutrition among children, along with sessions on curricula for children under three years of age and those aged three to six years.

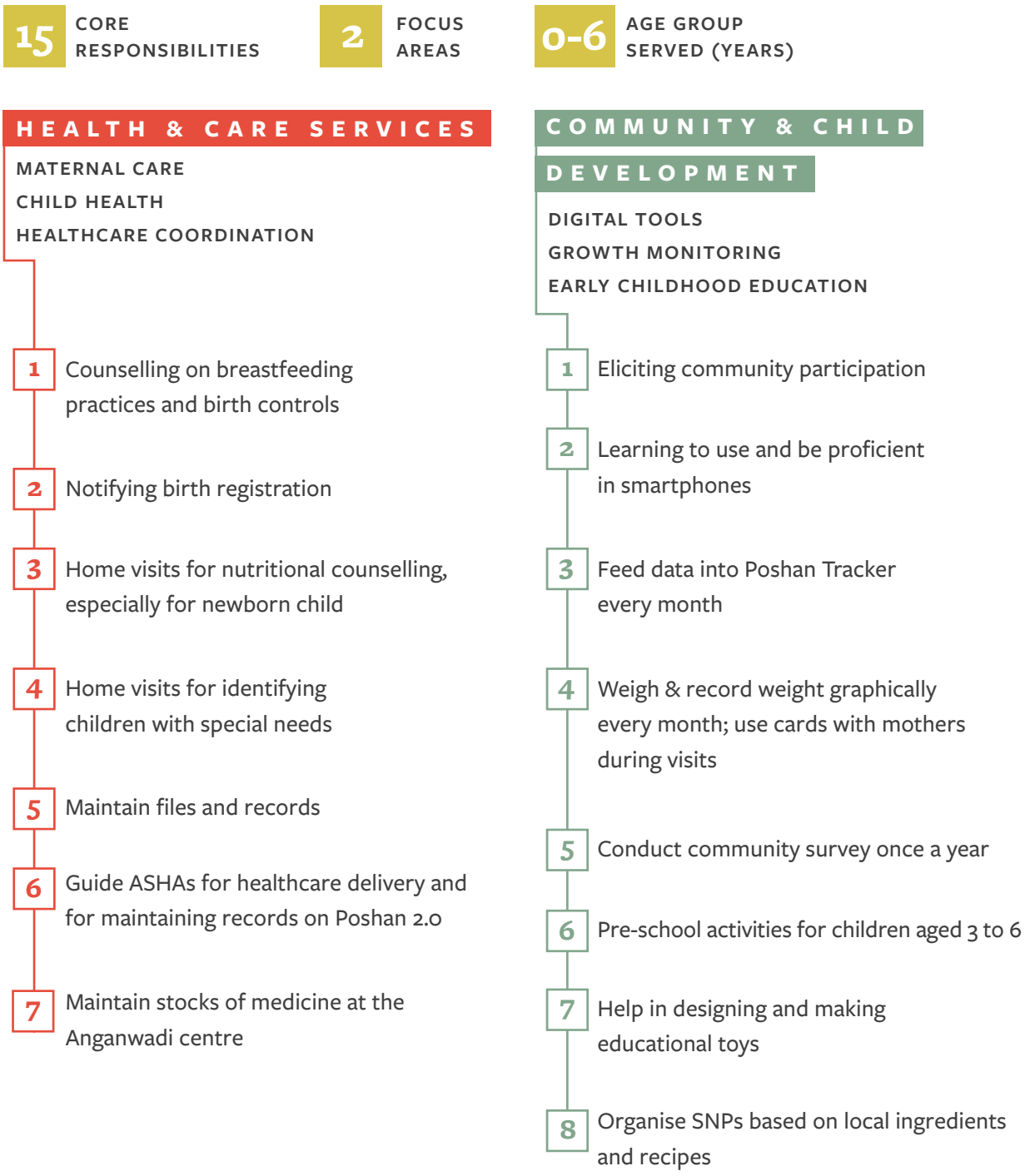
5.3.2 Responsibilities of AWWs

Figure 5.6 contains the list of job responsibilities of AWWs (Ministry of Women and Child Development 2022e).

5.3.3 Working conditions

Anganwadi workers are paid honorariums, not salaries, for performing the long list of responsibilities mentioned in Figure 5.6. The AWCs are supposed to be open for six hours a day, six days a week and 300 days a year. The workers are entitled to twenty days of paid annual leave and 180 days of maternity leave. In the fifty years of the programme, AWWs have not been able to secure recognition and status as workers and are considered volunteers. Their honorariums are shared

Figure 5.6: Job responsibilities of anganwadi workers



Sources and notes: Mission Saksham Anganwadi and POSHAN 2.0 Scheme Guidelines, Ministry of Women and Child Development. 2022. https://wcd.delhi.gov.in/sites/default/files/WCD/generic_multiple_files/final_saksham_anganwadi_and_mission_2.0.pdf

between the Centre and the states in a 60:40 ratio. Their honorarium, as per the central norms (₹4,500 per month) is less than the minimum wages. In terms of their social security, state governments and UTs have been advised by the Union government to enrol them in Pradhan Mantri Shram Yogi Maandhan Pension Scheme (FORCES 2023).

CDPOs and supervisors are bona fide state government employees and therefore receive the benefits enjoyed by all state government employees. Earlier, their salaries were shared by the Union government, which stopped after devolution.

5.4 Governance

Prior to POSHAN Abhiyan, ICDS was governed through the administrative structures depicted in Figure 5.7a and Figure 5.7b. The supervisors and CDPOs are responsible for the quality of implementation on the ground. One CDPO is responsible for 100 AWCs, and one supervisor for twenty-five centres, though in practice they often supervise a greater number of centres. For monitoring purposes, supervisors collate data from thirty-two registers filled by each AWW, forward them to the CDPOs, who then send the data to the MIS department at the state level and eventually to the MWCD for collation. To enable real-time monitoring and reduce the burden of record maintenance, the Poshan Tracker app was rolled out in 2021. The aim was also to eliminate leakages in food distribution. The policy document underlines the importance of the Tracker and the role of the IT Ministry (Ministry of Women and Child Development 2022e).

5.4.1 Functioning of Poshan Tracker: An exploratory study

Since evidence on the functioning of the Poshan Tracker app in the public domain is limited, a short qualitative study was undertaken in three states–Chhattisgarh, Haryana and Delhi– between April and June 2025. In each state, eight–ten AWWs, two supervisors and two CDPOs were interviewed in one district. Additionally, two focus group discussions (FGDs) were conducted with mothers of children receiving services. The findings of the study are presented below.

Poshan tracker is efficient when internet connectivity is adequate

The app efficiently captures and indicates a child's nutritional status in a user-friendly format. It also displays the growth charts for weight-for-age, height-for-age and weight-for-height for each child, and records the anaemia status of pregnant women. But for all of the above, there is a need for good internet speed and high-capacity mobile phones.

The app captures and collates real-time data on attendance, height, weight and services received. Although the POSHAN Abhiyaan recommends the availability of Wi-Fi connection in all AWCs (Ministry of Women and Child Develop-

ment 2022e), AWWs continue to face either slow internet speed or no internet at all (Narayanan and Sinha 2025). During fieldwork, the slow functioning of the app was observed in both rural and urban AWCs across all study states. A common phrase used by AWWs was: '*gol gol ghumta hai*' (the cursor goes round and round). Connectivity problems were severe in remote rural areas. AWWs from remote areas shared that earlier the app would not open outside the AWCs; later, AWWs were able to enter data outside AWCs through a new feature. For instance, one supervisor responsible for sixty-five centres reported that the internet worked properly in five centres, twenty-nine had a low-speed network, and the remaining centres had no connectivity. Another supervisor reported that the internet worked in twenty-five out of forty-four centres, and in another case, in thirty-nine out of fifty-nine centres.

The app requires high-capacity mobile phones to function effectively

The functioning of the application requires 4G or higher-capacity and proximity to mobile towers. Mobile phones were procured centrally.. In 2022, 11.04 lakh smartphones were procured, covering 84 per cent of AWWs (Centre for Policy Research 2024). Our study found that some states had procured 2G or lower-capacity mobile phones. Many AWWs reported being compelled to use their husbands' or children's higher-capacity phones, while some bought their own devices as the ones they got from the office took hours to open. In one urban AWC, where the internet speed was good and the AWW owned a 4G compatible phone, the latest version of the application opened successfully. It displayed 'beneficiary lists' by category and growth charts for each child, showing weight-for-age, height-for-age and weight-for-height. Overall, the experiences of AWWs with the application varied from centre to centre.

Issues faced by AWWs

Anganwadi workers had different levels of capacity in handling the app. Older AWWs or those with limited education struggled to manage the app. AWWs assisted one another in filling data, while some were helped by supervisors. In few cases, family members helped with data entry. Younger AWWs, with better literacy skills, were more comfortable with the app.

AWWs also feared visits by superiors to review the status of malnourished children as it meant increased performance pressure without much support. An AWW described the situation by saying, '*Aajkal hunter leke ghumte hain humare superiors*' (nowadays our superiors are moving around with whips). They were reluctant to report the ground reality. The priority was to demonstrate good performance which sometimes led to invisibilisation of malnourished children.

Challenges faced by CDPOs and supervisors

CDPOs and supervisors mentioned that generating good reports was important, hence they were spending more time in record keeping and meetings than on field visits. One CDPO reported facing tremendous pressure for not achieving 100 per cent targets because two children remained persistently stunted and wasted. She refused to succumb to the pressure.

AWWs also feared visits by superiors to review the status of malnourished children as it meant increased performance pressure without much support. An AWW describe the situation by saying, 'Aajkal hunter leke ghumte hain humare superiors (nowadays our superiors are moving around with whips).' They were reluctant to report the ground reality. The priority was to demonstrate good performance which sometimes led to invisibilisation of malnourished children.

The District Programme Officers (DPOs), CDPOs and supervisors were aware of the problems faced by AWWs. They shared that infrastructural inadequacy, coupled with inefficiency in handling technology, was leading to children's names being erased from registers [*'data gayeb ho jata hai'*(the data disappears)] to show performance. Officials from less developed states were expected to compete with infrastructure-rich states without adequate infrastructural support, which was leading to large-scale exclusion of the most deprived.

Exclusion of beneficiaries

Until June 2025, the app required registration of beneficiaries through Aadhaar numbers. In the absence of children's Aadhaar cards, their mothers' Aadhaar cards were used. Beneficiaries collecting take-home rations had to go through Facial Recognition System (FRS) every time they collected rations. In the absence of children's Aadhaar cards, their mothers' Aadhaar cards were used. From 1 July 2025, the procedure changed. Beneficiaries collecting take-home rations had to go through Facial Recognition System (FRS) every time they collected rations. A circular was issued to states stating that all beneficiaries must complete eKYC and FRS authentication to remain eligible.

In remote villages, some women who did not have an Aadhaar card could not register their children on the app. Although these children continued to receive food from the AWCs, they were not on record. Supervisors reported tremendous pressure to eliminate the names of unverified children from the beneficiary list. Many women did not own mobile phones; consequently, their Aadhaar cards were linked to the phone number of some other individual. Their children's eKYC could not be completed as they did not remember the mobile number on which the

Table 5.2: Aadhaar-verified vis-à-vis registered beneficiaries (in Crore)

Year	Verified children	Verified Pregnant Women (PW) and Lactating Women (LW)	Children in registers	Pregnant Women and Lactating Women in registers
2023–24	8.64	1.03	8.91	1.07
2024–25	5.81	0.73	8.82	1.06

Sources and Notes: Ministry of Women and Child Development, Annual Report 2023–24 and Annual Report 2024–25. https://wcd.gov.in/documents/annual-report

OTP would be received. According to CDPOs and supervisors, the emphasis on eKYC and FRS may end up excluding forty per cent to seventy per cent of children depending on where they are located.

FRS was required every time mothers collected take-home rations. Most of the time, either the software was non-functional or the process took hours. Women were told to dress up in the same way as the last time they collected the rations. Many women could not afford to lose time from their paid work to complete the FRS processes, a fact documented by several news reports (Narayanan and Sinha 2025; Right to Food Campaign 2025; Shagun 2025). Functionaries shared illustrative data on the outcomes of eKYC and FRS processes, for example:

a. seven out of forty-nine women's faces matched
a. eKYC completed for twenty out of sixty children
a. eKYC completed for forty out of eighty-eight children

The data presented above corroborates the data in the Ministry's annual reports for the past two years. The verification process in the app is set to exclude more than four crore beneficiaries.

Greater emphasis on Poshan Tracker management than on malnutrition management

In the absence of physical growth charts, most AWWs were not aware of how children with malnutrition were progressing over time. Supervisors preferred AWWs to fill physical growth charts, but these were no longer being printed. Some AWWs and supervisors continued to maintain physical growth charts using the available printed pieces largely due to their own initiative. Although growth charts were included in the mother and child card, the parents were unaware of their existence. During field visits, I could not find a single mother (only mothers were available for FGDs) who knew her child's nutrition status. Only those mothers whose children had been referred to an NRC were aware that their children were sick. The app has dismantled the existing system of tracking the growth of malnourished children and has made their growth trajectory invisible.

5.5 Conclusion

The importance of ICDS has been recognised by successive Union governments. The adoption of two mission-mode initiatives during its fifty years of existence along with the involvement of institutions such as the Supreme Court, the Parliament, the Planning Commission, NITI Aayog and the MWCD, reflects the continued policy significance of the programme.

The analysis of secondary data in this chapter shows a sharp increase in the number of operational centres and beneficiaries between 2006 and 2013. From 2014 onwards, there has been a stagnation in the number of centres, coupled with a decrease in the number of beneficiaries due to a reduction in the union budget share, the shifting of financial burden on states and recent exclusions due to the introduction of FRS technology. States are not equal in terms of social and economic indicators. Weaker states are left to compete with stronger states and are falling further behind in reach and coverage. It is recommended that the Centre increase its share in budget of ICDS, especially for human resources and supplementary nutrition.

In 2007, at the request of the Planning Commission, the Working Group for Children under Six developed a strategy paper for the holistic development of children under six. It recommended a phased, incremental introduction of an ICDS model with two AWWs to address age-specific needs and ensure a continuum of care. The group suggested that one AWW focus on pregnant women and children under three years of age, as their needs overlap and require intense caregiving. The second worker could concentrate on the learning needs of children between three and six years of age (Working Group for Children under Six 2007).

A two-worker universal ICDS model, functioning full-time with trained workers receiving minimum wages, can enable India's children under six to realise their full potential. A study on ICDS by Ganimian et al. (2021), which used large-scale randomized controlled trial (RCT) to generate evidence on hiring an additional staff member to focus solely on preschool education in AWCs, found a significant increase in the time devoted to preschool education as well as in the time and attention given to the health and nutrition of ICDS beneficiaries.

The programme requires convergence across many ministries and departments and has bottom-up structures for the same. Under the POSHAN Abhiyaan mission structures at the district, block and panchayat levels bring together administrative and elected representatives. However, in reality, these structures (such as VHSNC, AWLMSC, Poshan Panchayat, etc.) are not able to function effectively due to inadequate capacity, infrastructure and budget. The policy intent therefore continues to remain on paper. Both states and the Union government need to support these structures through capacity enhancement and resources.

From the beginning, the focus of ICDS has been to reduce malnutrition. National Family Health Survey (NFHS) data show that the incidence of stunting and

underweight among children has improved steadily over the years. Beyond immediate health and nutrition outcomes, early exposure to ICDS centres during the first three years of life has been found to be associated with 0.1–0.3 additional grades of schooling for adults. In addition, girls under two years of age who had received ICDS nutrition were found to be at least 1 cm taller (Nandi, Behrman and Laxminarayan 2021).

Introducing technology to reduce malnutrition is a welcome step. However, the technology is far from achieving its intended objectives. Slow internet speeds, pressure from seniors, limited capacity of AWWs, and the eKYC and FRS processes are leading to large-scale exclusions, especially of those living in remote areas or those who are socially and economically vulnerable. Instead of providing real-time support, the system is invisibilising the incidence of malnutrition.

The NFHS-3, 4 and 5 data show that rural children continue to fare much worse than urban children and that SC and ST children continue to fare much worse than children from the general category. The Supreme Court had also instructed the government to prioritise SC/ST habitations and urban slums. Data on these habitations are collected by functionaries but are not available in the public domain. The emphasis on Aadhaar verification is leading to the exclusion of these groups. Aadhaar camps should therefore be facilitated by PRIs and VHSNCs at the village levels for updating Aadhaar cards. Simultaneously, infrastructure should be developed to ensure internet connectivity with adequate speed so that the transition from physical registers to digitisation is smooth. Until technological infrastructure becomes adequate, physical growth charts should continue to be used to track malnutrition.

Viksit Bharat cannot become a reality if hunger and lack of education persist. Invisibilised hunger will not remain in oblivion for long. Translating policy intent into ground reality would be a step in the right direction. This can happen only if the structures envisaged in POSHAN Abhiyaan function in harmony, and are supported with adequate human resources, infrastructure and financial resources.

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06

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The Welfare State at Lunch: India's School Mid-Day Meal Programme

The Mid-Day Meal Scheme (MDMS) — a programme started by a single municipal corporation in 1920, is India's most enduring and wide-reaching social welfare interventions today.. The MDMS addresses the crucial intersection of poverty, hunger and malnutrition, and primary education by currently providing cooked meals to over eleven crore children in approximately twelve lakh schools nationwide. Its impact can be captured via two crucial material outcomes. Hot cooked meals are a significant factor in boosting enrolment and attendance rates especially for girls and children from marginalised communities who would otherwise not be able to attend school. It reduces women's burden of unpaid care work. It has been an instrumental scheme which has had a tangible effect over the progress of Indian society.

CHAPTER 06

The Welfare State at Lunch: India's School Mid-Day Meal Programme

Dipa Sinha and Bhargav B S

The Mid-Day Meal Scheme (MDMS)[1] implemented in government schools across India is one of the country's most enduring and wide-reaching social welfare interventions. Often cited as a successful initiative of the Government of India, the programme currently provides cooked meals to over eleven crore children in approximately twelve lakh schools nationwide. Empirical evidence indicates that the scheme has contributed significantly to mitigating classroom hunger, enhancing school enrolment and retention, improving nutritional outcomes, and expanding economic opportunities for women, particularly from marginalised communities. It has also served as an instrument for fostering social inclusion and equity. Nevertheless, concerns persist that the scheme's design and implementation frameworks have remained largely static, limiting their responsiveness to evolving socio-economic contexts and nutritional challenges. This chapter traces the historical evolution of the programme, analyses its current status and identifies critical issues that warrant policy attention and reform.

1 We use 'MDMS' throughout this chapter. The scheme is now called PM POSHAN but this is a recent change; the relevant literature predominantly uses 'MDMS'.

6.1 Tracing India's mid-day meal journey

The first known programme to distribute food to school children was introduced in 1920 by the Madras Municipal Corporation. The chief minister of Tamil Nadu, K. Kamraj is credited with expanding the mid-day meal scheme in the state between 1955 to 1961 as part of the measures undertaken by the state government to expand school education. While it was a popular scheme, it was not universal and depended extensively on voluntary donations and philanthropic initiatives. In 1982, chief minister M.G. Ramachandran expanded noon meals to primary school children and institutionalised the scheme. A few other states such as Gujarat, Kerala and Puducherry also introduced mid-day meal programmes for government school children in the 1980s. By the early 1990s, over fifteen states had some scheme through which meals were served to children in government schools (not necessarily all schools) (see MDMS Guidelines 2006). Goa, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttar Pradesh had state government schemes. While Karnataka, Odisha and West Bengal implemented the scheme with a combination of state resources and international funding, Andhra Pradesh and Rajasthan implemented it solely through international assistance.

The government of India piloted the National Programme of Nutritional Support to Primary Education (NP-NSPE) as a centrally sponsored scheme in 1995 in 2,408 blocks, later expanding it to the entire country in 1997–98 (see MDMS Guidelines 2006). The NP-NSPE only provided dry rations (in the form of rice or wheat) to be distributed in schools. Many state governments passed on the dry rations (3 kg a month per student) while others added their own contributions to provide a hot cooked meal. Dry rations distributed once a month did not contribute much to benefits such as increasing enrolment and attendance in schools. Provision of hot cooked meals to all children across government schools was introduced following the Supreme Court's orders in 2001.

In the 'Right to Food case' (PUCL v. Union of India, CWP No. 196/2001) the Supreme Court in November 2001 directed all the states to *'implement the Mid-Day Meal Scheme by providing every child in every government and government assisted primary school with a prepared mid-day meal with a minimum content of 300 calories and 8-12 grams of protein, each day of school for a minimum of 200 days (a year).'* Despite this order, it was found that several states continued to provide only dry rations until the Government of India revised the national scheme in 2004 to provide a share of the cooking costs (to meet the expenses of fuel and other ingredients) along with free provision of rice/wheat. Under the scheme it was mandatory to provide hot cooked meals in government schools. The 2004 scheme also put in guidelines for menus, payment of cooks and helpers, kitchen and storage infrastructure, monitoring and evaluation. In accordance with the

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The Question That Sparked it All

During a visit to the town of Cheranmahadevi in Tirunelveli district in the early 1960s, Kamaraj noticed a boy tending to cattle at a railway crossing. He then inquired why the boy was not in school instead. It is worth noting here that this Tirunelveli district experienced an unprecedented amount of rainfall within just two days in the second week of December, a phenomenon that is not typical for the entire year, resulting in significant disruption.

In response to Kamaraj's question, the boy posed a counter question: *'If I go to school, will you give me food to eat? I can learn only if I eat.'*

These words from the boy inspired Kamaraj to develop what would later become a unique initiative aimed at encouraging children to engage in their studies in primary schools nationwide – the mid-day meal program.

Source: https://www.news18.com/education-career/if-i-go-to-school-will-you-give-me-food-the-question-that-launched-mid-day-meal-scheme-in-india-ws-ab-9210726.html?utm_source=copy_share&utm_medium=clipboard&utm_campaign=clipnshare

Supreme Court's orders the scheme also recommended that priority should be given to women belonging to scheduled castes(SCs), scheduled tribes(STs) and other backward classes(OBCs) while appointing mid-day meal cooks and helpers. In drought-affected areas, the meal was to be provided during summer holidays as well. While the scheme was initially aimed at children in Classes 1 to 5,, it was expanded up to Class 8 in April 2008.

Section 5(1)(b) of the National Food Security Act (NFSA), 2013 includes an entitlement of a free meal for all school children in the age group of 6 to 14 years (children from Classes 1 to 8). With the passing of this legislation, the school meal is now a legal entitlement for all children in primary and elementary government schools. In 2021, the scheme was rechristened as the Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) and extended to children studying in Bal Vatikas or pre-primary classes in government and government-aided schools.

A Brief History of Mid-Day Meals in India

1920
Madras Municipal corporation introduces meals in the city's schools.

1955
Chief Minister Kamraj expands it to Tamil Nadu's government schools (not universal yet).

1982
Chief Minister MG Ramachandran institutionalises the scheme and makes it universal in Tamil Nadu's government primary schools.

1980s
Gujarat, Kerala and Pondicherry introduce mid-day meals in primary schools.

1995
National Programme of Nutritional Support to Primary Education (NP-NSPE) piloted as a centrally sponsored scheme by the Government of India.

1990s
15 states in India implement the MDMS in various forms.

1997-98
NP-NSPE expanded to the entire country.

2001
Supreme Court directs all state goverments to provide hot cooked meals in primary schools in the PUCL v. Union of India (Right to Food) case.

2004
Scheme revised to provide more central funds for implementation in all states.

2008
MDMS expanded to upper primary schools (upto Class 8).

2013
National Food Security Act 2013

Images: PD/NRS/May, 1983, M32GI/A64(TN) | Photo NA49798 Public Resource via Internet Archive; Legaleagle86 at en.wikipedia, CC BY-SA 3.0, via Wikimedia Commons; Archies2804, CC BY-SA 4.0, via Wikimedia Commons;

6.2 Impact of MDMS

Across the globe, there is both recognition of the need for and evidence of the benefits of school meals (see for instance, Berlanga 2022; Beltrami 2025). When school meals are provided, the opportunity cost of forgoing wage work for children in low-income households is addressed. It strikes at the heart of hunger for many households who worry about providing food for their children. Not just basic hunger, nutrition is also taken care of where there are regulations for protein and calorie requirements for each meal. Hunger addresses survival and nutrition addresses child development. The two factors combined boost school attendance, especially for girls (Berlanga 2022). School meals fall at the crucial intersection of poverty, hunger, malnutrition and primary education and acting on these issues via the provision of school meals addresses several dimensions of precarity (Anand et al. 2012; Cohen et al. 2021, 2023).

Several studies have been conducted in India, especially in the initial years after the universalisation of MDMS following the Supreme Court's orders, evaluating the impact of the MDMS on different aspects of child development. These show that there was an increase in enrolment and attendance with the introduction of school meals (Afridi 2005; Drèze and Goyal 2003; Khera 2006), especially for a large number of girls and children from marginalised communities who were previously not in schools began entering schools (Drèze and Goyal 2003). In addition, having a cooked meal provided in schools meant that mothers could go to work without worrying about their children's lunch. They saved time in cooking without leaving work and returning home in the middle of the day. The scheme also creates employment for women who are hired to cook meals in the schools with 24.53 lakh cooks and helpers currently engaged in the programme. Some states like Tamil Nadu and Gujarat also have a separate cadre of noon-meal organisers, cooks and cook assistants to help with the logistics and monitoring of the scheme.

Chakrabarti et al. (2021) report that MDMS has intergenerational nutritional benefits, i.e., children born to mothers who accessed MDM had better growth (height-to-age ratio) than those children whose mothers were not exposed to the mid-day meal scheme. This positive effect was especially evident among families who belonged to lower socio-economic strata. Hence, MDMS has come to be a crucial scheme for children's education and nutrition over the past three decades.

The above findings—positive effects on enrolment (particularly girls), employment and relief to mothers, nutrition, protection against hunger, are reinforced by recent studies such as Kaur (2021) and Paltasingh and Bhue (2022) as well. The MDMS is widely acknowledged for its comprehensive benefits to childhood development and education. Yet, there are certain concerns about its imple-

mentation and recent performance. In the following sections we discuss the design, implementation status and critical issues requiring further research and policy action.

6.3 MDMS in India: Design, status and implementation

To assess the current status of MDMS, we use the data available from the Annual Work Plan and Budget (AWP&B) documents that state governments submit to the Union government every financial year. However, while all the detailed AWP&B documents are available on the website until the year 2021–22, for the last few years only the final minutes have been uploaded. Hence, for most of the analysis, the data pertain to 2021–22 and, where possible, the latest situation is presented. The list of data used is given in Annexure 1.

6.3.1 Universal coverage

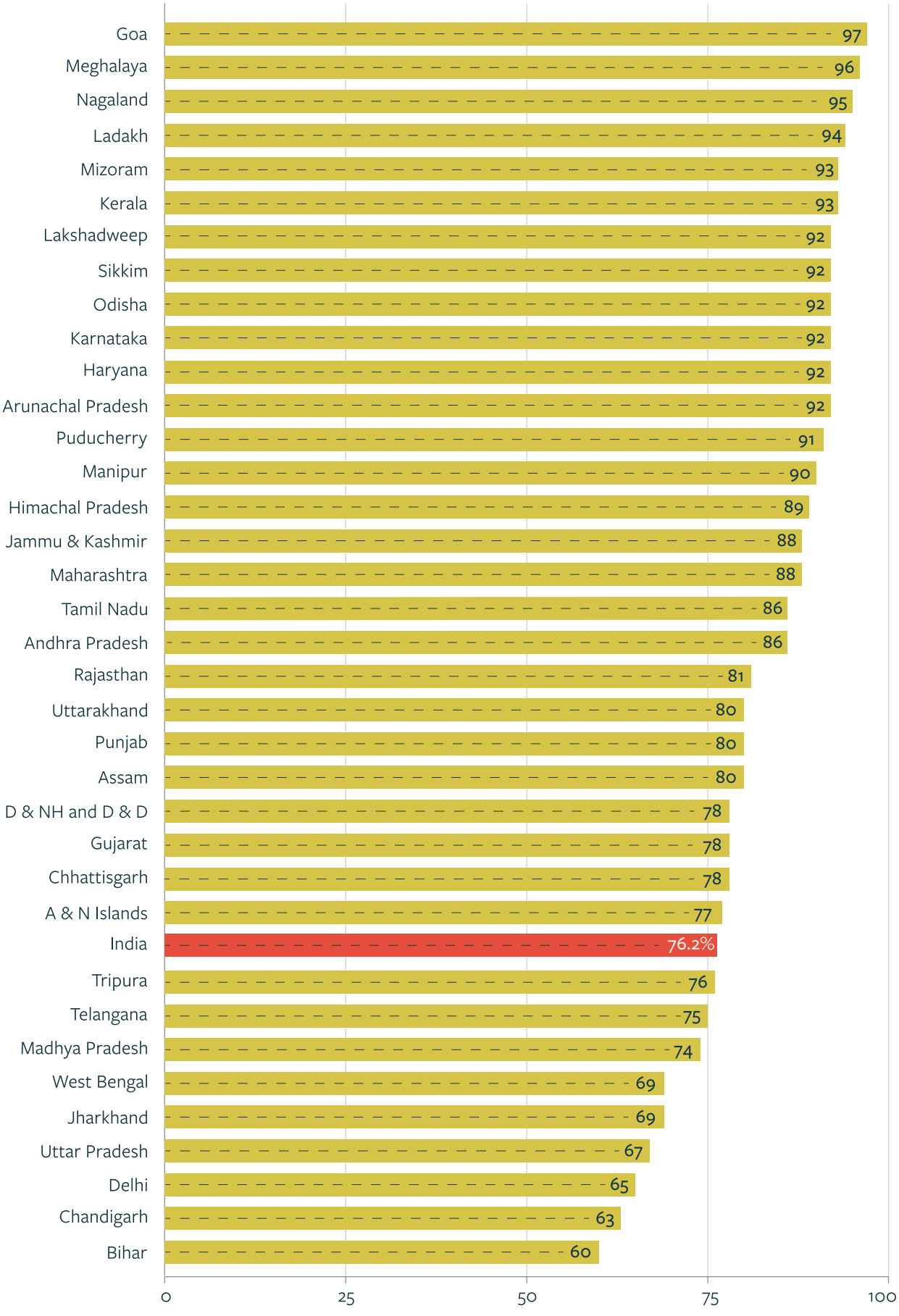
According to the NFSA, as well as the Supreme Court's orders, MDMS is supposed to cover all government and government-aided schools and all children enrolled in these schools. Based on data for 2024–25 as given in the AWP&B documents, there is a gap between the number of children enrolled in schools and the number of children proposed to be covered under the mid-day meal scheme. Further, there is also a gap between the number of children approved for mid-day meals by the Programme Approval Board (PAB) based on these proposals and the average number of children availing meals.[2] About 82 per cent of enrolled children are approved by PAB and the average number of children who availed meals is 92.8 per cent of the number approved (76.2 per cent of the number of children enrolled). While the latter is probably a reflection of school attendance, it is not clear why there is such a large gap between approval and enrollment. We also track this data from 2021–22 to 2024–25 in Annexure 12.

As seen in Figure 6.1, the gap also varies by state with Bihar (60 per cent), Delhi (65 per cent), Uttar Pradesh (67 per cent), Jharkhand (69 per cent) and West Bengal (69 per cent) having the lowest percentage of enrolled students availing MDMS. On the other hand, Goa (97 per cent), Meghalaya (96 per cent), Nagaland (95 per cent), Mizoram (93 per cent) and Kerala (93 per cent) have the highest coverage in terms of enrolled students availing MDMS.

Another relevant issue is the trends in coverage. There has been some concern regarding the closure of government schools and a shift in the composition of school attendance towards private schools (Maurya 2025a; Kingdon 2020).

2 Number of enrolled students refers to all students enrolled in classes I to VIII for the academic year (in real time). The PAB-approved number of children refers to the number sanctioned by the PAB for the MDMS for fund allocation and provision of meals. The average number of children availing meals is the average daily count of those children who have been served the MDM.

Figure 6.1: Average percentage of students availing meals vis-à-vis enrolment (2024–25)



Source: Mid-Day Meal PAB Minutes 2025-26

Rights-holders
All children in primary and elementary government schools

Minimum entitlements
Primary: 450 calories and 12 gm of protein
Upper Primary: 700 Calories and 20 gm of protein

Eligibility criteria
None, the scheme is universal

Year of introduction
1995

Why this scheme?
Comprehensive benefits to child development and education

Unified District Information System for Education Plus (U-DISE+) data show that the number of government schools decreased from 10.32 lakh in 2020–21 to 10.13 lakh in 2024–25 (1.8 per cent drop) and government-aided schools decreased from 84.3 thousand in 2020–21 to 79.3 thousand in 2024–25 (5.9 per cent drop) (Maurya 2025b). According to the Ministry of Education's (MoE) reply to a Rajya Sabha question (asked by MP Sanjay Singh, dated 17 December 2025), the number of schools covered under the MDMS (PM POSHAN) declined from 11.19 lakh in 2020–21 to 10.35 lakh in 2024–25 — an overall decrease of 84,453 schools or 7.5 per cent over a five-year period. Of all the states, Uttar Pradesh (1.67 lakh in 2020–21 to 1.41 lakh in 2024–25), Madhya Pradesh (1.12 lakh in 2020-21 to 88.2 thousand in 2024–25) and Assam (53.4 thousand in 2020–21 to 44.1 thousand in 2024–25) saw the biggest decline in MDMS school coverage (Maurya 2025b). Although further data, especially age-wise population figures are required to appropriately analyse the underlying reasons for this shift, it is observed that the reduction in the number of schools is higher in poorer states, which probably require the scheme the most.

Data from the annual reports of the Ministry of Education show a decline in the number of children being covered between 2014 and 2020 from 10.22 crore to 9.01 crore. Further, data from the U-DISE+ on school enrolment also show a decline in the number of children enrolled in government and government-aided schools (Classes 1-8) from 11.63 crore in 2018–19 to 10.27 crore in 2024–25 (Table 6.1). With the available data, it is difficult to pinpoint whether this is because of a shift of children to private schools or a reduction in the number of children in this age group.

In the year 2020–21, there was an increase in the average number of children availing MDM to 11.8 crore. It is noted that during the pandemic, schools were closed and a food security allowance (FSA) was provided to children in lieu of the mid-day meal scheme. The FSA was given in the form of cash or dry rations varying from state to state. It is possible that since the FSA was not dependent on attendance rates, the improvement observed in 2020–21 reflects this difference.

There is a discrepancy in the data reported for the average number of students availing mid-day meals that requires clarification. Each annual report provides data for a few of the preceding years. As observed in reports up to

Table 6.1 : U-DISE enrolment versus. MDM availment (in crore)

Year	Number of children enrolled in government + aided schools (Classes 1-8) *U-DISE	Average number of children availing mid-day meal (in crore) *MoE annual reports	Average number of children availing mid-day meal *MoE annual reports (new series based on PM POSHAN)
2018–19	11.63	9.12	12.03
2019–20	11.50	9.01	11.98
2020–21	11.73	11.8	11.8
2021–22	12.39	NA	12.21
2022–23	11.75	NA	12.16
2023–24	10.91	NA	11.65
2024–25	10.27	NA	Yet to be reported

Sources and notes: All figures in crores. Distribution of Schools, Enrolments and Teachers by School Category, U-DISE Annual Reports (https://dashboard.udiseplus.gov.in/#)(various years) and National Programme of Mid-Day Meal in Schools Major Findings, Ministry of Education Annual Reports (https://www.education.gov.in/documents_reports_hi)(various years)

2021–22, the average number of children availing meals in 2018–19 was 9.12 crore and in 2019–20 it was 9.01 crore. However, in the reports for 2022–23 and 2023–24, the corresponding figures for 2018–19 and 2019–20 are reported as 12.03 crore and 11.98 crore respectively — reflecting an increase of almost 3 crore children. These latter reports do not present figures for years prior to 2018–19. While the reports do not provide any explanation for this, in 2021 the national mid-day meal scheme was modified into the PM POSHAN scheme which expanded coverage to include children in pre-schools and Bal Vatikas. There is a possibility that the data for the previous years were also adjusted to reflect these classes to make it more comparable. The revised data is presented in the last column in Table 6.1.

While there are data gaps and further in-depth studies are required to understand some of these, it is evident that coverage of mid-day meals remains below universal levels. Although reasons are not discussed, the minutes of the PAB meetings acknowledge the gap between enrolment and average number of children availing meals. The minutes note that reasons must be ascertained and efforts undertaken to improve coverage. For example, the 2025-26 Andhra Pradesh minutes record that the Secretary, School Education observed that *'less than 75% coverage of enrolled students in Upper-Primary in districts viz. Alluri Sitaram Raju, Kurnool, Prakasam, Kakinada, West Godavari, Bapatla, Tirupathi, NTR and Palnadu. He advised the State to ascertain the reasons for this low coverage and take corrective measures.'* To study this further, factors such as the shift in enrolment to private

Table 6.2: Expenditure sharing pattern

100% central assistance	Shared between centre and the states/union territories
1. Cost of food grains	1. Cooking cost
2. Transportation assistance	2. Honorarium to cook-cum-helpers
3. Management, Monitoring and Evaluation (MME)	3. Construction of kitchen-cum-stores
	4. Kitchen devices
	5. Repair of kitchen-cum-stores

** For each of these the Government of India sets the norms which are to be followed in accordance with the sharing ratios given below. State governments are required to allocate the minimum as given by these norms, and are allowed to spend above the norm from their own revenues if they choose to.*

Cost-sharing norms for shared expenditure items

Region	Centre : state ratio
North eastern region, Himalayan states of Uttarakhand and Himachal Pradesh and union territory of Jammu and Kashmir	90:10
Union territories without legislature	100% centre
All other states and union territories with legislature—Delhi and Puducherry	60:40

Source: Guidelines of Pradhan Mantri Poshan Shakti (PM POSHAN) Scheme 2022 (Guidelines, PM Poshan Website; https://pmposhan.education.gov.in/.)

schools, overall decline in enrolment due to demographic changes, inflated enrolment figures, low attendance rates, and children refusing to eat mid-day meals have to be analysed.

6.3.2 Budgets and allocations

The budgets allocated to the scheme are another indicator of coverage and quality. Certain expenditures related to the scheme — such as foodgrains — are completely borne by the Union government, whereas others, such as cooking costs, are shared by the centre and states. The union government specifies norms from time to time through national guidelines. Table 6.2 gives details of the cost norms under PM POSHAN.

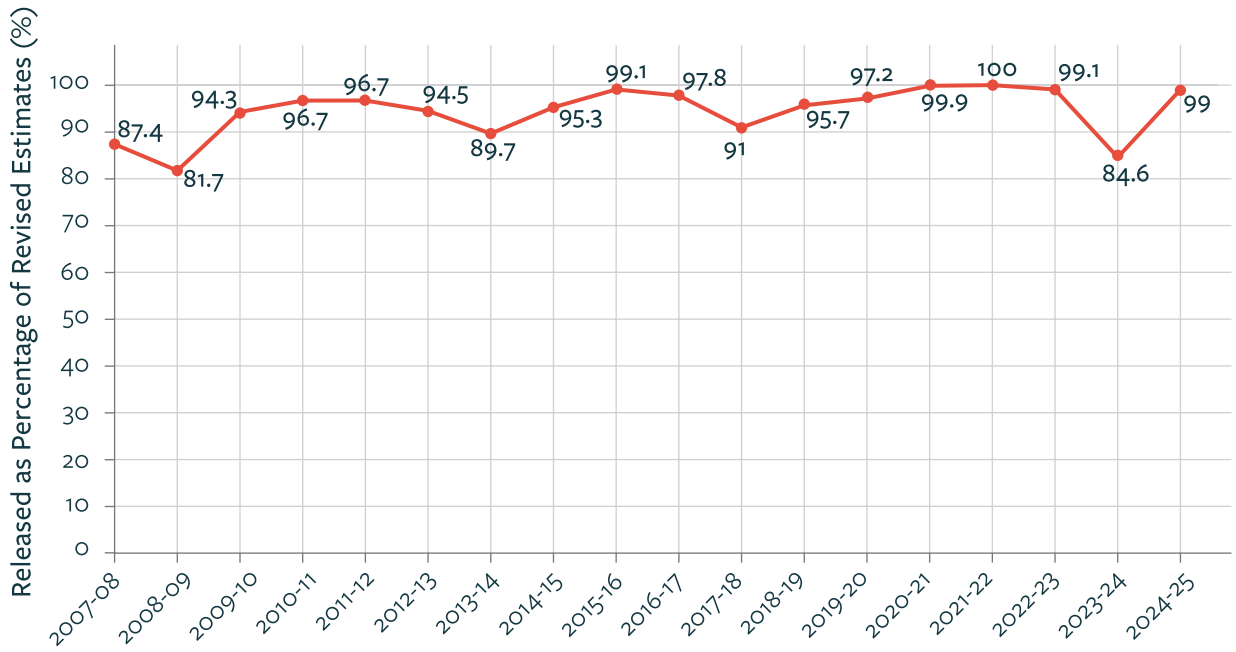
The total allocation for the scheme by the union government is available in the Union budget documents. In absolute terms, the allocation has increased

from ₹7,328 crore in 2007–08 to ₹11,937 crore in 2012–13 and ₹12,467.39 crore in 2024–25. Adjusting for inflation, the budgetary allocations have in fact reduced in real terms. This trend of reducing budget in real terms has been especially observed since 2015. In real terms, budget allocations for the MDMS have reduced by over 41 per cent between 2012 and 2025 (Table 6.3).

To check how much of this trend can be explained by a change in cost-sharing norms between the Centre and the states from 75:25 to 60:40 in 2015 (Ministry of Human Resource Development, Government of India 2015), we posit the total MDM budget including the state share, assuming these norms as the basis for central allocations in Table 6.3 (taking the Union budget as 75 per cent of the total until 2015 and 60 per cent thereafter). While some states contribute more, this gives an estimate of the trends in the central share. As can be seen, even after accounting for the changed cost-sharing norms, the Union budget has reduced in real terms between 2012 and 2024 by about 27 per cent. With budgets reducing in real terms, one can only conclude that the quality and/or the regularity of the meals has deteriorated over time.

A further issue is that not all the budget that is allocated has been released, so the expenditure is even lower than the allocation. While we see the lowest percentage of actual expenditure to budget estimates in the last two years of 2023–24 (72.91 per cent) and 2024–25 (79.39 per cent), the highest was in 2020–21 and 2022–23. The reasons for underutilization need to be further analysed. The Parliamentary Standing Committee in its report also acknowledges this problem of

Figure 6.2: MDM Union budget: Released funds as percentage of revised estimates



Source: Union Budgetary Allocation, PM POSHAN Website

Table 6.3: MDM Union budget allocation and expenditure

Financial year	Union budget, budget estimates (in ₹ crore)	Union budget, budget estimates in real terms (in ₹ crore)*	Price deflator	Estimate of Centre + state budget on the basis of Centre share according to norms (in ₹ crore)	Total estimated budget (Centre + states) in real terms (in ₹ crore)
2024–25	12,467	6,956	1.79	20,779	11,594
2023–24	11,600	6,587	1.76	19,333	10,979
2022–23	10,234	6,317	1.62	17,056	10,529
2021–22	11,500	7,371	1.56	19,166	12,286
2020–21	11,000	7,637	1.44	18,333	12,728
2019–20	11,000	7,786	1.41	18,333	12,978
2018–19	10,500	7,514	1.40	17,500	12,524
2017–18	10,000	7,357	1.36	16,666	12,262
2016–17	9,700	7,180	1.35	16,166	11,966
2015–16	9,236	7,274	1.27	15,394	12,124
2014–15	13,215	10,939	1.21	17,620	14,586
2013–14	13,215	11,947	1.11	17,620	15,929
2012–13	11,937	11,937	1.00	15,916	15,916

Sources and notes: Union Budgetary Allocation, PM POSHAN Website (https://pmposhan.education.gov.in/) and Annual Inflation Rates Current Series (Base 2012), Consumer Price Index, Ministry of Statistics and Programme Implementation (https://www.cpi.mospi.gov.in/Inflation_CurrentSeries_2012.aspx).

** Real terms calculated 2012–13 onwards using Consumer Food Price Index (CFPI) inflation rates with 2012 as base year.*[3]

underutilisation and states, *'The Committee expresses its concern over the poor fiscal management and under utilization of allocated funds under various flagship schemes of the Department like SSA, PM-POSHAN, NILP, STARS and PM SHRI. The Committee, therefore, recommends that the Department should take pro active and effective measures to utilize the funds allocated under BE 2025-26 for these Centrally Sponsored Schemes, so that the benefits are percolated down to the target groups.'* (Parliamentary Standing Committee on Women, Children, Youth and Sports 2025).

Cooking cost norms should be sufficient and reflect market prices if they are able to meet the nutritional guidelines set by the NFSA and PM POSHAN guidelines. While a proper assessment would require looking at the menus and costing

3 *Real Terms = Nominal Terms÷ Price Deflator*

them, one way to assess the adequacy of the cooking costs is to check whether they have at least kept pace with inflation. The national guidelines suggest an annual inflation adjustment to the norms — this is a positive aspect of the MDMS as most schemes do not have such an inflation adjustment built in. However, the data show that there are some gaps in implementing this norm. Between 2012 and 2025, there have been a few years when these norms were not updated. Such delays can affect the quality of food in the interim period.

Further, it appears that the inflation adjustment is not made taking into account the actual inflation rates. We estimate the cost norms taking into account the CFPI, and find that although the per capita cost norms have more or less kept pace with food inflation rates, there are still questions over whether the cost norms are sufficient to meet the quality, energy and nutritional needs of children. For instance, ground reportage as recent as July 2025 indicates that administrators in Maharashtra are considering scrapping the provision of eggs, and schools in Kerala are having to pitch in their own money to fund the MDM programme (Narayanan and Shekhar 2025). Sahu (2025) reports that inflation puts a strain on the implementation of MDMS in Odisha.

Cooking cost norms: 2012–2025

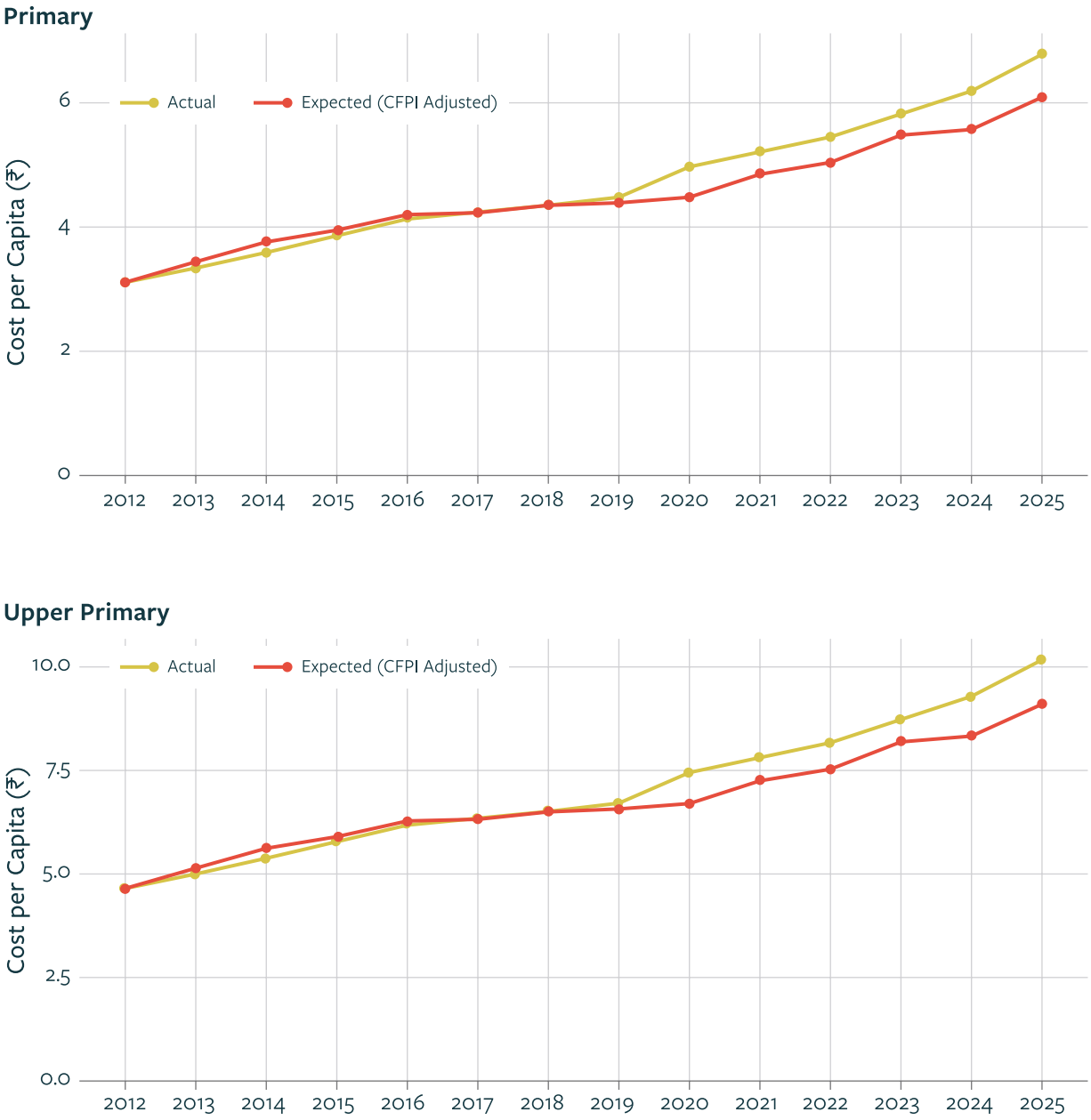
Figure 6.3 shows the change in actual cooking cost norms versus expected cost norms adjusted for CFPI inflation rates with 2012 as the base year.

Figure 6.4 shows the per meal cost in terms of actual utilisation for the latest available normal year, 2019–20 (pre-Covid). As per the cooking cost norms, primary per capita meal expenditure should have been ₹4.97 and upper-primary ₹7.45. However, some states are spending either less than ₹4.97 or more than ₹7.45. We have highlighted states with either very low per meal cost (< ₹4) or very high per meal cost (>₹10). We highlight Gujarat and Mizoram (low).

Many field reports suggest that the quality of meals provided are poor and lack variety and this is attributed to a large extent to the unavailability of resources. For instance, the National Egg Coordination Committee suggests current egg prices to be between ₹5.5–6.5 depending on the city. Almost all of the primary school cooking cost and a bulk of the upper-primary school cooking cost is taken up by the egg if a state were to provide one egg per day to meet the protein requirement per meal.

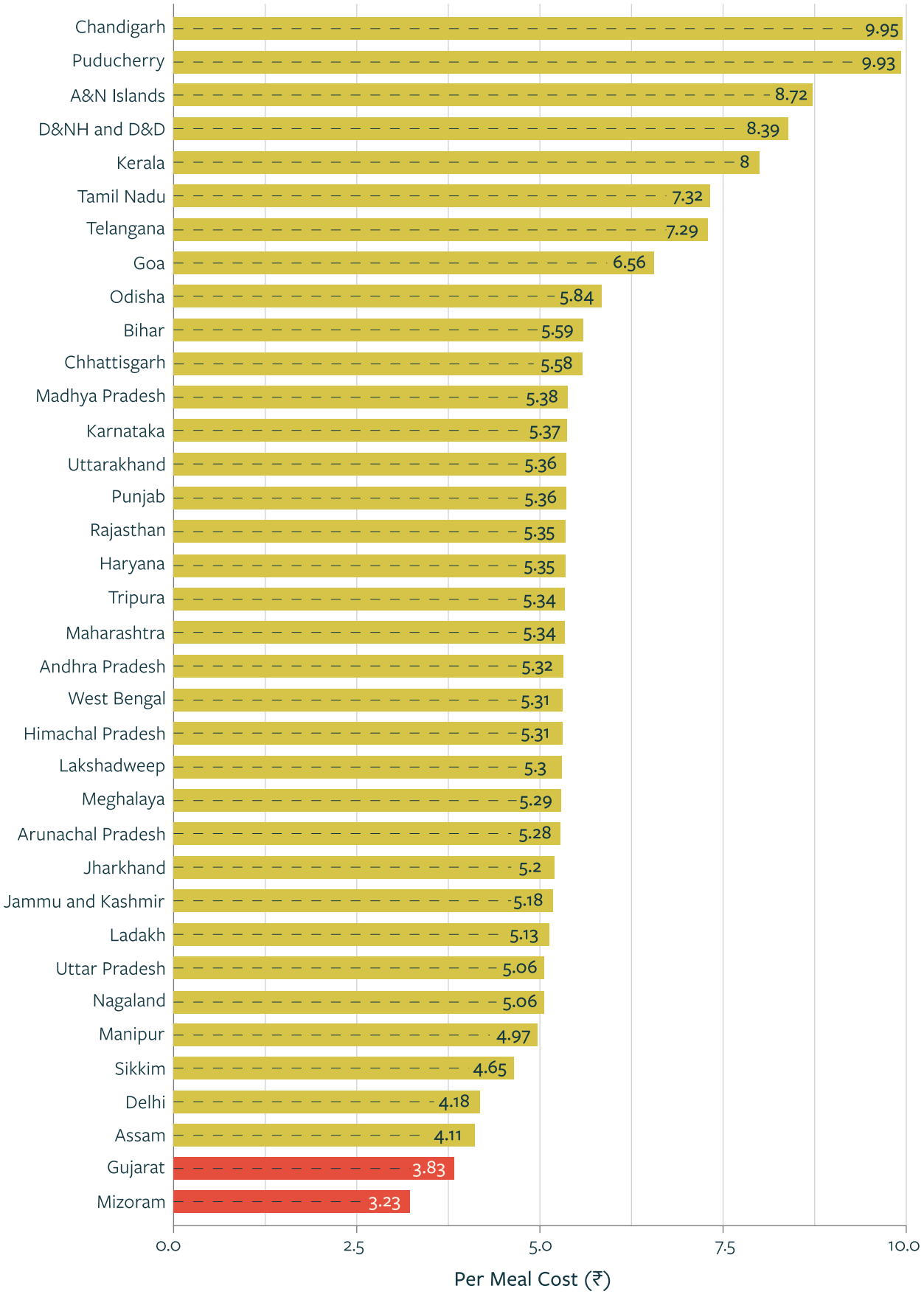
Several states also provide additional contribution in terms of per capita costs (Table 6.4). Recent news reports indicate that Telangana and Odisha are also making additional contributions, beyond the norms (Sahu 2025; *The Hindu* 2025).

Figure 6.3: MDM cooking cost norms: Actual versus expected (CFPI adjusted)



Sources and notes: Meal Provision, PM POSHAN Website and Inflation Rates Current Series (Base 2012), Consumer Price Index, Ministry of Statistics and Programme Implementation.
2013 CFPI Inflation Rate is 'Food and Beverages' since there was no CFPI reported for the year. All inflation rates correspond to the April month of each year.

Figure 6.4: Per meal cost by State: 2019-20 actual utilisation



Source: State Factsheets, Mid-Day Meal PAB-Meetings, 2020-21, PM Poshan Website (https://pmposhan.education.gov.in/)

Table 6.4 : Additional per capita contributions: Latest available data (2023)

State	Additional Funds	Source of Additional Funds
Andaman & Nicobar Islands	₹6/child/day	UT grant
Andhra Pradesh	Egg; ₹5.50 & Chikki ₹1.98, Total; ₹7.48 child/day; Cooking cost: Primary ₹0.40, Upper Primary ₹0.43/child/day	State fund
Bihar	₹6/child/week	State fund
Chhattisgarh	₹0.24/child/day for Primary; Soya chikki provided to Primary and Upper Primary children in 7–8 districts	State fund, Flexi fund
Goa	Primary ₹2.55/child/day; Upper Primary ₹1.83/child/day	State fund
Gujarat	₹0.58 Balvatika & Primary/child/day; ₹0.30 Upper Primary/child/day	State fund
Haryana	₹6.40/child/day	State fund
Jharkhand	₹6 per child 2 days a week	State fund
Karnataka	Hot milk for Classes 1–10 at ₹6.26/child/day for 5 days under Ksheera Bhagya Yojana; Egg to Classes 1–8 in 8 Kalyana Karnataka districts at ₹6.00/child/day for 2 days a week; Egg/Chikki/Banana to Classes 1–8 in remaining 23 districts at ₹6.00/child/day for 2 days a week	State fund, Flexi fund, State Government Top Up fund
Kerala	₹4/child/day; ₹1,940 crore/annum	State fund
Mizoram	Primary ₹0.66/child/day; Upper Primary ₹0.18/child/day	State fund
Odisha	Primary ₹0.45/child/day; Upper Primary ₹0.65/child/day	State fund
Puducherry	Primary ₹4.95/child/day; Upper Primary ₹3.19/child/day	Central + UT funds
Rajasthan	₹5.15/child/day for milk	State fund
Tamil Nadu	Primary ₹3.32/child/day; Upper Primary ₹0.98/child/day	State fund
Telangana	Fortified ragi java with jaggery 3 days a week; Egg ₹5/child/day for 3 days a week	Cost sharing between State and a trust

Table 6.4 (contd.): Additional per capita contributions: Latest available data (2023)

State	Additional Funds	Source of Additional Funds
Uttar Pradesh	₹4 per week for seasonal fruit	State budget
Uttarakhand	₹5/child	State fund

Sources and notes: Annexure 7, Mathur, Meeta, Tanmoy Ghatak, Reema Sood, and Shariqua Yunus Khan. 2024. Landscape Analysis of Pradhan Mantri Poshan Shakti Nirman (PM Poshan) Scheme. World Food Programme. https://www.wfp.org/publications/november-2024-landscape-analysis-pradhan-mantri-poshan-shakti-nirman-pm-poshan-scheme.

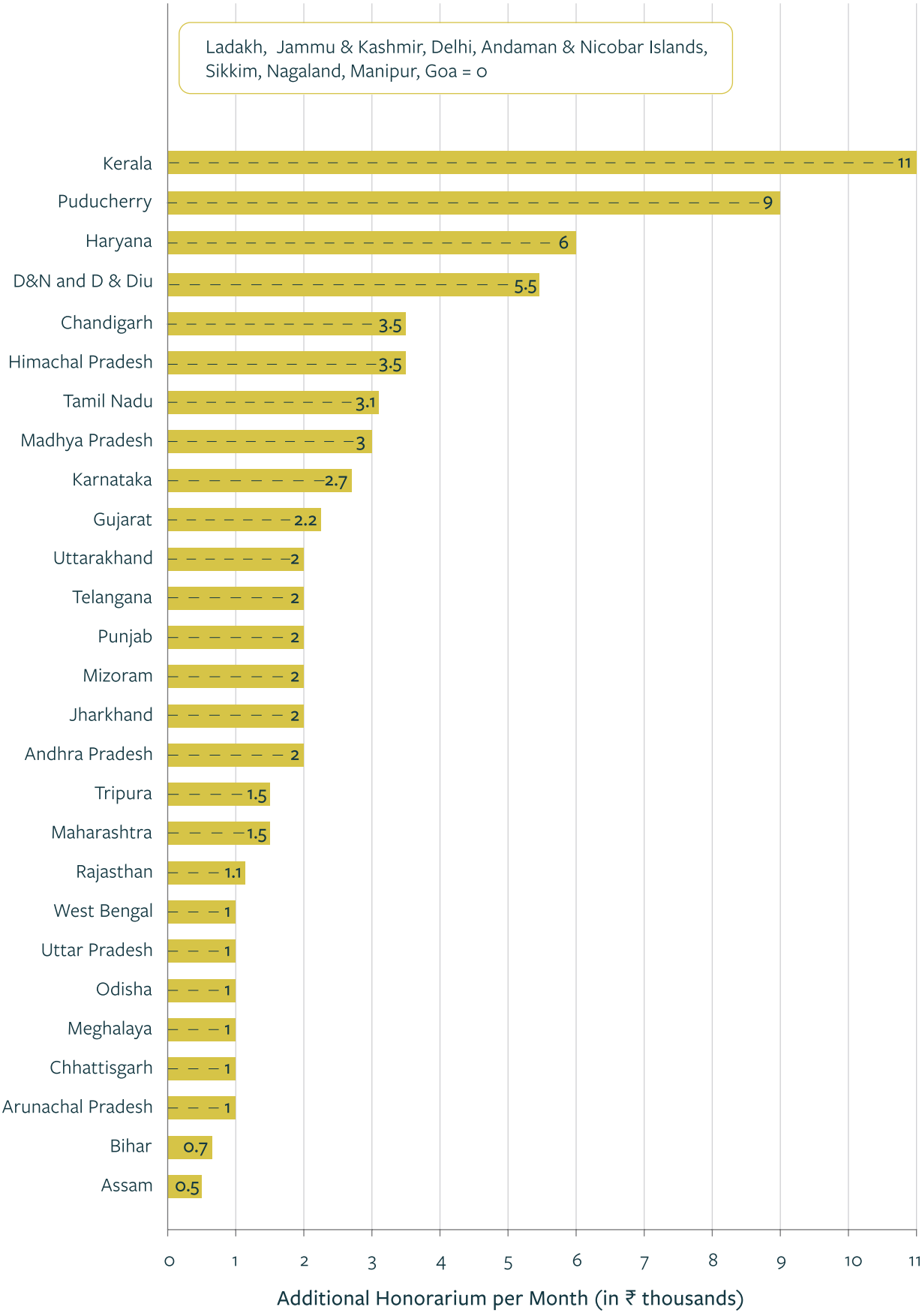
6.3.3 Honorarium to cooks-cum-helpers (CCH): Norms, expansion and priority to SC/ST

Another component where states make additional contributions is the honorarium provided to CCHs. The norms state that CCHs are entitled to ₹1,000 per month for ten months in a year, which amounts to ₹10,000 per CCH annually. Figure 6.5 shows the per month additional contributions made to honoraria by each state. Kerala provides the highest additional honorarium with a contribution of ₹11,000 from its own funds. Puducherry (₹9000), Tamil Nadu (₹3100–11,500), Haryana (₹6000), Himachal Pradesh (₹3500) and Madhya Pradesh (₹3000) also contribute substantial additional honoraria. Lakshadweep is an exceptional case where the UT has hired permanent staff and pays them accordingly (detailed table in Annexure 4).

For the majority of states, there are two CCHs per school. Exceptional cases are Chandigarh and Delhi which have eight and seven CCHs per school respectively; these states mostly have centralised kitchens. Among the major states, Kerala, Delhi and Maharashtra have the highest number of students per CCH, whereas Madhya Pradesh, Sikkim, Uttarakhand and Himachal Pradesh have the lowest number of students per CCH (Figure 6.6).

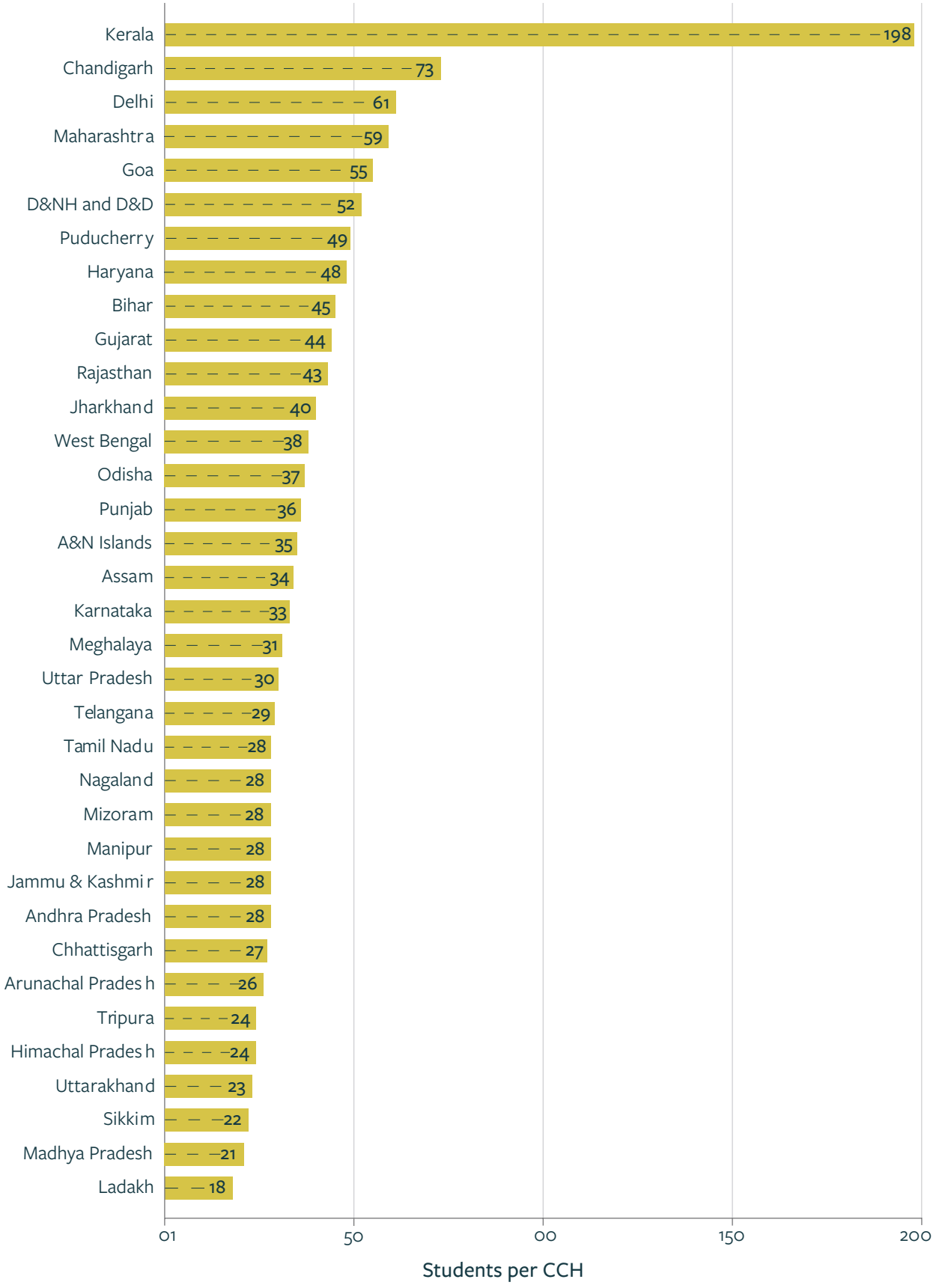
In terms of the social composition of CCHs, priority is to be given to members of SC and ST to be hired as CCH within the MDMS. Figure 6.7 compares the proportion of CCHs from these groups with their share in the population of the state. It is found that most states do accord priority to SC/ST/OBC categories in hiring CCHs as their share is higher than that in the population. Punjab, Haryana, Maharashtra, and Meghalaya are among the states with the highest proportion of SC CCHs and Odisha, Rajasthan, Sikkim and Himachal Pradesh are among those with the lowest. With respect to ST CCH percentages, Nagaland (100 per cent), Mizoram (100 per cent), Meghalaya (95.7 per cent), Andhra Pradesh and Manipur have the highest, whereas Uttarakhand, Bihar, Tamil Nadu, Uttar Pradesh and Kerala have the lower percentages of ST CCHs.

Figure 6.5 : Additional honorarium



Sources and notes: Rajya Sabha Unstarred Question No. 3671, asked by Dr. V. Sivadasan, answered on 02 April 2025 by Ministry of Women and Child Development. Lakshadweep doesn't engage CCHs under PM POSHAN. They have their own permanent cooks

Figure 6.6 : Student to CCH ratio by state (2025)



Source: PM Poshan PAB Minutes 2025-26. Lakshadweep doesn't engage CCHs under PM POSHAN. They have their own permanent cooks.

Figure 6.7 : State-wise CCH versus population (Representation Ratio)[4]

Colour scale: Red = under-represented (<1), Light Green = parity (1), Deep Green = over-represented (>1).

	SC	ST	OBC
Meghalaya	3.09	1.11	0.42
Maharashtra	2.83	1.14	0.83
Chandigarh	2.72	10	0.24
Punjab	2.32	10	1.02
Haryana	2.07	10	1.43
Kerala	1.77	0.67	0.86
Gujarat	1.7	1.57	1.13
Bihar	1.68	2.41	0.87
Tripura	1.41	1.26	1.31
Uttar Pradesh	1.36	1.86	0.97
Assam	1.36	1.54	1.12
Telangana	1.34	1.77	0.86
Jharkhand	1.28	1.39	0.68
Tamil Nadu	1.27	1.51	0.71
Karnataka	1.25	1.53	0.86
Andhra Pradesh	1.22	1.64	1.28
Delhi	1.16	10	1.92
Madhya Pradesh	1.08	1.43	0.81
J&K	1.03	1.61	0.52
West Bengal	1	0.97	4.6
Goa	0.91	0.97	0.8
Manipur	0.84	1.54	0.14
Uttarakhand	0.78	1.58	1.09
Chhattisgarh	0.78	1.48	0.92
Odisha	0.75	1.3	1.47
Himachal Pradesh	0.65	1.48	0.6
Sikkim	0.62	1.29	0.72
Rajasthan	0.62	1.32	1.13
Mizoram	0	1.06	0

Source and notes: Mid-Day Meal AWP&B Tables 2021-22 and Census 2011. CCH percentage calculations include 'Minority' whereas Census percentages do not. Andhra Pradesh represents United Andhra. Telangana caste percentages are from 2025 State Caste Census.

4 *Representation Ratio = CCH Percentage ÷Population Percentage*

6.4 Grievance redress, monitoring, evaluation and social audits

The guidelines include various provisions for grievance redress, social audits, monitoring and evaluation. Each state is mandated to have a dedicated grievance redressal mechanism just for MDMS issues. There are four tiers of grievance redressal — 'Steering-Cum-Monitoring Committees (SMC)' at the local (village and block), district, state and national level. The members of these committees include elected representatives, relevant officials and representatives of parents in the local committees and NGOs in the district-level committees. The local committees are supposed to monitor the regularity and wholesomeness of the MDM served, cleanliness and hygiene and address equity-related issues. Schools are also required to display all information related to the meals prominently, including weekly menus. Annexure 10 provides details of the availability of various grievance redressal mechanisms in states.

Under Section 28 of the NFSA, 2013, social audits are mandatory. The MoE guidelines state that social audit needs to be conducted in either 2 per cent of the schools or twenty schools in each district, whichever is higher. For the latest available year, 2023–24, only Arunachal Pradesh, Andaman and Nicobar Islands and Puducherry had not conducted any social audits.

6.5 Beyond the guidelines

While the above sections examine the status of implementation of the MDMS with regard to the NFSA and the central guidelines, the following section discusses some of the expansions and innovations undertaken by state governments.

6.5.1 Expansion to higher classes

States go beyond the MDMS norms not just in terms of per capita costs but also in their coverage beyond class VIII (Table 6.5). Of the major states, Andhra Pradesh, Karnataka, Tamil Nadu and Telangana provide MDMS to children up to Class 10. The union territories of Lakshadweep and Puducherry provide MDMS to Classes 11 and 12 as well. This expanded coverage is an effort to ensure retention of students beyond Class 8 which is one of the junctures at which there is a high level of school dropout. In a recent response to a Parliamentary Question, the MoE stated that the highest rate of school dropout (14.1 per cent) is at the 'Secondary Education' level (Classes 9 and 10).

6.5.2 Breakfast

Another factor that could help boost school enrolment, attendance and overall nutrition is the introduction of a breakfast scheme. States such as Gujarat, Karnataka and Tamil Nadu have their own Chief Minister's Breakfast Scheme. While

Table 6.5 : Coverage beyond Class 8: AWP&B write-up, 2021–22

State	Class IX-X	Class XI-XII
Andhra Pradesh	✓	✗
Karnataka	✓	✗
Tamil Nadu	✓	✗
Telangana	✓	✗
Lakshadweep	✓	✓
Puducherry	✓	✓

Sources and notes: Mid-day meal AWP&B state write-ups, 2021–22, MDM-PAB Meetings, PM POSHAN Website (https://pmposhan.education.gov.in/)

Telangana did have a breakfast scheme under the previous government run by the Bharat Rashtra Samithi, the new government, led by the Congress in 2023, discontinued the scheme while introducing its own breakfast scheme for anganwadis under the Integrated Child Development Services (ICDS) (Table 6.6).

In addition to this, in October 2025, seven states and union territories — Rajasthan, Kerala, Chhattisgarh, Delhi, Sikkim, Lakshadweep and Gujarat asked the Union government to provide breakfast under PM POSHAN, while twelve other states asked for the MDMS to be extended till Class 12. This is a push from the states to expand coverage under PM POSHAN through Union government spending. While the New Education Policy of 2020, the Ministry of Education and the Parliamentary Standing Committee on Education, Women, Children, Youth and Sports have all recommended the provision of a breakfast scheme, the Ministry of Finance has been reluctant to accommodate this so far (Harigovind 2025). It remains to be seen whether this push for expansion in breakfast provision will receive the necessary budgetary support and approval in the upcoming years.

6.5.3 Eggs and menus

In Annexure 8, we examine the detailed menus of each state for the latest available year, 2021–22 from the mid-day meal state write-ups. Figure 6.8 (prepared by Swati Narayan) lists the states that do and do not provide eggs as part of MDMS and ICDS.

- Gujarat, Goa, Haryana, Himachal Pradesh, Maharashtra, Madhya Pradesh, Manipur, Nagaland, Punjab, Rajasthan and Uttar Pradesh did not provide eggs at all in 2021–22 (latest available MDMS menu data on the PM POSHAN website). Assam and Karnataka have since reintroduced eggs as part of the MDMS.

Table 6.6 : Breakfast schemes

State	MDMS/Scheme name	Menu
Assam	MDMS, announced June 2025	Yet to be seen
Gujarat	Separate; Mukhyamantri Paushtik Alpahar Yojana	Options: Sukhdi, chana chaat, mixed lentils, and 'Shri Anna'- a mix of millets
Karnataka	Separate; Annapoorna Morning Nutrition Programme	Ragi malt with milk and jaggery
Tamil Nadu	Separate; Chief Minister's Breakfast Scheme	Options: Upma, khichdi, pongal, sweet pongal/rava kesari/vermicelli kesari
Telangana	Separate; Chief Minister's Breakfast Scheme	Yet to be seen

Sources:
Assam: The Assam Tribune, "Assam Plans to Expand Mid-Day Meal Scheme with Breakfast to Address School Dropouts";
Gujarat: Express News Service, "41 Lakh Govt School Students in Gujarat to Get Breakfast under New Scheme";
Karnataka: TNN, "K'taka Expands Nutrition Prog to All Govt Schools."
Tamil Nadu: Social Welfare & Women Empowerment Department, Government of Tamilnadu, India, "Chief Minister's Breakfast Scheme";
Telangana: T.N.M Staff, "Telangana Govt Launches Tamil Nadu-Inspired Free Breakfast Scheme in Govt Schools."

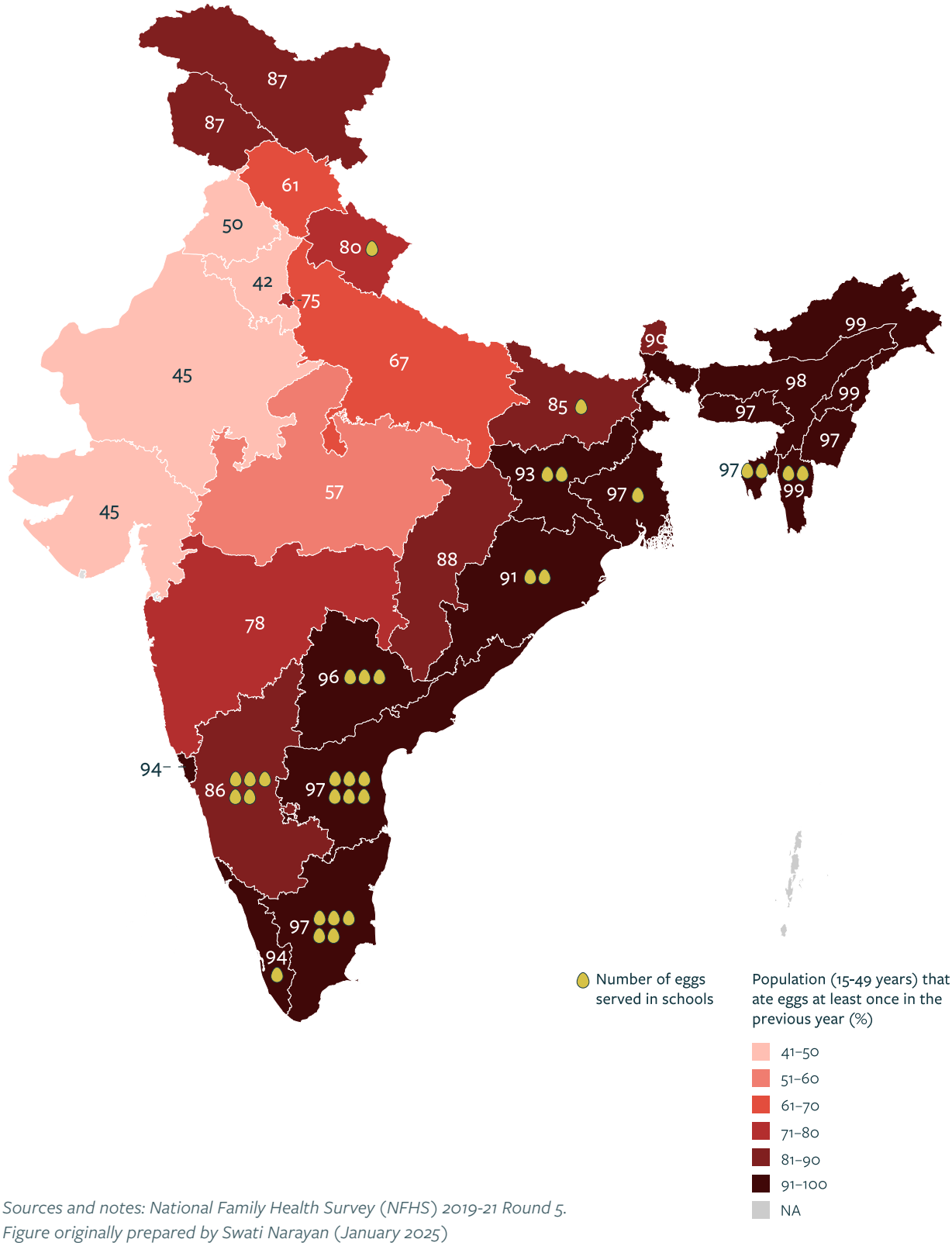
- Arunachal Pradesh did not provide eggs because they were costly (Arunachal Pradesh mid-day meal state write-up, 2021–22); Jammu and Kashmir provided them only in low-enrolment schools and Sikkim provided eggs only once a month. If we consider a high threshold of states with 75 per cent of the adult population consume eggs as part of their diets, ideally states such as Goa, Maharashtra, Chhattisgarh, Manipur, Meghalaya and Nagaland should provide eggs as part of their MDMS but they do not.

6.5.4 Fortified food grains

The Union government introduced fortified food in MDMS in June 2017 to combat anaemia. In April 2022, the Union government universalised fortified rice in all government schools under the MDMS. Certain evaluations highlight the positive impact of the implementation of fortified rice in mid-day meals, with better awareness of anaemia and undernutrition and better illness outcomes (Mohapatra et al. 2023; WFP India 2021). Others have argued that fortified rice could cause iron toxicity, threaten biodiversity of food grains and be cost-ineffective (Ansari 2024; Rajalakshmi 2021; Tewari 2018). There are also concerns about fortification as a strategy to address micronutrient malnutrition in place of efforts towards increas-

ing dietary diversity which many recommend should be the primary objective. In this context, they warn that the commercial interests in favour of fortification also need to be examined (Karpagam and Shatrugna 2018).

Figure 6.8 : Number of eggs in schools and anganwadis each week, and percentage of adults who eat eggs



Sources and notes: National Family Health Survey (NFHS) 2019-21 Round 5.
Figure originally prepared by Swati Narayan (January 2025)

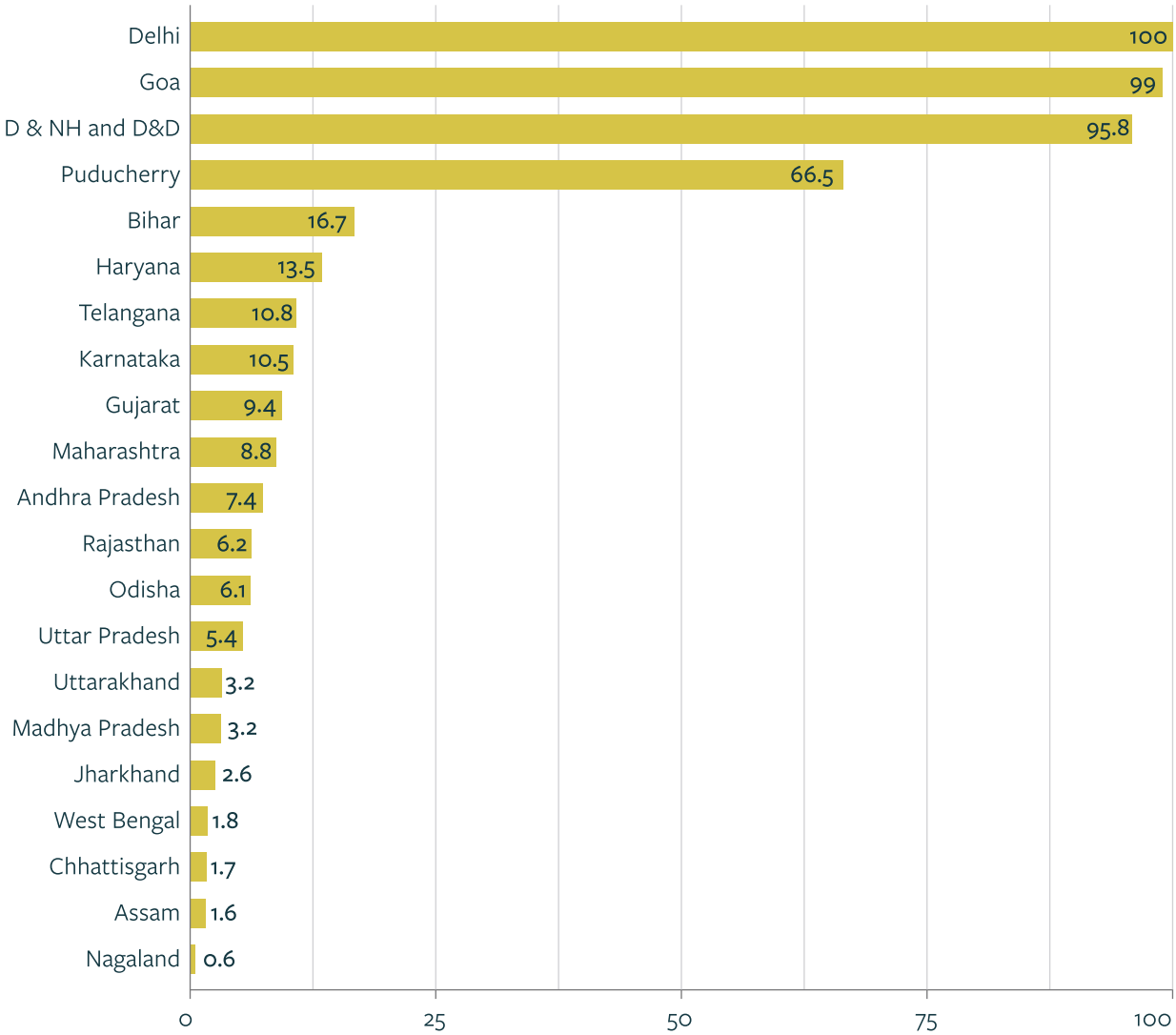
6.5.5 Centralised kitchens

Several states adopt the model of centralised kitchens either partially or fully, where kitchens run by non-profit organisations provide standardised meals to either every school or a cluster of schools in the state. Centralised kitchens are adopted to achieve scale and standardisation.

Delhi and Goa have a universal centralised kitchen model whereas in most major states centralised kitchens account for less than 17 per cent of the schools with some states having none. (Figure 6.9). Alongside Odisha and Madhya Pradesh, all of the northeastern states except Manipur have one kitchen per school or higher. Among the major states, Kerala has the lowest ratio (0.5 kitchens per school) (Figure 6.9 and Annexure 9).

Centralised kitchens have two major issues (Joshi and Karpagam 2022). First, delays in transportation of food from the kitchen to the school, result in cold meals being delivered to the children. Second, MDMS requires oversight and monitoring by teachers and parents, but this is lost in centralised kitchens as they cannot

Figure 6.9 : Percentage of schools served by centralised kitchens, by state



Sources and notes: Source: Mid-Day Meal PAB Minutes 2025-26

monitor something that is far from their school. In addition, there is also a loss of autonomy in daily cooking. Particularly in Karnataka, there has been a tussle where Akshaya Patra (an NGO running centralised kitchens) has refused to serve eggs, onion and garlic due to its religious beliefs. Karnataka schools saw a huge spike in attendance with the reintroduction of eggs in MDM menus (R 2025).

Further, Deeksha (2024) highlights the fact that centralised kitchens hide casteism rather than address it within the MDMS. The Justice K. Chandru committee in 2024 recommended that Tamil Nadu adopt centralised kitchens as, among other things, it could tackle casteism faced by SC/ST CCHs in schools from upper-caste students and parents. However, activists in Tamil Nadu pushed back against this as it would only hide the problem rather than address it (Deeksha 2024). It would also lead to a loss of jobs for local communities and reduce possibilities for their empowerment. Findings from Karnataka in 2019 also show that food wastage is high in schools receiving Akshaya Patra meals as children did not like the taste of the food (Nathan 2019).

6.6 Recommendations/Looking ahead

The MDMS/PM POSHAN is an important scheme that contributes to children's right to food and nutrition as well as the right to education. It has been hailed as one of the best implemented schemes in India given its scale and broad acceptance by communities. The provision of hot cooked meals to all children in elementary classes in government (and aided) schools is a legal mandate under the NFSA and in accordance with directions of the Supreme Court. This review shows that while school meals continue to be provided across the country, the scheme has plateaued and may have deteriorated in some ways over the last decade. Coverage is falling, central allocations have been reducing and there are multiple reports of poor quality. There is a need to refocus on this crucial intervention to expand its reach and improve its quality.

Based on state experiences, a number of things need to be done centrally so that all children in the country can benefit from these interventions. With increasing focus on secondary and higher education, mid-day meals should also be extended beyond Class 8 to Class 12. Such an expansion can contribute to curtailing drop-outs, especially among girl students, in higher classes. Considering that many children come to school hungry, breakfast provision also needs to be included as has been proposed by many state governments.

Including eggs in mid-day meals can significantly improve the nutritional quality of the meal as well as attract students to the school. While several states are providing eggs from their own resources, this needs to be made a national initiative with central contribution. Most children who attend government schools accept

eggs in their diets, while those who do not for any reason can be offered vegetarian alternatives.

The mid-day meal scheme has recently been neglected and is being implemented in a 'business as usual' manner. National priority needs to be restored to the scheme. For this, allocation of better resources by the union government, revised nutritional guidelines and menus, improved monitoring, transparency in data, common review missions and so on need to be initiated.

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07

Ph. Studio/December, 1957/K.L., A46e/A12d. Ramnagar Village in Pilana N.E.S. Block, Meerut Distt. In U.P. (November 19, 1957). A view of a junior school for girls at Dhakuli. Public Resource via Internet Archive

The Right to Education Journey: From Access to Quality

Article 21A of the Constitution, introduced by the 86th Constitutional Amendment, set out the right of children between the ages of six and fourteen to free and compulsory education. In 2009, this was operationalised by the Right of Children to Free and Compulsory Education (RTE) Act. While efforts over the years have improved levels of school participation, data continue to report learning deficits among students and concerns about the quality of education and students' learning outcomes remain. Policy needs to focus on overcoming these learning deficits to create an environment where learning can take place in a meaningful way. This would require transforming schools into community institutions, decentralising their management and providing teachers with adequate training and teaching time.

CHAPTER 07

The Right to Education Journey: From Access to Quality

Anuradha De and Amarjeet Sinha

In 1993, the Supreme Court declared the right to education a fundamental right under Article 21 of the Constitution (Right to Life). Through the 86th Amendment in 2002, this right was formally incorporated into the Constitution, and the Right of Children to Free and Compulsory Education (RTE) Act was passed by Parliament in 2009. In the three decades since 1993, major strides have been made in bringing children to schools. Yet a significant paradox persists: children are in school, but learning outcomes[1] remain unsatisfactory. This chapter examines this by tracing the shift from expanding access to addressing quality in elementary education since 1986.

The 42nd round of the National Sample Survey (NSS) provided a baseline on school participation, showing that large numbers of children aged six to thirteen

1 See the *Annual Status of Education Report* (ASER) report, published annually for the last ten years. See also the NAS conducted by the NCERT.

were not attending any educational institutions—around 48 per cent in rural areas and 24 per cent in urban areas. Subsequent NSS rounds on the same theme trace the trajectory of progress. The National Policy on Education, 1986 (NPE 1986) emphasised the importance of quality education and learning achievement, laying the foundation for the Minimum Levels of Learning framework in primary schools (Ministry of Human Resource Development 1986); NCERT 1991).

Article 21A
Inserted by the Constitution (Eighty-sixth Amendment) Act, 2002
The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.

The Right of Children to Free and Compulsory Education Act, 2009
[Enacted to give effect to Article 21A]
Every child of the age of six to fourteen years shall have the right to free and compulsory education in a neighbourhood school till the completion of his or her elementary education [...] For carrying out the provisions of this Act, the appropriate Government and the local authority shall establish, within such area or limits of neighbourhood, as may be prescribed, a school [...]
Duties of local authority include ensuring that child belonging to weaker section and the child belonging to disadvantaged group are not discriminated against and prevented from pursuing and completing elementary education on any grounds; providing infrastructure including school building, teaching staff and learning material.

The chapter is organised as follows: The first two sections discuss national initiatives in the four decades since 1986, along with budgetary allocations to expand school participation, increase attendance and improve learning outcomes and impact. Section 3 examines the Sarva Shiksha Abhiyan (SSA) for Universal Elementary Education (UEE) and the constitutional amendment making education a fundamental right. Section 4 covers the merger of SSA with Rashtriya Madhyamik Shiksha Abhiyan (RMSA) into the Samagra Shiksha Abhiyan (SMSA), alongside the National Education Policy 2020 (NEP 2020) and the NIPUN Bharat scheme. Section 5 concludes with an assessment of what worked, what did not and a set of recommendations for the way forward.

7.1 From independence to 1986: The initial years

India's performance in elementary education was deeply unsatisfactory in the first four decades after independence, despite significant expansion of the school system. Between 1950–51 and 1994–95, the number of primary schools

increased from 2.1 lakh to 5.2 lakh and upper primary schools from 0.13 lakh to 1.63 lakh (Ministry of Finance 1996). Quality, however, was highly uneven: many schools had only a single teacher, and large numbers of habitations had no schooling facility at all. With education initially a state subject, central government intervention was limited and conditions across states varied widely. The Constitutional Amendment of 1976 moved education from the State List to the Concurrent List, enabling the Union government to contribute more. But it was only after 1986 that the Centre began playing a substantial role in education planning and intervention. As education minister M.C. Chagla noted in his Presidential address at the Central Advisory Board of Education in 1964, Article 45 of the Constitution was being only 'partially complied with'.

> *'Our Constitution fathers did not intend that we just set up hovels, put students there, give untrained teachers, give them bad textbooks, no playgrounds and say, we have complied with Article 45 and primary education is expanding...They meant that real education should be given to our children between the ages of 6 and 14.'* (MC Chagla, Education Minister, 1964)

The NPE, formulated in 1986, stressed the need for universal enrolment in elementary education along with substantial improvements in quality. It introduced two important centrally sponsored schemes under the Five-Year Plans: the Operation Blackboard Scheme and the Non-Formal Education (NFE) Scheme. The Operation Blackboard scheme, introduced in 1987, aimed to provide all primary schools with at least two teachers and classrooms, along with teaching-learning materials (see Annexure 7.1). Additional teachers were also provided at the upper primary school level. In practice, however, many states were reluctant to recruit the second teacher, given uncertainty about their capacity to meet recurring salary costs once the ongoing Five-Year Plan period ended. While Union government support was available during the Plan period, the long-term financial liability would eventually shift to the states. Further, acute teacher shortages led to uneven allocation, and in several instances the second teacher moved to more convenient postings, undermining the purpose of the scheme (Planning Commission, 1997).

The NFE Scheme, also introduced in 1987, aimed to provide education to children unable to attend formal schools, particularly in hard-to-reach areas. These centres were mainly run by non-government organisations (NGOs), with locally contextualised teaching-learning materials and instructors paid a small honorarium. Monitoring of the scheme was weak, however, and complaints about the functioning of NFE centres were widespread. A few NGOs delivered meaningful access in remote areas; in many others, the NFE lacked credibility.

7.2 Initiatives for improvement in school participation and learning outcomes, 1987–2001

Following the launch of these two schemes, a series of concerted efforts sought to bring all children to schools and to improve learning. A significant shift came after the 1990 Education for All Global Declaration at the Jomtien Conference, which changed India's earlier policy of discouraging external aid for primary education.[2] For the first time, external funding was accepted for projects aimed at extending and improving primary education in innovative ways. These collaborations began in selected states and districts, funded by different donor agencies, without a shared framework. The first was the Andhra Pradesh Primary Education Project (APPEP), supported by Overseas Development Assistance from the UK between 1984 and 1996. APPEP focused on infrastructure, teacher development and educational management and sent educational administrators and teacher educators to UK universities in the UK to develop new skill sets in educational planning (Varghese 1998).

In 1987, the Shiksha Karmi Project (SKP) in Rajasthan sought to address schools where regular teachers were chronically absent, particularly in tribal districts[3] (Ramachandran and Sethi 2001). Working with civil society partners, SKP recruited local men and women as Shiksha Karmis and gave them an intensive forty-day residential capacity-building programme, practising every textbook lesson in depth. Opportunities for assessment, self-growth and incremental emoluments created excellence among local youth—many went on to qualify as regular teachers. This was a resource-intensive, high-quality initiative, not a low-cost substitute for teaching and its focus on the very basics of pedagogy appears to have made a material difference. SKP evolved through collaborative partnerships with a variety of actors and can be understood as an attempt to revive the joy of teaching and learning within a formal, hierarchical, delivery-oriented system of education. It contributed meaningfully to enhancing the self-esteem of those involved in educational work.

The UNICEF-supported Bihar Education Project (BEP), introduced in 1990, addressed a state that lacked even a single District Institute of Education and Training (DIET), with erstwhile Primary Teacher Training Institutions in serious decline. In the absence of teacher educators and functional DIETs, BEP developed a teacher-led capacity-building module called 'Ujala'. Accessible and engaging, the

2 According to Tilak (2008), the foreign aid component as a share of central government expenditure increased from 5 per cent in 1993–94 to 20 per cent in 2001–02.

3 The first two phases were supported by SIDA, which withdrew support in 1998 following the nuclear tests conducted by the Government of India. DFID supported the third phase until 2005 (Ramachandran and Sethi 2001).

module contributed especially to effective mathematics teaching in government schools.[4] The spark that Ujala lit, however, was eventually extinguished by the structural problems it could not overcome: understaffed and dilapidated schools that communities associated more with election booths than with learning. Through BEP, an effort was also made in Ranchi district to establish Bihar's first DIET at Ratu, staffed by outstanding retired faculty from the Netarhat School.[5] National talent-scouting brought capable educators from all over the country to make the centre a genuinely vibrant institution.

Other externally aided projects in this period included the Education for All Project in Uttar Pradesh (1991) and the Lok Jumbish in Rajasthan (1992). Uttar Pradesh's project focused on basic school infrastructure and innovative teaching-learning materials; Lok Jumbish, with its emphasis on civil society partnerships and out-of-the-box innovations, demonstrated particular success in tribal districts. Despite these achievements, both remained experiments that were not absorbed into the mainstream. The inertia of the system continued to reign supreme (Varghese 1998).

These dispersed projects converged in 1994 into the District Primary Education Programme (DPEP), a large national umbrella programme for all externally aided primary education initiatives (De and Endow 2008). The shift from state-level interventions to centrally sponsored schemes was deliberate: evaluations of earlier schemes had shown that disaggregated target-setting and microplanning were essential to address regional and social disparities. States were too large and varied to serve as homogeneous planning units and state-level interventions could not ensure that funds reached backward districts. Selected districts in selected states were therefore taken up under DPEP for the transformation of primary education.[6] DPEP introduced new paradigms for district planning, infrastructure design, pedagogy, learning support for children with disabilities, innovations in teaching-learning processes and technology-enabled monitoring through the District Information System of Education (DISE).

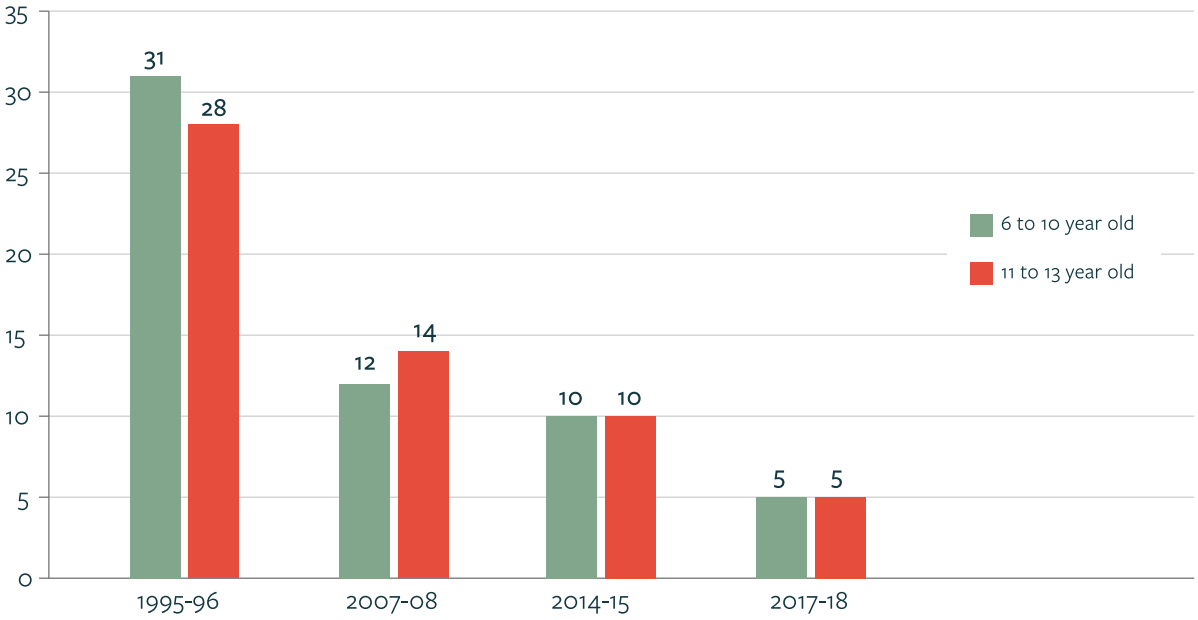
Every district team underwent a five-day comprehensive training. National resource organisations such as National Institute of Educational Planning and Administration (NIEPA) and the National Council of Educational Research and Training (NCERT) were mobilised and Joint Review Missions conducted by Government of India nominees and donor agency representatives monitored and evaluated implementation. Resources for improved infrastructure, teaching aids, free textbooks, teacher in-service training and School Management Committee (SMC)

4 This evolved into a long-term initiative and continues to date.

5 A residential school of excellence that inspired the Navodaya Vidyalaya model.

6 This programme began with forty-two districts in 1994 and expanded to eighty districts in 1996.

Figure 7.1: Proportion of children not attending school



Sources and notes: NSSO Relevant Rounds

training began reaching schools. The scale of the problem was now better understood and centre-state-district partnerships began to strengthen.

Despite these efforts, the NSSO survey of 1995–96 showed that at the national level the situation remained bleak. 31 per cent of six- to ten-year-olds and 28 per cent of eleven- to thirteen-year-olds were still not attending school (Figure 7.1). Rural-urban differences were large, between 18 and 20 percentage points and among rural girls, more than 40 per cent were still out of school.

7.3 Sarva Shiksha Abhiyan (SSA) for Universal Elementary Education, 2001–2017

The constitutional amendment to make education a fundamental right for children aged six to fourteen came through the 86th Amendment in 2002, building on the 1993 Unnikrishnan judgment[7] and the subsequent Satyapal Anand case.[8] The age group under six remained within the Directive Principles of State Policy.

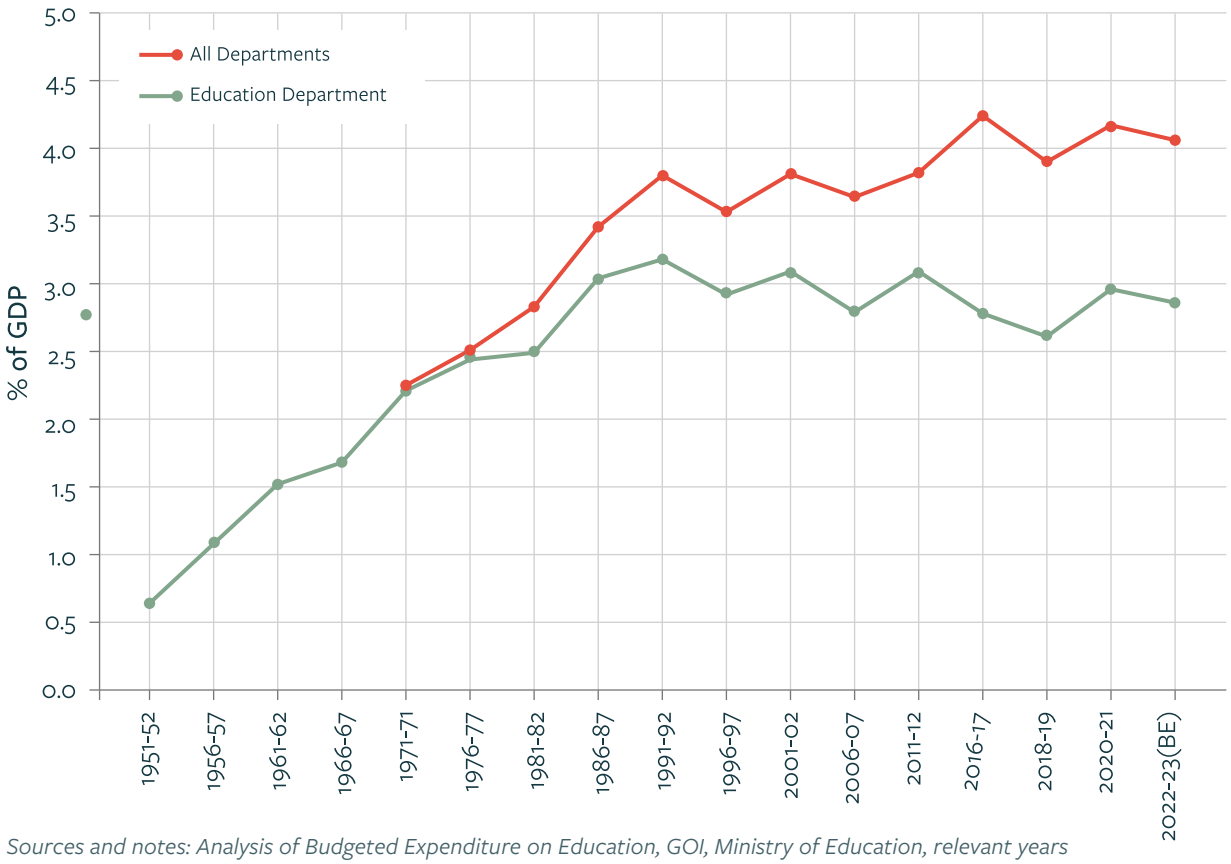
The resource requirement for universalisation of elementary education was estimated by several committees, though actual allocations consistently fell short. The Kothari Commission (1968) recommended an allocation of 6 per cent of GDP to education, a recommendation reiterated in NPE 1986 and NEP 2020. The Muhiram Saikia Committee of Education Ministers (1997)[9] and the Tapas Majumdar Committee (1999) were specifically set up to estimate the additional resources

7 Unni Krishnan, J. P. v. State of Andhra Pradesh https://indiankanoon.org/doc/1775396/

8 Satya Pal Anand v. State of Gujarat https://indiankanoon.org/doc/1682420/

9 The estimated number of out-of-school children was 80 million in 1997 and the additional resource requirement was ₹40,000 crore over five years.

Figure 7.2: Public expenditure on education as % of GDP



Sources and notes: Analysis of Budgeted Expenditure on Education, GOI, Ministry of Education, relevant years
BE = Budget Estimates.

needed to make UEE (Classes 1–8) a fundamental right. The Tapas Majumdar Committee estimated that an additional ₹1,36,823 crore would be required over ten years for achieving the same. With the Ministry of Finance being unsure about how to raise these resources, a committee of education ministers under Murli Manohar Joshi was subsequently appointed to rework the figure within the 'pragmatic realm of the possible' (Ministry of Human Resource Development 1999). The RTE Act, passed in 2009, did not include a specific financial memorandum.

Public expenditure on education has increased in absolute terms over time, but has not kept pace with GDP. Between the early 1990s and the mid-2010s, total government expenditure on education[10] fluctuated between 3.5 and 4.5 per cent of GDP (Figure 7.2). The target of 6 per cent of GDP, recommended by the Kothari Commission in 1968 and reaffirmed by two successive national education policies, has never been achieved.

India's first UEE Programme, the SSA, was launched in 2001–2002 as 'a comprehensive and integrated flagship programme of Government of India to attain UEE, covering the entire country in a mission mode' (Ministry of Human Resource Development 2004). SSA brought earlier initiatives such as DPEP, Lok Jumbish and

10 These include the Ministry of Science and Technology, the Ministry of Skill Development and Entrepreneurship, the Ministry of Tribal Welfare and the Ministry of Social Justice and Empowerment

Operation Blackboard under a single umbrella and made a comprehensive attempt to address supply-side deficits, with an additional ₹60,000 crore allocated over a ten-year period.

SSA was jointly funded by the Union government, state governments and three donor agencies.[11] It focused on universalising elementary education up to Class 8 (not merely the primary cycle up to Class 5) and was implemented across all districts in India. The programme envisaged major changes in access, quality, planning and monitoring. Expansion of schooling infrastructure was central to this effort, alongside significant improvements in facilities such as drinking water, toilets, ramps, playgrounds and boundary walls. Its impact was seen through the decrease in the number of out-of-school children Menezes (2015). Progress in quality, however, was far less visible. Interventions in textbooks, teacher recruitment, and in-service training produced very limited change in curriculum and classroom practice. A mid-term assessment in 2005–06 increased the focus on outcome indicators such as retention, dropout rates, and student achievement, but failed to produce any major impact.

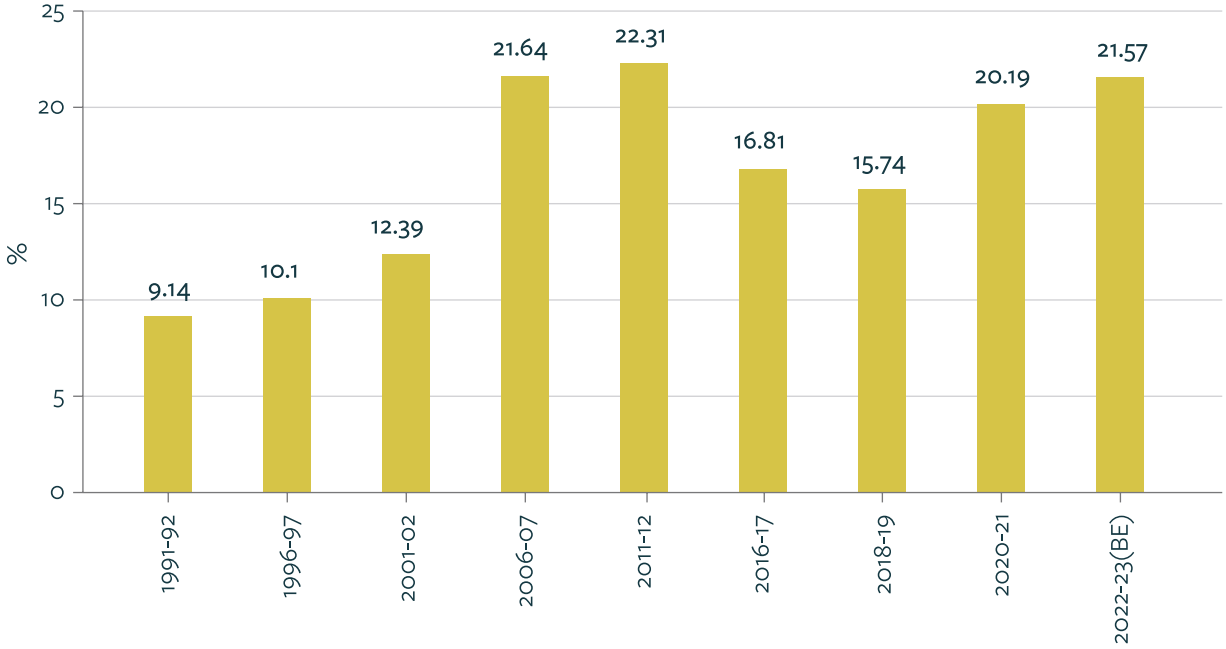
A range of surveys, like ASER 2006 and National Achievement Survey (NAS) 2012, revealed slow progress in learning achievement. ASER reports documented low proficiency in literacy and numeracy skills. NAS showed that learning levels among Class 5 students improved by only two percentage points between 2002 and 2008.[12] The 2012 JRM report highlighted particularly concerning findings on equity: students with special needs and those from scheduled caste, scheduled tribe, and other backward classes scored significantly lower in achievement tests than students from the general category. Children with physical disabilities also performed substantially below the rest (RMSA 2013).

After 2012, SSA norms were revised to align with the RTE Act, but the central share of funding was simultaneously reduced, with states taking on greater responsibility. The Centre's share of total education expenditure declined steadily from 22.31 per cent in 2011–12 to 16.81 per cent in 2016–17 (Figure 7.3). Since Union government resources had been the primary vehicle for infrastructure expansion and pedagogical innovation, this decline in the central share carries real consequences. Following the COVID-19 pandemic, the central share has risen again, though it remains to be seen whether this trend will be sustained.

11 The World Bank, the Department for International Development (UK) and the European Union.

12 Achievement Survey. New Delhi: Department of School Education and Literacy, Government of India. https://www.educationforallinindia.com/Achievement_survey.pdf

Figure 7.3: Centre's share in total government expenditure on education (%) (only Education Department)



Sources and notes: Analysis of Budgeted Expenditure on Education, relevant years. BE = Budget Estimates

7.4 Samagra Shiksha Abhiyan (SMSA) and NIPUN Bharat, 2018 onwards

In 2018, the three major central schemes—SSA, RMSA and Teacher Education were merged into the SMSA. This new scheme aims to provide integrated, holistic school education, from the pre-school to the higher secondary level.[13] It shifted strategic emphasis from access to whole- school experience, with particular focus on model higher secondary schools such as Navodaya Vidyalayas,[14] Kendriya Vidyalayas[15] and PM Shri Schools.[16]

Improvement in foundational learning outcomes has become a major policy focus through the NIPUN Bharat initiative. This aligns closely with the NEP 2020, which identified Foundational Literacy and Numeracy (FLN) as the highest priority area in school education. As the NEP states, 'The ability to read and write, and perform basic operations with numbers, is a necessary foundation and an indispensable prerequisite for all future schooling and lifelong learning. However, various governmental, as well as non-governmental surveys, indicate that we are currently in a learning crisis: a large proportion of students currently in elementary school - estimated to be over 5 crore in number - have not attained foundational literacy and numeracy, i.e., the ability to read and comprehend basic text and the ability to carry out basic addition and subtraction with Indian numerals' (Ministry of Education

13 https://dsel.education.gov.in/sites/default/files/2021-12/samagra_shiksha.pdf

14 Caters to talented students primarily from rural and socio-economically disadvantaged backgrounds.

15 Caters to children of transferable central government employees.

16 Schools selected as exemplar institutions to showcase NEP implementation.

2020, 8). Government and non-governmental surveys alike indicate that over five crore children in elementary schools currently lack these foundational capabilities.

NIPUN Bharat focuses on competency-based education using clear learning outcome milestones, teacher training delivered through online modules, and a strong assessment and monitoring framework. It involves changes in curriculum, use of technology, and community involvement.[17] The National Achievement Surveys that preceded it have been replaced by the PARAKH Rashtriya Sarvekshan, first conducted in 2024. PARAKH assesses students in Classes 3, 5, 8, and 10 across government, government-aided, and private unaided schools, using tools designed to capture learning competencies rather than content-based recall. PARAKH (2024) shows some improvement in FLN compared to 2021, particularly in rural areas, though learning levels remain below pre-pandemic levels. A full picture of NIPUN Bharat's effectiveness will depend on the next round of PARAKH.

'The ability to read and write, and perform basic operations with numbers, is a necessary foundation and an indispensable prerequisite for all future schooling and lifelong learning. However, various governmental, as well as non-governmental surveys, indicate that we are currently in a learning crisis: a large proportion of students currently in elementary school - estimated to be over 5 crore in number - have not attained foundational literacy and numeracy, i.e., the ability to read and comprehend basic text and the ability to carry out basic addition and subtraction with Indian numerals'
(Ministry of Education 2020, 8).

Earlier concerns about assessment tools were discovered in relation to large-scale achievement surveys in DPEP states. These tended to measure only cognitive outcomes, namely the acquisition of knowledge and skills, while neglecting creativity, critical thinking, and values (Azim Premji Foundation 2004). Large-scale and qualitative studies also frequently produced divergent results, calling into question the efficacy of the tools used. NIPUN Bharat's competency-based assessment framework is, in part, a response to these long-standing concerns.

Evidence on NIPUN implementation is beginning to emerge. Sarkar and Gaur (2025), drawing on qualitative case studies in Tamil Nadu, Uttar Pradesh and Assam, reveal a complex picture. Uttar Pradesh adopted a centralised model with standardised teacher training and fixed school resources; Tamil Nadu used a decentralised, context-specific approach built

17 https://www.dsel-education.gov.in/static/uploads/2025/12/db57d121e554cc4882ed31a4c856dd77.pdf

on activity-based learning and (SMC) monitoring. Assam showed patchy implementation owing to resource constraints, teacher shortages and linguistic diversity, through local innovations—bilingual story cards, outdoor teaching strategies—were supported by some NGOs. The decentralised model proved most effective, underscoring the importance of contextual flexibility. The study also establishes that NIPUN cannot be implemented in isolation: adequate teachers, infrastructure and local monitoring are preconditions for success.

ASER (2025) and Jhingran (2025) provide further insights into how civil society partnerships under NIPUN Bharat have worked well in improving foundational learning particularly where organisations have provided sustained hand-holding support. Jhingran (2025) argues persuasively for continuous, sustained partnerships with civil society organisations as a necessary condition for effective foundational-stage interventions.

7.5 Improving learning levels: The way forward

The central question is not simply how to assess learning outcomes better, but why strategies aimed at improving them have consistently fallen short. The principal gaps lie in community connect, decentralised financing, governance and teacher development. Addressing these requires a shift from supply-side provisioning to a framework that treats schools as accountable community institutions.

The first priority is improving access and strengthening school management. Every school requires an adequate number of teachers, achieved through rationalisation of postings combined with new appointments. Teachers must possess the required subject competencies; systems of support and accountability are needed where these are lacking. A performance-based system of incremental, respectable compensation should be developed. School management needs support to ensure sufficient time for teaching and learning. No teacher should be assigned non-teaching duties during school hours; under no circumstances should such duties disrupt learning through school closure. A minimum of 250 working days must be ensured per year. Responsibility for mid-day meals should, where feasible, be transferred to women self-help groups with panchayat or school management committee oversight, freeing teachers from logistical duties, as Tamil Nadu has demonstrated.

Secondly, the management of the school system requires greater autonomy and decision-making authority at the school level, as well as block and district levels. Decentralised management of schools with community connect is important. To this effect, parent-community connect can make schools community institutions that build on experiential learning. Quarterly Parents Teachers Association meetings to share progress of children and monthly sports and cultural events in schools would aid in this process.

From NPE 1986 to NEP 2020

1986
National Policy on Education
Emphasised the importance of quality education and learning achievement

1987
Operation Blackboard
Aimed to provide all primary schools with at least two teachers and classrooms, along with teaching-learning materials

Non-Formal Education Scheme
Aimed to provide education to children unable to attend formal schools, particularly in hard-to-reach areas

1990
World Declaration on Education for All (Jomtien)
Brought a shift in India's earlier policy towards external aid for primary education. External funding accepted for improving primary education

1994
District Primary Education Programme (DPEP)
Brought dispersed regional programmes into a large national umbrella programme for all externally aided primary education initiatives

2001-02
Sarva Shiksha Abhiyan
Programme to attain Universal Elementary Education

2002
86th Amendment of the Constitution
Introduced Article 21A providing for free and compulsory education to all children of the age of six to fourteen years

2009
Right of Children to Free and Compulsory Education Act
Operationalises Article 21A

2018
Samagra Shiksha Abhiyan
Provision of integrated, holistic school education, from the pre-school to the higher secondary level

2020
National Education Policy
Increased focus on Foundational Literacy and Numeracy

Mr.Bhavani/July,49,A31mLadakhi School Boys. Public Resource via Internet Archive

Given India's social, economic and linguistic diversity, strategies must be context-specific, with flexibility in teaching and resource management. Panchayats should be made directly responsible for schools and anganwadis. Funds, functions and functionaries under the charge of local governments and women's collectives is likely to improve teacher accountability and learning outcomes, as in Kerala. They could ensure that all children have access to teaching-learning materials and technology-enabled learning opportunities through tablets, phones and sound boxes. They could also be authorised to address teacher vacancies on an interim basis by engaging Teacher Eligibility Test (TET)-qualified candidates until regular appointments are made, drawing on the zero vacancy policy followed in Kendriya Vidyalayas. Additionally, local governments could converge initiatives for social development to take care of the inter sectoral challenges and address wider social determinants of school effectiveness.

Decentralised school leadership, backed by adequate budgetary resources through panchayats, is critical for improving school quality. Educational administrators at block and district levels are frequently transferred, disrupting school functioning; longer tenures with clear deliverables are therefore necessary. Under SSA, a provision of 6 per cent for management costs allowed professional programme managers, pedagogy experts and finance and planning specialists to be brought in. This provision should be reinstated.

Thirdly, the focus should be on learning outcomes and teacher development. Teacher development requires vibrant institutions of excellence at every level. Even the TET has not adequately addressed the challenge of recruiting capable, resident teachers. Technology offers a significant opportunity here: a diligent and dedicated teacher, not necessarily outstanding, who opens the world of knowledge and skills to children through equitable access to e-learning and peer group learning, may be as valuable as a formally highly qualified one.

Practical steps include training all teachers in the use of online materials as a supplement to classroom teaching; organising periodic teacher assessments so that those unable to teach can be identified and removed from the system after multiple supported opportunities; and prioritising professional partnerships at cluster,[18] block and district levels to build teacher excellence. Multi-medium blended learning should be the norm in all schools.

Along with periodic large-scale surveys, there is an urgent need for intensive small-scale qualitative studies on all aspects of the teaching-learning process. Such work can illuminate how children from diverse backgrounds learn in varied contexts and how pedagogical practices can improve outcomes. Measuring outcomes in a non-threatening and community-owned way will foster a culture of excellence rather than compliance.

18 Under each block, groups of schools are organised into clusters, primarily for administrative support and resource sharing.

7.6 Conclusion

The failure of children to learn is a national emergency. As a country, India is at risk of growing old before it becomes rich if this challenge is not addressed with urgency. The constitutional amendment making elementary education a fundamental right, the placement of education in the Concurrent list, and over two decades of experience with the SSA demonstrate that Union, state and local governments must work together to ensure basic minimum learning conditions for children up to the age of fourteen. Between 2019–20 and 2025–26, the share of the SMSA in the Department of School Education and Literacy budget declined from 62 per cent to 51 per cent (Kundu 2025). This trend must be reversed. The Centre and states should agree to contribute to education on a 50:50 basis for at least the next ten years, with convergence at the gram panchayat and urban local body levels.

UEE must address the reality that many children have reached Class 3 without foundational literacy and numeracy, without which learning deficits will continue to persist. Pre-school plays a critical role in long-term learning outcomes. Under NEP 2020, three years of pre-school and Classes 1 and 2 have been integrated into a foundational learning and development stage. Anganwadi centres can share responsibility for pre-school children, provided their teachers are adequately trained for better learning. This requires urgent attention, particularly for children from disadvantaged backgrounds who depend on government schools and anganwadi centres. Assessment must go beyond cognitive measurement. Creativity, critical thinking and values cannot be left outside the frame. A regularised, systematic and periodic review of children's learning at different stages—across the country—is needed, using tools that capture what children actually understand, not merely what they can recall. Large-scale surveys must be complemented by intensive qualitative studies that illuminate how children learn in diverse contexts and how pedagogical practices can improve learning outcomes.

SSA, the RTE Act and the initiatives described in this chapter have succeeded in bringing children to schools and creating learning opportunities. The task now is to ensure they learn. This requires investing in schools as community institutions: adequate physical infrastructure, trained teachers in every school and across every class, and an enabling finance and governance environment for learning to take place. Effective decentralisation, with real power, participation and accountability at the local level, particularly for panchayats and urban local bodies, is not optional but the precondition. India must therefore move up the skilling ladder, with basic education as its foundation. All political parties committed to democracy should adopt this as a citizen's agenda, recognising the imminent demand for better human development opportunities among the poor. Education, in this context, makes the difference between poverty and prosperity, inequality and inclusivity, deprivation and well-being.

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08

Ph. Studio/December, 1957/K.L., A46e/A45d. N.E.S. Block at Daula (Distt. Meerut, U.P.) (November 19, 1957). Students of primary school playing at the Children's park. Public Resource via Internet Archive

Reservations in Private Schools: Towards a Common School System?

Section 12(1)(c) of the Right of Children to Free and Compulsory Education Act, 2009 mandates that unaided private schools set aside at least 25 per cent of entry-level seats for children from 'economically weaker sections' and 'socially disadvantaged groups in the neighbourhood'. The precursor to this Act was Article 21 A of the Constitution, introduced by the 86th Constitutional Amendment, which mandates the provision of free and compulsory education to all children between the ages of 6 and 14. Section 12(1)(c) specifically brings private unaided schools within a rights-based framework. The mandate is motivated by the argument that educating underprivileged children is 'not merely the responsibility of schools run or supported by the appropriate governments, but also of schools which are not dependent on government funds'.

CHAPTER 08

Reservations in Private Schools: Towards a Common School System?

Ankur Sarin and Tarun Cherukuri

Section 12(1)(c) of the Right of Children to Free and Compulsory Education (RTE) Act, 2009 mandates that unaided private schools set aside at least 25 per cent of entry-level seats for children from 'economically weaker sections' and 'socially disadvantaged groups in the neighbourhood'. The mandate has dominated mainstream discussions of the Act and has few parallels globally as a policy instrument. It brings private unaided schools within a rights-based framework, potentially expanding the choices available to eligible parents. Yet it has also been described as the 'most retrogressive provision' of the Act by advocates of equity in education, pointing to the paradoxes and possibilities it entails.

In this chapter, we first describe essential features of the mandate, situating it within the broader context of the RTE and other education policies in India and globally. To organise the core of the chapter, we draw on Fischer's four-level schema (Fischer 1995), which allows empirical and normative criteria to be examined in relation to each other alongside the theoretical foundations of the policy. We adapt

this schema to structure the discussion, while also moving beyond it to foreground key empirical concerns.

At the first level, 'program verification', we examine performance across a range of indicators. These include the number of children admitted under Section 12(1)(c), the number of participating schools, school fill rates, and variations across different geographies, types of schools and over time. We also draw on studies that assess whether parents have access to information and whether reimbursements occur on time.

RTE Mandate

RTE Act mandates non-minority private unaided schools to keep aside at least 25% of their entry-level seats for children belonging to disadvantaged sections to create a more integrated and inclusive schooling system.

Eligibility criteria

Economically Weaker Section (EWS) and Disadvantaged Groups (Scheduled Caste, Scheduled Tribes, non-creamy Other Backward Caste, children with disability, orphans) in neighbourhood schools.

Year of introduction

2009, implemented post-2013 Supreme Court upholding the Act.

Why this scheme?

Affirmative action policy in private schools — aims for increased diversity and representation in classrooms, allowing for greater choice for children from marginalised backgrounds

While these indicators are important, interpreting them requires engagement with the normative objectives of schooling. This takes us to the second level of 'situational validation', where we examine debates around the criteria used to evaluate the mandate, along with the evidence associated with them. We identify criteria that we consider most relevant and review literature addressing questions such as whether the mandate has expanded school choice for parents and encouraged integration and inclusive practices by schools. We also identify areas that require further research and others that may be less central to evaluating Section 12(1)(c).

A policy such as Section 12(1)(c) has implications not only for schooling but also for society more broadly. While schools are systems in themselves, they are also critical components of larger systems and are assigned multiple roles within society. At the third level, that is, 'societal vindication', we move beyond school-level outcomes to examine the implications of the mandate for broader systemic and societal outcomes. These include its potential to challenge or deepen existing structural inequalities like caste, gender and class, as well as its implications for public finances. A central question in this discourse is whether the mandate represents an abdication of state responsibility or an overreach of the state. We discuss these areas of contestation, along with the assumptions underlying arguments in support of the mandate. We also review the empirical evidence on the validity of these assumptions.

The Act and its impact, like other public policies, cannot be evaluated without foregrounding the central question of what constitutes a 'good society'—a society we consider worth living in. The criteria we employ, the weights we assign to them, and the trade-offs we recognise and accept in interpreting empirical evidence are all shaped by deeply moral and value-based considerations. Fischer describes this as the fourth level, 'social choice' (Fischer 1995). Drawing on Ferguson's concept of a 'rightful share' (Ferguson 2015), we argue for the need to reimagine the mandate in ways that are not only pragmatic but also grounded in a commitment to social justice. We conclude by discussing how citizens and civil society have engaged with the Act and by identifying directions for future work.

Table 8.1: Key provisions of Section 12(1)(c) of the RTE Act

Policy category	Policy criteria for states to notify	Policy example
Eligibility (of children)	Economically Weaker Section (EWS)	EWS definition using income certificate or poverty proxies
	Disadvantaged Groups (DGs)	Scheduled Caste (SC), Scheduled Tribes (ST), non-creamy Other Backward Caste (OBC), children with disability, orphans
	Entry-level class	Either all of nursery, kindergarten, class 1 or lowest entry-level class in the school
	Neighbourhood school criteria	1 km, 3 km, 6 km, >6 km as home-school distance categories to choose schools
Admissions (to schools)	Offline or online applications mode	Online school and parent registration modules
	Offline or online lottery mode	Online lottery matching modules balancing equity criteria across gender and other DGs
	Monitoring and grievance redressal	Appointment of State Commission for Protection of Child Rights (SCPCR) as Appellate authority
Reimbursement (by state)	Calculation of per-child cost	Appointment of state Per Child Cost (PCC) Committee to publish normative guidelines for method, amount and tranches, revision frequency, grievances, etc.
	Offline or online reimbursement	Online reimbursement and Public Financial Management System (PFMS) integration modules

Sources and notes: Authors' compilation based on state rules notified under Section 12(1)(c) of the Right of Children to Free and Compulsory Education Act, 2009

Responsibilities* of Schools and Teachers

Section 12 explains the responsibility of schools for providing free and compulsory education** to children, namely:

a. All Government schools shall provide free and compulsory education to all children

b. Government aided institutions shall provide free and compulsory education to such percentage of students in elementary classes which equals the percentage of recurring aid received by it from the Government to the annual recurring expenditure incurred by the school, subject to a minimum of 25%

c. Private unaided institutions and special category schools shall provide free and compulsory education to at least 25% children belonging to disadvantaged groups and weaker sections admitted to class I or pre-primary classes. Such schools would be entitled to reimbursement at the per-child cost incurred by the Government. It has also since been clarified that residential private unaided schools,*** which do not start at class I, would not be required to admit 25% children from disadvantaged groups and weaker sections in their schools.

Ph.CPA (Garo Hills)/May,1957,A46e/A57f. Dambuk-Aga multipurpose Community Development Block P.D. Baghmara, Garo Hills, Assam. (May, 1957). Village children who were persuaded to attend school regularly. Public Resource via Internet Archive

* This is the exact phrasing in the RTE Act as of 2009. However, since then there have been some clarifications relevant to Section 12(1)(c).

** Free and compulsory education to children refers only to primary education (until Class VIII)

*** Minority schools are exempt from implementing Section 12(1)(c)

8.1 Origin, evolution and comparison

Unlike most other countries in the world, the expansion of education in India has occurred without the development of a Common School System (CSS). While the Sarva Shiksha Abhiyan focused on expanding government school infrastructure and contributed to near-universal enrolment, this growth has been accompanied by a rapid increase in the share of private schools. According to the *Comprehensive Modular Survey* (CMS): Education 2025 (Ministry of Statistics and Programme Implementation 2025), private unaided schools enrol 51 per cent of urban and 24 per cent of rural school-going children.

Even though a large percentage of them attend what are often labelled as 'affordable' private schools – where the monthly fee is between ₹500 and ₹1,000 per month (Central Square Foundation 2022) – the CMS suggests that that average household expenditure per child in private unaided schools (urban: ₹35,758; rural: ₹22,869) is nearly nine times the expenditure incurred by households enrolled in government schools.

The failure to develop a CSS has been attributed to several interlinked causes. These include low levels of public expenditure on education; a lack of 'political will'; an emphasis on English-medium education and the exit of the middle class from the vernacular public school system; the caste system and the concomitant absence of a belief in and support for universal education, along with a desire for differentiation and exclusivity. While Section 12(1)(c) of the Act was arguably aimed at reviving the 'common school' vision of the Kothari Commission Report (1966), its existence and implementation need to be placed within the broader context of the failure to institutionalise a true CSS in India.[1]

Officially, the mandate is motivated by the argument that educating underprivileged children is 'not merely the responsibility of schools run or supported by the appropriate governments, but also of schools which are not dependent on government funds' (Government of India 2009, 6). However, in 2010, the Society for Unaided Private Schools of Rajasthan challenged the provision in the Supreme Court, arguing that the clause impinged on their autonomy [(Society for Un-aided Private Schools of Rajasthan v. Union of India & Ors., WP 95/2010) 2012]. The argument was rejected in April 2013, when the Supreme Court upheld the provision, stating that schools are public institutions with social responsibilities and that a 25 per cent entry-level quota was in the public interest. Implementation in its true earnest only began thereafter.

Drawing on the idea of a CSS, a recent Supreme Court judgment (2026) more forcefully articulates the obligations of private unaided schools in fulfilling

1 Although influenced by it, the mandate is distinct from the EWS quotas that many elite private unaided schools in Delhi had agreed to as a condition of land allotment at concessional rates by the Delhi Development Authority (Juneja 2005: 3685).

the right to education (Bakshi 2026). It refers to them as 'common local schools' and brings private unaided schools within the category of 'neighbourhood schools' that serve as 'common local schools'. This intervention acknowledges both the widespread prevalence of private schools and the state's inability to address the ever-growing, differentiated and hierarchical access to schooling (Vasavi 2019).

Not surprisingly, in attempting to walk what might seem like a middle path, Section 12(1)(c) has generated vehement opposition and criticism. The opposition from both sides has served to undermine the mandate in different ways.

The Court reasoned that the RTE Act is "child centric and not institution centric", "... the obligation is on the State to provide free and compulsory education to all children of a specified age. However, ... the manner in which the said obligation will be discharged by the State has been left to the State to determine by law. Thus, the State may decide to provide free and compulsory education to all children of the specified age through its own schools or through government aided schools or through unaided private schools."

On one side, critics argue that the mandate represents an abdication of state responsibility and diminishes efforts to improve public schooling on three grounds: (a) it legitimises private schooling and promotes the marketisation of education; (b) it encourages exit from government schools; and (c) it transfers public resources to private actors, weakening government schools and straining public finances while simultaneously promoting corruption. This critique largely originates from those who view education as a public good with the promotion of social justice as a paramount objective. Given that these motivations have historically characterised large parts of civil society work in education, such criticism has sapped energy and resources that could have otherwise strengthened the implementation of the mandate.

Ironically, even as the mandate has attracted criticism for promoting privatisation of education, most private schools and associations have also been critical of it. Since the failed attempt to challenge it in the Supreme Court, several schools continue to resist it in various ways. Reflecting the diversity among private schools, this criticism has also been varied. Some view the mandate as a coercive instrument used by the state and continue to question its legitimacy, while others express alignment with its objectives but remain critical of its implementation. These concerns include delays, ambiguities and corruption in the admissions process; the authenticity of those availing the entitlement; and inadequacies and delays in reimbursements.

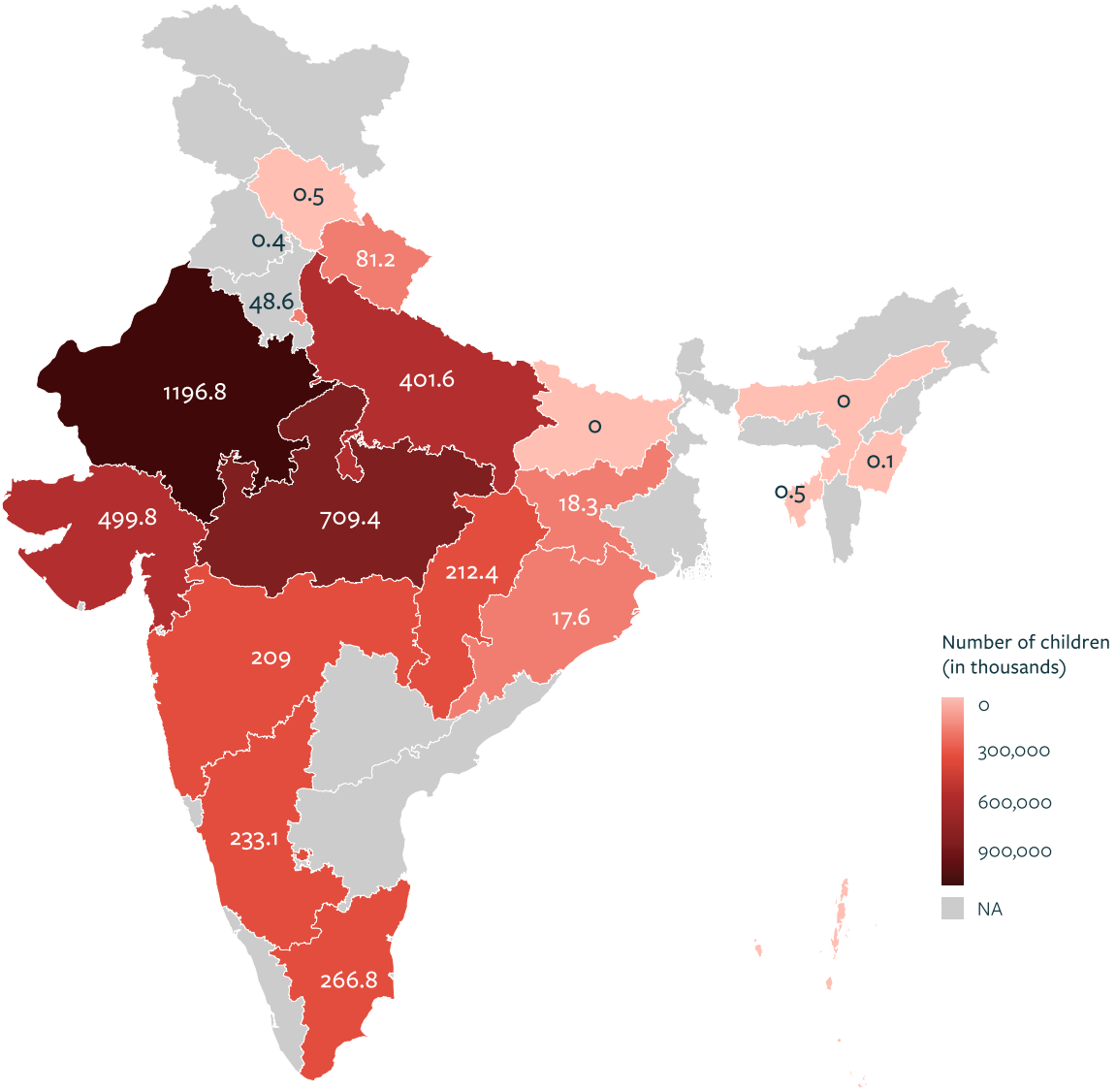
Beyond questions about the promotion of public or private schooling, concerns have also been raised about the socio-psychological burdens placed on children studying under the mandate, including possible stigmatisation. Questions have also been raised about their future after Class 8, or at age 14, when the state's obligations under the RTE no longer apply. The exemptions provided to minority schools by the judiciary have created political tensions as well as avenues for schools to avoid implementing the mandate by claiming minority status.

8.2 Discourse around the mandate's performance

8.2.1 Validating policy performance in current reality

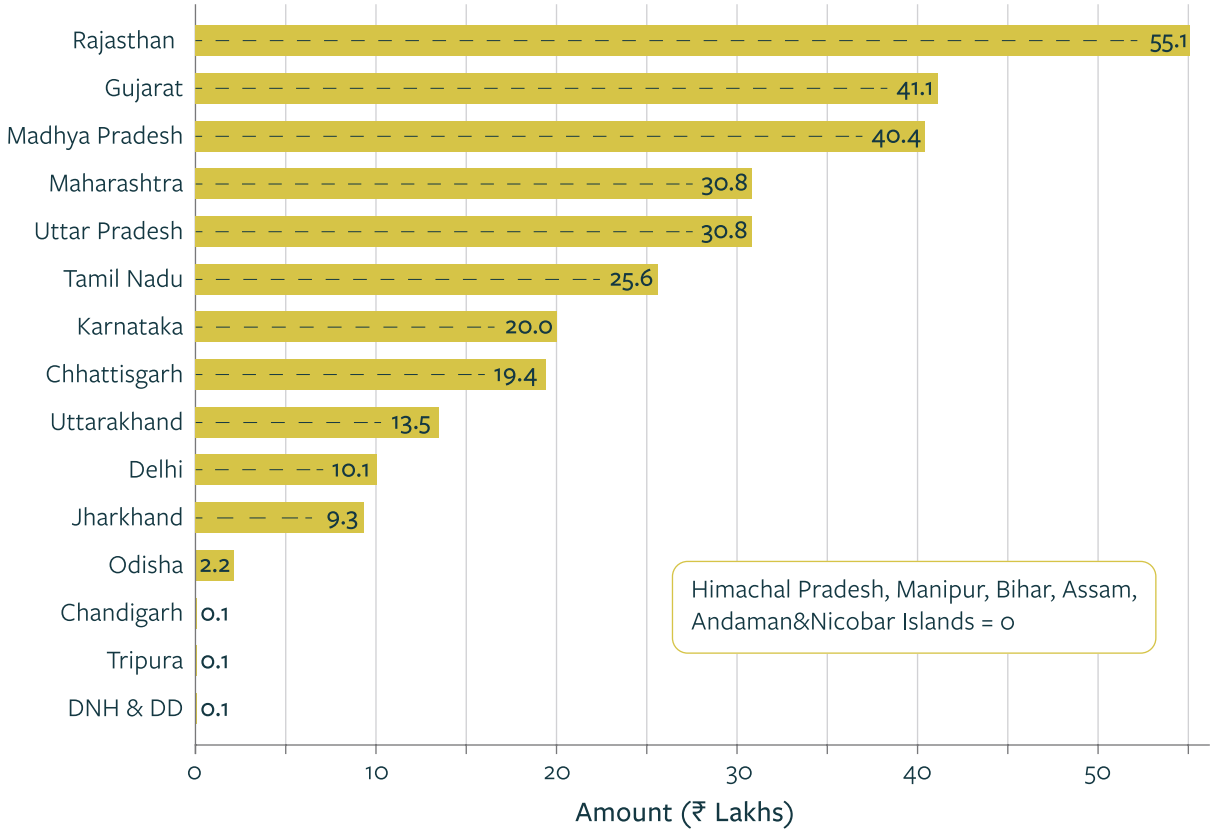
Administrative data indicate a forward-looking trend, with both strengths and gaps in implementation (Rajya Sabha 2023). Most states and union territories

Figure 8.1: Student enrolments across FY 2024–25



Sources and notes: Data from RTI Response

Figure 8.2: Reimbursement amounts across FY 2024–25



Sources and notes: Data from RTI Response

(UTs) (20+) now implement the Section 12(1)(c) provision, with nearly fifty lakh students cumulatively admitted over the last decade. Figures 8.1 and 8.2 show the latest enrolment and reimbursement data. Access to the mandate has remained stratified within segments targeted by the provision, despite experiments with different application modes (offline/online).

Relatively early in its implementation, Dongre, Sarin and Wad (2017) find that, even with a concerted information campaign, it is the better-off among the targeted groups who are able to apply successfully under the mandate in Ahmedabad. Likewise, Romero and Singh (2022), in Chhattisgarh, reveal significant implementation challenges – only 20 per cent of households in the bottom quintile had information about the policy, and only 9 per cent had internet access to complete the online application – which undermine the policy's redistributive goals, even when application processes are online. Similarly, offline admission processes used in Delhi during the mandate's early years were found to exclude the most disadvantaged groups (girls, SC/ST and children with disabilities), with nearly 95 per cent of eligible children unable to secure admissions through the offline mode (Indus Action's Admission Campaigns Funnel Analysis).

In one of the most exhaustive examinations of the mandate, using panel data of applicants and non-applicants from 2013 to 2018 in Madhya Pradesh for Classes

1 to 8, Sahai (2023) finds that, while around 30 per cent of eligible children attend private schools, only 12.5 per cent apply under the mandate. In contrast to other studies, the analysis also finds that, while the applicant pool is more likely to be from upper castes and from relatively better-performing blocks in the state, applicants are also more likely to be from lower-income families. A plausible explanation offered by Sahai for the differences between Madhya Pradesh and Chhattisgarh is the greater maturity of policy implementation in the former, with Madhya Pradesh having five times as many applicants and twice as many applicants per capita.

Dongre, Sarin and Wad (2017) find that the mandate leads to a 'better' set of schools in Ahmedabad. Similarly, using the panel of nearly ten million children in Madhya Pradesh, Sahai (2023) argues that the mandate 'enables students to move from less preferred schools at cost to more preferred schools for free' and that 'this delivers academic gains through cognitive and non-cognitive benefits of enrolling in preferred schools, as well as non-trivial financial benefits through avoiding tuition fees otherwise paid'. In contrast, using administrative data, both Romero and Singh (2022) in Chhattisgarh and Damera (2017) in Karnataka find that the mandate does not substantively change the schools that parents would choose for their children. Rather than expanding school choice, the mandate may therefore subsidise choices that households would have made anyway. These contrasting findings point to the importance of context and suggest that the matter is not settled.

Implementing states have had varied experiences with reimbursement claims under the RTE from the Government of India, with an average approval rate of 88 per cent in 2024–25 against claims made by states. A recent landmark ruling by the Madras High Court in June 2025 established several precedents in the reimbursement cycle (*V. Eswaran v. Government of Tamil Nadu. W.P. No. 18427 of 2025*). States cannot withhold reimbursements to schools citing non-receipt of central funds, and the government cannot link RTE funding obligations to other educational policies. Delays in reimbursements from the Union to states have left schools under severe financial strain, particularly during COVID-19. In 2022, nearly 1,300 schools in Maharashtra boycotted the RTE cycle due to payment dues of ₹700 crore. Across multiple states, reimbursement delays have forced schools either to refuse RTE admissions or operate at financial losses. These delays also undermine the legitimacy of states in enforcing RTE entitlements and strengthen the bargaining power of schools.

8.2.2 Assessing policy performance against intended objectives: What should the policy be evaluated on?

The Ministry of Human Resource Development (MHRD, now the Ministry of Education) further clarified the core objective of the policy as social inclusion within schools (Ministry of Human Resource Development 2012):

> *The idea that schooling should act as a means of social cohesion and inclusion is not new; it has been oft repeated. Inequitable and disparate schooling reinforces existing social and economic hierarchies, and promotes in the educated sections of society an indifference towards the plight of the poor. The currently used term 'inclusive' education implies, as did earlier terms like 'common' and 'neighbourhood' schools, that children from different backgrounds and with varying interests and ability will achieve their highest potential if they study in a shared classroom environment. The idea of inclusive schooling is also consistent with Constitutional values and ideals, especially with the ideals of fraternity, social justice and equality of opportunity.*
>
> *The larger objective is to provide a common place where children sit, eat and live together for at least eight years of their lives across caste, class and gender divides in order that it narrows down such divisions in our society. The other objective is that the 75% children who have been lucky to come from better endowed families, learn through their interaction with the children from families who haven't had similar opportunities, but are rich in knowledge systems allied to trade, craft, farming and other services, and that the pedagogic enrichment of the 75% children is provided by such intermingling.*

Dimensions of Policy Evaluation

A mandate like Section 12(1)(c) can be evaluated along several dimensions. We emphasise those that require specific attention.

Democratic Access

The first dimension is democratic **access**: Is the policy currently accessible to the most disadvantaged children in implementing states? While seven large states (Karnataka, Telangana, Punjab, Haryana, Assam, West Bengal and Jharkhand) are yet to implement the spirit of Section 12(1)(c) without diluted notifications, a majority of the states/UTs (20+) have contributed to nearly five million cumulative admissions through end-to-end online portals and last-mile outreach activities.

Democratic Participation

The second dimension is of democratic **participation**. Policy implementation in India cannot be taken for granted. Given that the mandate seeks a fundamental transformation in the conduct of schooling, the utilisation of the policy by parents and the participation of schools in fulfilling their obligations need to be understood as outcomes, albeit intermediary ones. On this account, the trends are clear: the mandate has been implemented in an increasing number of states and has included more children over time. The next question that arises is the nature of participation and utilisation: which schools are participating, and which are not?

Research conducted by J-PAL, in partnership with Indus Action, shows that low fill rates in the initial years do not primarily reflect low parental demand but instead result from barriers to information, the ability to apply and the ability to provide documentation (Romero and Singh 2022). Administrative burden surveys by Indus Action (during their RTE admission campaigns) indicate that it takes, on average, ten interactions – or high-burden last-mile engagements (one interaction includes a physical visit and time away from work) – for parents to overcome these barriers.

Retention

Given the policy's stated emphasis on social inclusion, an important question is whether children who enrol under the mandate remain in school and for how long (**retention**). Recent retention surveys across four states (Andhra Pradesh, Chhattisgarh, Odisha and Uttarakhand) show a high average retention rate of 91 per cent among surveyed students in their admitted RTE schools, with girls having higher retention rates (Annual Retention Survey Of Students Studying under RTE Section 12(1)(c), 2025 2025). In the same survey, 61 per cent of parents reported an ancillary fee burden for books, uniforms, transport and projects.

State Reciprocity

The final dimension is **state reciprocity**. Timely reimbursements are essential for the state to fulfil its part of the governance contract and to ensure sustained participation from schools. Further delays are likely to affect schools that operate with tight financial margins.

Although a few studies (Agarwal 2024; Rao 2019; Sahai 2023) have examined learning outcomes – and it would be difficult to argue against its salience – there is also a need to recognise that this is not a primary outcome targeted by the mandate. Monica Agarwal's experimental evidence (Agarwal 2024) from Maharashtra shows significantly improved learning outcomes in English, particularly strong gains in elite private schools for students admitted under the mandate. Gautam Rao's study of Delhi's elite schools (Rao 2019) confirms the development of more egalitarian behaviours in mixed classrooms, measured by an increased likelihood of volunteerism, higher levels of generosity and reduced levels of discrimination. These pro-social improvements are observed without any decline in classroom discipline or academic performance. In one of the few studies directly examining integration, Joshi (2020) finds that while children's social networks (in terms of friendship) remain segregated, better-integrated children perform better academically.

We have very limited information on how elite schools are performing under the mandate. While they constitute a small proportion of schools, they shape benchmarks and aspirations for what is considered high-quality education. The

limited evidence suggests a mixed but highly skewed response. While some schools have been proactive and fairly holistic, for instance, by promoting parental literacy through their initiatives under the mandate, others have openly violated the law by separating children admitted under the mandate from fee-paying students. The primary factor determining a school's response appears to be the vision of its management and leadership (Sarin and Gupta 2014).[2]

A decade of serious implementation later, the policy's performance reflects the realities of India's state and civic capacities. While progressive elements within the state and civil society have moved the needle forward, the median school management and state leadership remain unconvinced of the policy's egalitarian ambitions. What does this imply for the second-order effects of the policy on the broader discourse?

8.2.3 Evaluating the implications for schooling and welfare systems

Proponents of private schools point to their greater efficiency while remaining relatively silent about the segregation they promote by making access to schooling contingent on the ability to pay. As discussed earlier, countering this increasing segregation was one of the principal objectives of Section 12(1)(c), and Sahai (2023) estimates that the provision increased school integration by around 22 per cent across all private schools. Nevertheless, the mandate continues to attract criticism at the systemic level.

At this level, two fundamental design elements have generated the most conflict: (a) the requirement that all private schools admit children under Section 12(1)(c); and (b) the state's obligation to reimburse these schools (at least partially) for providing 'free' education. A third concern that has emerged during implementation relates to allegations of corruption arising from state control over the admissions process. Nevertheless, empirical work on this question remains limited. To our knowledge, Sahai (2023) is the only study that examines both individual- and system-level effects of the mandate. Its findings are unequivocal. The study argues that:

> *'increases welfare and quality for all SES groups, but the largest for the lowest SES group. This reduces the gap in education quality between low and high SES groups by roughly 20%. This is accomplished by the explicit targeting of the voucher system toward lower caste and poverty populations. This demonstrates that the policy is able to increase the overall efficiency of the education system (by delivering a ben-*

2 For pointers for school best practices, see *Realising the Potential of RTE in Private Schools in India by Shifting the Conversation from Admissions to Learning Outcomes*. 2024. Issue Brief. Alstonia Impact and Indus Action. https://www.linkedin.com/feed/update/urn:li:activity:7156516601616338944/?originTrackingId=D%2F6%2FLlqZ-R5ii%2Fmfsevs26g%3D%3D

> *efit-cost ratio that exceeds 1) while also making progress toward equity goals (by increasing school integration and reducing educational inequality).'*

The enrolment of nearly half a million children every year through this redistributive policy into private unaided schools has created enrolment pressures at entry levels in single-teacher, multi-grade and resource-constrained public schools. Nearly one lakh public schools in India operate with a single teacher and now compete for enrolment with RTE students. Policymakers are caught in a bind: they seek to 'rationalise the lower end of the public school system – often by closing such schools – while simultaneously upgrading higher performing institutions through 'schools of excellence' programmes.

As children exit public schools, the per-child expenditure in government-run schools is likely to increase (assuming that a significant share of government expenditure on schooling is fixed). Since reimbursements to private schools are linked to this expenditure, the fiscal burden of the mandate is also likely to increase. Moreover, as states often conceive their role as that of a 'provider' of education for government school-going children, rather than as a 'regulator' of quality education for all, private schools receiving Section 12(1)(c) reimbursements are sometimes perceived as an existential threat to the already constrained public education resources.

Apprehended to be 'a blow to the government (public) schooling system' (Behar 2012), the mandate could potentially have had a positive impact if increased competition for enrolment had driven government systems to improve. However, studying the first six years of its implementation in Madhya Pradesh, Sahai (2023) finds that 'there is little evidence of the policy's effect on public school entry, exit or quality measures' and, somewhat paradoxically, that this is 'particularly true for those public schools closer to private schools that would presumably face greater competition from the voucher program'.

Beyond its impact on government schools, and depending on private school responses, the current reimbursement design may also lead to adverse welfare effects for those not studying under the mandate (non-recipients). Schools with fees below the stated maximum have an incentive to increase their fees in order to raise revenue, while those above the cap may be motivated to do so to compensate for possible losses. Sahai (2023) finds evidence of the former in Madhya Pradesh between 2013 and 2018, but does not find any evidence of the latter. Arguing that this harm to non-recipients reduces the net benefit-cost ratio, Sahai's simulations suggest a potential gain of 40 per cent (to benefit-cost ratio) if the state were to move to a fixed (or flat) reimbursement model. This highlights the need for reimbursement committees across states to pay closer attention to this policy choice and its timely execution.

In the recent past, debates have emerged around the inclusion of minority

educational institutions under the provision in the Supreme Court, with the bench requesting the Chief Justice of India to review the *Pramati* judgement (Pramati Educational & Cultural Trust v. Union of India 2014).

8.2.4 Questions of a good school and the quest for a good society

The Supreme Court judgement [(Society for Un-aided Private Schools of Rajasthan v. Union of India & Ors., WP 95/2010) 2012], was emphatic in asserting that even private schools have a 'public' role to play and an obligation to fulfil that role. Unlike affirmative action in higher education, which applies only to public institutions, Section 12(1)(c) extends a public and social justice obligation to private institutions as well. However, the failure of this constitutional clarity to translate into a social norm raises uncomfortable questions about the form that schooling should take and, ultimately, what constitutes an equitable distribution of resources in Indian society.

Unfortunately, polarised positions on the mandate have also diverted attention from several unresolved questions. These include: other than its infeasible (and, in our view, undesirable) elimination – given the widespread prevalence of private schools – what role do critics of the mandate envision for private schools? How much importance should be given to ensuring that all parents, not just the economically advantaged, have meaningful choices in schooling? Likewise, setting aside legal issues, in states where governments have declared Section 12(1)(c) to be valid only in geographies where government schools are not present, should the government have the authority, and be compelled, to specify substitutive obligations for private schools? What substantive commitments to strengthening civic life and fraternity are private schools willing to make? How do elite schools imagine themselves offering a good education without a student body that is representative of the society in which they function? Addressing these questions may require a very different imagination of schooling from the currently dominant ones.

In an important intervention, Gilbertson and Arnold (2022) draw on Ferguson's concept (Ferguson 2015) to explore the possibility of building a discourse that views Section 12(1)(c) as a legitimate instrument for providing a 'rightful share'. Such a conceptualisation demands that schooling can be understood as part of a larger commons to which all citizens are entitled. Examining the discourse in the English-language media, they argue that the legitimacy of 'rightful shares' is undermined both by critics who favour market-governed allocations and by supporters who advocate for the mandate on traditional welfare grounds rather than on a rights-based framework. The undermining is further reinforced by the targeted nature of the mandate, which creates scope for disproportionate attention to concerns about corruption and fraudulent beneficiaries.

In contrast to the concern that 'legislation cannot infuse social purpose and commitment' (Behar 2012), we share Ferguson's interest in the 'radical political indeterminacy that always attends any specific governmental technique' (Ferguson 2015, 31). Section 12(1)(c) is a site of distributive politics and, like any other such site, a terrain of struggle rather than a paternalistic 'solution'. By blurring the boundaries between neoliberalism (where efficient markets are treated as the only end goal) and state welfarism (where the state is seen as the sole provider of universal goods and services), Ferguson offers an imaginative read of policies like Section 12(1)(c). This perspective urges those who view education as a right to engage more directly with the realities of markets, particularly in a context where citizen-state relationships are evolving beyond existing theoretical frameworks.

If the moral imagination of schools as commons remains possible in India, it prompts a fundamental question: what is the 'rightful share' of these commons for every child, irrespective of the pin code of their birth? Taking the successful implementation of Section 12(1)(c) as a starting point in the quest for a good society, we outline key strands of implementation that need to be reimagined in the policy's second decade.

8.3 Recommendations on the way forward

8.3.1 Can the burden of applying to the programme shift from citizens to the state?

As discussed earlier, barriers to equitable participation in the mandate persist. A key driver resulting from this inequity is the administrative burden associated with accessing the mandate—burdens that increase with disadvantage. A democratic state should seek to reverse these. A theory of change for addressing these barriers at the state level is outlined below:

- **Action**: Administrative data—such as social registries that most states are building at the household level—can be used to identify disadvantaged households facing application barriers, rather than requiring parents to discover the programme and apply on behalf of their children. For example, Tamil Nadu's Unified Scholarships Portal enables the automatic enrolment of students in scholarship programmes from primary grades through to postgraduate levels, across multiple ministries.
- **Output**: Information and assistance delivered through discovery protocols—personalised text messages and WhatsApp notifications—can help relax these constraints, enabling more disadvantaged families to apply. For example, pilot initiatives by the University of Chicago's Centre for Applied Artificial Intelligence in Chhattisgarh and Bihar.

- **Outcome**: As more disadvantaged households are able to apply with fewer transactions, the programme becomes more progressive in its targeting and more cost-effective in reaching the most vulnerable children, while also reducing administrative burdens for both citizens and the state.

8.3.2 Research: What are the medium- and long-term returns to a good school?

As the policy completes fifteen years of implementation and earlier cohorts of students graduate from elementary grades, this presents a valuable opportunity to study the impact of schooling for students admitted under Section 12(1)(c) on their medium- and long-term outcomes. We outlined planned research in this regard.

The objective of this research is to generate evidence on the policy's impact on students' academic and life outcomes, assessed across the following medium- and long-term categories: completion of school education (up to Class 12); academic and school performance; career planning including preparation for college entrance; college attendance, and the type of institution and degree pursued; socio-emotional outcomes; and labour market outcomes.

Existing research on the medium- and long-term impacts of affirmative action policies is primarily based on higher education contexts in high-income countries. This research will, therefore, provide first-of-its-kind evidence on the social returns to investment in affirmative action at the school level.

Knowledge barriers to effective implementation are beginning to reduce through the open-source publication of administrative platforms (to ease admissions) and school-level best practices (to support retention). This suggests that,

Table 8.2: Bright spots—protocols for potential national replication

State or Samaaj organisation	Bright spot protocols for potential scale
Rajasthan and/or Indus Action	Open-source, end-to-end MIS code on GitHub
Delhi and Uttarakhand	Lottery preferences for girls and children with disabilities
Odisha and Chhattisgarh	Decentralised validation by local officials
Andhra Pradesh and Tamil Nadu	Auto-validation using state family registries/databases
Delhi and Andhra Pradesh	Per-child cost committees and normative reimbursements
Chhattisgarh and Bihar	Experimental studies for discovery protocols; Bihar's PFMS system for reimbursements

Sources and notes: Bright Spots Reports (various years), Indus Action

despite initial implementation challenges and capacity constraints within the state, significant progress has been made in admitting and retaining a large share of eligible students. Table 8.2 presents a summary of 'bright spots' in implementation.

8.4 Conclusion

A decade of implementation of a radically distributive public policy, such as Section 12(1)(c) of the RTE Act, and two decades of its progressive imagination, offer an appropriate moment to pause and reflect as a society. How do we realise the promise and potential of this positive right?

Building on recent Supreme Court judgements, institutions such as National Commission for Protection of Child Rights (NCPCR) and Central Board of Secondary Education (CBSE) can commission independent longitudinal studies of students admitted under Section 12(1)(c) across India, building on smaller-scale studies by researchers and civil society organisations. A nationally representative sample across key stages—Class 3, Class 8, Class 12 and postgraduation—would help illuminate the value of a good school across different types of institutions, and the long-term returns to this policy. We need look no further than MGNREGA (twenty years) and PDS (sixty years) for their achievements, despite limited state capacity in realising their full potential.

The India we know, and continue to believe in, is one where Arjun and Eklavya study in the same classroom. It is an India in which schools are sites of democratic practice; a commons open for every child to learn and grow. This is not a gift to be extended by political and social elites out of enlightened self-interest, but a right that must be realised. Give every child their rightful share, and let them all lead us into the future.

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09

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Diagnosing Healthcare Delivery: History, Challenges and Current Status

Health is widely recognised as a basic human right. Healthcare systems play a critical role in promoting health and well-being and in preventing and managing ill-health. In a democratic welfare state such as India, the responsibility for ensuring comprehensive healthcare across all levels of care and categories of interventions lies squarely with the government. The interpretation of this responsibility has varied significantly, shaped by the broader economic and social paradigms within which health policy and systems function. This chapter outlines key principles, policies, programmes and forces that have influenced, and continue to shape, healthcare services from the early and mid-twentieth century to the present.

CHAPTER 09

Diagnosing Healthcare Delivery: History, Challenges and Current Status

Vandana Prasad and Indira Chakravarthi

9.1 Historical trends in healthcare services

9.1.1 1950s–1980s: Vision and planning for universal, comprehensive[1] national healthcare services

The foundations of present-day health policies, plans and programmes can be traced to the late nineteenth and early twentieth centuries, shaped by both colonial administrative priorities and the nationalist movement's critique of them (Amrith 2007, 2011; Banerji 2001). Following independence, the development of healthcare services was largely guided by the recommendations of the Health Survey and Development Committee (1944), widely known as the Bhore Committee.[2] Influenced by developments in national health systems in countries such as

1 Comprehensive services refer to services that cover and meet all kinds of healthcare needs of all ages and groups, from infancy to old age, and not just for a specific illness or physical condition; they also include preventive, promotive and curative care.

2 This committee was set up by the erstwhile colonial government to plan the post-war development of healthcare services in India.

the erstwhile Soviet Union and England, the committee recommended that the state provide as complete a health service as possible as a matter of right, organised through a salaried national health service.[3] It averred that 'under the conditions existing in the country medical service should be free to all without distinction, and that the contribution from those who can afford to pay should be through the channel of general and local taxation' (Health Survey and Development Committee 1946, 14).

Vertical programmes versus integrated services

The Constitution of India outlines the division of responsibilities in the health sector among the Union, state and local governments, with primary responsibility for the delivery of healthcare resting with the states through their respective health departments. The State List vests responsibility for 'public health and sanitation, hospitals and dispensaries' in the state governments. However, several health-related subjects are included in the Concurrent List. In practice, therefore, both the Union and the state governments are involved in the provision and financing of medical and public health services.

While the Bhore Committee and early plans proposed the development of integrated health units at the district level, actual practice diverged from this vision (Health Survey and Planning Committee 1962). Although Primary Health Centres (PHCs) were gradually established,[4] the dominant focus of the health sector through the 1950s and 1960s was on national programmes for the eradication or control of communicable diseases, alongside the family planning programme. These initiatives, commonly described as vertical programmes for disease control,[5] were organised through single-purpose, nationwide structures, with independent lines

3 The recommendation of a whole-time salaried service, and the prohibition of private practice by such salaried doctors was intended to ensure that doctors would be available where their services were most needed and that preventive activities would not suffer.

4 In the 1950s, PHCs were established as part of the broader strategy of rural development through the Community Development Programme (CDP), which was designed to address agriculture, rural industry, education, communication, transport, nutrition, sanitation, and water supply. These PHCs were to be equipped to provide curative, preventive and promotive services for an assigned population, covering a few Sub-Centres (SCs). These services included medical care, control of communicable diseases, promotion of maternal and child health, collection of vital statistics, protection of water supply, promotion of environmental sanitation, conducting school health programmes, and providing family planning services.

5 Since the 1960s, the effectiveness of vertical programmes has been a matter of debate, gaining prominence around the Alma-Ata Declaration of 1978, in 1993 with the propagation of an essential package of care by the World Bank, and later with the rise of global PPPs such as the Global Fund (Atun, Bennett, and Duran 2008). In vertical approaches (also referred to as stand-alone disease management or disease control programmes), interventions are delivered through systems that typically have separate administration and budgets, with varying degrees of structural, funding and operational integration with the wider health system. In the integrated model (also known as horizontal approaches or programmes), services do not have separate administration or budgets and are typically delivered through health facilities that provide routine or general health services. Vertical programmes have been promoted with the rationale that concentrating on a few well-focused interventions is an effective way to maximise the impact and timeliness of available resources, rather than waiting for the development of the general health system to make improved service delivery viable.

of command extending from the national to the village level. Separate cadres of workers were trained for each programme,[6] reinforcing their functional isolation. It has been noted that, in the history of public health in western countries, such vertical programmes were rarely employed to address communicable diseases (Banerji 1985a, 136).

In India, however, this preoccupation with vertical programmes resulted in the neglect of a permanent network of rural health institutions, as well as the diversion of already limited human resources towards programme-specific activities. Subsequent committees emphasised the advantages of an integrated health service, advocating a unified approach to health problems in place of the vertical model, and thereby laying the foundation for the idea of comprehensive health services.[7]

By the Fifth Five-Year Plan period (1975–80), the government acknowledged that, despite improvement in indicators such as declining infant mortality and increasing life expectancy, medical infrastructure in rural areas remained inadequate. Following the recommendations of the Study Group on Medical Education and Support Manpower (Government of India 1975), two centrally sponsored schemes were introduced in 1977: (i) the Community Health Worker (CHW) scheme, which envisaged a trained health volunteer selected by the community for every village or population of 1,000; and (ii) Re-orientation of Medical Education (ROME) scheme, aimed at restructuring medical education and strengthening referral linkages with district health facilities.

The 1970s: Alma-Ata Declaration and ICSSR-ICMR Study Group

The Alma-Ata Declaration of 1978 on PHC, along with the call for 'Health for All by 2000 AD', emerged from the International Conference on Primary Health Care, jointly convened by the World Health Organisation (WHO) and United Nations Children's Fund (UNICEF). This declaration represented the culmination of several developments during the 1960s and 1970s. These included the adverse impacts of vertical disease control programmes in many developing countries, the demonstrated effectiveness of community health worker programmes in countries such as Bangladesh, China, Costa Rica, Cuba, India, Mexico and the Philippines, and a broader questioning of science, technology and the hospital-centred biomedical model of healthcare (Cueto 2004; Litsios 2002; McKeown 1976; Illich 1975).

6 For instance, the National Malaria Eradication Programme, started in 1953 with aid from the Technical Cooperation Mission of the USA and technical advice from the WHO, required the training of 1,50,000 workers across 400 units for the preventive and curative aspects of malaria control (Banerji, 1985a).

7 Chadha Committee Report on the National Malaria Eradication Programme (Government of India 1963), Committee on Integration of Health Services (Government of India 1967) and the Kartar Singh Committee (1973).

Health items in State and Concurrent List: Article 246, Seventh Schedule of the Constitution of India

State List

1. Public health and sanitation; hospitals and dispensaries.

Concurrent List

1. Lunacy and mental deficiency, including places for the reception or treatment of lunatics and mental deficients.
2. Drugs and poisons, subject to the provisions of entry 59 of List I with respect to opium.
3. Economic and social planning [20A]. Population control and family planning.
4. Social security and social insurance; employment and unemployment.
5. Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefits
6. Education, including technical education, medical education and universities, subject to the provisions of entries 63, 64, 65 and 66 of List I; vocational and technical training of labour.
7. Legal, medical and other professions
8. Prevention of the extension from one state to another of infectious or contagious diseases or pests affecting men, animals or plants.
9. Vital statistics including registration of births and deaths

Source: Seventh Schedule, Article 246, Constitution of India https://www.mea.gov.in/images/pdf1/S7.pdf. Terms from the Constitution, as of 1950.

The Alma-Ata framework defined PHC not only as a 'level of care', but also as an 'approach to health systems development'. It located health within a wider global and political context, calling for peace, reductions in military expenditure, and the establishment of a 'New International Economic Order' to address disparities in health outcomes between developed and developing countries. It defined PHC as 'essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally available to the community through their full participation, and at a cost that the community and country can afford to maintain at every stage in the spirit of self-reliance and self-determination'. It further located PHC as an integral part of both the country's health system and its broader social and economic development, constituting the first level of contact within a continuing health-care process (WHO 1978).

Alma-Ata defined PHC as 'essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally available to the community through their full participation, and at a cost that the community and country can afford to maintain at every stage in the spirit of self-reliance and self-determination'.

At the same time, in India, the Indian Council of Medical Research (ICMR) and the Indian Council of Social Science Research (ICSSR), two major government institutions, jointly prepared an *Alternative Strategy for Health Services in India* (1981). This report called for a radical shift, advocating that healthcare services be firmly rooted in the community, in place of the existing 'top-down, elite, curative and urban-oriented, centralised and bureaucratised system' (ICSSR and ICMR 1981). The first National Health Policy (NHP) of 1983 reiterated many of the elements of these earlier recommendations, including those of the Alma-Ata Declaration and the ICMR-ICSSR report, and called for an integrated, comprehensive approach to the future development of health services, medical education and research (Government of India 1983).

Despite these recommendations and commitments, the primary healthcare approach was never implemented in its comprehensive form. Instead, selective vertical programmes continued to be promoted from the 1980s onwards as a substitute for the development of an integrated health system. The National Commission on Macroeconomics and Health (NCMH) offered a particularly strong assessment of the consequences of this shift:

> *The NHP, 1983 made a strong policy commitment to establish comprehensive primary health care, based on the active involvement of the community and intersectoral linkages to health determinants such as nutrition, water, sanitation, etc. Such an*

> *approach, if implemented, would have helped avert the premature death of an additional 1.5 million infants and 800,000 maternal deaths. The gains could have been impressive, but the policy was hardly implemented. Worse, strategies contrary to what was stated in the Alma-Ata Declaration to which India was a signatory and was reaffirmed in the NHP 1983 were adopted, such as the selective primary health care approach'* (Government of India 2005, 48–49).

Evidently, 'considerable thought has been given to reorienting this health service system and over the years, several commissions, committees, and study groups have examined it. Almost all of them have emphasised the need for radical change' (Banerji 1985b). Yet, the changes that did occur in the health sector were of a very different kind from those envisaged by earlier committees and public health practitioners. Rather than strengthening state-led, comprehensive healthcare provision, the economic reforms initiated in 1991 under liberalisation and globalisation reoriented the sector towards an expanding role for private enterprise, positioning healthcare increasingly as an industry.

9.1.2 1990s onwards: Structural adjustment programmes and health sector reforms

The unfinished task of establishing a national healthcare service, combined with persistent deficiencies in the public healthcare system, was increasingly invoked to justify a series of health sector reforms. These reforms were premised on the view that greater competition in service provision, facilitated by an expanded role for the private sector, would improve performance. Market principles such as competition, efficiency and consumer choice were thus advanced as the basis for reorganising healthcare systems. This rationale drew on influential policy documents of the World Bank, including *Financing Health Services in Developing Countries* (World Bank 1987) and the World Development Report 1993: *Investing in Health* (World Bank 1993). These argued that while the State should retain an overall stewardship role in the health sector, it need not remain a direct provider of services beyond a narrowly defined set of essential interventions.

The health sector reforms initiated in India by the Union and state governments entailed a range of measures (Ravindran 2007; Government of India 2005; Qadeer et al. 2001).

i. the provision by the government of a limited 'basic' or 'essential' package of preventive and curative services targeted at the poor, comprising low-cost and high-impact interventions such as immunisation, programmes addressing micronutrient deficiencies, and the control of select infectious diseases;

ii. the expansion of public-private partnerships (PPPs);

iii. the privatisation of specialised and tertiary-level services;

iv. the introduction of user charges in public facilities, alongside constraints on public health expenditure;

v. World Bank-assisted Health Sector Development Projects (HSDPs) aimed at strengthening public health infrastructure; and

vi. the introduction of vouchers and other demand-side financing programmes

In addition, these reforms stressed changes in management practices, with a focus on improving efficiency and effectiveness in the implementation of centrally administered programmes.

National Rural Health Mission (NRHM) (2005), High-Level Expert Group on Healthcare (2011) and health assurance

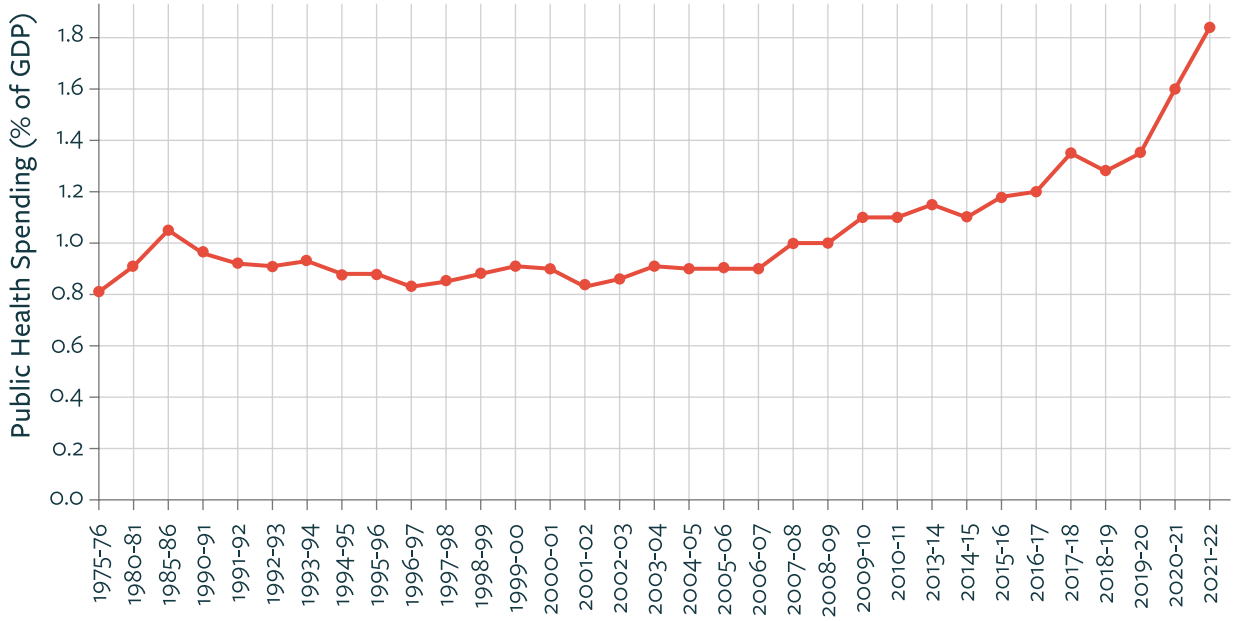
Notwithstanding significant gaps in policy implementation and persistent inadequacies in public healthcare services, improvements in socio-economic conditions, reductions in poverty and the gradual expansion of health infrastructure contributed to notable gains in key health indicators. Life expectancy at birth increased from 32 years in 1947 to 66 years, while the infant mortality rate (IMR) declined by over 70 percentage points between 1947 and 1990 (Government of India 2005; Qadeer et al. 2001).

However, these gains were accompanied by a contraction in public investment in the health sector. From the late 1980s onwards, there were substantial cuts in health expenditure, reflected in a decline in the share of health in the revenue budgets of many states—from 7.02 per cent in 1985–86 to 4.97 per cent in 2003–04 (Government of India 2005, 71–72). This fiscal retrenchment had adverse consequences, including stagnation—and in some states, even reversals—in IMR during the period 1992–93 and 1998–99 (see Figures 9.1 and 9.2; Table 9.1).

Health sector reforms had a widespread impact on the functioning of public health services, as documented across different parts of the country. In part as a response to these developments, the National Rural Health Mission (NRHM) was launched in April 2005 with the objective of undertaking an 'architectural correction' of the health system to strengthen public health management and service delivery. The formulation of NRHM was shaped by the involvement of multiple actors, including a broad coalition of civil society organisations, notably the Jan Swasthya Abhiyan (People's Health Movement), as well as public health practitioners and academics (Dasgupta and Qadeer 2005; Pandav et al. 2005; Sundararaman et al. 2005).

NRHM subsumed several major national programmes, namely the Reproductive and Child Health II project (RCH II), the National Disease Control Programmes (NDCP) and the Integrated Disease Surveillance Project (IDSP). It incorporated a number of significant elements that promoted decentralisation and communitisation, long advocated by civil society groups and public health experts. Its core

Figure 9.1: Trends in public health spending (as a percentage of GDP)



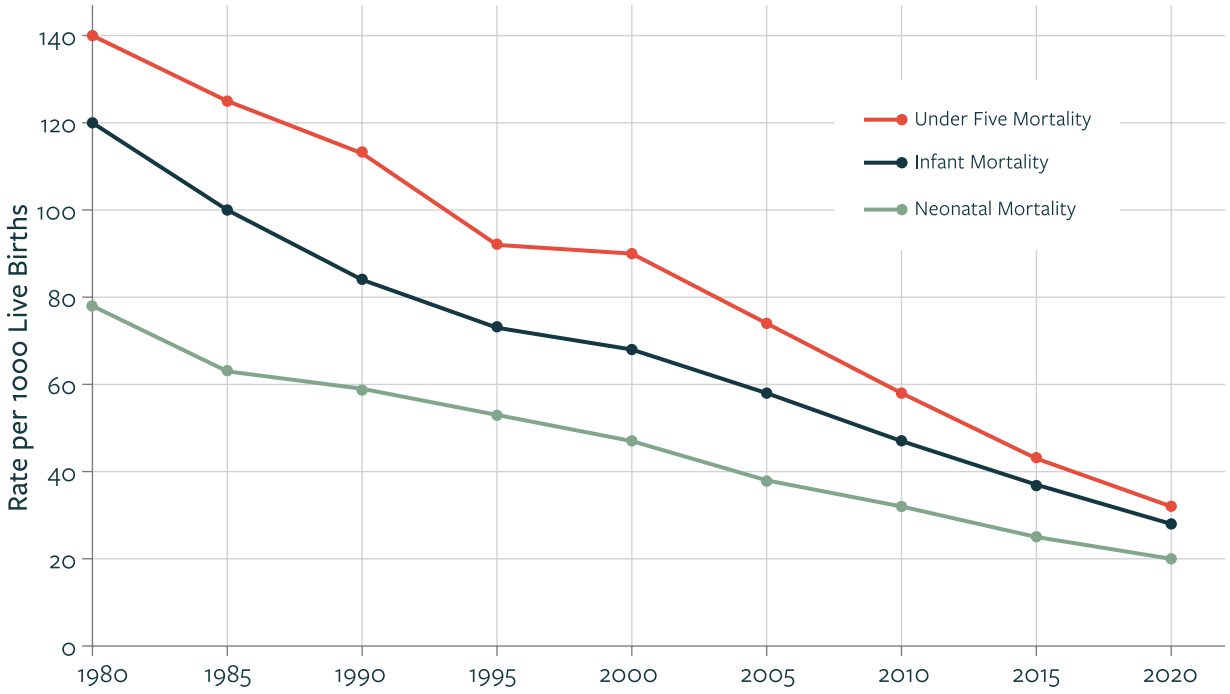
Sources and notes: Up to 2003–04: Demand for Grants for various years, Commission on Macroeconomics and Health.
From 2004–05 to 2010–11: Choudhury, Mita, and H. K. Amar Nath. 2012. 'An Estimate of Public Expenditure on Health in India'. National Institute of Public Finance and Policy (NIPFP), New Delhi, May.
From 2013–14 to 2021–22: National Health Accounts, National Health Systems Resource Centre. Ministry of Health and Family Welfare, Government of India.

Table 9.1: India's demographic indices

Year	TFR	Life Expectancy Male	Life Expectancy Female	CBR	CDR	IMR
1951	6.0	37.2	36.2	40.8	25.1	148
1961	5.7	44.2	42.7	39.3	18.9	138
1971	5.0	50.9	50.2	37.1	17	120
1981	4.5	55.4	55.7	37.2	19	110
1991	3.8	58.1	58.6	29.5	9.8	80
1996	3.5	59	59.7	27.4	8.9	72
2001	3.1	62.3	64.6	25.4	8.5	66
2006	2.8	64.0	66.9	23.5	7.7	57
2011	2.4	65.8	69.3	21.8	7.0	44
2016	2.3	68.2	70.7	20.4	6.7	34
2021	2.0	68.5	72.5	19.3	9.3	27

Sources and notes: Data from 1951–1996: Government of India, Ninth Five-Year Plan, 1997–2002 (Draft), Planning Commission, New Delhi.
Data from 2001–2021: Sample Registration System Annual Statistical Report (Various Years), Registrar General of India. CBR- crude birth rate; CDR- crude death rate; IMR- infant mortality rate.

Figure 9.2: Trends in child mortality



Sources and notes: (1980–2000): SRS Bulletin 2002; taken from 'Need for Dedicated Focus on Urban Health within National Rural Health Mission', S. Agarwal and K. Sangar (2005).
Plot reconstructed from the above paper; SRS Bulletin (2002) is missing from the Census India Website catalogue (IMR, all years): Sample Registration System Annual Statistical Report (Various Years), Registrar General of India.
(U5MR and NMR, 2000, 2015 and 2020): Sample Registration System Annual Statistical Report (Various Years), Registrar General of India.
(U5MR and NMR, 2005 and 2010): UN Inter-agency Group for Child Mortality Estimation, UNICEF (childmortality.org); WHO..

strategies included decentralised planning and management at the village and district levels, by training and enhancing the capacity of Panchayati Raj Institutions (PRIs) to manage, control and oversee public health services. The mission also introduced a female community health activist in each village—the Accredited Social Health Activist (ASHA)—and prioritised the strengthening of public health infrastructure, particularly at the village, primary and secondary levels. Additional components included the mainstreaming of indigenous systems of medicine under AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy), the expansion of public-private partnerships (PPPs), efforts towards regulating the private sector, and the introduction of social insurance mechanisms.

Health system strengthening was to be supported through increased public funding, organisational and managerial reforms, the provision of untied funds at various levels, and greater autonomy in decision- making. Decentralised planning was to be operationalised through district health plans, alongside institutional mechanisms such as Rogi Kalyan Samitis for hospital management, village health and sanitation committees (VHSCs) and processes of community-based monitoring (Hota and Dobe 2005; Taneja 2005). Another important component was the 'Janani

Suraksha Yojana' (JSY), a conditional cash transfer programme designed to incentivise institutional deliveries among women from lower socio-economic groups (Kumar 2005).

Alongside these developments, the late 2000s witnessed another significant conceptual shift that moved away from the PHC approach; the introduction of Universal Health Coverage/Care (UHC).[8] This shift increasingly positioned health insurance as a central mechanism for financing and accessing healthcare, as discussed in detail in Chapter 10. In 2010, the erstwhile Planning Commission constituted a High-Level Expert Group (HLEG) on UHC to develop a framework for its implementation over two or three plan periods (Government of India 2011). The HLEG defined universal healthcare as 'equitable access to all Indians to affordable, accountable, appropriate healthcare services...delivered to individuals and populations, with the government being the guarantor and enabler, although not necessarily the only provider of healthcare and related services' (Government of India 2011). Significantly, the HLEG also recommended that general taxation should be the principal source of healthcare financing and that no user fees should be levied for health services.

These competing and, at times, contradictory policy directions were subsequently consolidated through the launch of the Ayushman Bharat Mission in 2018. The mission comprises two principal components: Health and Wellness Centres (HWCs), intended to strengthen comprehensive primary healthcare through improved human resources, drugs, and diagnostics at the primary level; and the Pradhan Mantri Jan Arogya Yojana (PMJAY), a health assurance scheme that has, in practice, assumed greater prominence. Urban health infrastructure, meanwhile, remained fragmented and institutionally diffuse, involving multiple agencies such as municipal corporations, state government departments, and Union government schemes, including the Central Government Health Scheme (CGHS) and Employee State Insurance Corporation (ESIC). The National Urban Health Mission (NUHM) was launched in 2012 to address the healthcare needs of the urban Indian population, and in 2013, the NRHM and NUHM were subsumed under the National Health Mission (NHM).

8 Universal healthcare may refer to the provision of good-quality health services to the entire population as a right, irrespective of ability to pay, social status or place of residence, through a publicly funded national health service system. These principles have been a central feature of welfare states and of the planning process in India since the 1940s. They also include a central role for the government in healthcare, a public commitment to collective responsibility and redistribution, public values supporting health equity and solidarity, a well-functioning health system providing financial protection and a range of services, financing through general taxation, and provision through an efficient, predominantly horizontal health system rather than a 'vertical' one. However, in recent times, 'universal healthcare', 'universal health coverage' and 'universal access to healthcare' are often used interchangeably to refer to systems that provide or ensure these benefits largely through health insurance. In its ideal form, UHC is not merely about extending the existing healthcare system to cover the entire population, but about transforming it into one in which healthcare is available to all as a right rather than as a commodity, as part of the broader goal of achieving 'health for all' (see Gaffney 2013; Bump 2015).

Health Policy Milestones

1946
Bhore Committee
proposed the development of integrated health units.

1978
Alma Ata Declaration
with the call for 'Health for All by 2000 AD' defined PHC not only as a 'level of care' but also as an 'approach to health systems development'.

1983
National Health Policy
to establish comprehensive primary health care

1993
World Development Report Investing in Health Report
the State should retain an overall stewardship role in the health sector but need not remain a direct provider of services

2005
National Rural Health Mission with the objective of strengthening public health management and service delivery, introduced the ASHA programme

2011
High-Level Expert Group developed a framework for the implementation of UHC

2013
National Health Mission
Integrated the National Urban Health Mission (NUHM) (launched in 2012) and the NRHM

2017
National Health Policy
set a goal of public health expenditure of 2.5% of GDP by 2025

2018
Ayushman Bharat Mission
introduced the PMJAY health assurance scheme and Health and Wellness Centres for comprehensive primary health care

9.2 Transformations in the private healthcare sector

While the public healthcare services did not expand as envisaged, there was, contemporaneously, substantial growth of the private sector across multiple domains, including medical care, medical education and training, medical technology and diagnostics, and pharmaceutical manufacturing (Nandraj et al. 2001; Baru 1998). A central component of health sector reforms in India has been the active promotion of the private sector as an alternative to public provisioning, and arguably at its cost (Prasad 2024). This has facilitated its expansion across the country, as well as its integration into government provisioning through PPPs. The share of hospitals within the private healthcare enterprises sector rose from 15 per cent in 2000–01 to 26 per cent in 2010–11, large-sized enterprises growing at a faster rate than small and medium-sized ones (Hooda 2015).

The scale of private sector enterprise is reflected in multiple indicators. Approximately 68 per cent of an estimated 15,097 hospitals and 37 per cent of nearly 6,25,000 hospital beds are in the private sector. In 2017–18, around 70 per cent of outpatient visits and 58 per cent of hospitalisations took place in private facilities. The sector now occupies a significant position not only in inpatient and outpatient care, but also in diagnostic services, pharmaceutical production, and the education and training of human resources for health (Selvaraj et al. 2022).

Since the 1990s, this sector has undergone a further transformation characterised by corporatisation and financialisation, leading to the emergence of a large healthcare industry (Government of India 2017; Chakravarthi et al. 2023, 2017). It has increasingly attracted both domestic and global investment, with projections indicating continued growth at an annual rate of 8 per cent, from US$ 98.98 in 2023 to US$ 193.59 billion by 2032 (Sarwal et al. 2021; IBEF 2025). Corporate hospitals have introduced new forms of healthcare provision for certain patient groups and have also influenced practices and expectations across the wider sector. The increasing centrality of profit in healthcare delivery has implications for patterns of medicalisation and tertiarisation, with consequent escalation of costs (Prasad 2024).

At the same time, regulation and protection of patients against irrational and unnecessary medical practices, drugs, and diagnostics remain incomplete. Although the Clinical Establishments (Registration and Regulation) Act was enacted in 2010 to regulate the sector, its adoption and implementation vary considerably across states (Shukla 2025; Nandraj, Gupta and Randhawa 2021; Keshri 2018). In practice, many private facilities— particularly corporate hospitals—prefer voluntary accreditation through national or international bodies such as the National Accreditation Board for Hospitals (NABH). Patients' rights continue to receive limited attention, despite recent efforts by civil society groups and the National Human Rights Commission to foreground them (NHRC 2019).

Key Health Indicators: Definitions & Formulae

FERTILITY

Crude Birth Rate (CBR)

Number of live births per 1,000 mid-year population in a given year.

(Live births during year ÷ Mid-year population) × 1000

Total Fertility Rate (TFR)

Average number of children a woman would bear if she survived childbearing age (15–49) at current age-specific rates.

$5 \times \Sigma$ *ASFR (ages 15–49) ÷ 1000*

Quick Reference

CBR
Live births / 1,000 pop

TFR
Avg children / woman

MORTALITY

Crude Death Rate (CDR)

Number of deaths per 1,000 mid-year population in a given year.

(Deaths during year ÷ Mid-year population) × 1000

Infant Mortality Rate (IMR)

Deaths of infants under 1 year per 1,000 live births in a given year.

(Infant deaths ÷ Live births) × 1000

Neo-natal Mortality Rate (NMR)

Deaths of infants aged less than 29 days per 1,000 live births. Comprises early (<7 days) and late (7–28 days) NMR.

(Infant deaths (<29 days) ÷ Live births) × 1000

Under-5 Mortality Rate (U5MR)

Number of deaths per 1,000 mid-year population in a given year.

P(death before age 5) per 1,000 live births

Quick Reference

CDR
Deaths / 1,000 pop

IMR
Infant deaths / 1,000 births

NMR
Deaths <29 days / 1,000

NMR
Deaths before age 5 / 1,000

Life expectancy
Avg years of life at birth

Life Expectancy at Birth (e_0)

The average number of years a newborn is expected to live if current age-specific mortality rates prevail throughout its life. Derived from life tables constructed using age-specific death rates from the SRS.

Key Health Indicators: Definitions & Formulae

HEALTH FINANCING

Total Health Expenditure (THE)

Current and capital expenditures incurred by Government and Private sources including External funds. Expressed as % of GDP (relative to economic output) or per capita (per person).

Gov't + Private + External expenditure

Current Health Expenditure (CHE)

Recurrent (operational) expenditures for healthcare purposes, net of all capital expenditures. CHE as % of THE indicates operational spending that impacts health outcomes in that particular year.

THE – Capital expenditures

Out of Pocket Expenditure (OOPE)

Expenditures directly made by households at the point of receiving healthcare. Expressed as % of THE — low government health expenditure often implies high dependence on household OOPE, which is a key equity and financial protection concern. Based on SHA 2011 framework.

Direct household payments at point of care

Catastrophic Health Expenditure

When annual household expenditure on health as a proportion of total annual household consumption expenditure crosses a threshold then it is called Catastrophic Health Expenditure. In practice, Catastrophic Health Expenditure is calculated at three thresholds — at 10 per cent, 25 per cent and 40 per cent.

Quick Reference

THE
Total health spend

CHE
Recurrent health spend

OOPE
Household direct payments

Sources

CBR · TFR · CDR · IMR · NMR · U5MR · Life Expectancy

Sample Registration System Reports, Registrar General of India, Office of the Registrar General & Census Commissioner, India, Ministry of Home Affairs, Government of India.

THE · CHE · OOPE

National Health Accounts Reports, National Health Systems Resource Centre (NHSRC), Ministry of Health and Family Welfare, Government of India.

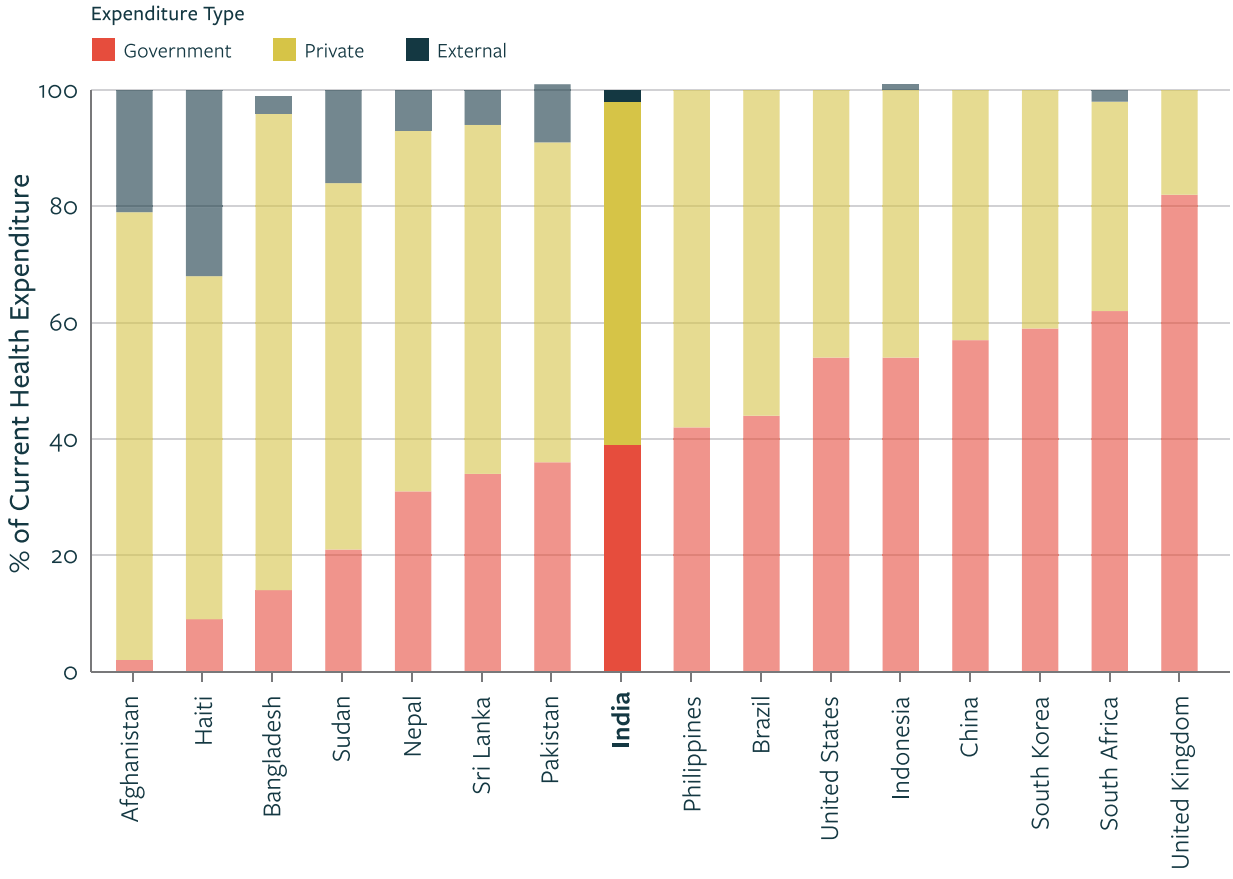
9.3 National Health Mission: Trends and status

9.3.1 Financial resources

If the public health system is to achieve the objectives outlined in the preceding sections—particularly equitable access for marginalised and vulnerable populations, without user charges at the point of care—it requires substantial financial investment. Estimates of required public spending typically range from 5–6 per cent of gross domestic product (GDP) in WHO reports (WHO 2010) to at least 2.5 per cent in Indian policy discussions, including those of the HLEG, with a proposed increase to 3 per cent by 2022. Commitments to allocate 2.5 per cent of GDP have also appeared in political party manifestos and government policy documents. Actual public expenditure, however, remains well below these levels, consistently under 2 per cent of GDP, with current estimates at around 1.8 per cent (PRS Legislative Research 2025).

The overall pattern of health financing continues to be characterised by a high reliance on out-of-pocket expenditure (OOPE), defined as direct household spending on healthcare, including in-patient costs, transport, registration fees, food, and lodging, which accounted for approximately 60 per cent of total health expenditure in 2023 (Global Health Expenditure Database: WHO 2023). Although the share

Figure 9.3: Public and private split in the total health expenditure

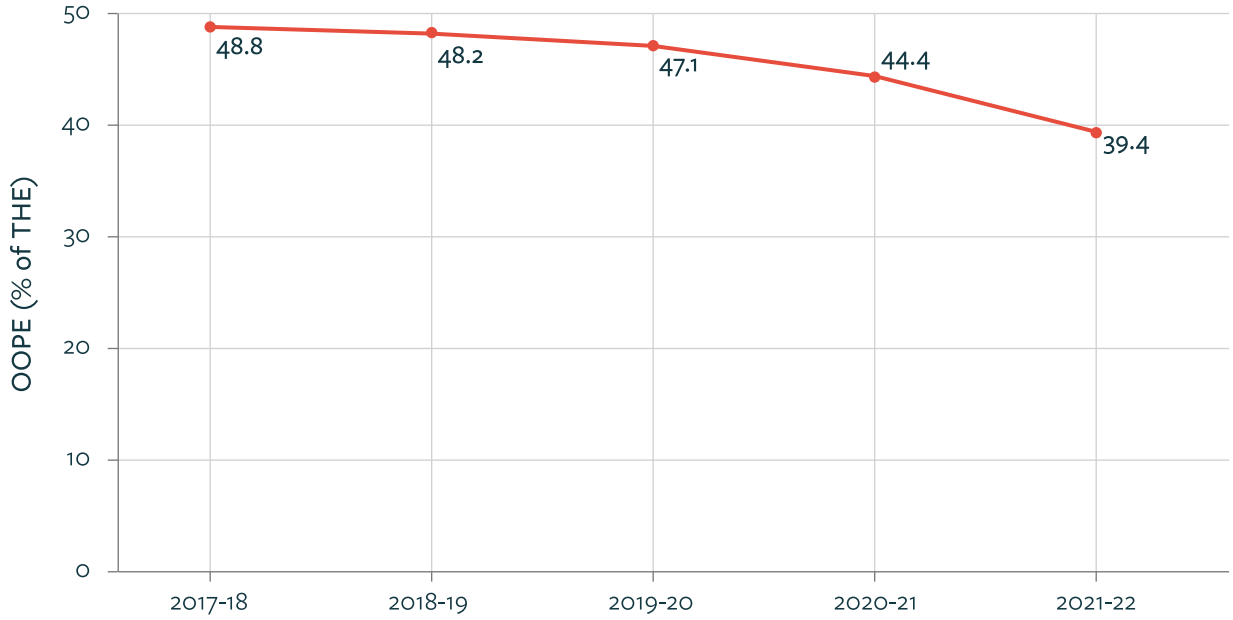


Sources and notes: 2023 Global Health Expenditure Database, WHO, via World Bank. Values for some countries may not sum to exactly 100% due to rounding in the source data.

of private expenditure has declined over time, absolute per capita spending has continued to rise (Figures 9.4 and 9.5), suggesting that total expenditures on health have only increased, whether out of pocket or by government, indicating an overall increase in total health expenditure.

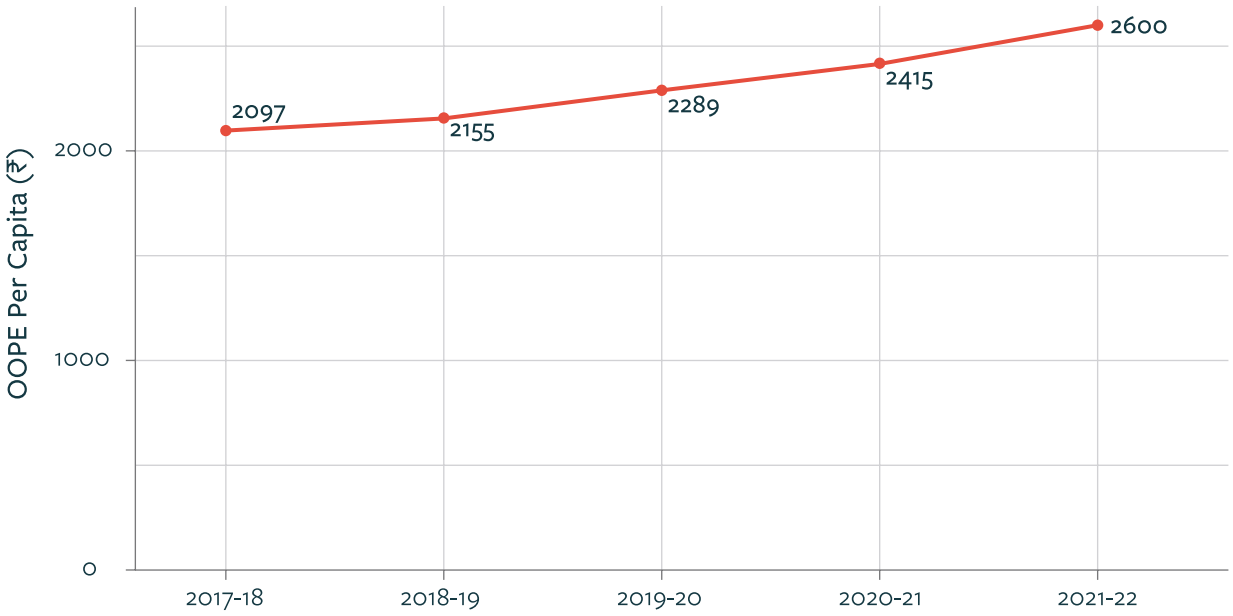
There are also significant variations across states in both OOPE and per capita health expenditure (Figures 9.6 and 9.7). These differences do not necessarily correspond to variations in health needs or outcomes, but instead reflect a range of factors, such as access to services and patterns of health-seeking behaviour

Figure 9.4: OOPE as a percentage of total health expenditure



Sources and notes: National Health Accounts Reports (various years), National Health Systems Resource Centre, Ministry of Health and Family Welfare

Figure 9.5: Per capita OOPE (₹)

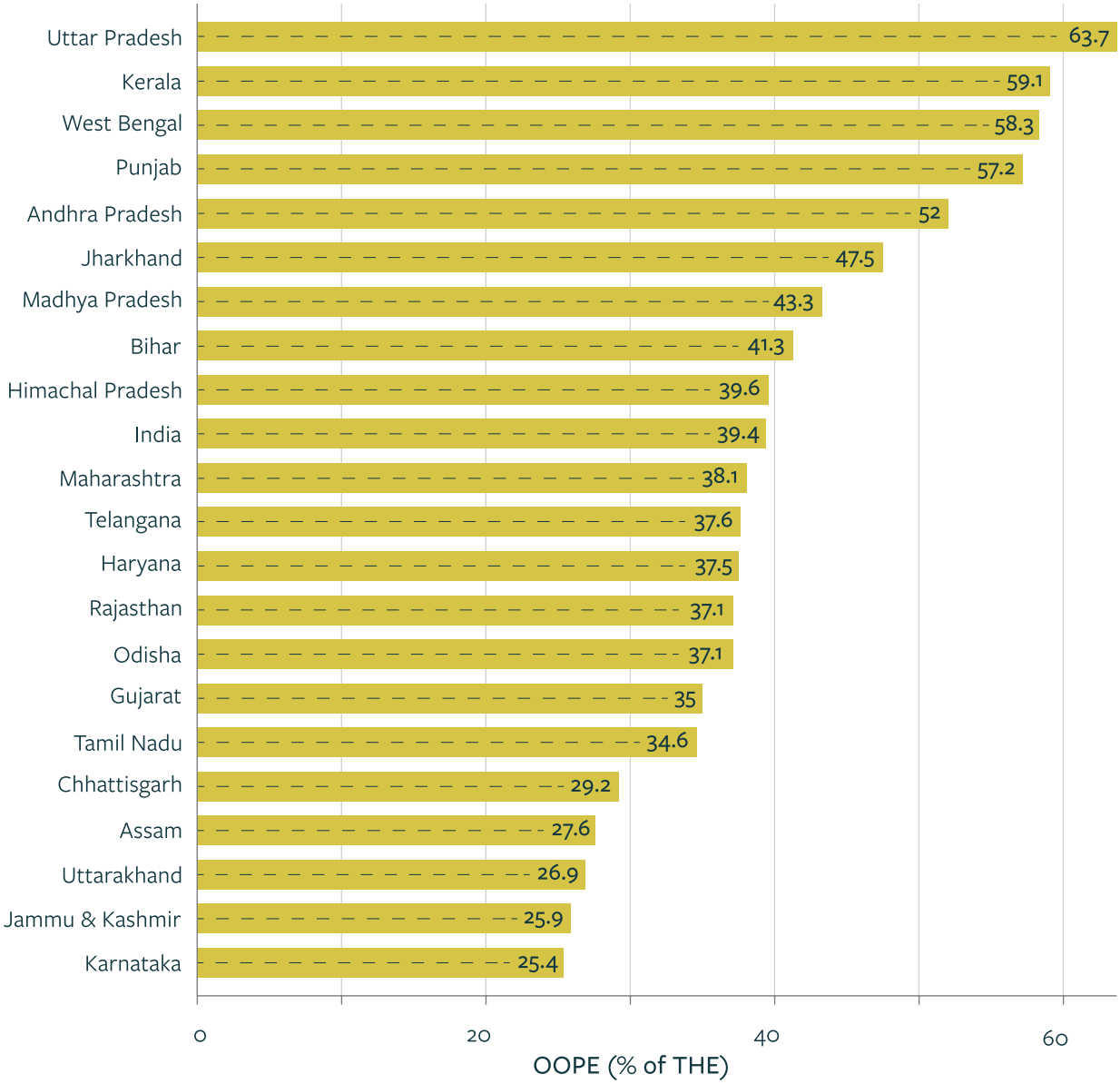


Sources and notes: Per year in current prices. National Health Accounts Reports (various years), National Health Systems Resource Centre, Ministry of Health and Family Welfare

shaped by poverty and other socio-economic conditions. For instance, Kerala records among the highest per capita health expenditures while also demonstrating relatively strong health outcomes, whereas Bihar has among the lowest per capita health expenditures alongside a high burden of disease and poorer health indicators. Even where states appear similar in proportional terms, underlying contexts differ substantially. Kerala and Uttar Pradesh, for example, both rank high in OOPE as a share of total health expenditure, yet differ sharply in absolute per capita spending (13,343 and 4,733 respectively for 2021–22) and health outcomes (IMR 6 and 37, respectively) (NHSRC 2023b; SRS Bulletin 2025).

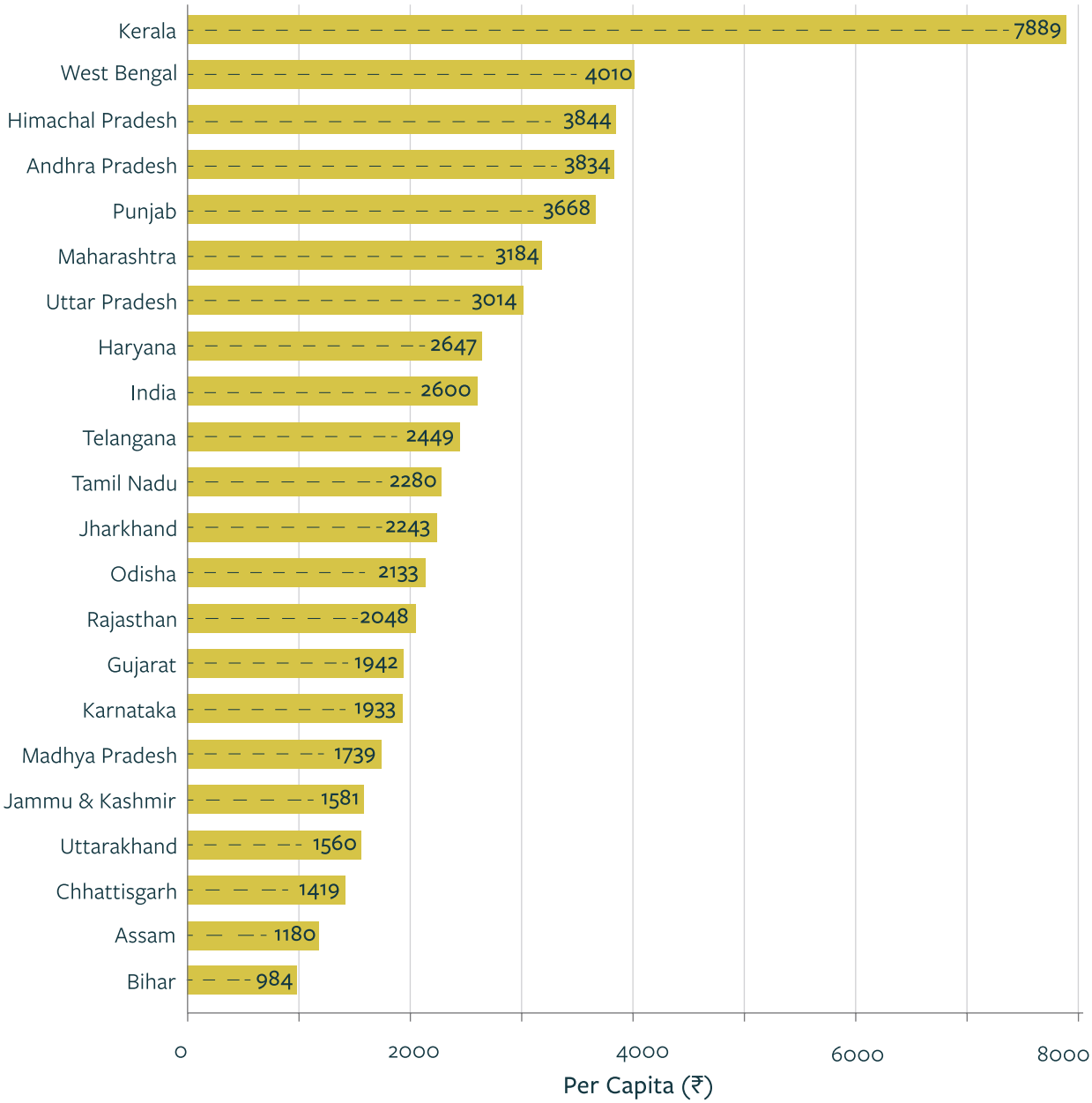
These patterns underscore the complexity of health expenditure trends, which cannot be interpreted in isolation from broader factors such as the availability of services, failures in preventive care, patterns of medicalisation, and the

Figure 9.6: State-wise OOPE as a percentage of total expenditure



Sources and notes: (2021–22) National Health Accounts Reports, National Health Systems Resource Centre, Ministry of Health and Family Welfare.

Figure 9.7: State-wise per capita OOPE



Sources and notes: (2021-22) National Health Accounts Reports, National Health Systems Resource Centre, Ministry of Health and Family Welfare

financial consequences of health-seeking behaviour, including indebtedness. Methodological limitations in measuring and comparing OOPE further complicate such analysis (Mukhopadhyay, Bose, and Kadarpeta 2025).

9.3.2 Catastrophic health expenditure

Catastrophic health expenditure is a critical metric used to assess the financial burden of healthcare on households. It refers to levels of medical spending that are sufficiently high to threaten a household's economic stability, often pushing families into poverty. It is defined in terms of annual household health expenditure exceeding specified thresholds—commonly 10 per cent or more—of total annual household consumption expenditure. These thresholds signal varying degrees of

financial stress, with higher levels indicating severe consequences such as the depletion of savings and assets during episodes of ill health. The implications of such expenditure are unevenly distributed, as similar levels of OOPE may be absorbed differently across income groups. Data on catastrophic health expenditures in India remain limited. One available analysis, based on National Sample Survey (NSS) Household Consumption on Health (2017–18) conducted by the Ministry of Statistics and Programme Implementation, points to a concerning situation (see Table 9.2). The estimates capture the proportion of households incurring health expenditure at 10 per cent, 25 per cent, and 40 per cent thresholds, disaggregated by caste.

9.3.3 Staffing and gaps

The functioning of the health system is critically dependent upon the availability of skilled human resources. Policy concerns in this area pertain to increasing contractualisation and informalisation of a wide range of health personnel, including doctors and nurses. Simultaneously, persistent staffing gaps continue to affect the public health system, despite a fair output from the medical education sector, much of which is subsidised by the government. Estimates indicate that, in 2020, the staffing gap stood at 11.5 per cent for allopathic doctors, 60 per cent for specialists, and 19 per cent for nurses and pharmacists (Kumar and Sarwal 2022). A recent scoping review (Mehta et al. 2024) notes that India has a density of 20.6 doctors, nurses, and midwives per 10,000 population, compared to the WHO benchmark of 44.5. State- and rural-urban differentials are well established, and this ratio does not adequately capture conditions in geographically remote and underdeveloped areas. For instance, a recent state- and district-wise report by the National Health Systems Resource Centre (NHSRC 2023b) presents a complex and wide-ranging picture, a few snapshots of which are summarised in Table 9.3.

Table 9.2: Catastrophic health expenditure at three thresholds

Caste	Percentage of Households facing CHE at three thresholds		
	10 Percent	25 Percent	40 Percent
Scheduled Tribes (ST)	23.44	10.29	5.7
Scheduled Castes (SC)	31.82	14.61	8.64
Other Backward Classes (OBC)	37.85	17.83	10.82
Others	42.58	20	12.07
Total	36.92	17.24	10.36

Sources and notes: Household Social Consumption on Health (2017–18), National Sample Survey, Ministry of Statistics and Programme Implementation. When annual household expenditure on health as a proportion of total annual household consumption expenditure crosses a threshold then it is called Catastrophic Health Expenditure. In practice, Catastrophic Health Expenditure is calculated at three thresholds — at 10%, 25% and 40%.

Table 9.3: Percentage vacancies as per NHM sanctions for select states

State	MO (MBBS) Regular	MO (MBBS) Contractual	Specialist Regular	Specialist Contractual
Karnataka	43	43	22	36
Chandigarh	36	9	3	17
Manipur	33	71	49	0
Assam	32	7	0	40
Mizoram	8	6	0	30
Bihar	2	76	61	81
Tamil Nadu	2	4	5	23
Chhattisgarh	0	55	68	66
Kerala	0	2	7	32

Sources and notes: National Health Systems Resource Centre, Ministry of Health and Family Welfare 2023.

Even state-level data often fails to reflect the concentration of personnel in urban centres relative to remote areas, with limited availability of state-level mapping per facility in the public domain or within state systems (Prasad, Hegde, and Prasad 2022). Qualitative studies examining recruitment and retention challenges remain limited but are consistent in identifying a common set of factors; migration, 'brain drain', inadequate salaries, poor working conditions, lack of basic amenities, constraints related to children's education, limited potential for post-graduate training and career advancements, and perceived arbitrariness in transfer policies (Mehta et al. 2024; Murthy et al. 2012; Kadam et al. 2012, Rao et al. 2013).

Some of these long-standing issues have been addressed through task-shifting and related measures. These include the expansion of PHC services through health and wellness centres, now termed Ayushman Arogya Mandirs (AAMs), staffed by Community Health Officers (CHOs) drawn from the nursing cadres or AYUSH practitioners. Certain states have also experimented with alternative cadres, such as the Rural Medical Assistants (RMAs) in Chhattisgarh (WHO 2022). Telemedicine has been proposed and, in some instances, adopted as a means of improving access to specialist care, including within AAMs (Prasad, Hegde, and Prasad 2022). At the same time, the persistence of human resource constraints is frequently invoked to justify the expansion of private sector involvement in healthcare, with implications of the kind discussed in the previous section.

9.3.4 Community health workers: ASHAs

The creation of the ASHA cadre under the NHRM marked a significant institutionalisation of community-based health work, drawing on earlier state-level experiences such as the Mitanin programme in Chhattisgarh (Garg et al. 2023). Conceived as a mechanism for community participation and local accountability, the ASHA was intended to act as a link between the health system and the community. However, its implementation has resulted in ASHAs becoming responsible for the delivery of a wide range of health programmes at the community level (Mishra 2014), while remaining outside the formal health workforce, without any recognition, remuneration or social security as a formal health worker.[9] This was highly evident during the COVID-19 pandemic, when ASHAs played a vital role in providing relief and linking communities with the health system (Menon, Bisht, and Nair 2025), but received only symbolic recognition rather than any long-term security (Asthana and Mayra 2022).

According to the ASHA update (NHSRC 2023a), nearly one million ASHAs are engaged under the NHM, with only about 80,000 in urban areas. Their compensation consists of a fixed remuneration of ₹2000 per month supplemented by task-based incentives across more than 70 activities. While some state governments provide additional financial support through top-ups or fixed honoraria—such as ₹10,000 per month in Andhra Pradesh, and an additional ₹6000 from state funds in Kerala—these arrangements vary across states. At the same time, ASHAs face constraints in exercising their role as 'activists', with instances of being warned or threatened when raising concerns within the system. Not surprisingly, this cadre faces significant economic, mental and physical stress (Raman 2025; Kalia 2025; Gurjar and Raman 2023; Shrivastava et al. 2023), and has repeatedly mobilised in protest, demanding regularisation as employees of the public health system (Saha 2025; Padanna 2025; The Hindu Bureau 2025; Karmakar 2023).

9.3.5 Status of healthcare facilities

The tiered system of healthcare facilities discussed in earlier sections is central to ensuring access, continuity of care, and the delivery of comprehensive PHC. The current status of functional facilities, based on government data (Government of India 2024) as of 31 March 2023, indicates persistent gaps in both availability and infrastructure.

In rural areas, there is an overall shortfall of 22 per cent for SCs, 30 per cent for PHCs, and 36 per cent for CHCs. In addition, several facilities continue to operate under suboptimal conditions: 52,116 SCs (rural), 1,882 PHCs (rural), and 78 CHCs (rural) function from rented buildings. Basic infrastructure deficits remain significant, with 3.8 per cent of rural PHCs lacking electricity and 4.6 per

9 See *Behanbox*, '20 years of ASHAs' series, for ground reports on ASHA workers.

Table 9.4: Number of government healthcare facilities

Facility	Total	Urban	Rural
Sub-centres (SCs)	169615	3976	165639
Primary health centres (PHCs)	31882	6528	25354
Community health centres (CHCs)	6359	868	5491
Sub-district hospitals	1340	NA	NA
District hospitals	714	NA	NA
Medical colleges	362	NA	NA

Sources and notes: Health Dynamics of India (Infrastructure and Human Resources) 2022–23, New Delhi: Statistics Division, Ministry of Health and Family Welfare.

cent lacking regular water supply, despite expectations of round-the-clock functioning. Further, 7.5 per cent of facilities lack an approach road, and 72.6 per cent do not have access to computers. Urban infrastructure presents a comparable set of challenges. The report notes a shortfall of 36.7 per cent in urban PHCs, with 2,093 facilities operating from rented premises. At the same time, the data also indicate an overall increase in the number of facilities between 2005 and 2023, reflecting expansion in physical infrastructure. However, this increase coexists with persistent shortfalls and infrastructural deficiencies, suggesting that expansion has not fully translated into functional adequacy.

9.3.6 Health and wellness centres and AAMs

The introduction of AAMs under the Aysuhman Bharat Yojana, represents an effort to operationalise comprehensive primary health care through the upgrading of sub-centres and select primary health centres, alongside an expansion of service packages. This includes the addition of diagnostic services and free medicines at both sub-centre and PHC levels, as well as the incorporation of a broader range of care areas extending beyond reproductive and child health to communicable and non-communicable diseases, and, in principle, to dental, ophthalmic, mental and geriatric services.

The scale of implementation has been substantial, with 1,78,868 AAMs as operational as of 18 August 2025 out of 2,01,497 sub-centres and PHCs. However, aggregate expansion provides limited insight into the extent to which these centres are able to deliver the full range of envisaged services. Existing studies point to the potential of well-functioning HWCs to provide comprehensive care (Tripathi et al. 2024). At the same time, this potential remains unfulfilled by limited progress across

several domains critical to their functioning (Tiwari et al. 2025; Prasad, Kumar, and Bharati 2024; Government of India 2022).

9.4 Conclusion

As with other sectors shaping the social determinants of health, including employment (EMCONET 2007), and areas such as education, water, sanitation and nutrition (CSDH 2008), the organisation of health systems reflects competing paradigms: healthcare as a right to be ensured by the state, versus health as a commodity produced by a profit-making industry. Even within the role of the state, a further distinction persists between welfare-oriented provision, often viewed as residual or temporary (Khera 2025), and a rights-based approach with enforceable state accountability. The Indian health care system has long remained positioned between these approaches, marked by a constant push towards privatisation alongside a continuing political imperative to provide services to populations unable to afford private care. This has resulted in a dual trajectory, with some improvements in public provision coexisting with substantial subsidies and incentives to the private sector. As discussed in Chapter 10 on insurance schemes, the expansion of social insurance mechanisms has further enabled the transfer of public resources to private providers, with patients bearing costs both as taxpayers and through out-of-pocket expenditures.

This trajectory raises several concerns, including escalating costs of care, fragmentation and lack of continuity, overmedicalisation, and the prevalence of irrational or unethical practices in a context of limited regulation. Within this debate, questions also arise regarding the role of user charges in the public system, which evidence suggests create barriers to access, particularly for the most vulnerable (Robert and Ridde 2013; Piatti-Fünfkirchen, Hashim, and Yoo 2020). A relatively underemphasised dimension within these debates is decentralisation and the role of local governance in shaping health systems. Experiences such as Kerala's use of the PRIs, supported by capacity-building efforts through agencies like Kerala Institute of Local Administration (KILA) (Rajesh and Thomas 2013; Niti Ayog 2023), point to alternative institutional arrangements that enable greater local accountability and community participation.

Another critical area concerns the status of the health workforce, including frontline workers. Across cadres, there has been a sustained tendency towards contractualisation and informalisation, despite the system's reliance on a stable and skilled workforce. This suggests a systematic effort to limit obligations related to social security and labour rights, with implications for both workforce conditions and quality of care, and contributing to persistent staffing gaps. The chapter also highlights the lack of critical data to comprehensively assess these processes, including the outcomes of three decades of health sector reforms (HSRs)

in terms of efficiency, equity, universal coverage, sustainability, and desired health outcomes. The COVID-19 pandemic exposed these gaps: public sector limitations reflected long-standing resource constraints (Nimavat et al. 2022), while failures in the private sector took the form of service denial, overcharging, price gouging and profiteering, inadequate protection to healthcare workers, and lack of transparency (Marathe et al. 2023; George et al. 2023; Wiliams, Yung, and Grépin 2021; Thiagarajan 2020).

In summary, the organisation of healthcare delivery ultimately depends on the extent of public investment in a predominantly public, not-for-profit system. Such investments would need to be accompanied by governance reforms, including decentralisation, regulation of the private sector, protection of patients' rights, grievance redressal mechanisms, and strengthened community participation, to achieve universal coverage with quality.

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Studio/28-10-49,A28a(i) A doctor examining a child in the Co-operative Health Centre, Delhi, run by the Ministry of Relief and Rehabilitation.
Public Resource via Internet Archive

Government-funded Health Insurance: Does Coverage Mean Care?

The Indian healthcare system has long faced poor public investment and high out-of-pocket expenditures (OOPE). From 2005 onwards, many state governments initiated government-funded health insurance schemes (GFHIs) towards improving access to healthcare and reducing OOPE. This culminated in the launch of the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) in 2018, a central scheme providing insurance coverage of up to ₹5 lakh per household per year for hospitalisation expenses for the bottom 40 per cent of the population. Existing evidence points to several limitations of GFHIs, including the persistent burden of OOPE, exclusions, induced demand, inequitable access and shift of public resources to the private sector. Given that insurance schemes are rife with market failures, expanding and strengthening the public health system for universal and equitable access to healthcare should be the priority.

CHAPTER 10

Government-funded Health Insurance: Does Coverage Mean Care?

Indranil and Richa Chintan

The history of post-independence health policy-making in India has been marked by the retention of elite interests alongside attempts to address the health needs of the majority. Until the 1980s, while the publicly provided health system remained urban-biased and tertiary care-oriented, there was a gradual expansion of primary and secondary care in rural areas through public investments. Formal, market-based provisioning through western medicine could not penetrate beyond metropolitan cities due to limited purchasing power and the reluctance of the elite medical fraternity to serve rural India. The private sector was largely characterised by unskilled or semi-skilled informal providers and practitioners of Indian systems of medicine. The social health insurance programme, the Employees' State Insurance Scheme (ESIS), despite a strong beginning, could not expand significantly, as most of the workforce remained in the informal sector.

Thus, for the overwhelming majority, the tax-funded and publicly provided system remained the only viable option. Although there were efforts to expand

public healthcare delivery, this expansion remained skeletal, underfunded, poorly governed and largely unaccountable to people. The state continued to serve elite interests while promoting market penetration through measures such as subsidised medical education, tax exemptions and concessional land allocation for private providers. Neo-liberal reforms, strongly promoted by multilateral institutions and wholeheartedly supported by ruling elites, advocated reductions in public health expenditure (Indranil 2024; Duggal 1997). This led to a decline in the quality of care in public systems and pushed the middle classes towards private healthcare, thereby creating further space for private sector expansion. As a result, costs increased and inequalities in access to care widened.

The consequences of these neo-liberal reforms were clear: growing inequities in access, rising out-of-pocket expenditure (OOPE), weakening public provisioning and the expansion of an organised healthcare market (Indranil 2024). Globally, it became evident that healthcare markets fail to deliver affordable healthcare for all (Sen 2002). Even multilateral institutions formally recognised these market failures. In response, the World Health Organisation (WHO) advanced the concept of Universal Health Coverage (UHC) (World Health Assembly 2005), placing emphasis on financial risk protection and expanded risk pooling. Efforts to ensure financial protection require progressive health financing arrangements with three core elements: risk pooling, prepayment and cross-subsidisation. Since healthcare needs are uncertain and often associated with high costs, leaving households to manage expenses independently leads to under-consumption of care, delayed treatment, avoidable mortality and financial distress.

Risk pooling and prepayments are effective mechanisms to protect individuals from catastrophic health expenditure, while cross-subsidisation introduces progressivity into financial arrangements (Culyer and Newhouse 2000). Risk pooling—the aggregation of individuals with varying levels of health risk— constitutes the core 'insurance' function. Financing mechanisms like social health insurance (SHI) and private health insurance (PVHI) explicitly operationalise this function by pooling risk across enrolled populations. However, contrary to the common perception that risk pooling is limited to formal insurance models, tax-funded systems that provide healthcare directly to all citizens also inherently incorporate risk pooling and cross-subsidisation (Roberts et al. 2008). Government-funded health insurance schemes (GFHIs), such as Pradhan Mantri Jan Arogya Yojana (PMJAY), represent a hybrid model combining tax-based financing with insurance mechanisms. These schemes are funded through general revenues and operate by reimbursing healthcare providers—primarily in the private sector—for predefined 'care packages'. While most GFHIs are targeted at poorer and vulnerable populations, some states have extended coverage to broader populations, often with contributory elements.

This chapter begins with a discussion of market failures in healthcare, given their relevance to GFHIs. It then traces the historical trajectory of the health insurance schemes in India, with a particular focus on GFHIs. The subsequent sections critically examine their impact on access, financial protection and potential health system outcomes.

10.1 Market failures in healthcare

Market failure is the norm in healthcare rather than the exception. Significant uncertainties surround illness episodes, the nature of treatment required and treatment outcomes. As a result, individuals tend to under-save for future health events and prioritise current consumption. When healthcare is left to the market, it leads to under-consumption and substantial inequities (Arrow 1963). Insurance mechanisms emerge as the market response to such uncertainty. By pooling individuals with varying levels of risk through prepayment mechanisms, insurance ensures access to care without immediate financial burden. However, the insurance function is not confined to formal insurance schemes; prepayment and risk pooling are also embedded in tax-funded, publicly provided systems. When insurance functions are left to the market, new forms of market failure arise, most notably moral hazards and adverse selection. In voluntary insurance schemes, individuals with a higher probability of falling ill are more likely to enrol. However, for such schemes to remain viable, risk pools must include a substantial proportion of healthy individuals. To attract healthy individuals into pools with higher-risk members, premiums must remain affordable. Yet healthier individuals are often unwilling to pay higher premiums and instead prefer less comprehensive, lower-cost plans. Thus, what is desirable from the perspective of those most in need is often not realised.

Insurance providers, in turn, have incentives to enrol healthier individuals and exclude high-risk populations. This results in suboptimal plans and the systematic exclusion of those with greater need. This phenomenon is referred to as adverse selection, or 'crème skimming' (Culyer and Newhouse 2000). Insurance is also expected to bring down the price of direct healthcare consumption. If demand for healthcare is elastic,[1] a decline in price leads to higher consumption. In health economics, this phenomenon is described as 'moral hazard', though Pauly (1968) argued that it reflects normal consumer behaviour rather than an aberration (Arrow 1963). However, increased utilisation may include unnecessary care, leading to welfare loss.

The provision of unnecessary care is further reinforced by information asymmetry—another core feature of healthcare markets. Patients typically lack adequate information about their condition, the appropriate treatment and

1 Elasticity of demand refers to the change in demand in response to a change in prices. It is measured as the percentage change in demand divided by the percentage change in price.

expected outcomes. Consequently, they rely on healthcare providers, who act as agents in decision-making. As healthcare becomes more complex, this information gap widens, granting providers considerable power in the patient-provider relationship. When provider incentives are aligned with increased service provision, there is a risk of 'induced demand', whereby patients are encouraged to consume more care than necessary (Rice 1998). Under insurance arrangements, this tendency is amplified. Since patients bear only a portion of the cost, providers face fewer constraints in recommending additional care. Given that many treatment decisions rely on clinical judgement, unnecessary interventions may be justified in the name of improved outcomes or patient safety. Consequently, the boundary between essential care and induced demand gets blurred. In contexts where regulatory mechanisms are weak, these dynamics can also give rise to fraudulent practices.

The following sections examine the extent to which GFHIs in India address these market failures.

10.2 Historical trajectory of health insurance schemes in India

India has implemented mainly two SHI schemes: ESIS and the Central Government Health Scheme (CGHS) (apart from schemes implemented separately by the defence and railways). India has also witnessed a proliferation of GFHI schemes at both the national and state levels since 2003. The Yeshasvini scheme, introduced in 2003 in Karnataka, was designed for worker cooperatives, including members of rural co-operative societies, self-help groups (*stree shakti* groups) and their families (including joint families). The Rajiv Aarogyasri Scheme (RAS), specifically targeting the below poverty line (BPL) population in Andhra Pradesh, was introduced in 2007. The scheme became popular and was soon extended to almost the entire population. A snapshot of these schemes across states has been compiled by Vahab and Drèze (2025).[2] Many of these schemes, some of which were introduced as early as 2007, continue to operate alongside the Centre's PMJAY. In several cases, state schemes offer provisions and coverage that go beyond those under PMJAY.

The Rashtriya Swasthya Bima Yojna (RSBY), launched in 2008, represents a different approach. It was initiated by the Union government (Ministry of Labour and Employment) as a national health insurance scheme targeting the BPL population, with voluntary enrolment. Other notable state-sponsored schemes include the Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS)[3] in Tamil Nadu (2009) and Vajpayee Arogyashree (2009–10) in Karnataka.

PMJAY builds on earlier schemes and provides coverage of up to ₹5 lakh per household per year for hospitalisation. Introduced in 2018, it merged two

2 Vahab and Drèze (2025), Appendix on State Health Insurance Programmes.

3 Initially launched as *Kalaignar Kaappittu Thittam* in 2009. See Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS).

Scheme Name

Pradhan Mantri Jan Arogya Yojana (PMJAY)

Minimum entitlements

Health insurance of up to ₹5 lakh per year per household for hospitalisation services in empanelled public and private hospitals

Eligibility criteria

12 crore+ poor and vulnerable households based on the deprivation criteria of Socio-Economic Caste Census 2011 (SECC 2011), all senior citizens aged 70 years

Year of introduction

2018

Why this scheme?

To achieve Universal Health Coverage (UHC) and mitigate financial risk caused by the cost of medical treatment

ongoing centrally sponsored schemes: the RSBY and the Senior Citizen Health Insurance Scheme (SCHIS). Many states have integrated their existing schemes with PMJAY, often with enhanced provisions. Under PMJAY, states can choose from three modes of operation: 'insurance mode', 'trust mode' and 'hybrid mode'. In the insurance mode, the primary implementing agency is an insurance company. In the trust mode, the scheme is implemented by a state health agency (SHA), which directly reimburses healthcare providers. The hybrid mode involves a partnership between the SHA and one or more insurance companies.

The following sections assess the effect of GFHIs on the coverage of marginalised populations, OOPE and financial protection and emerging equity concerns. They also identify key design and implementation challenges, along with current theoretical challenges that constrain these schemes.

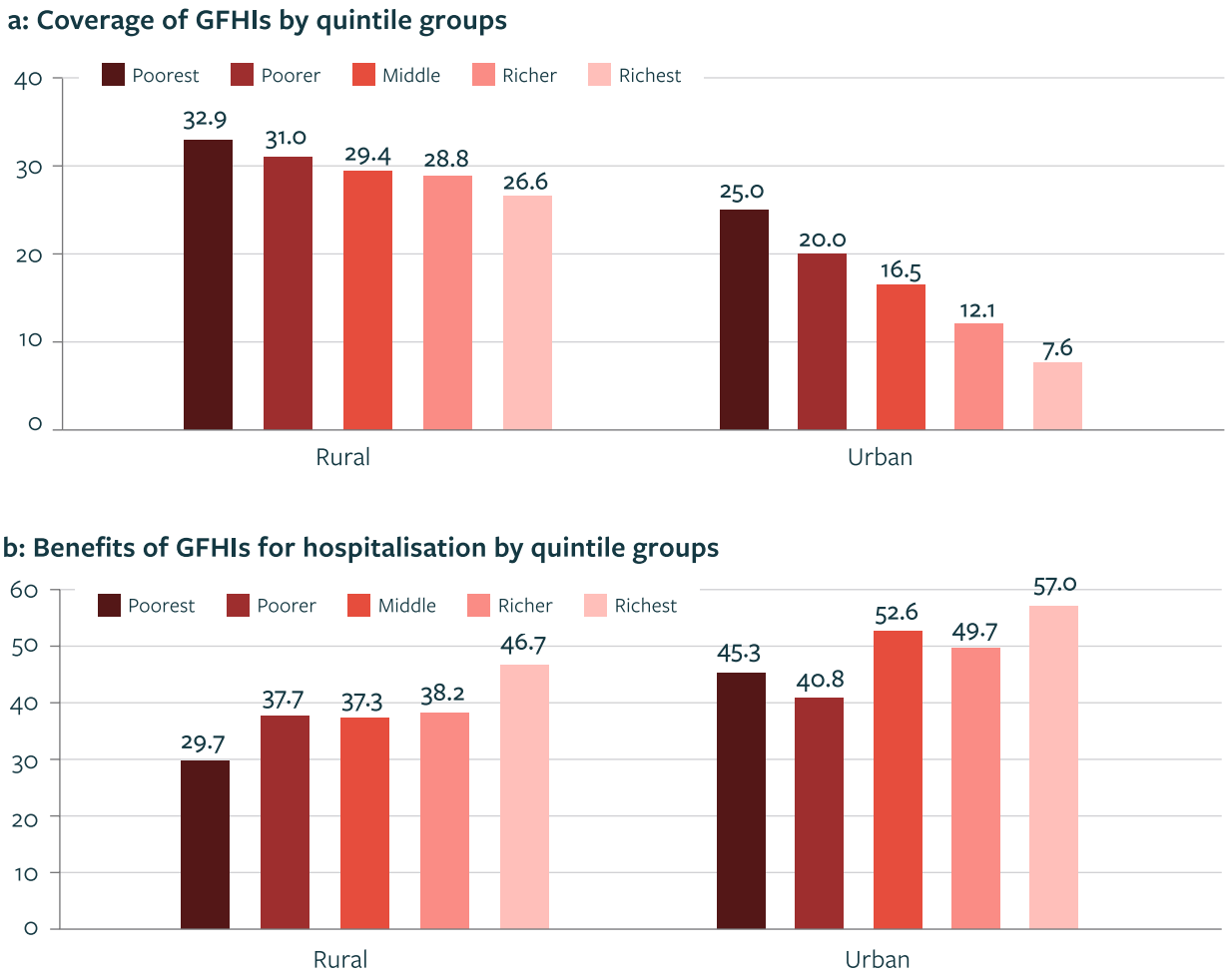
10.3 Notional coverage and exclusion of the needy

GFHI coverage has increased considerably over the last few years, particularly since COVID-19. Around 30 per cent of people in rural areas and 16 per cent in urban areas possess cards. Although official estimates suggest that almost 80 per cent of households are covered, such claims have been subject to scrutiny. The possibility of under-reporting in National Sample Surveys (NSS) cannot be ruled out (Vahab and Dréze 2025). Nevertheless, these schemes exclude a large proportion of the most marginalised sections of society, even though they claim to cover at least the bottom 40 per cent of the population. The NSS Consumer Expenditure Survey (CES) 2023 shows that, among the bottom 40 per cent of the rural population, almost two-thirds are not covered by the scheme (Ministry of Statistics and Programme Implementation 2024). In urban areas, 75–80 per cent of individu-

als in the bottom two consumption quintiles are not covered by GFHIs. Similarly, among *Antyodaya* cardholders, 72 per cent in rural areas and 80 per cent in urban areas are excluded. More than 60 per cent of those with priority ration cards in rural areas and 70 per cent in urban areas are not covered. Although these schemes are intended for individuals working in the unorganised sector, almost 80 per cent of casual labourers in urban areas and 74 per cent in rural areas remain excluded.

Moreover, there are significant variations across states. Coverage exceeds 25 per cent in states such as Jammu and Kashmir (72 per cent), West Bengal (69 per cent), Andhra Pradesh (65 per cent), Chhattisgarh (56 per cent), Odisha (49 per cent), Uttarakhand (40 per cent) and Rajasthan (28 per cent). In contrast, in states like Uttar Pradesh, Bihar, Maharashtra and Jharkhand, less than 5 per cent of the population is covered.

Figure 10.1: Coverage of GFHIs and benefits of the scheme: Rural and urban quintile groups (2022–23)



Sources and notes: Authors' estimation using NSS Consumer Expenditure Survey 2022–23. Figures in panel (b) estimated for those who are covered under GFHI and required hospitalisation

When a population or data set is divided into five equal groups, each group is referred to as a quintile. The first quintile represents the lowest values (0–20%), the next quintile includes the next 20% of values, and so on, with the last quintile representing the highest 20% of values (80–100%). Nomenclature for wealth quintiles here is based on NFHS, with 'poorest' referring to the first quintile and 'richest' to the last quintile.

A History of Social Health Protection in India

1948
Employee State Insurance Scheme (ESIS)
contributory scheme for formal sector workers

1954
Central Government Health Scheme (CGHS)
primarily for civil servants

1986
Mediclaim
started private sector participation in health insurance

2003
Yeshaswini
(Karnataka)

2007
Rajiv Arogyashri
(Andhra Pradesh)

2008
Rashtriya Swasthya Bima Yojana (RSBY) - for below poverty line (BPL) families

2009
Kalaignar Kaappittu Thittam
(Tamil Nadu)

2010
RSBY+ (Himachal Pradesh) and **Vajpayee Arogyashri** (Karnataka)

2010 - 2017
Over twenty state schemes

Studio/28-10-49,A28a(i). A child is being examined by the doctor.
Public Resource via Internet Archive

2018
Pradhan Mantri Jan Arogya Yojana (PMJAY)
- Government-funded
- Purchase healthcare from both public and private institutions
- Mainly limited to hospitalisation expenses
- Packages are identified and have fixed rates
- Managed through insurance agencies, government trusts
- Voluntary participation for marginalised and poorer sections

10.4 Inverse care law: majority with cards do not receive benefits

Despite being covered under GFHIs, only a miniscule proportion of individuals receive benefits at the time of hospitalisation. Among the rural and urban poor, a very small proportion benefits from the scheme. For instance, out of 100 individuals who are covered and require hospitalisation, only around forty benefit in urban areas and thirty-four in rural areas. Moreover, a higher proportion of individuals from better-off quintiles benefit from the scheme compared to their poorer counterparts (see Figure 10.1b). Among the bottom 20 per cent of the rural population, only twenty-nine out of 100 receive benefits, whereas for the top quintile, 47 per cent benefit. In urban areas, among the bottom two quintiles, only one-third of those who are hospitalised and possess cards receive benefits. Details shared by the government in response to a Lok Sabha question show that only 4 per cent of those admitted to private hospitals under PMJAY were Dalits and 1.6 per cent belonged to scheduled tribes (STs) (Chintan 2021). Essentially, a large proportion of the most deprived sections remains disproportionately excluded from the benefits of the scheme.

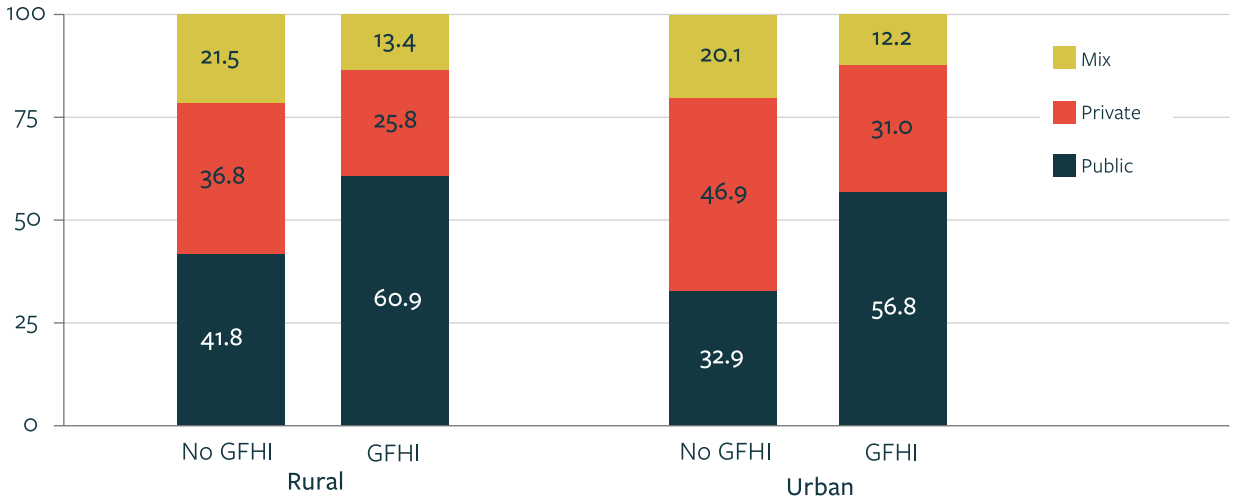
10.5 Crème skimming by the private sector

Another critical element of GFHIs is that a cardholder is entitled to free treatment in both public and private hospitals. Of those who were able to benefit from the scheme for hospitalisation, 26 per cent sought care in private hospitals and a further 13 per cent used both public and private hospitals in rural areas (see Figure 10.2). In urban areas, utilisation of private facilities is higher—around 31 per cent, with an additional 12 per cent using both sectors. An overwhelming majority of those covered by the scheme continue to depend on public hospitals in both rural and urban areas. Marginalised communities, including the poorest quintiles and individuals belonging to scheduled castes (SC) and STs, overwhelmingly seek care in the public hospitals. In fact, utilisation of public hospitals increases among these groups when they possess GFHI cards.

Another important finding is that, when GFHI cardholders seek care in private hospitals, only 29 per cent in rural areas receive benefits; in urban areas, the figure is around 32 per cent. Despite having cards, a large majority in both rural and urban areas are unable to avail themselves of the benefits of the scheme. In contrast, the proportion of patients receiving benefits in public hospitals is significantly higher.

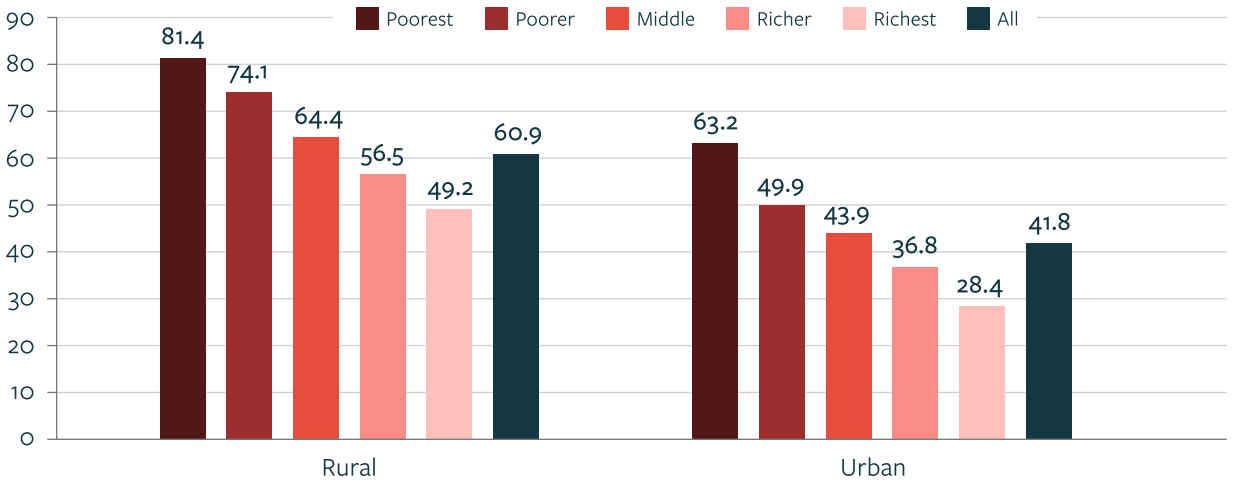
According to the National Health Authority, the technical body responsible for implementing the scheme, most private hospitals are empanelled for surgical packages and are more strongly oriented towards tertiary care (Di Dong et al. 2020). Private hospitals are also predominant in super-specialities such as cardiology, car-

Figure 10.2: Utilisation of public and private facilities among those with GFHI coverage and without coverage



Sources and notes: Authors' estimation using NSS Consumer Expenditure Survey 2022–23

Figure 10.3: Percent of GFHI card holders accessing public facilities for hospitalisation by quintile groups: 2022–23



Sources and notes: Authors' estimation using NSS Consumer Expenditure Survey 2022–23

diothoracic and vascular surgery and neurosurgery. Almost two-thirds of private hospital claims are for surgical packages (Di Dong et al. 2020). These services offer advantages over acute and emergency care due to greater predictability, cost rationalisation and profit margins.

This pattern reflects crème skimming–a practice in which private hospitals provide services only for more profitable conditions, while critical cases are refused and relatively low-risk patients are admitted (Zweifel 2009). This shifts critical and end-of-life care to the public sector. Under PMJAY, the private sector predominantly handles surgical packages such as cataract procedures, single-stent angioplasty and hip fracture treatment. A substantial share of life-saving, critical and cost-inten-

sive care continues to be provided by public hospitals. Despite this, nearly 75 per cent of the total claim value under PMJAY accrues to the private sector (Di Dong et al. 2020). Over time, these dynamic risks push the public health system towards non-profitable, cost-intensive care, thereby weakening it further.

10.6 Chimera of financial protection

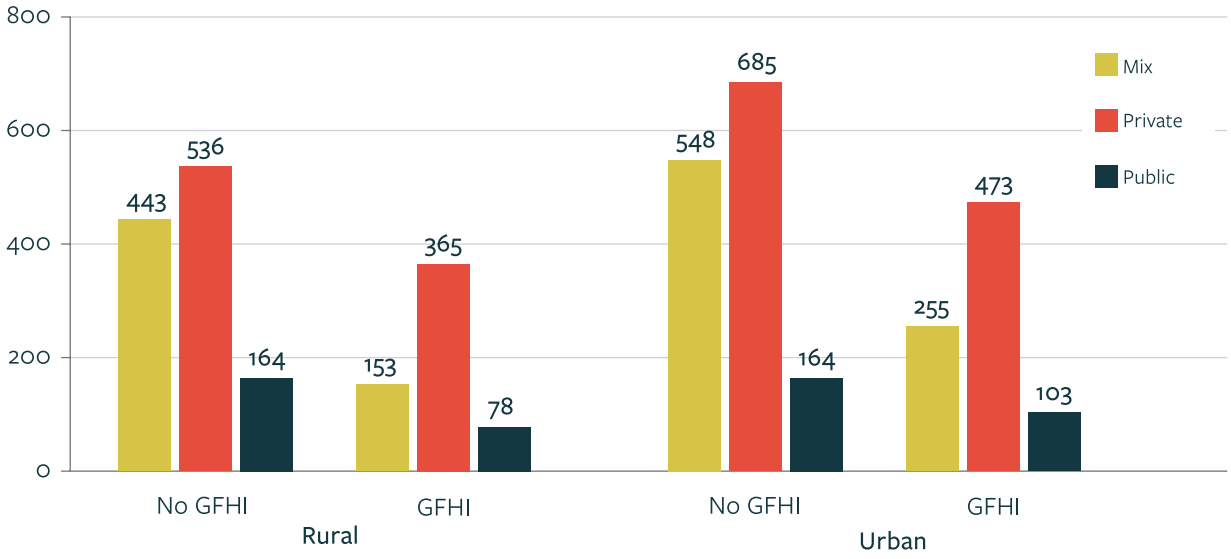
There is a plethora of evidence that GFHIs have limited or no effect on financial protection. Several studies on GFHIs in India, including those on the centrally funded RSBY, show that cashless insurance mechanisms have failed to reduce OOPE (Selvaraj 2012; Ranjan et al. 2018; Nandi and Schneider 2020). A systematic review by Reshmi et al. (2021) examines the impact of GFHIs on financial risk protection and healthcare utilisation. The review finds inconclusive evidence regarding financial risk protection, which is one of the stated objectives of GFHIs. It also reports limited evidence of any reduction in OOPE. A critical analysis of PMJAY by Kamath and Brand (2023) concludes that multiple impact evaluation studies of the RSBY and state GFHIs show little or no reduction in OOPE. GFHIs are also prone to double-charging, whereby hospitals charge patients for services, medicines or diagnostics that are already covered under the scheme, while simultaneously claiming reimbursement. Global evidence similarly suggests that GFHIs operating within private provider-dominated systems fail to reduce OOPE.

According to the NSS 75th round, per-episode hospitalisation expenditure has increased, particularly in the private sector, rather than declining (Indranil 2024). The NSS CES round 2022–23 further substantiates that households with GFHI cards incur higher expenditure than those who do not use them. GFHIs appear to be most effective in controlling OOPE in public facilities in both rural and urban areas. Expenditure incurred in private facilities, even when cards are used, remains significantly higher than in public facilities (see Figure 10.4). A survey commissioned by NITI Aayog reports that, under PMJAY, patients spend around ₹54,000 per episode in private hospitals (Indian Express 2026). In public facilities, patients incur an average OOPE of ₹21,827 per hospitalisation.

As per CES 2022–23, OOPE as a share of household consumption expenditure (HCE) is rising steadily. Between 2011–12 and 2022–23, the share of OOPE in HCE increased from 5.5 per cent to 5.9 per cent in rural areas and from 6.9 per cent to 7.1 per cent in urban areas (Figure 10.5). This indicates that healthcare costs are rising faster than overall consumption expenditure.

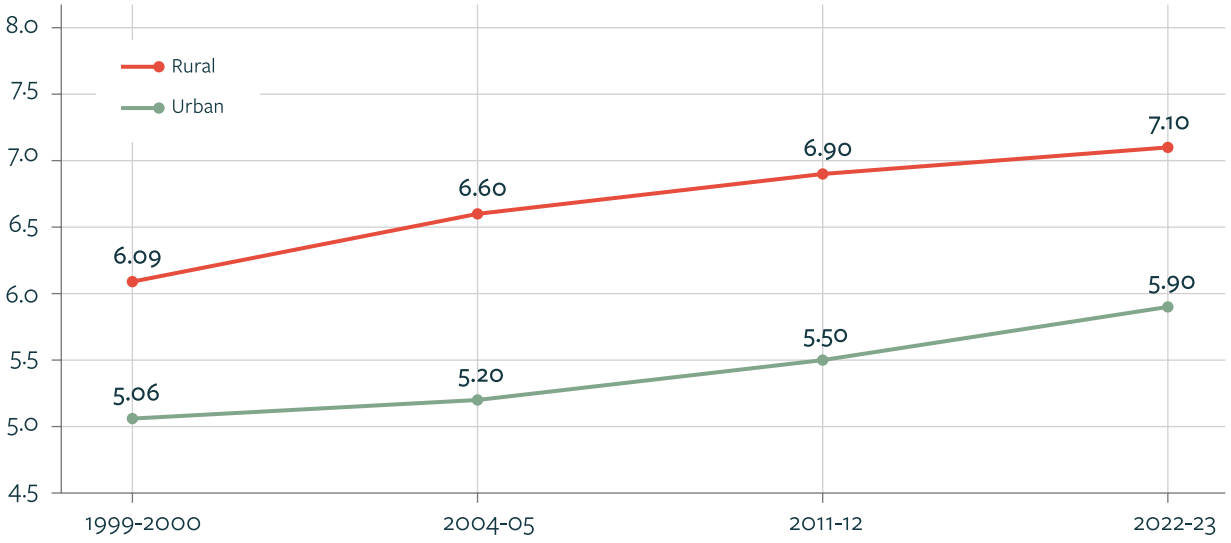
More concerning is the trend in catastrophic health expenditure (CHE), which increases when individuals utilise GFHI benefits. CHE is defined as health expenditure exceeding a specified share of household consumption—for instance, 15 per cent or 10 per cent. Among those hospitalised under the scheme, nearly half in rural areas and 58 per cent in urban areas experience 15 per cent CHE. In

Figure 10.4: Average per capita OOPE (₹) among beneficiaries of GFHIs compared to non-beneficiaries



Sources and notes: Authors' estimation using NSS Consumer Expenditure Survey 2022–23

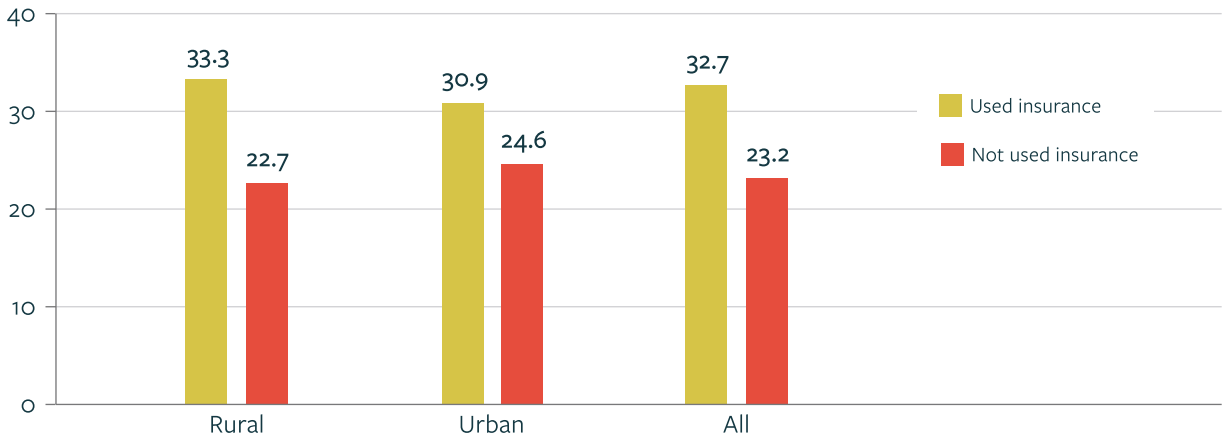
Figure 10.5: Share of medical expenditure in household consumption expenditure (%)



Sources and notes: Reports of NSS Consumer Expenditure Surveys, various rounds

comparison, the corresponding figures for those without cards are 46 per cent and 48 per cent, respectively. CHE incidence is significantly higher in the private sector, where nearly three-quarters of beneficiaries in urban areas and 85 per cent in rural areas experience 15 per cent CHE. By contrast, individuals seeking care in private hospitals without using cards are less likely to face CHE. As expected, CHE incidence remains much lower in public hospitals. These findings indicate that GFHIs fail to provide effective financial protection, particularly when care is sought in the private sector.

Figure 10.6: Catastrophic health expenditure (10% of HCE) for hospitalisation by GFHI usage



Sources and notes: Authors' calculation based on NSO HCE 2022–23 unit records

Reduction of CHE is considered a major sustainable development goal. When measured at a 10 per cent threshold of household spending, CHE remains higher among those who utilise GFHI cards than among those who do not possess or use them (Figure 10.6). CHE incidence at this threshold is also higher in rural areas than in urban areas.

The ineffectiveness of GFHIs in reducing financial hardship is further compounded by their limited coverage of non-hospitalisation expenses, except for short pre- and post-hospitalisation periods. As a result, a large share of chronic and outpatient care remains uncovered. Moreover, when patients are directed to private providers for hospitalisation, they are often channelled back to the same providers for follow-up care, leading to additional OOPE.

10.7 Drain on public resources for private profit

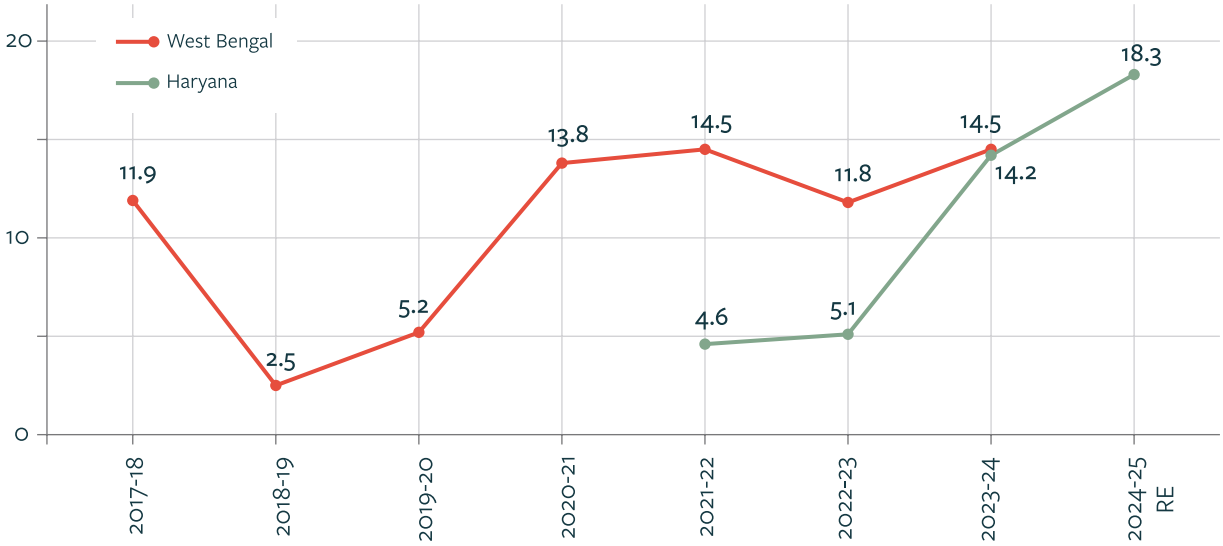
The Union government's prioritisation of Ayushman Bharat PMJAY (AB-PMJAY) is evident in its spending patterns. Between 2014–15 and 2019–20, expenditure in real terms almost doubled, growing at an average of 18 per cent per annum, with much of this increase borne by states. The Union government continues to promote GFHIs at the cost of programmes such as the National Health Mission (NHM), which have strengthened the health system, especially at the primary level of care. In contrast, spending on the NHM has declined in real terms by an average of 5.5 per cent since 2019 (Jan Swasthya Abhiyan 2026). Although PMJAY is the flagship scheme of the Union government, a larger share of spending is incurred by states. Some states have launched their own GFHI schemes, while others have introduced additional features to AB-PMJAY.

Earlier studies show that the RAS in Andhra Pradesh consumed more than one-fifth of the state's total health budget and diverted resources away from pre-

ventive and primary care programs (Mukhopadhyay 2017). The West Bengal government did not adopt AB-PMJAY and instead designed its own GFHI scheme. The Swasthya Sathi scheme, launched in 2016, covers all permanent residents of West Bengal who are not already enrolled in other government health insurance schemes, such as the West Bengal Health Scheme or the CGHS. As a result, the scheme extends coverage beyond poorer populations to include non-poor households. Budgetary allocations for the Swasthya Sathi scheme have increased significantly, from 2.5 per cent of the total public health budget in 2018–19 to 14.5 per cent in 2023–24 (budget estimates) (Figure 10.7).

Similarly, in Haryana, the budgetary allocation for GFHI schemes has increased from 4.6 per cent of the total public health budget in 2021–22 to 18.3 per cent in 2024–25. In 2022, Haryana launched its state-specific Ayushman Bharat Scheme, CHIRAYU (Comprehensive Health Insurance of Antyodaya Units Scheme), for families with annual incomes above ₹1.80 lakhs. In 2023, the state government extended CHIRAYU for families whose annual income is greater than ₹1.80 lakh and up to ₹3 lakh, through a nominal contribution of ₹1,500 per family per year. In both West Bengal and Haryana, the government expenditure on GFHI schemes is increasing. As discussed above, a large proportion of this expenditure is directed towards the private sector. In both states, it is not only the poorest or the most marginalised sections of society that benefit from these so-called 'cashless' schemes. As the data indicate, most of the poorest sections continue to rely on public facilities to meet their healthcare needs, while better-off groups increasingly utilise private facilities, thereby driving up the overall budget.

Figure 10.7: States' budgetary spending on GFHIs as a share of total spending on medical and public health: West Bengal and Haryana (%)



Sources and notes: Detailed demand for grants, Department of Health and Family Welfare, Department of Finance, Government of West Bengal and Government of Haryana, various years.
For Haryana, the figures include allocations for CHIRAYU, Mukhya Mantri Muft Ilaj Yojana, Ayushman Bharat Haryana Health Protection Mission and other cashless medical transfers.

10.8 Induced demands and frauds: Blurring boundaries

The field of medicine and healthcare is characterised by significant information asymmetry between providers and patients. One consequence of this asymmetry is induced demand, whereby providers may encourage patients to consume more care than necessary. Insurance mechanisms can further amplify this distortion. Evidence from research suggests that GFHI coverage is associated with an increased demand for surgical interventions (Singh 2024). Care provided by the private sector under GFHIs may often be unnecessary and induced. For instance, data from NFHS-5 show that caesarean-section rates are much higher in private hospitals than in public facilities. Among those without insurance coverage who seek care in private hospitals, around forty-one out of 100 deliveries are conducted via caesarean section. Among those with GFHI coverage, more than 54 per cent of deliveries are conducted in this manner. It is reasonable to infer that a proportion of these procedures may be medically unnecessary. Thus, these schemes not only fail to ensure free care but may also incentivise unnecessary interventions.

In addition, some studies suggest that fraud contributes significantly to high OOPE and poor-quality healthcare. In the US and Europe, health insurance fraud is estimated to account for around 10 per cent of total health-care spending; in India, estimates suggest that it may be as high as 35 per cent (Kamath and Brand 2023). For the period from September 2018 to March 2021, the Comptroller and Auditor General of India (CAG) conducted a performance audit of AB-PMJAY. The audit highlighted several implementation issues. In six states and union territories, ineligible households were registered as PMJAY beneficiaries, with expenditure on such beneficiaries reaching ₹22 crore in Tamil Nadu. There were also instances of multiple beneficiaries being registered against the same or invalid mobile numbers. The audit further found very low availability of empanelled healthcare providers (EHCPs) per lakh beneficiaries in several states and union territories: Bihar had 1.8 EHCPs per lakh beneficiaries, Maharashtra had three and Uttar Pradesh had five (Government of India 2023).

10.9 Discussion

India's policy response to high OOPE and poor healthcare access has increasingly emphasised insurance-based schemes; however, the preceding discussion suggests these schemes have had limited success in addressing the core market failures they seek to redress. The roots of such design can be traced back to the 'Medicaid' scheme in the US, introduced during the 1960s, where the government provided subsidies to enrol the poor into private health insurance schemes. Early initiatives in the late 1990s and early 2000s—especially in Latin America, where reforms were based on GFHI schemes—shaped the UHC agenda globally. Mecha-

nisms adopted in Chile, Colombia and Mexico shared certain key features: increases in national healthcare expenditures, both public and private and a market logic centred on 'individual care' conceived as a 'private' good. Notably, the World Bank played a key role in building consensus around reforms that later became precursors to UHC, well before the WHO formally adopted it as a policy plank (see Kutzin 2001), although there is limited evidence that these schemes improved financial protection or health system efficiency.

GFHIs in India can be understood as a response to the problem of crème skimming n private insurance. To address adverse selection and crème skimming, the government subsidises more comprehensive insurance plans to make them accessible to high-risk and low-income populations. However, the evidence presented here suggests that GFHIs in India have not effectively addressed adverse selection. GFHIs also promote a tendency towards tertiarisation of healthcare, contributing to rising costs. As healthcare becomes more complex, information asymmetry widens, creating conditions for providers to exercise monopoly power. Care that could be delivered in low-resource settings by general practitioners is often shifted to specialists. Conditions that could be treated with medication or simpler interventions are redirected towards complex surgical procedures, and patients requiring only day-care services are induced into hospital admissions. Providers competing with one another introduce newer technologies and a growing reliance on technological innovations further escalates costs.

Managing healthcare costs has become a challenge in most market-based systems, including the US. Some studies argue that regressive financing mechanisms, combined with higher expenditure and longer survival among wealthier beneficiaries, have resulted in net transfers from poorer to richer populations under Medicare (McClellan and Skinner 1997). Market responses to moral hazard and induced demand often involve the introduction of co-payment mechanisms to increase the cost burden on patients and thereby restrain utilisation. Consequently, policyholders frequently incur substantial out-of-pocket payments even when insured. Under GFHIs, co-payments often occur through informal arrangements, as reflected in NSS data. As a result, the objectives of financial protection and rationalisation of care remain unmet under both PVHIs and GFHIs.

The root cause of the problem lies in the commodification of healthcare, which makes demand responsive to price. When healthcare is provided on a non-commercial basis, the demand curve becomes inelastic[4] to prices and depends on clinical needs rather than patients' ability to pay. Even in developed systems like the US, significant resources are devoted to detecting fraud and induced demand. In India, in addition to induced demand, patients are often subject to informal co-pay-

4 An inelastic demand curve represents a situation where a change in prices does not lead to a significant change in demand.

ments in the private sector. Since these payments are lower than prevailing market prices, patients may be incentivised to pay out of pocket even when services are nominally covered. Many states in India have replaced insurance companies with state-managed agencies in an attempt to address fraud and exclusion. However, success has been limited, as indicated by media reports and CAG assessment. In the absence of a comprehensive regulatory framework and with continued emphasis on market expansion, such piecemeal reforms have failed to curb malpractice.

One reason for such practices in the private sector is the inability to achieve economies of scale in capital-intensive investments in equipment and diagnostics. Providers also face pressure from financial investors to generate rapid and high returns. In an effort to differentiate services and offer state-of-the-art technologies, there is a tendency to oversupply high-end services such as computed tomography (CT) scans and magnetic resonance imaging (MRI). However, adherence to standard treatment protocols would often result in lower utilisation rates and higher returns relative to investment (Indranil and Chintan 2025).

The healthcare industry is undergoing rapid transformation, characterised by growing partnerships between hospital chains and insurance companies, evolving relationships between individual practitioners, small nursing homes and corporate chains, and increased foreign investments, including speculative capital (Chakravarthi et al. 2017; Roy, Sebastian and Mukhopadhyay 2026). Networks linking political actors, real estate interests, the liquor industry and religious institutions are increasingly shaping health policy and practice. Although corporate hospitals are relatively few in number, they wield considerable influence over market behaviour and policy decisions. These entrenched power structures, combined with the rise of business lobbies and the active role of the state in promoting markets, help explain the emergence of a medico-industrial complex in India.

Analyses of actors such as Pratap Reddy and the Apollo Hospitals Group demonstrate how the state facilitated the growth of corporate healthcare through subsidies and tax concessions for high-end medical equipment during the 1980s (Nundy and Baru 2008). At the same time, the corporate sector aligns with the aspirations of elite medical professionals, including those within the public system. One consequence is the continued underfunding and declining quality of public hospitals, reflecting a disconnect between elite professional interests and the needs of the wider population. Schemes such as CGHS and GFHIs have further contributed to market consolidation, with increasing lobbying for higher insurance premiums. Experiences from countries like Japan and Germany suggest that healthcare markets must be regulated to limit excessive profit. However, in India, where unbridled profit and unconditional impunity are norms, establishing effective regulatory mechanisms remains politically challenging.

An alternative approach would be a tax-funded, publicly provided system, based on principles of trust, solidarity and accountability. Such a system could deliver quality care at an affordable cost, with a strong emphasis on comprehensive primary care. It would also enable economies of scale through epidemiological planning and coordinated service delivery across providers. Publicly managed district health systems, with clear referral linkages, offer a viable pathway adopted by several countries. In contrast, continued reliance on demand-side financing of private providers risks foreclosing this possibility.

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Combating Hunger: The Public Distribution System

The Public Distribution System (PDS) in India has had a long and chequered history. From being a wartime rationing system in the 1940s, it emerged into a nationwide network serving multiple objectives including price stabilisation, reaching foodgrains to deficient regions and providing basic food security to the poor. The National Food Security Act (NFSA), 2013 made access to subsidised foodgrains through the PDS for 75 per cent of rural and 50 per cent of urban populations a legal entitlement. The PDS has since seen further expansion and a structural shift away from poverty-line-based targeting. Yet, issues such as inadequate coverage based on outdated population figures, exclusion of some marginalised populations, a narrow focus on cereals and digital exclusions remain. While addressing these, the PDS must be reimagined towards responding to the present challenges of poor dietary diversity as well as crop diversity.

CHAPTER 11

Combating Hunger: The Public Distribution System

Nandini Nayak and Dipa Sinha

In 2013, the policy for public distribution of foodgrains in India was brought under a statutory framework with the enactment of the National Food Security Act (NFSA), 2013. While the public distribution system (PDS) itself has a long and chequered history in India, this chapter focuses substantially on the period after 2013. The PDS was originally introduced as a wartime rationing initiative as early as 1940 by the colonial government (Mooij 1998). Implementation was concentrated in urban centres, including Bombay and Calcutta (Sen 1981), to manage war-related shortages and price fluctuations. 'Food security for the masses', however, was not a concern for the colonial government and it is ironic that the Bengal Famine took place not long after the introduction of the rationing system.

In 1957, the Foodgrains Enquiry Committee (1957), cited in Mooij (1998), recommended the creation of a network of 'fair price' shops for the distribution of food to poorer sections of the population, following which the system expanded, although still primarily in urban areas. With the establishment of the Food Corporation of India in 1965 and the Agricultural Prices Committee (later renamed Commission for Agricultural Costs and Prices) (Mooij 1999), food distribution expanded

significantly into rural areas during the 1970s and 1980s (Mooij 1998). The next significant change in food distribution policy came with the introduction of the Targeted Public Distribution System (TPDS) in 1997, which aimed to focus on households designated as 'below poverty line' (BPL). BPL and 'above poverty line' (APL) cards were issued by state governments based on a BPL survey conducted by the Union Ministry of Rural Development. The central issue prices and quantity of foodgrains varied for these two groups. Under the TPDS, BPL households were entitled to 35 kg of foodgrains per month at highly subsidised issue prices (₹5.65 per kg of rice and ₹4.15 per kg of wheat). APL prices were higher and the quantity also varied. The Antyodaya Anna Yojana (AAY) scheme was introduced by the Government of India in the year 2000, for households identified as 'poorest of the poor', with foodgrains provided at lower prices, ₹3 for rice and ₹2 for wheat. The TPDS remained in operation until 2013, when Parliament enacted the NFSA.

The Right to Food and the Constitution of India

Article 21: No person shall be deprived of his life or personal liberty except according to procedure established by law.

Article 39: The State shall, in particular, direct its policy towards securing—
(a) that the citizens, men and women equally, have the right to an adequate means of livelihood.

Article 47: The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties.

Preamble of National Food Security Act

'An Act to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity and for matters connected therewith or incidental thereto.'

The NFSA took a step towards fulfilling obligations under Articles 21, 39(a) and 47 of the Constitution of India (Rajya Sabha Secretariat 2014). The genesis of the National Food Security Bill can be traced back to a writ petition filed in the Supreme Court of India in 2001 by the Rajasthan unit of the People's Union of Civil Liberties. The petition was filed in the backdrop of a severe drought and argued that the denial of the right to food amounted to a denial of the right to life, thereby violating the fundamental right to life and personal liberty under Article 21 of the Indian Constitution. From 2001 to 2017, the Supreme Court, along with court-appointed commissioners, oversaw the implementation of food-related public policies of the Union government. The *People's Union of Civil Liberties v. Union of India* case was disposed of by the Supreme Court only in 2017, following the enactment of the NFSA in 2013. Several Supreme Court orders issued during the pendency of the case, however, were pivotal in shaping food-related public policy in India, including the PDS, the

Integrated Child Development Services, the Mid-Day Meal Scheme and the Sampoorna Gramin Rozgar Yojana (the precursor to the NREGA enacted in 2005).

The PDS has been significant both for distributing subsidised foodgrains to the poor and for transferring foodgrains from surplus to food-deficit regions, as well as for functioning as a key mechanism of price stabilisation through minimum support price (MSP)-based procurement and sales operations. While the PDS also plays an important role in agricultural procurement and price stabilisation, this chapter focuses on its direct welfare dimensions and therefore restricts itself to entitlements under the NFSA. The links with agriculture and procurement policy are therefore not discussed.[1]

In the context of the TPDS, the country witnessed a major debate on universalisation versus targeting in social welfare policy. Many academics and policymakers favoured targeting as a cost-saving measure, replacing the PDS with cash transfers and reducing the fiscal burden (Kapur, Mukhopadhyay and Subramanian 2008; Kotwal, Murugkar and Ramaswami 2011). On the other hand, concerns regarding targeting errors and the limitations of a poverty-line-based PDS led many to argue for a universal or near-universal system. It was argued that the richest sections of the population (roughly the top quintile) could be identified and excluded relatively easily, while the rest should be covered (Himanshu and Sen 2011; Drèze and Khera 2013; Mander 2015). While these debates shaped the context in which the NFSA emerged, this chapter focuses primarily on the post-NFSA period rather than earlier debates on BPL-based targeting, the BPL census, inclusion and exclusion errors and differentiated pricing within the TPDS. The chapter examines PDS entitlements under the NFSA and the implications for coverage, followed by a discussion of current gaps and challenges. It concludes with recommendations for strengthening the PDS towards ensuring food security for all.

11.1 National Food Security Act, 2013

The NFSA brought the implementation of the TPDS under a statutory framework and created entitlements to subsidised foodgrains for 75 per cent of the rural population and 50 per cent of the urban population in India.[2] The Act substantially reshaped the legal and institutional framework of the PDS. It specified that the eldest adult woman in a household would be recognised as the head of household on the ration card (see Section 13). It also discontinued the earlier classification of households into BPL and APL categories. Instead, the NFSA introduced a new entitlement structure with two categories of beneficiaries. 'Priority households' became entitled to 5 kg of foodgrains per person per month, while the AAY scheme contin-

1 For a discussion on pre-NFSA debates,, see Mander (2015).

2 See Section 3 of the NFSA, 2013.

ued under the Act. The NFSA also introduced uniform issue prices across categories, initially fixing prices at ₹3 per kg for rice, ₹2 for wheat and ₹1 for millets. Following the introduction of the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) in 2020, the foodgrains are now distributed free of cost to all priority and AAY cardholders. The PMGKAY has since been extended until December 2029.

The NFSA required state governments to identify eligible households within one year of its enactment (see Section 10(b)). Implementation, however, was initially delayed. Only ten states and union territories completed the identification of beneficiary households within the stipulated period, while twenty-five states sought extensions through executive orders (Comptroller and Auditor General of India 2016; Mander and Bunders-Aelen 2017).

State governments were required to specify criteria for identifying beneficiary households under the Act. Its enactment and implementation offered an opportunity to correct flawed ration cardholder lists that were previously in use and to ensure that households in need of foodgrains were brought within its ambit through progressive inclusion and exclusion criteria. The administrative procedures adopted for identification varied substantially across states. Some states, such as Odisha, drew up and refined inclusion and exclusion criteria and undertook fresh identification exercises for beneficiary households, while Chhattisgarh and Bihar used the Socio-Economic Caste Census (SECC) data for similar identification. However, as noted by the Comptroller and Auditor General of India (CAG) report (CAG 2016), some state governments, including Karnataka and Maharashtra continued to rely on pre-existing BPL, APL and AAY lists for extending PDS benefits under the NFSA.

11.2 Expansion in PDS coverage post-NFSA

One of the major contributions of the NFSA was its move away from the earlier poverty line-based targeting system. Under the previous system, the number of BPL households to be covered was determined using headcount poverty ratios in urban and rural areas, as estimated periodically by the Planning Commission on the basis of National Sample Survey (NSS) consumption expenditure data. States were then required to identify eligible households within these fixed quotas through BPL censuses. As a result, the number of households entitled to subsidised foodgrains remained effectively capped by poverty-ratio-based allocations.

The process of identifying BPL households was widely criticised for being both administratively cumbersome and exclusionary. Although the total number of beneficiaries was determined using sample survey data, the actual identification of households depended on large-scale censuses based on simplified eligibility criteria. A BPL census conducted in 2002 drew considerable criticism for failing to identify many deserving households (Drèze and Khera 2010; Alkire and Seth 2013). Contro-

versies surrounding the NSS consumption expenditure data for 1999–2000 further complicated the revision of poverty estimates. In response, the Supreme Court directed the Union government to continue foodgrain allocations on the basis of the Planning Commission's 1993–94 poverty ratios, effectively fixing the national BPL quota at 36 per cent until the enactment of the NFSA (Right to Food Campaign n.d.). The Court also called for a fresh BPL survey, although this did not take place until the SECC was conducted in 2011. Following the expansion in coverage under NFSA, several states used SECC data to identify beneficiary households.

The NFSA marked a significant shift away from this earlier targeting architecture by substantially expanding the coverage of subsidised foodgrains. While the Act did not introduce a universal PDS, it fixed coverage at 75 per cent of the rural population and 50 per cent of the urban population. State-wise allocations were subsequently determined in a manner that accounted for interstate variations in poverty and income levels. The expansion was particularly significant in poorer states where PDS coverage had previously remained limited. Several states, including Andhra Pradesh, Chhattisgarh, Odisha and Tamil Nadu, had already expanded their BPL coverage prior to the enactment of the NFSA. To prevent these states from receiving lower foodgrain allocations under the new framework, the Act provided for additional 'tide-over' allocations based on previous levels of distribution at APL prices. These developments reflected the growing importance of state-level initiatives in shaping the reach and functioning of the PDS.

Following the enactment of the NFSA, effective PDS coverage expanded substantially.[3] However, the structure of entitlements also changed. Under the earlier BPL system, households were generally entitled to 35 kg of foodgrains per month. Under the NFSA, this shifted to an individual entitlement of 5 kg per person per month, equivalent to 25 kg for a household of five members. Although this reduced the quantity available to some erstwhile BPL households, issue prices under the NFSA were lower than earlier subsidised prices. Subsequently, with the introduction of the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) during the COVID-19 pandemic, foodgrains began to be distributed free of cost.

Figure 11.1 and Annexure 11.2 present a comparative picture of the expansion in PDS coverage following the enactment of the NFSA. Based on Census 2011 population estimates, the number of persons eligible for subsidised foodgrains increased to 81.34 crore (Foodgrain Bulletin 2025), compared to the nationally estimated 36.3 crore persons in BPL households in 2013 (Foodgrain Bulletin 2013). Including pre-existing state-level expansions, the estimated number of persons covered through BPL and AAY cards prior to the NFSA was around 59 crore. Overall, the expansion under the NFSA increased the number of persons receiving subsidised foodgrains by roughly 22 crore.

3 The APL category had, by this time, become almost dysfunctional in these states.

Public Distribution System under the National Food Security Act (NFSA), 2013

SECTION 3 Right to Receive Foodgrains at Subsidized Prices

PRIORITY HOUSEHOLDS

5 kg Per person per month at subsidized prices from TPDS

ANTYODAYA ANNA YOJANA *

35 kg Per household per month (as specified by Central Government for each State)

* refers to the scheme launched by the Central Government on 25 December 2000; and as modified from time to time.

COVERAGE ENTITLEMENTS

The entitlements of persons belonging to eligible households shall extend up to: **75%** of the rural population **50%** of the urban population

SECTION 9 Coverage of Population

DETERMINATION OF COVERAGE

The percentage coverage under the Targeted Public Distribution System in rural and urban areas for each State shall be determined by the **Central Government**. The total number of persons to be covered in such rural and urban areas of the State shall be calculated on the basis of population estimates as per the **census of which the relevant figures have been published.**

SECTION 10 State Government to Identify Priority Households

STATE RESPONSIBILITIES

The State Government shall, within the number of persons determined under Section 9 for the rural and urban areas, identify priority households in accordance with guidelines framed under this sub-section. States must complete identification within **365 days** after the commencement of the Act.

IDENTIFICATION PROCESS

a) Households to be covered under the Antyodaya Anna Yojana (to the extent specified under sub-section (1) of section 3), in accordance with the guidelines applicable to the said scheme.

b) The remaining households as priority households to be covered under TPDS, in accordance with such guidelines as the State Government may specify.

The increase was particularly pronounced in states that had not previously operated expanded state-specific schemes (see Figure 11.1 and Annexure 11.2). For example, coverage in Bihar increased from 3.95 crore persons to 8.71 crore persons, while in Uttar Pradesh, it increased from 6.64 crore to 15.20 crore persons. In contrast, southern states such as Andhra Pradesh, Karnataka, Tamil Nadu and Telangana had already increased their BPL coverage to numbers higher than what they received under the NFSA. However, enhanced central allocations may have reduced the financial burden on these state governments to some extent.

The expansion in coverage, particularly in states where the PDS had earlier been described as 'languishing' (Khera 2011), contributed significantly to strengthening the system. Improvements were also reflected in declining estimates of leakages. While leakages in the PDS were estimated at 45–47 per cent based on the 2011–12 consumption expenditure data, more recent estimates based on the Household Consumption Expenditure Survey (HCES) 2022–23 place leakages in the range of 22–28 per cent (Khera 2024; Puri and Pingali 2025). Estimates based on HCES 2023–24 suggest a further decline in leakages to 8.8 per cent (Puri and Pingali 2025).

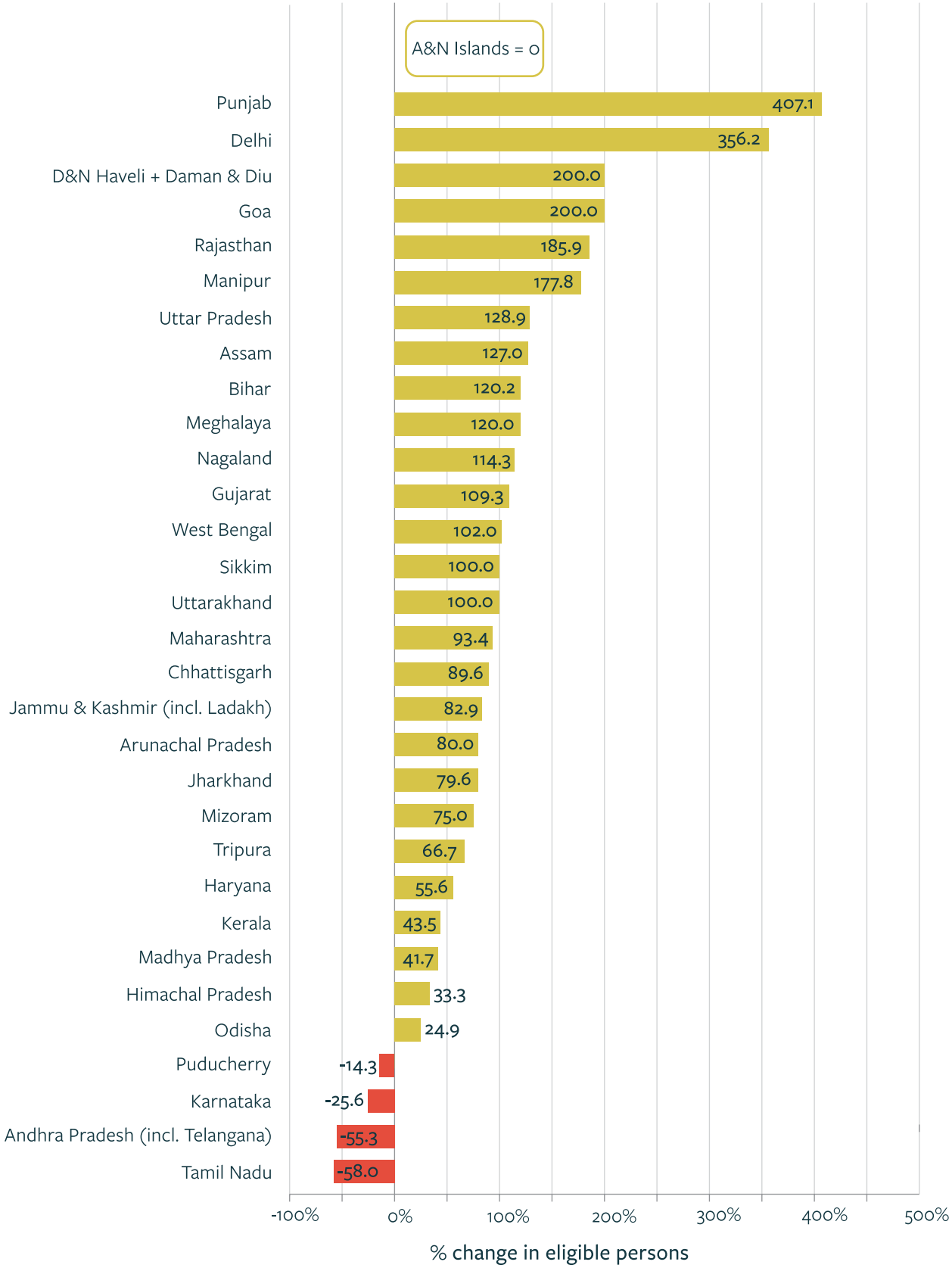
Overall, there is substantial evidence that the reach and effectiveness of the PDS improved following the introduction of the NFSA and associated reforms, particularly during the COVID-19 pandemic. At the same time, significant exclusions continue to persist (Sinha 2023). The following section examines some of the major challenges that continue to shape the functioning of the PDS.

11.3 Challenges in PDS under NFSA

11.3.1 Exclusions due to outdated population figures

The number of persons to be covered under the NFSA was determined on the basis of Census 2011 population figures. Although population levels have increased since then, the coverage figures have not been revised because of delays in conducting the decennial census, which was due in 2021 and is now expected to be completed only in 2027. As a result, NFSA coverage continues to rely on outdated population estimates. While Section 9 of the NFSA links coverage to officially published Census figures, the Targeted Public Distribution System (Control) Order, 2015, introduced state-wise ceilings on the number of persons eligible to receive subsidised foodgrains under the Act. Using official population projections of the Ministry of Health and Family Welfare, we estimate that more than fourteen crore additional persons who would otherwise be entitled under the NFSA were excluded in 2025 because coverage levels were not updated in line with the population growth.

Figure 11.1: Priority population under NFSA (2013) versus pre-NFSA BPL cardholders (pre-NFSA includes state BPL cards) (% change)



Sources and notes: Foodgrain Bulletins, GoI.

1. % change = (NFSA coverage – pre-NFSA BPL) / pre-NFSA BPL × 100.

2. Chandigarh and Lakshadweep excluded (pre-NFSA BPL = 0).

3. All figures from Foodgrain Bulletins of respective years

4. States in red had near-universal PDS coverage even before the NFSA.

The impact of outdated population figures varies considerably across states. Since there is no centralised data on the total number of ration cards, including those issued under state schemes, we[5] use HCES 2023–24 data on households purchasing cereals from the PDS as a proxy for effective coverage. This provides a better estimate than data on ration-card possession alone, as it captures the actual use of PDS entitlements. According to HCES 2023–24, 69.91 per cent of households reported purchasing foodgrains from the PDS. This includes coverage through both NFSA and state-level schemes. Using data from state portals, Khera and Somanchi (2020) arrive at a similar estimate of overall coverage.

NFSA: Provisions on Transparency

Section 11: The State Government shall place the list of the identified eligible households in the public domain and display it prominently.

Section 27: All Targeted Public Distribution System related records shall be placed in the public domain and kept open for inspection to the public, in such manner as may be prescribed by the State Government.

As shown in Figure 11.2 (and Annexure 11.3), states without substantial state-level expansions tend to report lower effective coverage relative to NFSA norms. For instance, in Delhi, while 43.4 per cent of the population is covered under NFSA allocations, only 28.7 per cent reported receiving foodgrains from the PDS according to HCES estimates. Similar gaps are visible in states such as Bihar and Gujarat. On the other hand, several southern states, along with states such as West Bengal, Himachal Pradesh, Jammu and Kashmir, report coverage levels higher than NFSA allocations because of broader state-level schemes.

The persistence of outdated coverage ceilings has therefore created new forms of exclusion despite the overall expansion of the PDS under the NFSA. Periodic revision of eligible population figures using officially published population projections, rather than waiting for a full census, would help ensure that coverage keeps pace with demographic change. Meanwhile, state governments must continue issuing ration cards on an ongoing basis and periodically revise identification criteria for priority households. In some states, income cut-offs used for determining eligibility remain extremely low and are not regularly updated for inflation. For example, in Maharashtra, only households with annual incomes below ₹59,000 in urban areas and ₹44,000 in rural areas are eligible for priority household cards,[4] amounting to less than ₹5,000 per month.

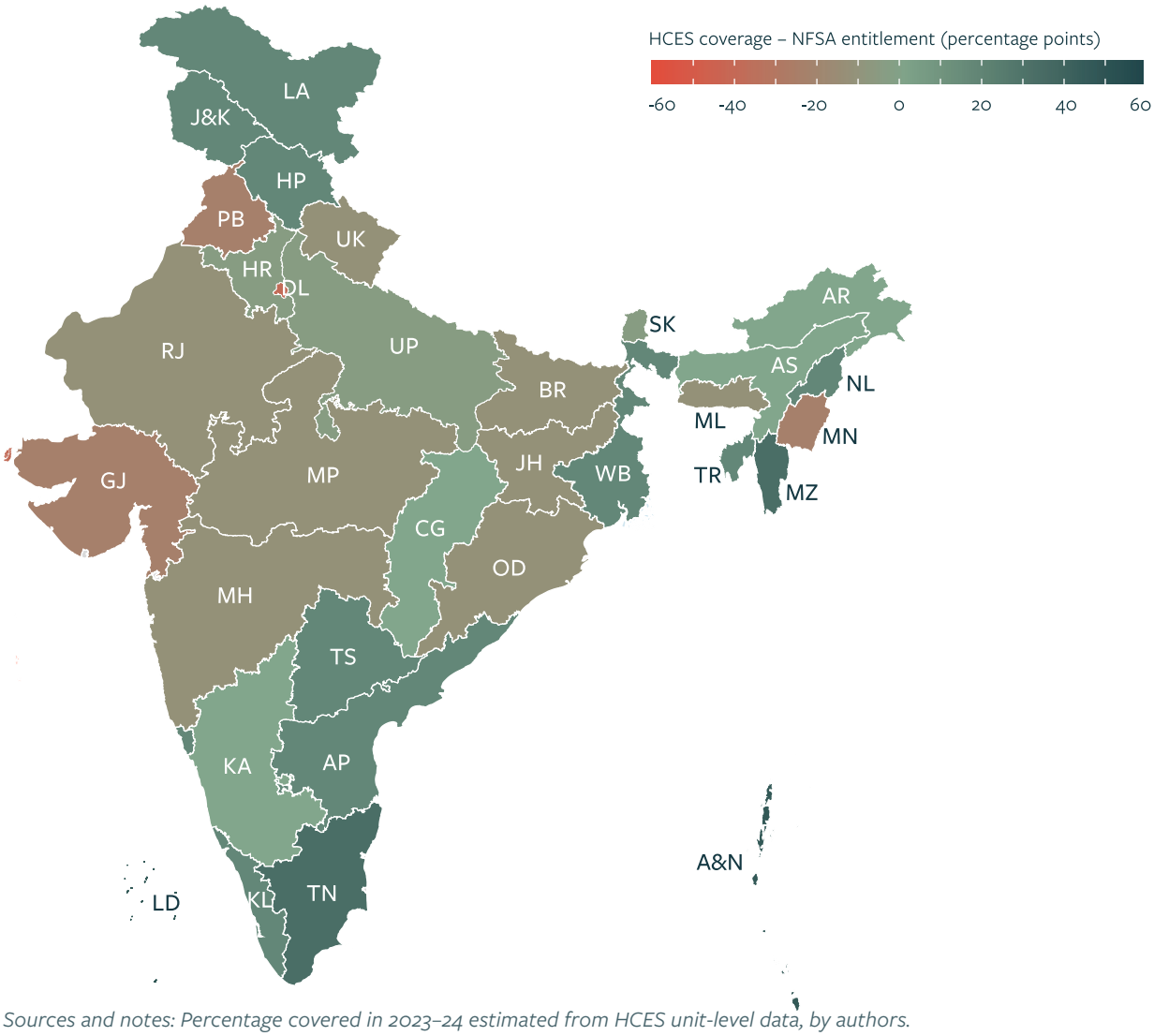
11.3.2 Card cancellations and lack of transparency

The NFSA requires state governments to identify eligible households under the TPDS (Sections 9 and 10) and maintain updated public lists of beneficiaries

4 See Food, Civil Supplies and Consumer Protection Department, Government of Maharashtra, 2013

5 We thank Anshuman Singh, CSIE, APU for support with analysing HCES data

Figure 11.2: PDS Coverage Gap: HCES, 2023–24 vs. NFSA Norms (in % points)



Sources and notes: Percentage covered in 2023–24 estimated from HCES unit-level data, by authors.
State-wise required priority persons under NFSA, 2013 from Foodgrain Bulletin,
Ministry of Consumer Affairs, Food and Public Distribution.
Values represent the difference between the share of households purchasing cereals from PDS (HCES, 2023–24) and the share entitled to PDS access under NFSA norms. Positive values indicate higher actual coverage than mandated; negative values indicate lower.

(Sections 11 and 27). In practice, however, transparency in the preparation, revision and deletion of ration cards remains uneven across states. Some states, such as Odisha, publicised inclusion and exclusion criteria widely during the preparation of beneficiary lists through newspaper advertisements and village-level announcements. However, updated beneficiary lists and details of deletions are often not made publicly accessible in a consistent or transparent manner.

This assumes particular importance because state governments are required to periodically revise beneficiary lists to account for changes arising from migration, births, deaths, marriage and changes in socio-economic status. Given the state-wise ceilings on NFSA coverage, transparency in the deletion and addition of ration cards becomes essential to ensure accountability and prevent arbitrary exclusions. Public disclosure of deleted and newly added beneficiaries would also enable affected

households and civil society groups to verify changes and pursue grievances where necessary.

Concerns regarding transparency have become more significant in the context of large-scale card cancellations linked to digitisation and eKYC processes. In response to a question in Parliament (Rajya Sabha Unstarred Question No. 216 2025), the Union government stated that 2.49 crore ration cards had been deleted between 2020 and 2025 'as a result of digitisation efforts'. The stated reasons included duplication, identification of ineligible beneficiaries, eKYC mismatch, death and permanent migration. However, no disaggregated data were provided on the relative contribution of these categories. Reports from the field further suggest that beneficiaries are often unaware of the reasons for cancellation of their ration cards. Since individual-level ration card data are not publicly available, it becomes difficult for affected households, community groups and civil society organisations to independently verify deletions or pursue grievance redressal.

11.3.4 Digitisation, Aadhaar and related exclusions

Another major concern in the implementation of the TPDS under the NFSA relates to Aadhaar-based digitisation and authentication systems. Key problems associated with Aadhaar-linked implementation include the exclusion of eligible households due to the absence of Aadhaar cards, errors in Aadhaar records or difficulties in linking Aadhaar with ration cards. Exclusions have also resulted from the mandatory use of Aadhaar-enabled Point of Sale devices at ration shops, particularly in areas affected by unreliable electricity and internet connectivity. In such situations, beneficiaries may be denied rations, required to make repeated visits to ration shops or face cancellation of ration cards (Nayak and Nehra 2017). Some of the gravest consequences of Aadhaar-linked implementation failures have been documented in cases of starvation deaths linked to ration denial and card cancellations. The Right to Food Campaign has documented more than twenty-five such cases since 2016 (Dutta 2020).

Concerns regarding Aadhaar-enabled welfare delivery have been raised since the early stages of implementation. Critics have argued that biometric authentication systems used in the PDS remain vulnerable to infrastructural failures, technological errors and authentication problems, particularly when implemented at scale (Ramanathan 2011). Nevertheless, more established mechanisms for improving transparency and accountability in the PDS – including wall paintings, social audits, vigilance committees and local grievance redress mechanisms – have received comparatively less policy attention. The expansion of Aadhaar-linked verification processes has further intensified concerns regarding exclusion.

The Supreme Court's judgment in *Justice K.S. Puttaswamy v Union of India, 2018*, popularly known as the Aadhaar judgment, upheld the validity of Aad-

CASE STUDY

Santoshi Kumari, aged 11 | Simdega district, Jharkhand

Santoshi Kumari belonged to a Dalit family in Simdega district, Jharkhand and lived with her mother, grandmother, younger sibling and father, who was reportedly suffering from mental illness. Her parents struggled to sustain the household through irregular wage labour, and the family was critically dependent on subsidised ration from the PDS for everyday survival. However, the family was reportedly denied PDS rations after Aadhaar-linkage was made mandatory for ration cards in 2017. Santoshi had dropped out of school and assisted with grazing livestock. In September 2017, she died following prolonged food deprivation. According to accounts by her family, they had attempted to feed her tea leaves and salt during this period, despite her severe illness and hunger. The family had been unable to access PDS rations due to difficulties in linking their ration card with Aadhaar.

(Mander 2017; Right to Food Campaign 2018)

haar-based technologies in the implementation of welfare programmes, including the PDS, despite concerns regarding exclusion and implementation failures. The judgment also marked a shift away from earlier governmental acknowledgements of the problems associated with mandatory Aadhaar linkage in welfare delivery.

A Government of India notification issued in 2018 clarified that no eligible household should be denied subsidised foodgrains, nor should ration cards be cancelled solely for lack of Aadhaar linkage (Government of India 2018). Even so, reports of Aadhaar-linked ration denial have continued to emerge from various parts of the country. Concerns regarding exclusion have intensified further with the introduction of eKYC procedures for linking and verification of PDS beneficiaries and Aadhaar data. In March 2025, the Ministry of Consumer Affairs, Food and Public Distribution directed states to complete Aadhaar-linked verification of all beneficiaries by the end of April 2025 (Government of India 2025). Reports from several states suggest that the eKYC drive exacerbated existing implementation difficulties and increased the risk of exclusion for vulnerable households (Panda and Dash 2025).

11.4 Expanding the PDS basket

There are numerous implementation challenges relating to the PDS that need immediate attention. Alongside, there is also a need to expand the basket of

commodities distributed through the PDS to include other nutritious food items such as pulses and edible oils, thereby enabling the system to make a more meaningful contribution to addressing food insecurity. The NFSA itself recognises this need. Section 12(2)(f) identifies the 'diversification of commodities distributed under the Public Distribution System over a period of time' as one of the reforms to be progressively undertaken under the TPDS.

Using HCES 2023–24 data, we identify states where more than 1 per cent of households reported purchasing pulses (or receiving them free of cost) or edible oils through the PDS. The data suggests that eleven states – Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Rajasthan, Tamil Nadu, Tripura and Uttarakhand – distribute pulses through the PDS. Whereas edible oils are distributed through the PDS in a smaller number of states, including Gujarat, Haryana, Himachal Pradesh, Rajasthan, Tamil Nadu and Tripura (see Table 11.1).

Table 11.1: Diversification in PDS

	Proportion of households purchasing/receiving any amount from PDS		
State	Pulses (in %)	Pulses (Free) (in %)	Edible Oil (in %)
Andhra Pradesh	8.2	0.0	0.1
Chhattisgarh	3.3	1.2	0.0
Gujarat	11.8	1.2	3.6
Haryana	0.0	0.0	40.4
Himachal Pradesh	78.9	0.2	79.1
Jharkhand	2.5	14.4	0.0
Kerala	1.3	0.1	0.1
Maharashtra	4.4	0.4	4.0
Rajasthan	0.1	12.4	11.3
Tamil Nadu	78.1	1.5	72.3
Tripura	58.7	0.0	12.9
Uttarakhand	9.7	0.1	0.0
All India	8.2	1.3	8.0

Sources and notes: Authors' calculations based on Household Consumption Expenditure Survey, National Statistical Office, 2023-24

11.5 Conclusion

The TPDS under the NFSA remains one of the most important programmes for ensuring food security in India. Persistently high levels of food insecurity, malnutrition and nutritional deprivation continue to underscore the importance of the PDS as a central component of India's welfare architecture. As the chapter has shown, however, significant challenges remain in ensuring effective, equitable and accountable implementation of the system. One of the most urgent concerns is the need to revise beneficiary coverage in line with current population estimates so that the legally mandated proportions of the rural and urban population remain entitled to subsidised foodgrains under the NFSA in all states.

Greater transparency in the issuance, updating and cancellation of ration cards is equally necessary, particularly in light of growing concerns regarding exclusion linked to digitisation and Aadhaar-based authentication processes. Efforts to improve efficiency in welfare delivery cannot come at the cost of access to food entitlements for vulnerable households. The chapter also highlights the need to strengthen accountability and grievance redress mechanisms within the PDS. Long-standing local accountability measures such as social audits, vigilance committees and public disclosure of beneficiary lists remain important safeguards against exclusion and arbitrary cancellation of entitlements. The nutritional contribution of the PDS can similarly be diversified by expanding the basket of commodities distributed through the system beyond cereals to include items such as pulses and edible oils.

Ensuring food security for all requires moving beyond a narrow focus on grain distribution towards a more decentralised, equitable and nutrition-sensitive food system. In this regard, the broader objectives relating to food and nutritional security outlined in Section 31 and Schedule III of the NFSA deserve far greater policy attention than they have received thus far.

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The Promises of the Right to Work: Achievements and Challenges

On 5 September 2005, for the first time, the 'right to work' was constitutionally mandated in India through NREGA. The history that led to this, in terms of rights, economic and policy intentions, began before independence. It took decades of sustained efforts, despite a strong constitutional commitment, to realise NREGA. It empowered people to contest caste and gender rigidities, improved livelihoods, democratised planning and built crucial infrastructure in rural India. While the implementation of NREGA has not been without its challenges, these do not warrant its repeal. The new VB-GRAM G Act passed in December 2025, has abrogated crucial provisions guaranteed by NREGA and effectively rescinded the right to work. Excessive centralisation, shifting the fiscal burden to states, and exclusionary technology and selective application cast serious doubts about the scheme's impact.

CHAPTER 12

The Promises of the Right to Work: Achievements and Challenges

*Rajendran Narayanan and Vijay Ram S**

India has a long history, dating back to the colonial period, of addressing rural distress and unemployment. Labour-intensive famine relief works were used to provide sustenance wages and prevent starvation during this period. These programmes, however, operated within a colonial-feudal structure and were devoid of rights. Early articulations of a rights-based approach can be traced to the *Nehru Report* of 1928 (Nehru 1928). Structured discussions on post-independence economic reconstruction began with the establishment of the Congress National Planning Committee in 1938. Its deliberations were guided by the Indian National Congress's 'Resolution on Fundamental Rights and Economic Programme', adopted at the Karachi session in 1931 (Shah 1938). The resolution emphasised that 'In order to end the exploitation of the masses, political freedom must include real economic freedom of the starving millions'.

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Using National Sample Survey (NSS) data from 1960–61, economists V.M. Dandekar and N. Rath estimated that nearly one-third of the rural population lived below subsistence levels. As a response to poverty, they proposed rural employment through public works programmes, funded by a modest, 15 per cent reduction in the consumption expenditure of the top 5 per cent. Building on this framework, and following sustained mobilisation by civil society groups and political activists for guaranteed employment, the Maharashtra Employment Guarantee Act was enacted in 1977. Although limited to one state, it was the first programme of its kind in India. Various food-for-work and wage employment programmes continued in independent India. However, in the absence of a legal mandate, their implementation remained uneven, subject to elite capture and prone to corruption. Section 2 provides a detailed discussion of these programmes.

Constitution of India, Articles 39(a), 39(b), 41 and 21. Article 39(a) directs the State to secure that citizens have the right to an adequate means of livelihood; Article 39(b) provides that the ownership and control of material resources be distributed to serve the common good. Article 41 calls upon the State to make effective provision for the right to work, education and public assistance in cases of unemployment, old age, sickness and disability. Article 21 guarantees that no person shall be deprived of life or personal liberty except according to procedure established by law.

Since the 1980s, a motley crew of activists and rural workers associated with the Mazdoor Kisan Shakti Sangathan (MKSS) have led a sustained struggle for transparency and accountability in rural welfare programmes. This struggle emerged in response to wage theft, corruption, and the denial of entitlements by local elites as well as government officials. The opacity of public works administration led MKSS to develop a unique approach, *jan sunwais* or public hearings, as a method to demand accountability from public officials (Roy and MKSS Collection 2018). By bringing rural workers and public officials onto a common platform, this form of collective action was momentous in both intent and practice (Pande 2022).

In parallel, the Right to Food campaign, a network of civil society organisations was formed. It highlighted the paradox of overflowing food stocks in granaries alongside persistent penury, hunger and malnutrition in rural India. The landmark PUCL v. Union of India case in 2001 marked a phase of judicial activism by the Supreme Court through several progressive orders on the right to food. This set the stage for widening the canvas of struggle and led to broader mobilisation linking

the right to information with demands for the right to work and food across the country.

Through the Rozgar Adhikar Yatra (a march for employment guarantee), activists travelled by bus across hundreds of villages in ten north Indian states to mobilise rural workers to demand a legal right to work. As the yatra culminated in the streets of Central Delhi, signatures collected from across the country were displayed, expressing this demand in multiple languages. Slogans such as '*har haath ko kaam do, kaam ka poora daam do*' (give work to every hand and full wages for every work) echoed from the capital to the hinterlands. The United Progressive Alliance (UPA) – an alliance of the Indian National Congress and several Left parties – won the general elections and formed the union government in 2005. In response to the massive collective demand, they promulgated the National Rural Employment Guarantee Act, which was passed unanimously in both houses of the Parliament. The prefix 'Mahatma Gandhi' was added later. Hereafter, the Act is referred to as MGNREGA.

Despite early efforts to develop a vocabulary for a rights-based framework for socio-economic rights, it took fifty-eight years for India to codify a limited right to employment. This was significant, even though it was limited only to rural households. MGNREGA draws on the Directive Principles of State Policy (DPSP) enshrined in Part IV of the Constitution of India. Articles 39(a) and 39(b) in the DPSP direct the State to secure the right to an adequate means of livelihood and to ensure that material resources are distributed to serve the common good. Article 41 calls upon the State to provide for the right to work and public assistance in cases of unemployment. Expanding this interpretation, the Supreme Court in Olga Tellis v. Bombay Municipal Corporation, 1985 (Supreme Court of India 1985) linked the right to work to the fundamental right to life under Article 21:

> *The principles contained in Articles 39(a) and 41 must be regarded as equally fundamental in the understanding and interpretation of the meaning and content of fundamental rights. If there is an obligation upon the State to secure to the citizens an adequate means of livelihood and the right to work, it would be sheer pedantry to exclude the right to livelihood from the content of the right to life.*

Building on the Maharashtra Employment Guarantee Act and giving legislative expression to these constitutional principles, MGNREGA is the largest public works programme in the world, with over 26 crore registered workers. In contrast to earlier earlier rural employment schemes, its provisions constitute justiciable rights. It is universal in that every rural household is entitled to up to 100 days of work each year within its own panchayat. This guarantee of work is not a panacea for deprivation. However, as this chapter shows, despite implementation challenges, it has had several far-reaching positive effects.

Section 1 traces the evolution of employment schemes leading up to MGNREGA. Section 2 examines its key features, achievements and challenges. MGNREGA was repealed and replaced by the VB-GRAM G Act in December 2025. The chapter concludes by analysing the proposed changes to the right to work and their potential ramifications.

12.1 History of rural employment schemes and wages

The *Nehru Report* (1928) set out provisions on the right to form unions, to maintain health and fitness for work, and to a living wage (Nehru 1928). Its recommendations majorly influenced post-independence India's constitutional framework and approach to labour and employment. Since subsistence employment or any job guarantee is intrinsically linked to minimum wages, the section begins with early debates on wage policy.

12.1.1 Early phase 1947–1961

In 1942, Dr B.R. Ambedkar, as Labour Member of the Viceroy's Executive Council, institutionalised the Tripartite Labour Conference (International Labour Office 1949)[1][2] and introduced the Minimum Wages Bill on 11 April 1946 (Ministry of Labour and Employment 2019).[3] The Bill was enacted in March 1948 (Government of India 1948). The Act established a framework for fixing minimum wages in 'scheduled employments, in consultation with workers' and employers' organisations.[4]

The Minimum Wages Act, 1948 was the first legislation in independent India to safeguard workers. Earlier laws, such as the Factories Act, 1881 and the Indian Mines Act, 1901 existed, but they reflected the British colonial administration's commercial priorities rather than labour welfare. The Act did not define a minimum wage or prescribe a method for its determination. Therefore, a tripartite committee on fair wages was appointed. In 1949, the committee released its report which classified wages into three categories: minimum wage (the lowest a worker could be paid), living wage (providing a 'measure of comfort'), and fair wage (linked to the 'capacity to pay'). It stated that any industry unable to pay the minimum wage had 'no right to exist' (Government of India 2021).

1 The Executive Council was equivalent to the Council of Ministers in British India. The Labour Member of the Viceroy's Executive Council may be compared to the Labour Minister in the Government of India.

2 The establishment of the Tripartite Labour Conference marked a shift in the role of the government—from maintaining 'law and order' between workers and employers to facilitating engagement among workers, employers and the state.

3 The Labour Investigation Committee, appointed by the Government of India in 1944 under the chairmanship of D.V. Rege examined wages, working conditions and the possibility of establishing a framework for fixing minimum wages in India.

4 'Scheduled employment' refers to specific industries listed in the Act, such as agriculture, construction and mining.

Industry representatives such as H.P. Mody and A.D. Shroff influenced some aspects of the report to their favour.[5] The idea of 'capacity to pay', which tied fair wages to industry profitability, directly reflected the Bombay Plan's argument and constrained wage increases to increases in profits (Thakurdas et al. 1944). As a result, minimum wages remained depressed. Wage boards set up under the Act cited economic fragility and the infancy of industries for not extending or enforcing statutory minimum wages (Ministry of Labour 2002).

12.1.2 The 'Right to Work' constitutional debates and the first two Five-Year Plans

Debates in the Constituent Assembly on classifying the right to work as a DPSP reflected diverse perspectives and differing views on its enforceability and significance. Supporters argued that its inclusion would guide the state in promoting welfare and ensuring a minimum standard of living, while critics noted that DPSPs are unenforceable and thus questioned their practical utility (Austin 1999). The tension between enforceable fundamental rights and the non-justiciable DPSP continues to shape the relationship between Parliament, the judiciary and the political economy of India to date.

Professor K.T. Shah strongly advocated for recognising the right to employment as a fundamental right. His aim was to constitutionally compel the State to guarantee socio-economic security, arguing that it would place a positive obligation on the state to guarantee socio-economic security. Others, including Dr B.R. Ambedkar, held that while the right to work was an essential goal, its immediate universal enforcement was not fiscally and institutionally viable in a newly independent country that was hollowed out of its resources (Constituent Assembly of India 1948).

The placement of the right to work within the directive principles, rather than among the fundamental rights, therefore, reflected a deliberate constitutionalisation of aspiration and not an abandonment of the welfare ideal. As Dr B.R. Ambedkar noted in his concluding words on the debate:

> *The word "strive" which occurs in the Draft Constitution, in my judgment, is very important. We have used it because our intention is that even when there are circumstances which prevent the Government, or which stand in the way of the Government giving effect to these Directive Principles, they shall, even under hard and unpropitious circumstances, always strive in the fulfilment of these Directives. That is why we have used the word "strive". Otherwise, it would be open for any Government to say that the circumstances are so bad, that the finances are so inadequate that we cannot even make an effort in the direction in which the Constitution asks us to go.* (Constituent Assembly of India 1948).

5 A.D. Shroff was a signatory to the *Bombay Plan* and submitted a 'Minute of Dissent' included in the Committee's report.

Independent India, under Jawaharlal Nehru, adopted five-year plans as the framework for its economic policy. The First Five-Year Plan (1951–1956) prioritised agriculture and irrigation, focusing on rehabilitation and food price stabilisation following Partition (Sarma 1958). It identified 'disguised unemployment' and 'structural underemployment' in agriculture as central concerns of employment policy. The Second Five-Year Plan (1956–1961) laid the foundations of the Nehru–Mahalanobis model, of charting out a tempestuous, and often conflicting path of marrying liberal democratic governance with a socialistic framework of planning (Menon 2022). It prioritised rapid industrialisation and heavy industry while relegating employment generation to cottage and small-scale industries which were supposed to be labour intensive (Inoue 1992). The Planning Commission set a target of creating ten million jobs (Sarma 1958). It aimed to 'eliminate unemployment within ten years and reverse the constraints on India's economic development under colonialism' (Tillin 2025). However, while industrial output grew, employment did not, and the target could not be achieved.

12.1.3 The beginnings of employment programmes in India (1961–1991)

The 1960s were marked by acute agrarian distress. Food production failed to keep pace with population growth, and successive droughts intensified the crisis. In response, the Nehruvian approach was set aside in favour of technology-driven agricultural interventions. Popularly known as the 'Green Revolution', this shift generated agricultural surplus and ushered in a new form of agrarian capitalism (Yadav 2021). While some classes benefited from the surplus that was generated, unemployment among the peasantry and the landless labourers remained widespread. These conditions shaped the emergence of new social policy responses to address rural poverty and unemployment.

In this context, the Maharashtra Employment Guarantee Scheme evolved from an initial pilot in 1965, and slowly expanded in 1969. It was adopted statewide in 1972. Enacted in the aftermath of consecutive droughts, it was shaped by the efforts of activist and politician V.S. Page (Bhattarai et al. 2018). During the severe drought of 1972–74, the centrally sponsored 'Crash Scheme for Rural Employment' was introduced. After central support ended, Maharashtra enacted its Employment Guarantee Act in 1977, financed through new forms of taxation (Tillin 2025).

During the 1980s, an important policy shift occurred for employment programmes, moving from state-level or relief-based schemes to consolidated national programmes. The National Food for Work Programme (1977) was restructured as the National Rural Employment Programme in 1980. The Rural Landless Employment Guarantee Programme, a *guarantee-based* national programme, launched in

1983, extended coverage to landless households. As economic liberalisation began to take shape, both the schemes were merged into the Jawahar Rozgar Yojana in 1989.

The decade also saw important judicial interventions. In Sanjit Roy v. State of Rajasthan, 1983, the Supreme Court of India held that payment below statutory minimum wages, even in public works programmes, amounted to forced labour in violation of Article 23 of the Constitution (Supreme Court of India 1983). As noted earlier, in Olga Tellis v. Bombay Municipal Corporation, 1985, the Court linked the right to work to the right to life.

12.1.4 The third phase (1991–2004)

Post-1991, India witnessed liberalisation, deregulation and market-oriented reforms. The share of labour in value added and real wages declined (Bhattacharjea 2022). Agrarian distress deepened and rural incomes stagnated by early 2000s (Pankaj 2012). In response, the Employment Assurance Scheme (EAS) (1993) was introduced to provide employment in backward blocks during agricultural lean seasons. However, this was not a guarantee of work. The Jawahar Rozgar Yojana was restructured into the Jawahar Gram Samridhi Yojana (JGSY) (1999), with a focus on rural infrastructure creation (Planning Commission 2002). In 2001, JGSY and EAS were merged to form the Sampoorna Grameen Rozgar Yojana (SGRY), under which wages were paid partly in food grains. These allocation-based schemes led to significant exclusions and remained fragmented, seasonal and limited in scope (Duggirala and Kumar 2021).

It was in this context that the NREGA was introduced. Concerns were raised about its fiscal implications and the risk that a scheme of such scale would lead to 'unproductive expenditure'. Some bureaucrats argued for restricting the guarantee to below poverty line (BPL) households. The bill was then referred to the Parliamentary Standing Committee on Rural Development, which incorporated key provisions initially omitted, including enforceability as a legal right, economic and geographic universality, demand-driven allocation, unemployment allowance, gender quotas, worksite facilities and Centre-state sharing of expenditure (Khera 2011).

12.2 MGNREGA: 2005–2025

Employment schemes in India have historically responded to cycles of low-wage employment and unemployment, which produced persistent vulnerabilities such as hunger, health shocks and indebtedness. Targeted, scheme-based approaches proved inadequate, leading to the articulation of a universal, rights-based framework. MGNREGA rests on a simple premise; it provides a livelihood cushion by guaranteeing work at minimum wages near workers' communities. Framing this as a legal right was also intended to address structural asymmetries

such as caste, gender and bureaucratic control. Key statutory obligations included the right to work on demand; unemployment allowance if work is not provided within fifteen days of demand; payment of wages within fifteen days of completion of work; compensation for wage delays; equal wages for men and women; and the provision of essential worksite facilities.

The Act also aimed to create ecologically sustainable assets, including water and soil conservation, drought-proofing, renovation of water bodies and rural connectivity. In line with the 73rd Constitutional Amendment, planning was to be carried out by rural communities through gram sabhas, strengthening decentralised governance. Its universal design sought to minimise inclusion and exclusion errors, pitfalls other social security schemes were prone to. In fiscal terms, the Act departed from earlier schemes: the Union government bears 100 per cent of wage costs and 75 per cent of material costs, while states' shares were limited to bear the remaining 25 per cent. In effect, the Union government accounts for roughly 90 per cent of total expenditure. The labour-material ratio is mandated at a minimum of 60:40 at the panchayat level.

In line with Section 4 of the Right to Information Act, which mandates proactive disclosure of information, MGNREGA became the first welfare programme in India to digitise implementation and monitoring in its entirety through a publicly accessible Management Information System (MIS). Social audits and public hearings were built into the Act to strengthen participatory democracy and accountability.

Initially rolled out in the poorest 200 districts in February 2006, the programme was extended nationwide in 2009. Beyond its immediate objectives, MGNREGA also sought to redistribute power between the state and the rural poor. This rights-based framework, however, operated within systems habituated to elite control and bureaucratic opacity. As economist Jean Drèze observed, 'it is a pro-worker law implemented by an anti-worker system' (Drèze 2019). Never an easy task to alter entrenched norms, the initial years (up to 2009) were largely devoted to establishing an institutional architecture for programme implementation.

12.3 Numerous achievements

From its early years, MGNREGA attracted both strong support and derision. Some sceptics and sections of the media dismissed it as an 'expensive gravy train' and a 'money guzzler'. Rather than an employment guarantee Act, others proposed more 'creative' alternatives, such as 'simply dropping money by helicopter, gas balloon (or even diwali rocket) over rural areas' (Aiyar 2004). For 'dole-hole' critics (Bhagwati and Panagariya 2014), the programme amounted to little more than state-sponsored charity—paying people money to dig holes. While some critics

raised concerns about its inflationary effects (Jain 2007), others went further, portraying it as a mechanism that risked institutionalising corruption.

Notwithstanding the validity of some of these concerns, they have often received disproportionate attention. It would be unrealistic to expect that 100 days of employment a year, at minimum wages could, on its own, eradicate poverty, fundamentally reshape power relations, or significantly boost the rural economy. Yet, the programme has provided a crucial safety net, particularly during periods of acute distress. Despite operating at roughly half its mandated capacity[6] and facing persistent implementation challenges, its impact has been enormous. Four broad areas of achievement may be identified: (a) community empowerment; (b) reduction in gender and caste inequalities; (c) increases in rural incomes; and (d) creation of quality assets.

12.3.1 Community empowerment and shifts in gender and caste inequalities

As per official records, out of around 18 crore rural households (as per the Socioeconomic and Caste Census 2011), roughly 15.5 crore are registered under MGNREGA (Ministry of Rural Development 2011). The programme has also served as an important entry point for civil society organisations and activists to mobilise rural workers and build collective platforms for demanding their rights. Beyond providing employment, it has contributed to the emergence of a new lexicon of rights and entitlements in rural India.

Evidence from the field suggests that this has translated into tangible shifts in both individual and collective agency. In Muzaffarpur, Bihar, workers' collectives such as MGNREGA Watch have enabled women to directly engage with administrative officials and assert claims over pending wages, reflecting new forms of access and confidence among workers (Sharan 2021). Similarly, in Belgavi, Karnataka, women's participation in MGNREGA has, in some instances, extended beyond the workplace to challenge entrenched gender norms in community spaces and local cultural practices. These examples point to how the programme has enabled new forms of voice, negotiation, and collective action among historically marginalised groups (see Annexure 12.1 for more case studies).

Organising around MGNREGA has, in several contexts, also opened up spaces that cut across entrenched caste boundaries. Accounts from the field suggest that participation in worksites and related forms of mobilisation has enabled interactions across caste lines and expanded the ability of marginalised groups to access and inhabit local public institutions more assertively. As Sandeep Pradhan, an MGNREGA organiser from Jharkhand, said in a public meeting in January 2026,

6 The average number of days of employment per household has remained around fifty days annually, based on MGNREGA MIS data (Ministry of Rural Development n.d.)

CASE STUDY

Surekha | Belagavi, Karnataka

Surekha is a resident of Jamboti Panchayat, Khanapur Taluk in Belagavi district, Karnataka. This Marathi speaking village is located in a dense forest in the north western periphery of Karnataka. The village, located in the north-western part of the state, has seen high levels of male seasonal migration to Goa for work in construction and service occupations, leaving women with limited sources of income. With the support of a migrant worker turned labour organiser, Surekha learned about MGNREGA in 2011 and began mobilising other women in her village to participate in public works. For the first time, women discovered that they could earn the same as men, that they could have their own bank account and that they could work on their own terms. A growing sense of autonomy extended beyond the workplace into community life. In the village temple, where a weekly bhajan ritual was traditionally restricted to men, women began to assert their right to participate. Led by Surekha and other MGNREGA workers, they challenged these norms and secured equal participation in the ritual. Akin to the temple entry movements of the 1920s, MGNREGA became the *Satyagraha* engine for Surekha in the 2010s. Women sit shoulder to shoulder and sing note to note with other men in the temple today.

'It was only because of MGNREGA that for the first time in his village, people across caste lines ate together at worksites.' Mahantesh, a Dalit migrant worker turned MGNREGA organiser, from Bagalkot, Karnataka noted how organising around MGNREGA made it possible for Dalits in his village to fearlessly enter the premises of their Panchayat Bhavan.

Although these processes are not uniform across the country, improvements in women's empowerment and in the economic condition of poorer households are also borne out in academic evidence using public data and field surveys. Real wages of female casual workers increased by 8 per cent in districts where MGNREGA was implemented compared to others (Azam 2012). Access to paid employment has also strengthened women's intra-household bargaining power (De Mattos and Dasgupta 2017). Findings from a nationally representative panel survey of 26,000 rural households show that 45 per cent of women who worked under MGNREGA in 2011–12 had no prior earnings in 2004–05, alongside a substantial increase in women's access to bank accounts and their ability to seek healthcare independently (Desai, Vashishtha

and Joshi 2015). A range of state-level surveys and ethnographic studies further corroborate improvements in women's employment and agency (Pankaj and Tankha 2010; Pellissery and Jalan 2011; Carswell and De Neve 2013; Ahangar 2014; Sahoo 2014). There is also evidence that women's participation in the programme has had positive spillover effects on the time children spend in school and their educational outcomes (Afridi, Mukhopadhyay and Sahoo 2016).

At the same time, these gains vary across regions. Women's participation tends to be higher in southern states, while remaining relatively lower in parts of northern India (Narayan 2022). This divergence is notable given that many states of the Indo-Gangetic plains are poorer and have lower work uptake when compared to southern states. Better state capacity, implementation quality and awareness among workers pay an important role in shaping outcomes for states.

12.3.2 Increase in rural incomes

Empirical studies show that, in better-implemented states, there is a substantial increase in per capita income and consumption during the agricultural lean season, contributing to poverty reduction (Klonner and Oldiges 2022). Using a decade of monthly data for a panel of over 200 districts, research finds that real daily agricultural wage rates increased following the implementation of MGNREGA (Berg et al. 2018). The programme has also raised wages for casual workers in the private sector (Imbert and Papp 2015) and increased rural household consumption expenditure by between 6.5 per cent and 10 per cent, with stronger effects among marginalised castes (Bose 2017).

Participation in MGNREGA has been higher among poorer households, particularly Dalits and Adivasis, and has been associated with a reduced reliance on moneylenders (Desai, Vashishtha and Joshi 2015). Despite 35% higher wages in urban areas, some seasonal migrants have preferred to work under MGNREGA rather than migrate (Imbert and Papp 2019). Studies also indicate that MGNREGA has had significant positive macroeconomic effects across sectors, including impacts on government revenue (Sharma, Saluja and Sarma 2016). Contrary to popular perception, there is no evidence of a systematic association between MGNREGA expenditure and price inflation (Bahal and Shrivastava 2022).

12.3.3 Creation of quality assets

Since its inception, MGNREGA has created over 9.84 crore[7] assets across 266 types of works. Narayanan (2016) identifies four key impact areas of these assets: income growth, agricultural productivity, environmental resilience and disaster mitigation. Studies show that these works have contributed to decentralised water

7 https://nrega.dord.gov.in/MGNREGA_new/Nrega_home.aspx. Accessed on June 6, 2026.

management through the labour-intensive construction of small-scale water conservation structures (Tiwari et al. 2011; Singh et al. 2013; Sebastian and Azeez 2014). Over twenty lakh ponds, five lakh dug wells and five lakh check dams have been constructed since 2014 (Press Information Bureau 2019). These structures augment water availability, increase agricultural production, reduce soil erosion, improve soil fertility and enhance resilience to droughts and floods. A notable example is Rajasthan's 'four waters' concept—rainwater, runoff, soil moisture and groundwater—which led to a 4.66-foot rise in groundwater levels across twenty-one non-desert districts, securing water for 4.1 million people (NITI Aayog 2019).

MGNREGA has also contributed to environmental resilience through large-scale afforestation. States such as Chhattisgarh, Tamil Nadu and Telangana have focused on highway and roadside plantations (Narayanan et al. 2014). In Jharkhand and Andhra Pradesh, fruit plantations (particularly mango) have contributed to both income generation and increased green cover (Drèze and Nair 2023). Plantation works provide immediate wage employment, long-term income security from fruit yields and additional earnings through intercropping (Turangi 2020).

CASE STUDY

Akkapalligudem | Jangaon District, Telangana

In Akkapalligudem village in Jangaon district of Telangana, land development works under MGNREGA have enabled the reclamation of previously uncultivable land. These interventions include land levelling, clearance, and the creation of irrigation structures like trenches and farm ponds. Avinash Bharatha, the Village Development Officer (VDO), initiated these works in 2020. His sustained efforts have ensured that the land reclamation works lead to sustained livelihood improvements for villagers. In 2024, Malliah reclaimed 1.5 acres of land through these works and now cultivates cotton, increasing his annual income by around ₹60,000. The works on his land alone generated 610 person-days of employment for 119 workers under MGNREGA. Similarly, Gottam Karunakar reclaimed 0.75 acres, where he now cultivates paddy and groundnut. Across the village, more than 15 acres of land have been brought under cultivation through such land development projects.
In addition, plantations have been developed on reclaimed land through convergence with the horticulture department. For instance, P. Ramesh has planted eighty coconut trees along the boundary of his land, with support for planting and maintenance, creating a potential source of sustained income.

12.3.4 Social accountability

Civil society played a central role in mobilising and championing the architecture of MGNREGA, particularly in institutionalising a citizen-led approach to monitoring and grievance redressal through social audits (Adhikari and Heller 2024). Social audits are premised on enabling local communities to audit public programmes and hold authorities to account through public hearings. Around 1 per cent of programme funds is earmarked for social audits. Independent statutory bodies have been established in each state to oversee their implementation. As with other aspects of the programme, there is considerable variation across states in how social audits are conducted and in the extent to which their findings are acted upon (Aiyar and Mehta 2015).

In its early years, the Ministry of Rural Development supported such processes through initiatives aimed at facilitating engagement between policymakers, researchers and practitioners, including the publication of an anthology of research studies in the first decade of implementation (UNDP 2015). However, these consultative processes appear to have weakened after 2015.

12.4 Challenges

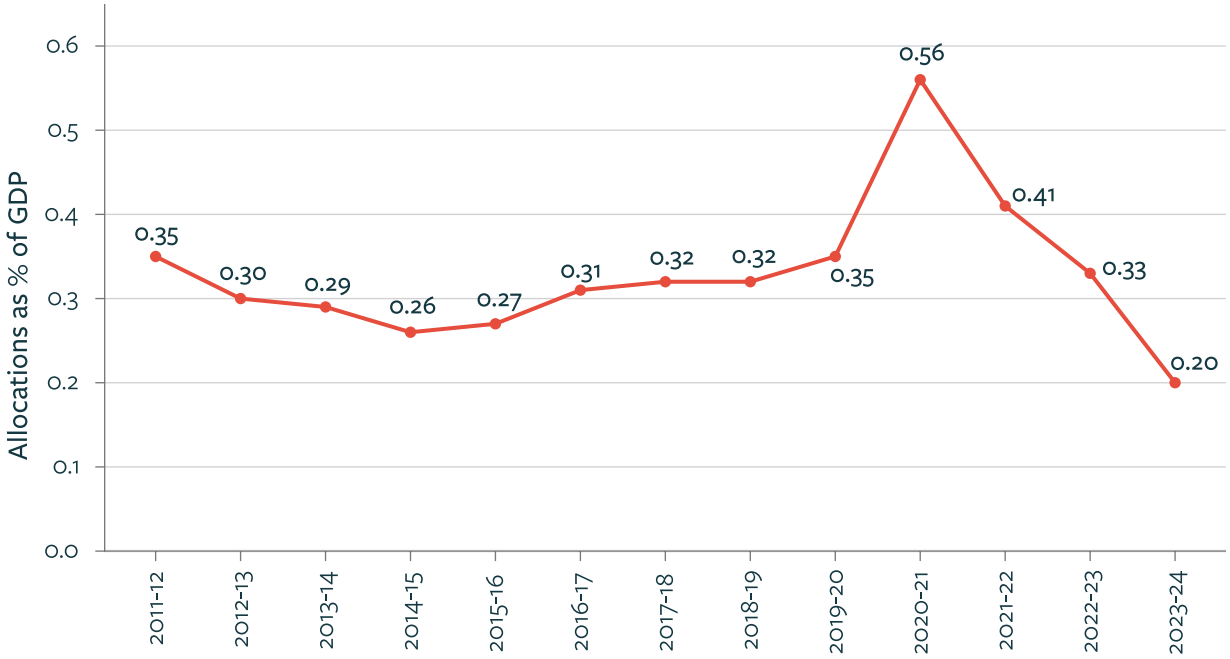
Budget constraints leading to the suppression of work demand and delays in wage payments, along with low wage rates, have been key concerns. Over time, the introduction of untested digital technologies in programme implementation has steadily subverted the Act.

12.4.1 Budget constraints and suppression of work demand

In principle, the MGNREGA budget is determined through a bottom-up process. Gram sabhas prepare a shelf of works and estimate the required person-days for each Gram Panchayat (GP) for the upcoming year. The corresponding wage and material costs are then calculated to arrive at the GP-level labour budget. Aggregation across GPs yields district and state labour budgets and their sum constitutes the national labour budget. In practice, however, this process varies considerably, and there is reason to believe that allocations are effectively determined in a top-down manner. The introduction of the 'Approved Labour Budget' by the union government has truncated the projected bottom-up estimates (Narayanan and Pothula 2018).

Early estimates suggest that, if implemented in letter and spirit, the programme would require allocations of around 1.7 per cent of the GDP (Ravallion and Murgai 2005), with similar estimates produced by civil society groups (PAEG, 2023). However, as Figure 12.1 illustrates, the budget allocation has been around 0.30 per cent of GDP, based on the Union government expenditure and excluding the state share. Even in FY 2020–21, when demand rose sharply during the national

Figure 12.1 : Allocation as a % of GDP over time



Sources and notes: Gupta and Tamang 2024

lockdown, allocations reached only 0.56 per cent of GDP. Inadequate allocation results in at least two forms of rights violation: suppression of work demand and delays in wage payments.

Dated receipts for work applications are rarely provided and demand is often recorded in the MIS only when funds become available. This leads to two forms of employment rationing: limited days of work for many households, or more days of work for fewer households. This is reflected in the persistence of low average days of employment levels, with households receiving around fifty days of work per year.

Using MIS data, studies estimate that suppressed demand may be as high as 34 per cent (Ajith and Narayanan 2023). Similar patterns emerge from primary surveys. A four-state study during the pandemic found that 39 per cent of households in the study areas did not receive any work (Azim Premji University 2022). The same study suggests that meeting actual demand would have required allocations at least four times higher than those provided.

12.4.2 Delays in wage payments

Delays in wage payments have been a persistent problem (Narayanan, Dhorajiwala and Golani 2019; Bheemarasetti et al. 2025). A memorandum issued by the Ministry of Finance acknowledged that insufficient fund allocations have a direct bearing on payment delays in wage payment (Ministry of Finance 2017). Critics argue that, instead of addressing this constraint, the government has repeatedly altered the wage payment system. Earlier, funds were released in advance to GPs,

which were responsible for making timely payments to workers. This system was later discontinued. With the introduction of the National electronic Funds Management System (Ne-FMS) in 2016, payments began to be transferred directly from the union government to workers' accounts upon completion of work. For a detailed view of the changes over time, its implications and the intricacies of the current wage payments process, see Azim Premji University (2022).

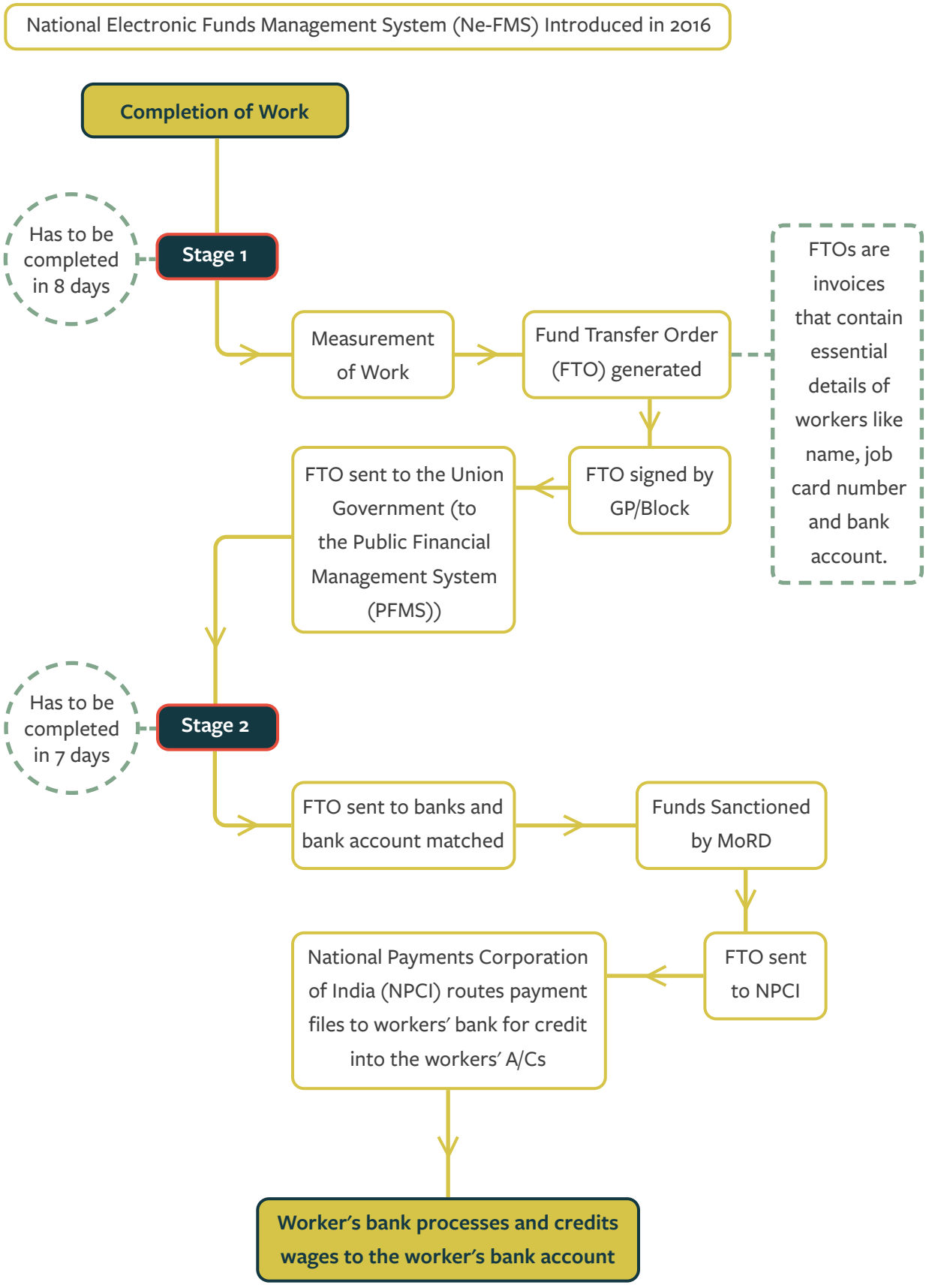
At present, the payment process involves two broad stages. In stage 1, states generate and submit electronic fund transfer orders (FTOs) within eight days of work completion. They include worker details such as names and bank account numbers. In stage 2, the Union government processes these orders and transfers wages to workers' accounts within seven days. Following the Supreme Court's 2018 order in Swaraj Abhiyan v. Union of India, delays in stage 1 have reduced, but delays in stage 2 persist (Supreme Court of India 2018). The Union government's share of delay compensation also remains largely unpaid.

In addition, MGNREGA wages have remained below statutory minimum wages in most states. Since 2009, wages have been delinked from state minimum wages. Two government committees have recommended that MGNREGA wages should not fall below minimum wages and that indexation should be linked to the Consumer Price Index (Rural) rather than the Consumer Price Index (Agricultural Labour). The Parliamentary Standing Committee on Rural Development and Panchayati Raj, in its report of 3 April 2025, has also recommended a revision of wage rates (Standing Committee on Rural Development and Panchayati Raj 2025), noting that 'without a fair wage, the scheme fails in its objective of providing economic security to rural workers'. Despite these recommendations, MGNREGA wage rates continue to remain lower than state agricultural wages in most states (Tamang 2025). For further discussion, see Aggarwal (2017).

12.4.3 Digital technologies–induced exclusions

MGNREGA has increasingly become a laboratory for the use of digital technologies in social policy implementation. Many of these were introduced hastily and without adequate consultation, leading to a form of technocratic governance in social policy (Buddha, Dhorabjiwala and Narayanan 2021; Narayanan 2023). For instance, in 2017–18, the Union government introduced electronic muster rolls (e-MR), making their generation contingent on the geo-tagging of worksites. This effectively positioned the MIS as the engine of programme implementation. This was a precursor to the National Mobile Monitoring System (NMMS) app, which requires workers' time-stamped, geo-tagged photographs to be uploaded twice daily. In the absence of a reliable back-end authentication mechanism to match workers with their photographs, the system fails to meet its stated objective of curbing corruption and has led to significant exclusions (Buddha and Tamang 2024).

Figure 12.2: Process flow of payment of wages through Ne-FMS under MGNREGA



Aadhaar has been central to this suite of digital technologies. Its evolving role in MGNREGA reflects shifting official objectives, including reducing wage delays, minimising payment rejections and eliminating 'fake' or duplicate job cards (Bheemarasetti et al. 2025). However, analysis of more than three crore wage transactions shows that Aadhaar-based payment systems have neither improved payment timeliness nor reduced rejection rates when compared to account-based systems. Instead, they have increased opacity and led to new problems such as diverted, misdirected and locked payments (Drèze 2018). Further, rather than eliminating fraudulent job cards, the shift towards Aadhaar-based systems has been associated with the deletion of active workers from programme records (Buddha and Tamang 2023). In the absence of clear protocols, many workers were removed on the grounds of being 'unwilling to work', in violation of the Act (Narayanan and Buddha 2024). Claims of fiscal savings from Aadhaar also appear inflated (Bhaskar, Sarkar and Singh 2024).

Over time, Common Service Centres and banking correspondents have been introduced as last-mile digital interfaces between workers and the state. Although there are some positives of these initiatives, they operate with limited accountability. As a result, last-mile challenges persist (LibTech India 2020). Chronic underfunding of social audit units has further weakened oversight, widening the gap between the programme's participatory design and its implementation in practice.

From MGNREGA to VB-GRAM G

In December 2025, MGNREGA was repealed and replaced by the Union government with a new law, the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (VB-GRAM G) Act (Ministry of Rural Development 2025).

Table 12.1 provides the key differences between MGNREGA and the VB-GRAM G Act.

Table 12.1: Key changes in provisions from MGNREGA to VB-GRAM G

	Key Issue	MGNREGA, 2005	VB-GRAM G, 2025
1	**Right to work**	**'Universal'** Establishes a **universal right to work**, i.e., any person living in any rural area willing to do 'unskilled' manual work is provided work. Therefore, any eligible family could demand up to 100 days of work every year.	**'Discretionary'** State Governments shall provide work in such rural areas as notified by the Central Government (Section 5(1)). Thus, if a rural area is not notified and budgeted by the Union government, there is no right to work for the people of that area, effectively reducing it to a discretionary scheme run at the will of the Union Government.

Table 12.1: Key changes in provisions from MGNREGA to VB-GRAM G

	Key Issue	MGNREGA, 2005	VB-GRAM G, 2025
2	**Nature of guarantee**	**'Demand-driven'** MGNREGA is a **demand-driven guarantee**, i.e., every rural worker must be provided work within 15 days of demand, failing which they are entitled to an unemployment allowance.	**'Command-based'** The Union Government shall determine state-wise normative allocation for each financial year. Any expenditure in excess of such allocation shall be borne by the State Government (Sections 4(5) and 4(6)). This pre-determined budgetary allocation will act as a cap on the number of days of employment that may be provided in each state. This converts a statutorily-guaranteed **demand-driven right into a command-based programme** where employment is constrained to a pre-determined financial ceiling.
3	**Period of guarantee**	**'Work throughout the year'** MGNREGA provides an **all-year round guarantee of employment**, i.e., work may be demanded at any time of the year. In particular, women and landless workers got bargaining power to challenge gender and caste inequality.	**'No work in peak season'** **Blackout period of 60 days** must be notified by State Governments during 'peak agricultural season', where no work shall be undertaken (Section 6). This provision allows work to be denied to anyone seeking and willing to work. Women and landless would be most affected, weakening the guarantee's function as a reliable safety net and undermining their bargaining power. Various farmers' groups have extended support to reinstate MGNREGA and evidence suggests that farmers have benefited using MGNREGA. This clause attempts to legally pit farmers with labourers.

Table 12.1: Key changes in provisions from MGNREGA to VB-GRAM G

	Key Issue	MGNREGA, 2005	VB-GRAM G, 2025
4	**Fund allocation and capping**	**'Central wage allocation is uncapped'** 100% of labour wages are paid by the Union.	**'State-wise capped normative allocation'** Central allocation is capped by a state-wise normative allocation determined annually by the Union Government based on 'objective parameters prescribed by the Central Government' (Section 4(5) and 22(4)).
5	**Financial burden on states**	**'Limited state expenditure'** State expenses are **limited** to its share of 25% material costs and the total cost of unemployment allowance.	**'Increased burden on states'** Any expenditure incurred by a State in **excess of its normative allocation shall be borne by the State Government** (Section 4(6) and 22(5)). This will put a massive burden on states.
6	**Cost-sharing between Union and State Governments**	**'90:10'** Cost-sharing ratio of **90:10 between Centre and States**, where 100% of wages and 75% of material costs are borne by the Union Government.	**'60:40'** **The fund-sharing ratio between the Centre and States shall be 60:40** for most states and 90:10 for North-Eastern and Himalayan states. This is for wage and material costs (Section 22(2)).
7	**Nature of planning**	**'Bottom-up planning'** Bottom-up planning through Gram Sabha and Gram Panchayat based on local needs. "Physical muster rolls" Attendance at worksites through physical muster rolls available for public verification.	**'Centralised planning'** Viksit Gram Panchayat Plans aligned with PM Gati Shakti and national infrastructure stack. (Section 4, Schedule 1). According to Schedule 1, Clause 6, 'The Viksit Bharat National Rural Infrastructure Stack shall guide States, Districts and Panchayati Raj Institutions in identifying priority infrastructure gaps, standardising work designs, and ensuring that public investments contribute measurably to saturation outcomes at the Gram Panchayat, Block and District levels.' (contd.)

Table 12.1: Key changes in provisions from MGNREGA to VB-GRAM G

	Key Issue	MGNREGA, 2005	VB-GRAM G, 2025
7	**Nature of planning (contd.)**		This reframes local planning not as an expression of local needs, but as a step in building a national infrastructure database aligned with centrally determined priorities.
8	**Method of attendance**	**'Physical muster rolls'** Attendance at worksites through physical muster rolls available for public verification.	**'Biometric authentication based'** The new Act **mandates the use of biometric authentication** for workers at worksites and functionaries (Section 24(a) and the use of biometric attendance systems (Section 15(b)). This is despite biometric authentication being fraught with problems, particularly for agricultural and construction workers whose fingerprints are worn down by manual labour and thus produce weaker biometrics, as evidenced by numerous ground reports and research studies, including those by the UIDAI. Earlier this year, the MoRD itself acknowledged biometric attendance was not working and would need to be physically verified. And yet, the GRAMG mandates the use of such systems for worker attendance. This might deny the right to work and wages.
9	**Use of technology**	**'Administrative tool'** Technology as administrative aid; not a statutory condition for access.	**'Legally mandated use of technology'** Biometric authentication, geospatial planning, dashboards mandated in law (Section 24). (contd.)

Table 12.1: Key changes in provisions from MGNREGA to VB-GRAMG

	Key Issue	MGNREGA, 2005	VB-GRAMG, 2025
9	**Use of technology (contd.)**		Technology becomes a legal gateway increasing risk of exclusion and denial of rights. Technocratic initiatives introduced without any consultation widened the gulf between workers and officials, and paved the way for new forms of corruption. Staff shortages exacerbated it. Built-in principles to mitigate corruption like social audits have been underfunded in the last decade. VB-GRAMG has no new provisions to mitigate corruption.
10	**Wage rates**	**'Notified wages linked to inflation'** There was a notified MGNREGA wage rate with escalation.	**'No wage guarantee'** There is no assured wage rate—it depends on what the Center fixes for each specific Panchayat.
11	**Nature of assets created**	**'Village assets"** Funds built local assets not covered under other schemes.	**'Contractor-led projects'** Work can be diverted to large infrastructure under PM Gati Shakti, turning Panchayats into labour suppliers.
12	**Presence of contractors**	**'No contractors'** Contractors were banned.	**'Contractors likely to be allowed'** Contractors are allowed through 'convergence' opening the door to leakages and capture.

Sources and notes: Collated by NREGA Sangarsh Morcha, 2026. https://savemgnrega.in/resources

The repeal has sparked intense debate. Some argue that the challenges in MGNREGA could have been addressed within the rights-based framework it established, without the need for repeal. Supporters of the VB-GRAM G Act contend that it addresses structural gaps in MGNREGA and guarantees 125 days of employment annually (Chouhan 2025). The Economic Survey 2025–26 similarly argues that improvements in the rural economy driven by strong macroeconomic fundamentals and a reduced dependence on MGNREGA as a source of livelihood, necessitated a policy shift.

Critics, however, contend that the VB-GRAM G Act excessively centralises programme implementation, increases the fiscal burden on states, institutionalises the use of exclusionary technologies and is likely to exacerbate contractor based works banned under MGNREGA (Sinha 2025; Narayanan 2025; Swaero and Buddha 2026). Concerns have also been raised about the provision to pause public works for sixty days during the peak agricultural season, which may weaken the bargaining power of women and landless, and generate tensions between workers and farmers. The implications of these competing claims will become clearer over time.

India has had a contested history of rural employment policies. As this chapter has shown, MGNREGA embodied a range of progressive measures, including the legal guarantee of the right to work. Its scope remains ambitious, but its two-decade record presents a mixed picture. As researchers and practitioners engaged with its implementation, we continue to recognise its transformative potential. Public policy is a continuous work in progress. In that spirit, the priority must be to address its gaps rather than pursue hasty shifts that risk undermining its core guarantees.

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Studio/Jan.52,A31a.Polling Day in Delhi (14.1.52). A blind old man being carried towards a polling booth by his son, to help him to cast his vote, near a polling station in Jama Masjid area in Delhi. Public Resource via Internet Archive

Whither State Care? India's Non-Contributory Pension System

A transformative concept of social security began to take shape in India in the 1990s, informed by a rights-based approach to welfare. The state's outlook on social security shifted from discretionary relief to a basic obligation, articulated through the language of rights, citizenship and social justice. The National Social Assistance Programme (NSAP), introduced in 1995, was the first attempt to establish a national, non-contributory social assistance pension system for the country's most socially and economically vulnerable populations. Since its inception, the NSAP has undergone numerous developments that have both strengthened and fragmented the system. Key state-level schemes and practices show pathways to enhance the programme and chart a path towards a more meaningful social security pension system.

CHAPTER 13

Whither State Care? India's Non-Contributory Pension System

Asmi Sharma and Nancy Pathak

Social protection and social security are crucial components of a country's development agenda. Social security mechanisms not only reflect economic growth but also indicate the capacity of the state to deliver welfare to its poorest and most marginalised populations (Sülzer 2008). The International Labour Organisation (ILO) defines social security as *'the set of policies and programmes designed to reduce and prevent poverty and vulnerability across the life cycle'*. Its core components include child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection, old-age benefits, disability benefits and survivors' benefits, financed through a combination of contributory schemes and tax-funded non-contributory programmes (International Labour Organisation 2021). Expanding this framework, Amartya Sen and Jean Drèze define social security as *'the use of social means to prevent deprivation and vulnerability'*, emphasising not only *'protection'* but also the *'promotion'* of wellbeing. In this view, social security is not merely the replacement of lost wages; it ensures that individu-

als can sustain basic capabilities and living standards even under adverse conditions (Drèze and Sen 1991).

In India, social security has developed in distinct phases shaped by the political economy of the time. In the early years after independence, protections were created primarily for industrial and formal-sector workers through legislation such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund Act, 1952. As a result, the system remained occupationally narrow, leaving most workers outside any form of income security, since the focus was on the organised sector rather than the workforce as a whole (Rajan 1999).

The International Labour Organisation (ILO) defines social security as 'the set of policies and programmes designed to reduce and prevent poverty and vulnerability across the life cycle'. Amartya Sen and Jean Drèze define social security as 'the use of social means to prevent deprivation and vulnerability'.

Following the green revolution, rural social protection expanded through the introduction of public works and wage employment schemes, marking a shift from industrial labour protections to rural social protection (Tillin 2025). The period also saw the emergence of state-level initiatives for the elderly, such as grants-in-aid[1] to voluntary organisations for day-care centres and old-age homes, as well as modest non-contributory pensions for the 'destitute aged'. However, these programmes remained limited in scale and uneven in their implementation (Rajan 1999).

In the 1990s, a more transformative concept of social security began to take shape, informed by a rights-based approach to welfare. During this period, the state expanded its role by translating commitments under the Directive Principles of State Policy into concrete entitlements.[2] This marked a normative shift in social policy from discretionary relief to basic obligation of the state, articulated through the language of rights, citizenship and social justice (Tillin 2025). It was in this context that the National Social Assistance Programme (NSAP) was introduced in 1995, marking the first attempt to establish a national, non-contributory social assistance pension system for the country's most socially and economically vulnerable populations.

While the late 1990s and early 2000s saw the strengthening of NSAP, subsequent decades have revealed structural gaps in India's social security pension archi-

1 Grants-in-aid are payments made by the Union government as assistance or contributions to another government, body, institution or individual.

2 The Directive Principles of State Policy are provisions in the Constitution of India that guide the state in making laws and policies. Article 41 states that 'the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want'.

tecture. The system remains fragmented and is increasingly unable to respond to changing demographic and economic realities.

India, like other countries in Asia, is facing an unprecedented crisis of a rapidly ageing population (Irudaya, Rajagopalan and Kumar 2025). The number of older persons is projected to increase from 100 million in 2011 to 230 million by 2036. Many continue to work beyond the age of sixty, not by choice but due to unstable incomes, limited savings and the inability of households to absorb shocks. With more than 90 per cent of the workforce engaged in low-wage informal work without retirement savings or employer-backed protection, most older persons lack access to formal pensions and depend on social assistance, leaving them highly vulnerable to poverty (International Institute for Population Sciences and United Nations Population Fund 2023). The India Ageing Report of 2023 notes that 18.7 per cent of older persons have no income at all. Single women, widows, deserted women and those without family support, as well as persons with disabilities (PwD), face similar income insecurity and rely on social assistance for basic survival. These vulnerabilities are further compounded by intersecting inequalities of gender, caste and class.

Countries with comparable or lower gross domestic product (GDP) per capita, such as Nepal, Lesotho, Kenya and Bolivia, provide more expansive social protection than India. India's Economic Survey 2025 notes that a wider pension system is needed, as pension assets account for just 17 per cent of GDP compared to 80 per cent in advanced economies (Ministry of Finance 2025). While pension schemes exist for formal sector workers, informal workers remain largely excluded and rely on social security and contributory pensions schemes such as the National Pension System (NPS) or the Atal Pension Yojana (APY) (Ministry of Labour and Employment 2026). Participation in these schemes remains low because many workers cannot afford regular contributions (Sharma and Pathak 2024).

Social security pensions are therefore a basic requirement of an inclusive social protection system. They recognise that individuals engaged in unpaid care work or low-paid informal labour, are entitled to income security in later life. A rights-based framework rests on the idea of 'full citizenship', understood as full inclusion – civic, political, social, economic and cultural – under which the state is obligated to guarantee a minimum level of dignity and protection (Jayal 2013).

13.1 National Social Assistance Programme

The National Social Assistance Programme (NSAP) was launched on 15 August 1995 with three components: the National Old Age Pension Scheme (NOAPS), the National Family Benefit Scheme (NFBS) and the National Maternity Benefit Scheme (NMBS). On 1 April 2000, the Annapurna Scheme was introduced to provide food security to senior citizens who were eligible but not covered

under NOAPS. The NMBS was transferred from the Ministry of Rural Development (MoRD) to the Ministry of Health and Family Welfare on 1 April 2001. The Supreme Court in the 'Right to Food case' (PUCL v. Union of India & Ors., CWP No. 196/2001) recognised payments for the National Old Age Pensions as part of the entitlement framework for food security, directed that pensions be paid by the seventh day of each month, and that the scheme not be restricted or diluted without the permission of the Court.

The National Old Age Pension Scheme was renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) in 2007. In February 2009, two additional schemes – the Indira Gandhi National Widow Pension Scheme (IGNWPS) and the Indira Gandhi National Disability Pension Scheme (IGNDPS) were introduced.

Figure 13.1: Schemes under NSAP

The design and implementation of NSAP are outlined in guidelines issued by the MoRD, which define eligibility criteria, age thresholds, documentation requirements and payment norms. NSAP comprises five schemes (Ministry of Rural Development 2014; 2025b)

1. **IGNOAPS** – Provides social security pensions to elderly persons. The Union government contributes ₹200 per month to beneficiaries aged 60 to 79 years and ₹500 per month to those aged 80 years and above. The scheme currently covers 2.21 crore elderly individuals.
2. **IGNWPS** – Provides financial support to widows aged 40 to 79 years, with a Central contribution of ₹300 per month and ₹500 for those aged 80 and above. The scheme currently covers 67.83 lakh beneficiaries.
3. **IGNDPS** – Provides financial support to PwD with 80 per cent disability and above, covering 8.11 lakh beneficiaries with a central contribution of ₹300 per month for those aged between 18 and 79 years and ₹500 per month for those aged 80 and above
4. **Annapurna Scheme** – A demand-driven scheme that provides 10 kg of free foodgrains per month to older persons eligible for IGNOAPS but not receiving a pension. The scheme covers 8.31 lakh beneficiaries. (Ministry of Rural Development 2025a).
5. **NFBS** – Provides a one-time grant of ₹20,000 to households below the poverty line upon the death of the primary breadwinner aged 18 to 59 years. The scheme currently supports 3.58 lakh individuals. See Annexure 13.1 for details of beneficiaries covered under NSAP, 2010–11 to 2024–25.

NSAP covers both rural and urban areas. Under this framework, the Central government provides a fixed amount of social assistance per beneficiary, based on state-wise beneficiary lists determined by the MoRD. States are expected to provide 'top-up'/additional amounts from their own budgets, matching or exceeding the central assistance [Comptroller and Auditor General of India (CAG) 2023]. The central beneficiary cap is based on population data from the 2001 Census and poverty ratios estimated by the Planning Commission in 2004–05 (Directorate of Census Operations, Rajasthan 2001; Press Information Bureau 2007; CAG 2023). The guidelines also mandate monthly disbursement of pensions directly into beneficiaries' bank or post office accounts under the direct benefit transfer (DBT) system.

13.2 Performance, analysis and implications

Despite the existence of a non-contributory social security programme, the implementation of NSAP has not kept pace with current socio-economic realities, often violating its own procedural guidelines. The programme's design remains flawed, with low coverage and inadequate benefit levels and has seen little change over the past two decades. As a result, entitlements under NSAP remain limited and difficult to access.

13.2.1 Unrevised amounts

At the time of its launch, the central contribution under IGNOAPS was ₹75 per month, later raised to ₹200 in 2007. Since then, there has been no revision in central pension amounts. Under IGNWPS and IGNDPS, the initial central contribution was ₹200, later revised to ₹300 in 2012 (CAG 2023). Despite recommendations from various government and parliamentary standing committees,[3] these amounts have not been revised for 18 and 13 years, respectively. The government reiterated in August 2025 that there are no plans to revise them (Ministry of Rural Development 2025b). These amounts, neither revised nor indexed to inflation, remain grossly inadequate to provide even a minimum level of protection.

A comparison with countries having similar GDP per capita indicates that social security pension systems in these countries are typically broader in scope and provide higher benefit levels than India's. Detailed cross-country comparisons are presented in Annexure 13.2.

13.2.2 Criteria and coverage

Unlike other welfare schemes that use the 2011 Socio-Economic and Caste Census (SECC) data to determine beneficiaries, NSAP caps the beneficiary base for

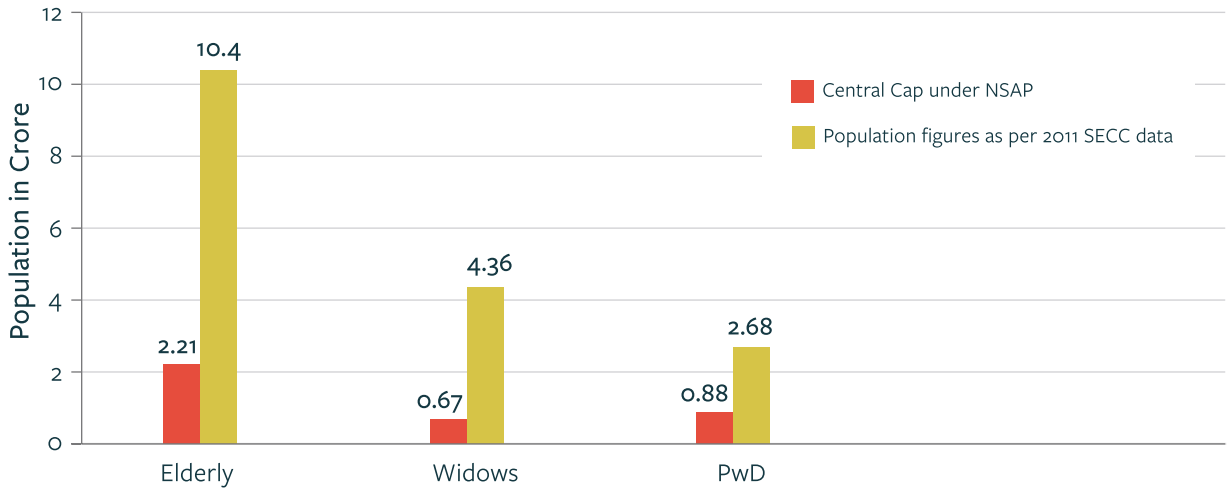
3 The Dr. Mihir Shah Committee, Parliamentary Standing Committee on Rural Development and Panchayati Raj (8th and 9th reports) and 34th report of the Parliamentary Committee on Estimates recommended key interventions.

its three pension schemes at 3.09 crore (Department of Economic Affairs 2025). See Annexure 13.1 for beneficiary coverage under each sub-scheme from 2011–12 to 2024–25 which has never exceeded 3.09 crore.

As the ceiling is neither defined by administrative capacity nor the actual number of eligible rights holders, eligibility as determined in the guidelines does not translate into an entitlement in practice. Section 3.1.3 of the guidelines also requires proactive identification of newly eligible beneficiaries, but this is not carried out on the ground, constituting a direct violation of the scheme's own provisions. According to the India Ageing Report, 2023, of the 14.9 crore elderly persons in India (2022 estimates), 5.96 crore fall within the poorest wealth quintile (Sharma 2024). Further, 2011 SECC data indicates that there are 4.36 crore widows and 2.68 crore persons with disabilities. The limited coverage under the programme has led states to expand their quotas; Economic Survey of India 2024-25 acknowledges for the first time that states are providing coverage to an additional 5.86 crore beneficiaries, bringing total coverage (3.09 crore central and 5.86 crore state) to 8.95 crore (Ministry of Finance 2025).

Additionally, restrictive eligibility criteria for widows under IGNWPS and PwD under IGNDPS create further structural exclusions. The central guidelines prescribe a minimum age of forty for widows, even though economic vulnerability following the loss of a primary breadwinner may arise earlier. Further, as noted in the Mihir Shah committee report, the IGNWPS does not account for unmarried or deserted women. As a result, several states have introduced additional norms to enable their inclusion, often requiring multiple forms of documentation that are difficult to obtain, such as requirements vary by state, but may include certification from local elected representatives or authorities, or a 'non-traceable' police report indicating that the husband is missing.

Figure 13.2: Comparison of population estimates based on the SECC data and NSAP central caps for elderly persons, widows and PwD



Sources and notes: SECC Data

For PwD under IGNDPS, the eligibility threshold remains at 80 per cent disability, whereas the Rights of Persons with Disabilities Act, 2016, recognises persons with 40 per cent and above disability for entitlement to social security benefits, leaving many eligible individuals excluded and dependent on state-level relaxations (Department of Personnel and Training n.d.; Sharma and Pathak 2025a). The eligibility framework is thus not aligned with actual vulnerability, and the requirement to furnish multiple documents places an additional burden of proof on elderly persons, widows and PwD.

13.2.3 Service delivery and flow of funds

The NSAP guidelines stipulate that an application should be processed within sixty days from receipt to sanction or rejection (Ministry of Rural Development 2014). They further require that pensions be credited monthly through DBT to beneficiary's bank or post office accounts. With increasing digitisation, the applications are now largely submitted online through the Unified Mobile Application for New-age Governance (UMANG) portal (Ministry of Rural Development n.d.-c).

In practice, however, these provisions are rarely adhered to. The CAG's report on NSAP (2023) notes that the sixty-day sanction timeline is routinely breached across states, leading to delays that undermine timely support (CAG 2023). Beneficiaries are often required to track their applications themselves and make multiple visits to panchayats, banks and Common Service Centres (CSCs) during the process.

Under NSAP, pensions are disbursed through multiple channels, including bank and post office accounts, money orders and cash. As per the NSAP Management Information System (MIS) data, 87.9 per cent of beneficiaries receive pensions directly into bank accounts, reflecting the broad rollout of the DBT system. Around 4 per cent continue to be paid through post office accounts, 0.2 per cent through money orders, and 7.9 per cent — over 25 lakh beneficiaries — still receive pensions in cash (see Annexure 13.4 for the current disbursal structure). As of March 2026, twenty-two states and union territories (UTs) are DBT-compliant; however, this has not translated into regular monthly disbursal in all cases (see Annexure 13.3 for the list of DBT-compliant states and UTs).

In several states, especially Andhra Pradesh and parts of the North-east, pensions continue to be distributed in cash due to limited banking access in remote areas. Post office accounts remain common in hilly or rural regions such as Himachal Pradesh and Odisha, where physical access is easier than banking facilities. Although states determine their modes of payment, the Centre has been pushing for DBT as the preferred method, purportedly to reduce leakages and strengthen audit trails. This shift, however, remains uneven on the ground, reflected in persistent implementation gaps in monthly pension disbursals. Payments are

often made in lump-sum quarterly or biannual instalments, depending on treasury releases, undermining the purpose of a monthly social pension intended to provide consistent income support.

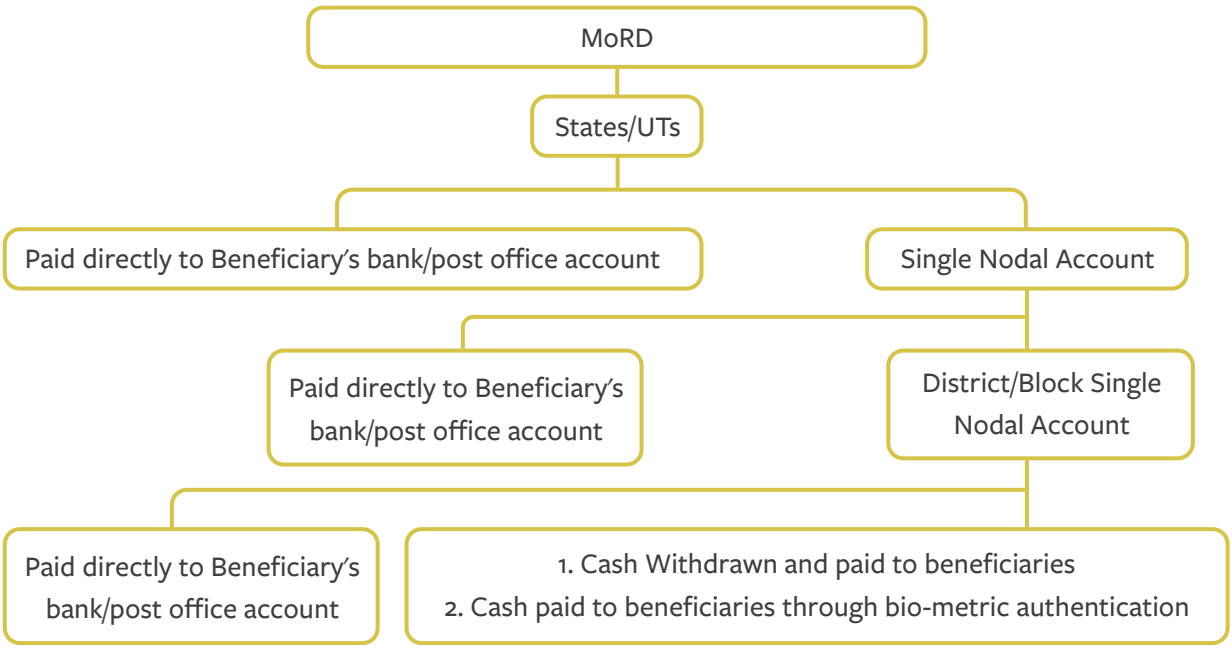
For example, in Delhi, 1 lakh beneficiaries faced a five-month delay due to fund-release bottlenecks, with the funds finally disbursed in August 2024 (TOI City Desk 2024). In Kerala, as of August 2025, nearly five pension instalments were pending (Sai Kiran 2025) and in Tamil Nadu, pensions are frequently credited only around the twentieth of the month (Arockiaraj 2025).

Moreover, the social audit provision is barely operational in most states. In the absence of an independent grievance redress mechanism within NSAP and with deletions not publicly disclosed, the burden falls on the applicant to pursue the state rather than on the state to guarantee continuity.

A key reason cited by the central government for delays in disbursal is states' failure to adhere to NSAP procedures in a timely manner. However, the design of fund release and implementation—where allocations are made annually, and execution is left to state-level administrative departments such as social welfare or social justice and empowerment—also diffuses accountability (see Annexure 13.5 for scheme-wise releases to states/UTs under the three pensions schemes from 2014–15 to 2025–25).

Previously, annual allocations were released into the consolidated fund of the state or the UT in two instalments (Ministry of Rural Development 2014). The first instalment—50 per cent of the annual allocation—was released without any verification of beneficiary data or any documentation from the state. The second

Figure 13.3: Channels of payments under NSAP across states/UTs



Source: Report Number 10 of the Comptroller and Auditor General of India on Performance Audit of National Social Assistance Programme, 2023

instalment was released only after the state had utilised at least 60 per cent of the total funds and upon verification through the Public Financial Management System (PFMS), which provides real-time data on fund utilisation (Ministry of Rural Development 2020). Proposals for the release of the second instalment had to be submitted by 15 December each year. From FY 2024–25, central funds are released to states in four quarterly tranches, contingent on the submission of compliance documents prior to each release (Standing Committee on Rural Development and Panchayati Raj 2025a).

Fund transfers from the Centre to states are often delayed or withheld due to non-submission of utilisation certificates and failure to submit proposals, as releases are contingent upon such documentation. As a result, funds have not been released for several years to Goa and the UTs of Andaman and Nicobar Islands, Dadra and Nagar Haveli and Daman and Diu and Lakshadweep (CAG 2023; Ministry of Rural Development 2026).

Service delivery under NSAP is presently not rooted in an entitlement-based approach. Concerns extend beyond low pension amounts and outdated eligibility criteria to the very process of delivery, which continues to treat the elderly, widowed and disabled as an applicant who must repeatedly establish eligibility, rather than as citizens entitled to social protection.

13.2.4 Union budget and increasing fiscal burden on states

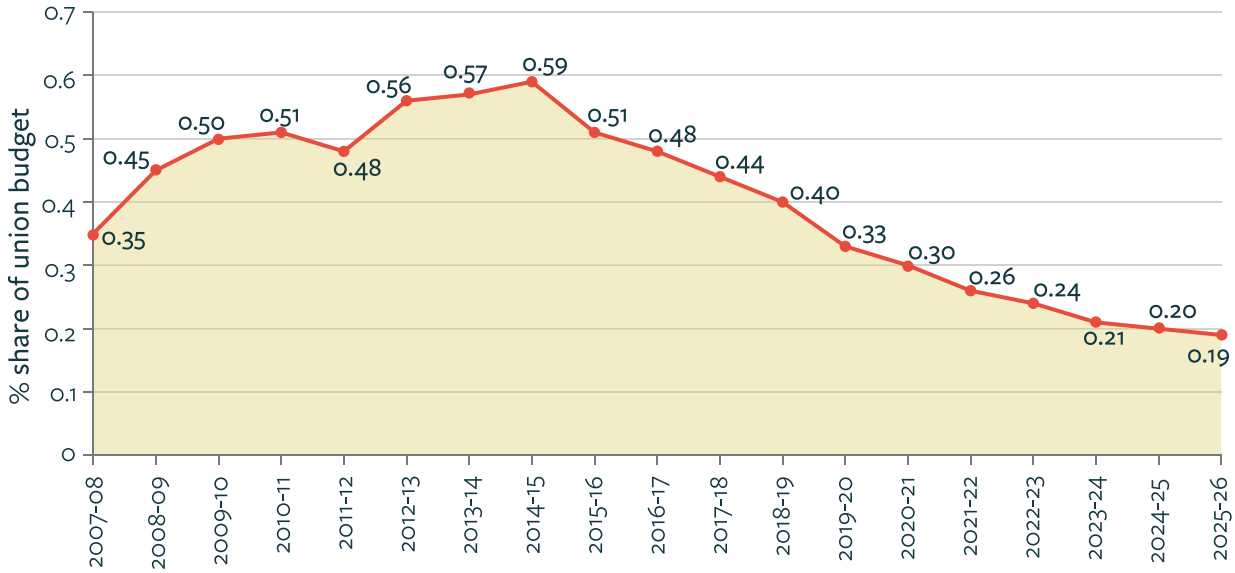
The budget allocated to NSAP by the Central government can be divided into two distinct phases: 2007–2015 and 2015–2025.

In the first phase (2007–08 to 2014–15), allocations to the programme increased alongside the expansion of the other rights-based entitlements. During this period, the budget rose from ₹2,392 crore in 2007–08 to ₹9,541 crore in 2013–14, reaching a peak of ₹10,618 crore in 2014–15. NSAP's share of the Union budget also increased from 0.35 per cent to 0.57 per cent.

In the second phase (2015–16 to 2025–26), the programme's budget has remained stagnant at a yearly average of ₹9,500 crore, essentially a decline in real terms. The budget has remained frozen even as economic vulnerability and post-COVID-19 shocks have persisted. Over the same period, NSAP's share of the Union budget fell from 0.51 per cent to 0.19 per cent in 2025–26 (see Annexure 13.6 for the Union government budget for NSAP). Apart from a one-time ex gratia payment of ₹1000, amounting to ₹2,814.50 crore in 2020–21, the programme has seen no substantive enhancement (Press Information Bureau 2021).

Maintaining the same purchasing power and level of support as in 2014–15 would require allocations to increase to at least ₹18,000 crore as of March 2026, assuming an average annual inflation rate of 5 per cent (Sharma and Pathak 2025b). Fixed beneficiary caps, unrevised pension amounts for over a decade, and a policy

Figure 13.4: NSAP budget as a share of Union budget 2007–08 to 2025–06



Source: Union Budget FY 2019-20 to FY 2025-26.

shift towards contributory pensions schemes such as APY have together constrained the programme's ability to provide meaningful social and economic protection, a trend reflected in its declining budget (Drèze and Khera 2016).

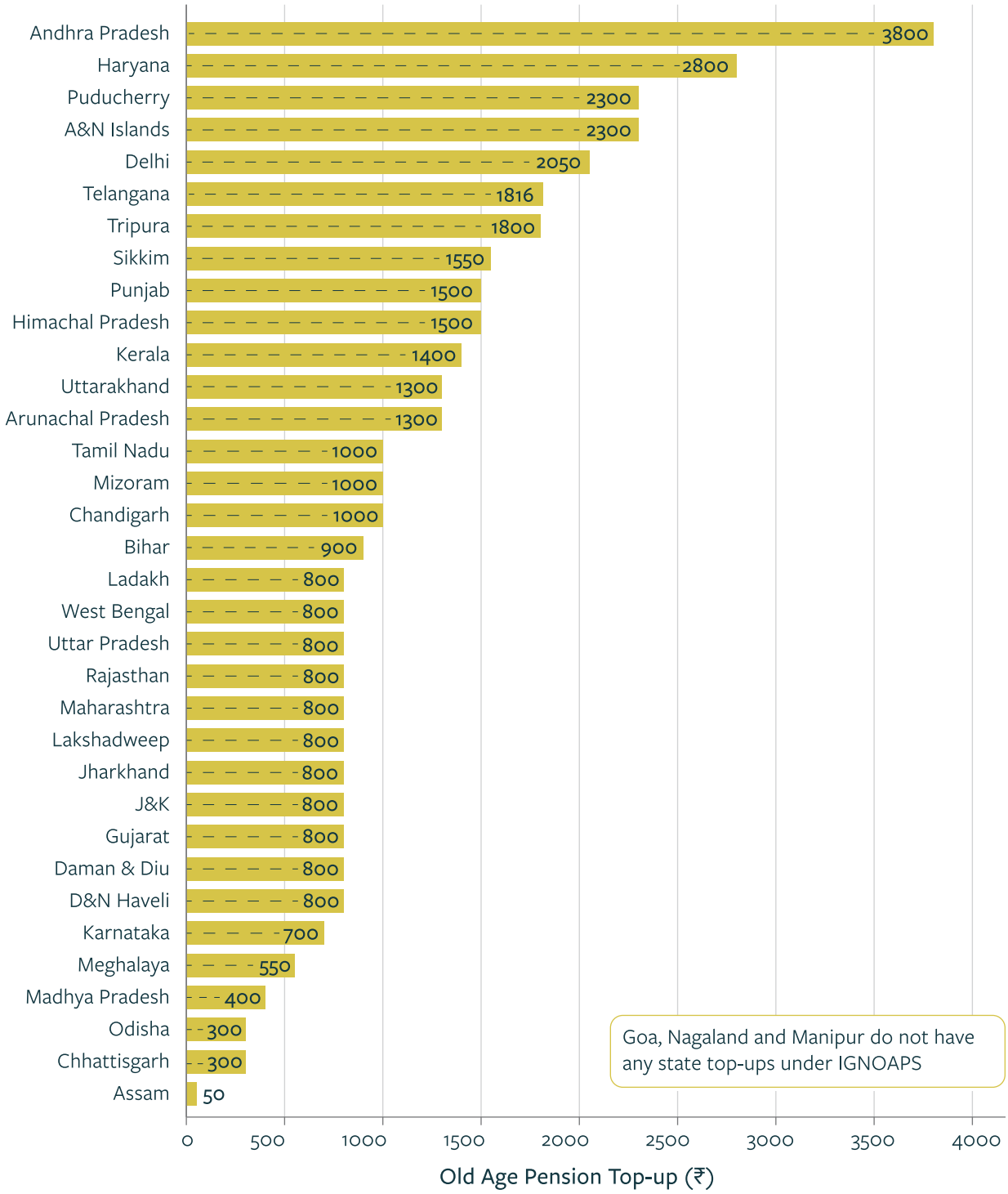
Despite being one of the six 'core of the core' centrally sponsored schemes, NSAP operates on a 50:50 cost-sharing ratio, unlike other schemes in this category, which typically have a higher central share,[4] thereby shifting greater financial burden onto states. As a result, states face a double burden: they must not only provide substantial top-ups to compensate for the Centre's inadequate contribution—often beyond the 50:50 ratio—but also support nearly six crore additional eligible beneficiaries who fall outside the programme's capped list.

The scheme's design further reinforces this shift. Low baseline pension amounts and restrictive eligibility criteria enable the Union government to rely on the programme's federal structure to limit its responsibility for social protection. In practice, this places disproportionate administrative and fiscal responsibility on states, which must finance top-ups while also managing enrolment, verification and delivery. This has led to wide inter-state variation in both coverage and adequacy, reflecting differences in fiscal capacity. States with higher revenues, such as Andhra Pradesh, Delhi and Haryana, are able to provide higher pension amounts, whereas several smaller states like in the northeast are unable to offer even modest top-ups.

At the same time, the federal design of the scheme has also enabled states to move beyond the centre's limited thresholds and provide more substantive social security. Many states have expanded beneficiary categories, increased pension

4 Core of the core centrally sponsored schemes typically follow cost-sharing ratios such as 20:80, 25:75, 90:10, or 40:60.

Figure 13.5: State and UT-wise variation in pension top-ups as per current contributions under IGNOAPS



Source: RTI Reply, Ministry of Rural Development.

amounts, and strengthened delivery mechanisms beyond the scope of NSAP guidelines. As a result, despite limited central spending on social protection, states with political will and fiscal capacity have been able to build more comprehensive pension systems.

13.2.5 Newer architectures of exclusion

Across India's welfare programmes, the state's increasing dependence on techno-governance has reshaped the nature of exclusion. Systems introduced to streamline delivery and improve oversight have instead created fresh barriers to access within NSAP.

1. Layers of digital payment

Service delivery under NSAP, like other welfare schemes, is anchored in DBT (see Annexure 13.8.1 for steps for linking Aadhaar to bank accounts and to the National Payments Corporation of India (NPCI) mapper), which is increasingly linked to the Aadhaar ecosystem. Unlike other welfare schemes, where the Aadhaar-based Payments Systems (ABPS) has been made mandatory, under NSAP, Aadhaar linking for DBT is 'encouraged but not mandatory' (RTI reply from the Ministry of Rural Development, 2025). Despite the Supreme Court's ruling that Aadhaar cannot be made mandatory for welfare delivery, there has been a continued push to link DBT with Aadhaar. This has resulted in an increase in Aadhaar-related errors, including seeding discrepancies and problems with Aadhaar mapping on the NPCI platform (Sikri 2015).

According to the CAG report, the integration of PFMS with DBT since 2017 has led to issues such as name mismatches and faulty account mapping, resulting in disruptions in pension payments (CAG 2023). Since 2020–21, the government has also pushed Aadhaar seeding with pension-linked bank accounts as a means of verifying beneficiary details. Under this process, Aadhaar and bank account details are matched with the Unique Identification Authority of India (UIDAI) database, after which Aadhaar can function as the primary identifier for DBT. However, errors often occur at this stage, including incorrect data entry and mismatches in names, addresses, or age. These discrepancies can lead to authentication failures, rejected payments, or wrongful discontinuation of pensions.[5]

More recently, an additional layer of Aadhaar seeding—linking Aadhaar to the beneficiary's bank account and updating this information in the NPCI mapper—has emerged as another source of exclusion. Under the ABPS, DBT payments can be processed only after a multi-step process is completed. Banks must first complete e-KYC, authenticate Aadhaar, and upload the linkage to the NPCI mapper; the NPCI must then verify and update this information in its system.

This Aadhaar-NPCI linking step is often outside the control or knowledge of the beneficiary and informed consent is frequently bypassed when placing or over-

5 In 2024, a study by the Mazdoor Kisan Shakti Sangathan (MKSS) found that nearly 13 lakh pensions were cancelled, citing data mismatches, Aadhaar-related discrepancies, and beneficiaries' inability to update their Aadhaar details. In many cases, pensioners were even declared dead. However, verification through public audits by MKSS revealed that a significant number of these individuals were in fact alive, exposing serious flaws in the system and administrative oversight (Yadav 2025).

riding a customer's bank account in the NPCI mapper. Since the mapper determines which single bank account will receive all DBT payments, any unilateral change made by one bank can override another existing mapped bank account. Beneficiaries with multiple Aadhaar-linked accounts become particularly vulnerable as the mapper defaults to the most recently KYC-updated account. As a result, pensions may be redirected to dormant or inactive accounts (Kodali 2020).

Even when a beneficiary's Aadhaar is correctly seeded in both the scheme database and the bank, payments may still be rejected if the bank fails to push the correct Aadhaar–account linkage to the NPCI mapper, often leaving beneficiaries without any means of redress, resulting in opaque processes and untraceable decision-making (Sharma and Pathak 2025a).[6] Additionally, seeding, authentication, and mapping are three distinct processes managed by different institutions, including state pension departments, UIDAI and NPCI. According to the NSAP MIS (as of March 2026), of the total 2.97 crore pensioners under the programme, Aadhaar for 2.64 crore beneficiaries (88.78 per cent) was linked in the database, but Aadhaar for only 1.12 crore beneficiaries (37.94 per cent) was mapped on the NPCI mapper, potentially leaving lakhs of eligible beneficiaries vulnerable to losing access to their pensions despite having fulfilled all other requirements (Ministry of Rural Development n.d.-d).

2. Additional layers of digitisation and algorithmic exclusions

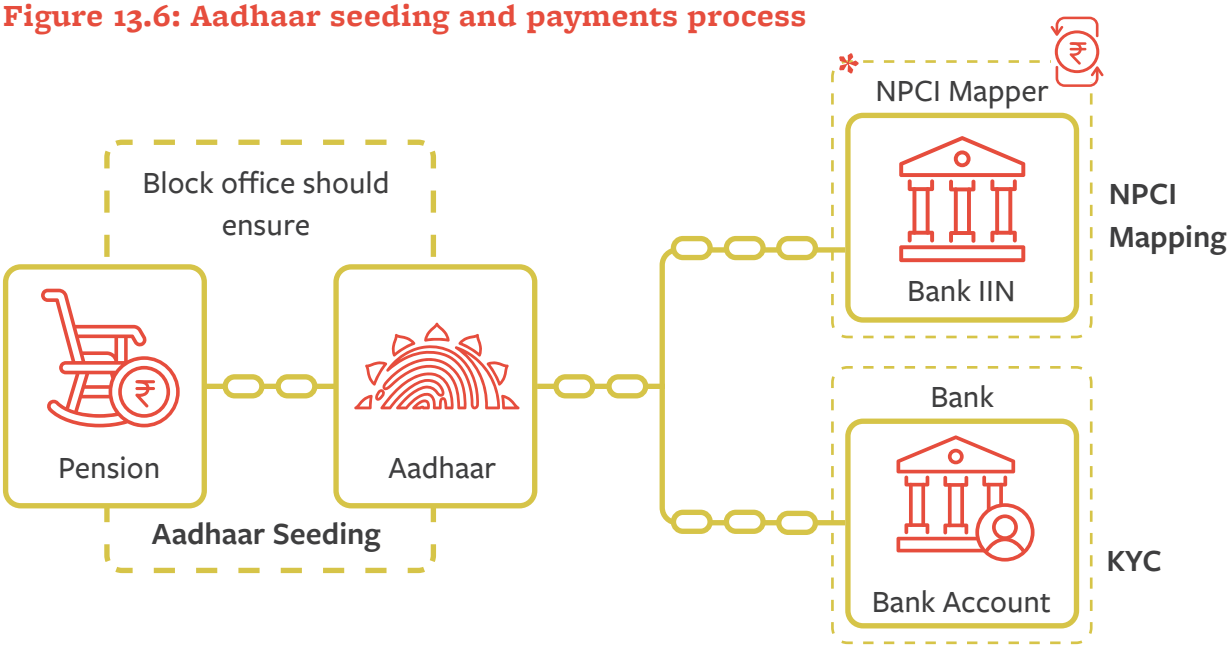
The expansion of digital systems at both the central and state levels has become another major driver of exclusion within NSAP pension schemes. As states roll out their own platforms, such as Haryana's Family Identity Data Repository or Rajasthan's RajSSP, data inconsistencies between these systems and the central database have grown (Tapasya, Sambhav and Joshi 2024). Because these platforms do not consistently communicate or synchronise updates, basic details such as gender, name spellings, or personal information are often recorded incorrectly.[7]

Introduced in 2020 by the Haryana Government, the Parivar Pehchan Patra (Family ID) is a database that uses algorithms and AI to determine beneficiary eligibility and link individuals to welfare schemes. Its implementation has resulted in thousands of NSAP beneficiaries in Haryana being wrongly declared dead, leading to the stoppage of pensions and other welfare benefits (Sambhav, Tapasya and Joshi, 2024).

6 Ashok Kumar, a member of the Pension Parishad, notes: 'When someone tells us their pension has stopped, the first thing we advise is to check all their bank accounts. Banks often seed a different account to the NPCI mapper; one that was never provided in the pension form, so payments are redirected to accounts the beneficiary is unaware of or has never used to receive pensions.'

7 A 2024 field study by the MKSS in Rajasthan found that more than 13 lakh pensions were cancelled, with beneficiaries incorrectly recorded as deceased, marked as 'out of state', or affected by data mismatches between state and central records.

Figure 13.6: Aadhaar seeding and payments process



Sources and notes: LibTech India 2024. Icons via The Noun Project (Pension by Arkinasi, Bank by LAFS).

These examples illustrate how technology-driven systems are producing new forms of exclusion within NSAP. At the same time, the landscape of digitisation continues to evolve, new requirements and procedural changes routinely introduce additional barriers. For instance, since 1 April 2023, the Central government has made it mandatory to provide a Unique Disability ID (UDID) number or enrolment ID to access benefits under seventeen centrally supported schemes, including scholarships, health insurance programmes, and NSAP. Although intended to streamline processes and reduce paperwork, this requirement has, in practice, excluded many disabled beneficiaries from the system.

Similarly, periodic physical verification at the block level requires elderly, widowed, or disabled applicants to repeatedly present themselves or their documents to remain 'active' in the database. If Aadhaar seeding fails, biometric authentication does not match, or a bank account becomes dormant, pensions stop without warning. There is no mandatory human override, no institutionalised second check and no provision for home-based verification for bedridden individuals. These gaps point to a structural failure to accommodate those most at risk of exclusion through digital processes without corresponding accountability mechanisms (Sharma and Pathak 2025a).

13.3 Best practices from States

The shifting of the welfare burden onto states has led them not only to contribute more funds but also to undertake major reforms to strengthen old-age and social security pensions. These reforms include improving delivery systems and widening eligibility to close coverage gaps and enhance inclusion beyond the prescribed guidelines.

Table 13.1: State initiatives expanding coverage and eligibility in non-contributory pensions

State	Scheme	Scheme details
Andhra Pradesh	N.T. Rama Rao Bharosa Pension Scheme	Provides ₹4,000 per month to older persons, widows, toddy tappers, weavers, single women, fishermen, Antiretroviral Therapy (ART) persons living with HIV, traditional cobblers, transgender persons, and dappu artists. ₹6,000 per month to PwD and multi-deformity leprosy patients. ₹10,000 per month to fully disabled persons and those with chronic conditions including bilateral elephantiasis, organ transplant patients and chronic kidney disease patients undergoing dialysis (Social Security and Pensions Department 2024).
Assam	Deen Dayal Divyangjan Pension Scheme	Provides ₹1,000 per month to PwD with atleast 40 per cent disability (Panchayat and Rural Development Department n.d.).
Bihar	Mukhyamantri Vridhajan Pension Yojna (MVPY), Laxmi Bai Social Security Pension Yojana	Universalises old age and widow pensions by delinking eligibility from poverty status under Mukhyamantri Vridhajan Pension Yojna (MVPY). Provides ₹400 per month to widows aged 18 years and above with low family income under Laxmi Bai Social Security Pension Yojana (Government of Bihar n.d.; Kumar 2019).
Chhattisgarh	Social Security Pension Scheme	Provides ₹350 per month to PwD with atleast 40 per cent disability and persons affected by dwarfism (Jashpur District Authority n.d.).
Goa	Dayanand Social Security Scheme (DSSS)	Covers senior citizens aged 60 and above, widows and PwD with at least 40 per cent disability. Provides ₹2,000 per month to senior citizens, widows and PwD and ₹3,500 for persons with 90 to 100 per cent disability. Also provides a one-time assistance of up to ₹1,00,000 to PwD to purchase aids and appliances (Government of Goa n.d.).
Jharkhand	Mukhyamantri Rajya Nirashrit Mahila Samman Pension Yojana	Provides ₹1,000 per month to women aged 18 and above who have lost or been abandoned by their husbands and to unmarried women aged 45 years and above (Government of Jharkhand n.d.).
Karnataka	Manaswini Scheme	Provides ₹800 per month to unmarried, separated or deserted women aged 40 to 64 from low-income households whose husbands have abandoned them or who lack marital support.

Table 13.1 (contd.): State initiatives expanding coverage and eligibility in non-contributory pensions

State	Scheme	Scheme details
Kerala	Sevana Social Welfare Pension Scheme	Provides ₹1,100 per month under the Agriculture Labour Pension and the Pension for Unmarried Women aged 50 years (Local Self Government Department 2026a; 2026b; n.d.).
Odisha	Madhu Babu Pension Yojana	Provides ₹500 per month to elderly persons above 59 and ₹700 per month to those aged 80 and above. Covers PwD (individuals with 40 per cent or more disability), unmarried women above 30, persons affected by HIV/AIDS and leprosy (Social Security and Empowerment of Persons with Disabilities Department n.d.).
Rajasthan	NSAP	Near-universal coverage, with close to 90 lakh pensioners across categories. Pension applications are automatically approved through verification without human intervention. Discrepancies are reviewed every thirty days. Annual life (existence) certificated proof are submitted through mobile applications instead of physical verification (Social Justice and Empowerment Department n.d.).
Tamil Nadu	Destitute Deserted Wives Pension Scheme	Provides ₹1,000 per month to women aged 30 and above who are legally divorced or have been deserted for at least five years.
Telangana	Cheyutha Pension Scheme	Provides ₹4,000 per month to senior citizens, widows, single women, beedi workers, weavers and persons living with HIV and ₹6,000 per month to PwD. Beneficiary households holding a white ration card are also covered under the Rajiv Aarogyasri health insurance programme, which provides medical coverage of up to ₹10 lakh (Government of Telangana 2023).
Uttar Pradesh	Nirashrit Mahila Pension Scheme	Provides ₹1,000 per month to widows, divorced women and women abandoned by their husbands. Eligible beneficiaries are aged 18-79 years (Social Welfare Department n.d.).
West Bengal	Jai Bangla Pension Scheme	Applicable to scheduled tribe (ST) category. Provides ₹1,000 per month to elderly persons aged 60 to 79 and ₹1200 to those aged 80 and above (aged 55+ in case person is physically/mentally challenged) (Government of West Bengal n.d.).

Sources and notes: Compiled from publicly available information on official government websites.

Table 13.2: Comparison of estimated costs under universal coverage and current coverage scenarios across different pension amounts

Pension amount per beneficiary per month (Calculated based on 26 working days per month)	Centre's share per beneficiary per month	Cost to Government of India	
		Universal coverage for 8.95 crore pensioners	Current coverage of 2.97 crore pensioners
₹4,875 (recommended by Satpathy report @ ₹375 per day)	₹2,437.5	₹2.61 lakh crore	₹86,876 crore
₹3,471 (minimum average MGNREGA wage rate @ ₹267 per day)	₹1,735.5	₹1.86 lakh crore	₹61,853 crore
₹2,000 (Pension Parishad demand)	₹1000.0	₹1.07 lakh crore	₹35,640 crore

13.4 Towards a meaningful social security pension system

The systematic underfunding and undercoverage of NSAP have made it one of the most neglected pillars of India's social security architecture. The civil society campaign advocating for social security pensions, the Pension Parishad, has long argued that, for social assistance to be meaningful, pensions should be universalised, with amounts set at 50 per cent of the minimum wage and adjusted annually for inflation so that the value of assistance does not erode over time.

However, the argument for universalisation is often rejected within dominant policy frameworks, largely shaped by the World Bank's advocacy for targeted welfare systems and safety nets, which hold that benefits should be directed to the poorest through 'means tests'. Despite extensive research demonstrating that targeted approaches are highly exclusionary, often marked by significant 'targeting errors', stigma, and administrative burdens that prevent eligible individuals from accessing support, the case for universalisation in India is routinely dismissed as fiscally unviable (Patel and Midgley 2023).

Yet even a modest attempt to meet existing needs reveals the scale of fiscal neglect. At the current assistance of ₹200 per month, covering all 8.95 crore eligible beneficiaries would raise the NSAP budget to more than ₹21,000 crore, far above current Union government allocations. However, if the government were to apply the minimum wage principle, based either on the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) average daily wage rate (₹267 per day)

(Ministry of Rural Development n.d.-a) or the recommendations of the Anoop Sathpathy Committee (₹375 per day) (Ministry of Labour and Employment 2019), the required allocation would increase to ₹1.86 lakh crore and ₹2.61 lakh crore, respectively. Even raising the pension modestly to ₹2,000 per month would require the union government to allocate over ₹1.07 lakh crorecrore. This underscores how far current budgetary provisions fall short of providing even a basic level of income security.

The argument for a stronger non-contributory social assistance programme is not only political or moral but also economic. Direct income support boosts consumption and provides a basic buffer against economic shocks, especially for those with the least savings and highest vulnerability. Moreover, in a country marked by high levels of inequality, directing resources, both in cash and kind, as forms of social assistance not only reduces immediate poverty but also contributes to addressing long-term structural inequalities.

More importantly, the NSAP must be understood as part of a broader rights-based framework of the state, similar to other entitlements secured through legislation, such as the right to work under MGNREGA and the right to food under the NFSA. Unlike MGNREGA and the NFSA, however, the NSAP lacks the statutory and legal backing afforded to other social security entitlements (Sharma 2024).

Recognising this gap, and following sustained on-ground advocacy by groups such as the Suchna Evam Rozgar Adhikar Abhiyan and the Mazdoor Kisan Shakti Sangathan, the government of Rajasthan enacted the Minimum Guaranteed Income Act in 2023—the first law of its kind to provide a legal and enforceable entitlement to inflation-indexed social security pensions. Therefore, for the social assistance programme to fulfil its intended function, the NSAP requires comprehensive restructuring. A meaningful and robust social security architecture would require:

i. Pension amounts must be revised upwards to at least half of the minimum wage and periodically adjusted for inflation so that the real value of assistance does not erode over time;
ii. Similar to a national minimum floor wage, a national minimum pension must be established to ensure greater parity across states, where beneficiaries in one state may receive as little as ₹200 while those in another receive up to ₹5,700;
iii. Coverage must be broadened beyond outdated caps tied to the 2001 Census and, at the very least, aligned with the 2011 SECC data until fresh census data become available; and
iv. Social assistance must be grounded in a statutory and justiciable framework so that entitlements are enforceable as rights rather than contingent welfare provisions, thereby ensuring accountability and moving towards universalisation so that no eligible person is excluded.

In the absence of fiscal, legal and normative reforms, the programme will continue to remain largely symbolic, falling far short of even a minimal level of income security. In a country where nearly 90 per cent of the workforce is employed in the unorganised sector and receives no post-retirement security, the NSAP must be recognised as the primary guarantor of a minimum income in old age, widowhood and for persons with disabilities. Social security pensions, therefore, are not discretionary welfare transfers but form part of the minimum rights guarantee framework, constitutionally mandated for dignity and survival (Drèze and Sen 1991).

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Public Resource via Internet Archive

Cultivating Income: Pradhan Mantri Kisan Samman Nidhi

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) was introduced in 2019 with the objective of doubling farmers' incomes. It represented a paradigm shift, as it is a direct income transfer to farmers, while all previous policies focussed on reducing input costs or increasing remuneration through price mechanisms. Agriculture requires multiple interventions and higher public investment in general. The amount ₹6,000 per year per farmer is insufficient compared to input costs borne by farmers, and there are concerns that PM-KISAN plays a limited role in enhancing farmers' income. Since it is conditional on land ownership, the scheme disproportionately excludes women farmers, tenant farmers, Dalits and Adivasis. Mandating entitlements on digital conditionalities continues to be a cause for concern.

CHAPTER 14

Cultivating Income: Pradhan Mantri Kisan Samman Nidhi

*Chakradhar Buddha and Rahul Mukkera**

India's agricultural policy shifted from food self-sufficiency towards productivity, farmer welfare and market integration (NITI Aayog n.d.). The Green Revolution of the 1960s introduced High-Yielding Variety (HYV) seeds and modern agricultural techniques, supported by subsidies for fertilisers, seeds, irrigation and electricity. However, concerns regarding inequitable access persisted, as subsidies often had limited reach among small farmers while favouring larger farmers (Sengupta 2024). Around the same time, agricultural policy also emphasised price support to stabilise farmer incomes. The Agricultural Prices Commission, set up in 1965, recommended Minimum Support Prices (MSP)[1] for crops, though these remained limited to certain crops and regions (Annu and Meena 2024).

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1 The MSP system is a post-production intervention through which the government procures crops to protect farmers from price volatility while also ensuring national food security.

Agricultural policy also increasingly emphasised institutional credit for farmers. The National Bank for Agriculture and Rural Development (NABARD) was established in 1982 to finance agriculture and rural development, while the Kisan Credit Card (KCC) scheme, introduced in 1998, aimed to provide timely access to agricultural loans. Although these initiatives improved access to agricultural inputs, measures such as the KCC scheme proved inadequate in the context of rising input costs, crop failures and low market returns (Godara et al. 2014).

Rights-holders
One farmer of each farmland owning household

Minimum entitlements
₹6,000 per year

Year of introduction
2019

Why this scheme?
Provides income support to farmers in the form of cash transfers

Since the 2000s, India's agriculture policy has additionally focused on agricultural marketing and risk management. The Model Agricultural Produce Market Committee (APMC) Act, 2003 sought to make agricultural markets more equitable, while the Pradhan Mantri Fasal Bima Yojana (PMFBY), launched in 2016, offered crop insurance against natural calamities, pests and diseases. These interventions addressed specific market and risk-related constraints. However, fragmentated markets under the APMC system and administrative barriers in accessing insurance claims limited the effectiveness of these measures to many farmers (Bihari et al. 2019).

While Indian agricultural policy has historically relied on indirect support through subsidies, MSP, institutional credit and insurance – with farmer incomes tied to land, production and market systems – the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), launched by the Union government in 2019, marked a shift towards direct income support. Unlike earlier forms of agricultural assistance, PM-KISAN provides direct income transfers to landholding farmers and is not linked to production or market outcomes. The scheme therefore represents a paradigm shift towards farmer-centric income support beyond traditional production- and price-based assistance.

This chapter examines farmer income support by situating PM-KISAN within the broader policy objective of doubling farmers' incomes. It does not discuss wider agriculture policy reforms or the recent farm laws, both of which also have direct implications on farmers' incomes. Instead, the chapter focuses specifically on PM-KISAN, tracing its budget allocations and outlining its eligibility criteria, registration and verification processes. It also examines the Union government's technological interventions and the challenges posed by digital requirements such as AgriStack's Farmer Registry.

The section on equity and inclusion examines gender and caste representation within PM-KISAN, highlighting patterns of exclusion and barriers to access.

Drawing on fieldwork conducted in Andhra Pradesh's Alluri Sitaramaraju and Parvathipuram Manyam districts, the chapter assesses the adequacy and timeliness of the ₹6,000 income support provided to tribal farmers. The concluding section identifies good practices from Andhra Pradesh and Odisha, along with initiatives in Gujarat and Jharkhand aimed at improving access. These state-level examples are intended to illustrate variations in implementation across different contexts and are not presented as representative of the national picture.

14.1 Doubling farmers' income and PM-KISAN

In 2006, the National Commission on Farmers, chaired by M.S. Swaminathan, highlighted agrarian distress and rising farmer suicides and recommended reforms to improve farmers' incomes (Government of India 2006). This discourse later evolved into the policy of doubling farmers' incomes, formally announced in the Union budget 2016–17, which stated: 'We need to think beyond "food security" and give back to our farmers a sense of "income security". The government will, therefore, reorient its interventions in the farm and non-farm sectors to double the income of the farmers by 2022' (Government of India 2016). The NITI Aayog report (2017) and the Economic Survey 2017–18 reinforced the need to double farmers' incomes in the context of challenges such as climate change (Government of India 2018; Chand 2017). The Committee on Doubling Farmers' Income (2017) similarly emphasised the need to improve and stabilise farmers' incomes.

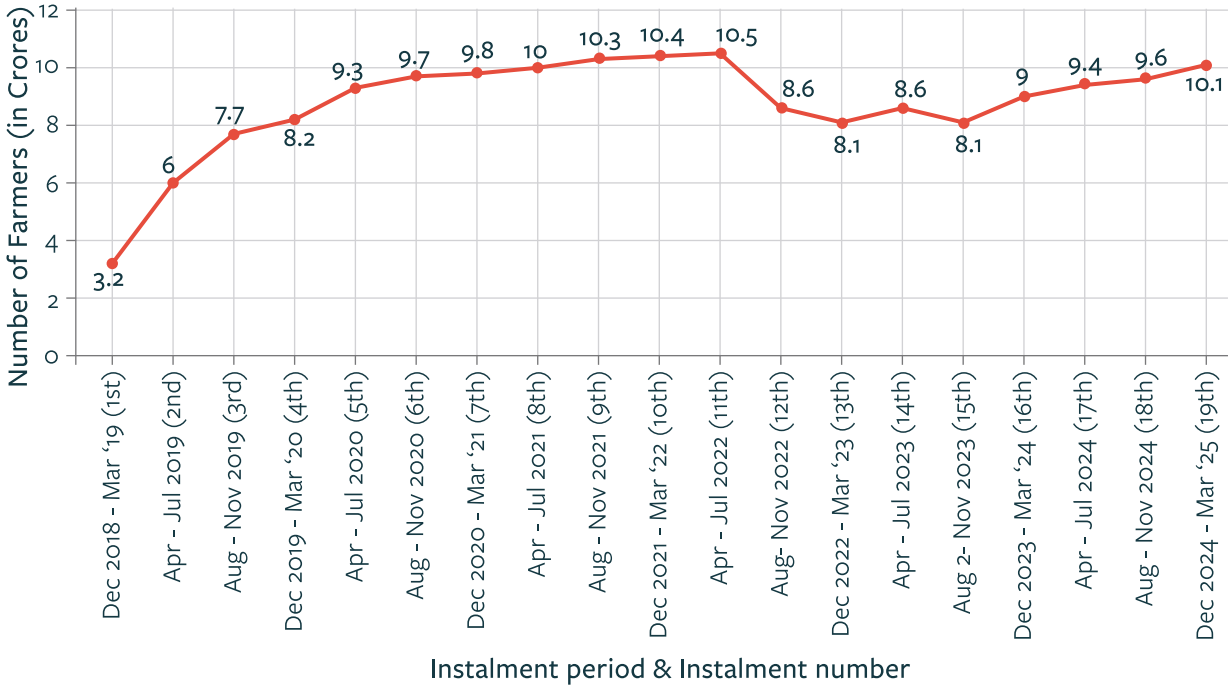
We are grateful to our farmers for being the backbone of the country's food security. We need to think beyond food security and give back to our farmers a sense of income security. Government will, therefore, reorient its interventions in the farm and non-farm sectors to double the income of the farmers by 2022.

- Union Budget Speech (2016–17)

Launched in 2019 with retrospective effect from December 2018, PM-KISAN is a Central Sector Scheme under the Ministry of Agriculture and Farmers Welfare that provides direct income support to farmers. Through Direct Benefit Transfer (DBT), eligible families receive ₹6,000 annually, distributed in three equal instalments of ₹2,000 every four months (April–July, August–November and December–March). When the scheme was launched in February 2019, it targeted only small and marginal farmers with landholdings of up to two hectares, covering an estimated 12.5 crore households (Government of India 2019). However, in June 2019, the government expanded the scheme to include all landholding farmers regardless of farm size, increasing the eligible base to roughly 14.5 crore farmers.

State and union territory (UT) governments are primarily responsible for identifying eligible entitlement holders and uploading their details to the PM-KISAN

Figure 14.1: Number of farmers covered under PM-KISAN (in crore)



Sources and notes: https://pmkisan.gov.in/

portal. Since its inception, the scheme has expanded steadily, with the number of farmers increasing across successive instalments.

According to the PM-KISAN portal, the number of farmers receiving transfers increased from around 3.2 crore in the first instalment (December–March 2018–19) to 10.1 crore in the nineteenth instalment (December–March 2024–25). The scheme witnessed a significant decline during the twelfth instalment (August–November 2022), followed by a gradual recovery with periodic fluctuations (Figure 14.1). As of 16 July 2025, PM-KISAN had disbursed ₹3.69 lakh crore to farmers (see Annexure 14.1 for details).

The number of PM-KISAN beneficiaries varies considerably across states and UTs. As of February 2025, Uttar Pradesh had the highest number of PM-KISAN farmers at 2.26 crore, followed by Maharashtra and Madhya Pradesh with 91 lakh and 81 lakh farmers respectively. West Bengal[2] joined the scheme only in April–July 2021 (eighth instalment). In contrast, UTs account for the lowest share of PM-KISAN farmers in the country because of their relatively smaller populations, lower landholdings and limited agricultural activity. Lakshadweep, Goa and Puducherry had slightly more than 2,000, 6,000 and 8,000 PM-KISAN farmers respectively. Annexure 14.2 provides the state/UT-wise distribution of PM-KISAN farmers.

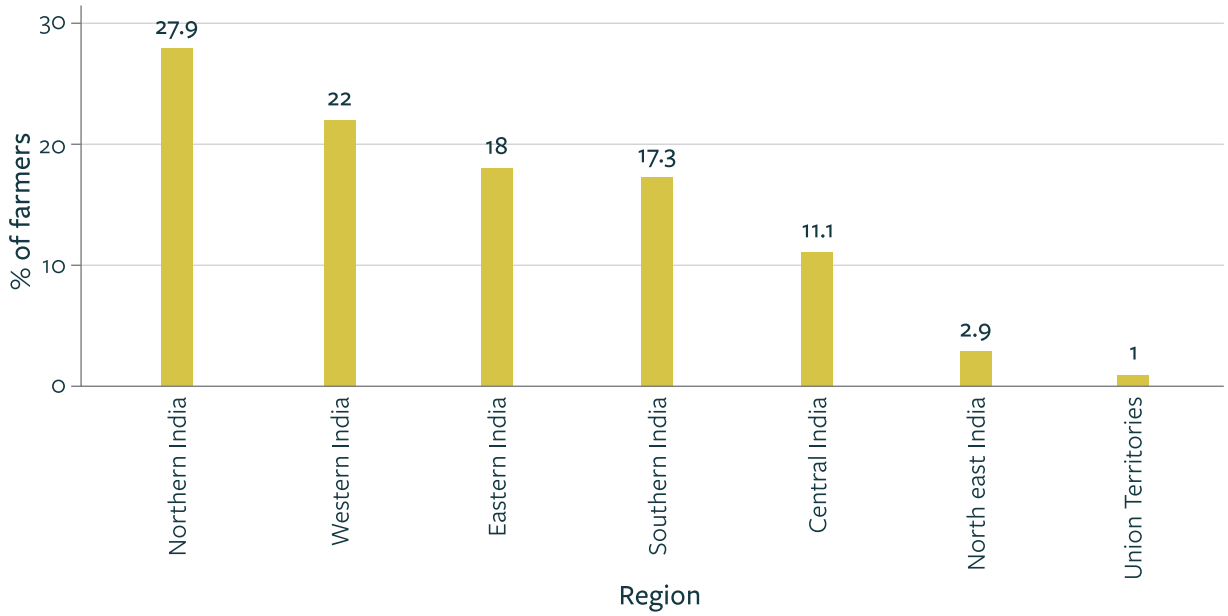
Regionally, the northern states – including Himachal Pradesh, Punjab, Haryana, Uttar Pradesh and Uttarakhand – account for the highest share of PM-KISAN farmers in the country. On the other hand, the north-eastern states

2 According to an RTI response, the Union government wrote to the state government at least four times between February 2019 and February 2020, urging it to identify farmers for inclusion under PM-KISAN.

have the lowest share of farmers. Taken together, UTs account for the lowest share compared to any other region in the country (Figure 14.2 and Annexure 14.3).

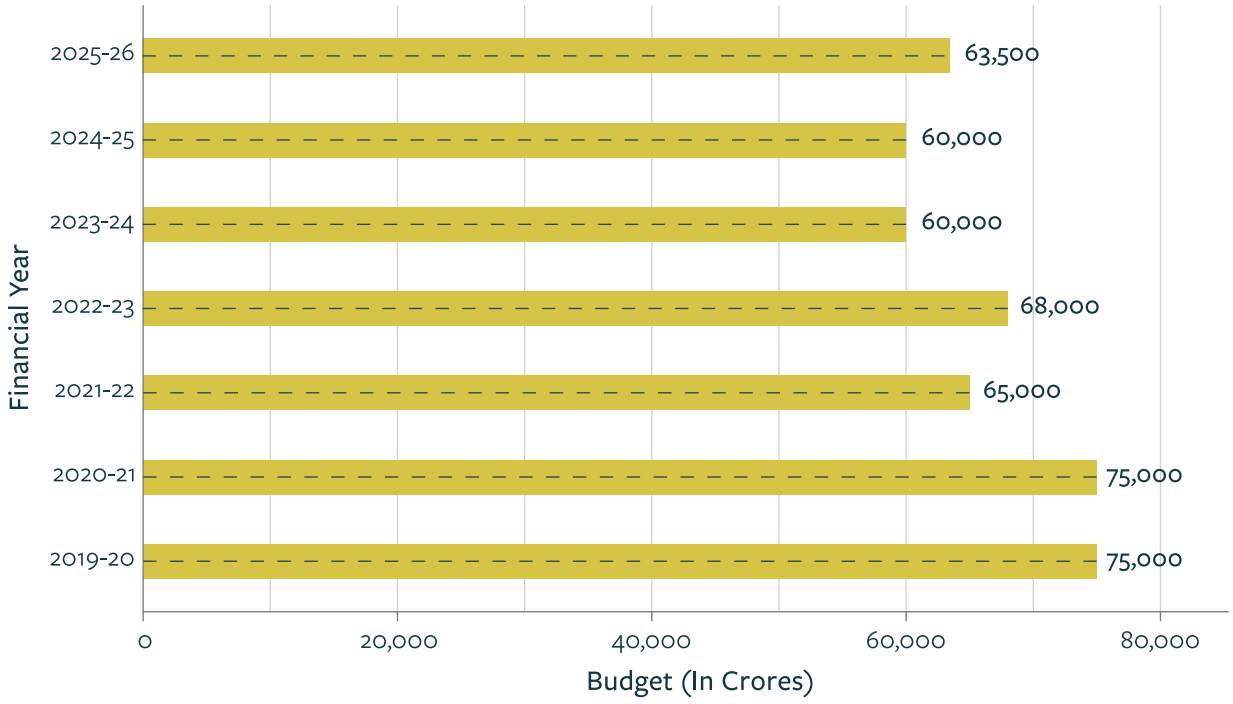
PM-KISAN accounted for more than 50 per cent of the Department of Agriculture and Farmers Welfare's budget in both 2022–23 and 2023–24, highlighting both the scale of the scheme and the priority accorded to it by the Union government (Figure 14.3).

Figure 14.2: Region-wise share of farmers under PM-KISAN



Sources and notes: https://pmkisan.gov.in/, as of 7 February 2025.

Figure 14.3: Budget Allocations (BE), FY 2019–20 to FY 2025–26



Sources and notes: Budget documents, various years, https://www.indiabudget.gov.in/
The figure reflects budget estimates and not actual expenditure.

14.2 Eligibility criteria

PM-KISAN is a family-based entitlement, meaning that the basic unit of financial assistance is the household rather than the individual. Under the scheme, ₹6,000 is transferred annually in the name of one farmer from each eligible household. All landholding farmer families in the country are eligible for PM-KISAN, subject to certain exclusive conditions. The following categories are excluded from the scheme:

1. All institutional land holders. Land holdings by any religious institution, charitable trusts, corporate entities etc. rather than individuals are considered as institutional land holders.
2. Farmer families in which one or more members belong to one of the following criteria:
   a. Former and present holders of constitutional posts.
   b. Former and present Ministers/ State Ministers, former/present Members of Lok Sabha/ Rajya Sabha/ State Legislative Assemblies/ State Legislative Councils, former/present Mayors of Municipal Corporations and former/ present Chairpersons of District Panchayats.
   c. All serving or retired officers and employees of Central/ State Government Ministries/Offices/Departments and its field units, Central or State Public Sector Enterprises(PSEs) and Attached offices/Autonomous Institutions under Government as well as regular employees of the Local Bodies (*Excluding Multi Tasking Staff / Class IV/Group D employees*).
   d. All superannuated/retired pensioners whose monthly pension is ₹10,000/-or more (*Excluding Multi Tasking Staff / Class IV/Group D employees*).
   e. All Persons who paid Income Tax in the last assessment year.
   f. Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practices.
   g. Additionally, all the land holding farmer families who are non-Resident Indians(NRIs) on the basis of the Income Tax Act 1961.

14.3 Process flow of PM-KISAN

14.3.1 Registration and verification

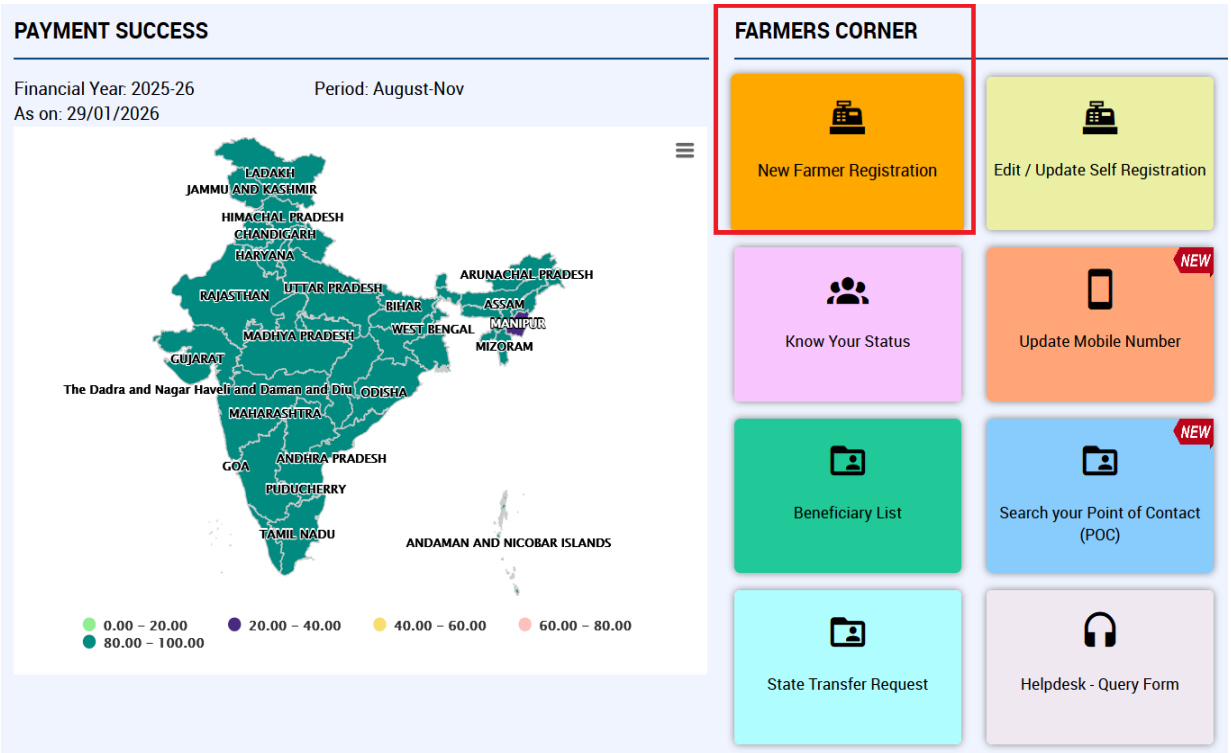
The responsibility for identifying eligible farmers and uploading their details onto the PM-KISAN portal lies with the state and UT governments. Some states follow distinct administrative procedures because of specific land systems, such as community land ownership in Manipur and Nagaland and outdated mutation

records in Jharkhand. The scheme also covers forest-dwelling households holding a *patta*[3] under the Forest Rights Act, 2006.

Initially, registrations were carried out by state officials through bulk data uploads. Over time, Common Service Centres (CSCs) were authorised to facilitate registrations, correct Aadhaar details and enable farmers to track instalment status. The PM-KISAN portal also introduced the 'Farmers Corner', which allows farmers to self-register and update basic information themselves (Figure 14.4).

Over time, registration has shifted from self-declaration towards full digital verification. A farmer's application is accepted only after three key steps are completed: Aadhaar seeding with the land patta, Aadhaar authentication and National Payments Corporation of India (NPCI) mapping of the bank account. Aadhaar seeding links the farmer's Aadhaar number to the land record, while authentication verifies whether identity details match across both databases. Even minor discrepancies, such as spelling variations in names, can result in rejections. NPCI mapping links the Aadhaar number to a bank account for the transfer of payments. Once registered, farmers' details are cross-checked against exclusion databases, including income tax records and government employee databases. If a match is found, the applicant is marked ineligible. Otherwise, a PM-KISAN account is created.

Figure 14.4: Snapshot of the farmers' corner on the PM-Kisan portal



Sources and notes: https://pmkisan.gov.in/

3 A government issued document that serves as a proof of land ownership.

14.3.2 Disbursement of entitlements

Once an application is verified and a PM-KISAN account is created, the farmer becomes eligible to receive income support. At the time of the scheme's launch, payments could be made either through account-based transfers (using the bank account number and IFSC) or through the Aadhaar Based Payment System (ABPS), where Aadhaar functions as the financial address. Since December 2022, ABPS has been mandatory, although temporary exemptions were granted to a few states due to lower Aadhaar penetration.

For each instalment, states and UTs upload beneficiary data onto the national PM-KISAN portal. This data then passes through multiple layers of verification involving banks and NPCI. If discrepancies such as mismatches in identity or account details are detected, payments are withheld until corrections are made and data is re-uploaded. Pending instalments are released only after successful verification.

14.3.3 Technological interventions and their implications

Over time, PM-KISAN has been integrated into a broader digital governance architecture aimed at improving efficiency and reducing duplication. Since 2019, the scheme has undergone several technological changes, including the introduction of Aadhaar-based payments, integration with the Public Financial Management System (PFMS) and income tax databases, and the rollout of mandatory electronic Know Your Customer (eKYC) processes.

Under PM-KISAN, eKYC is a paperless electronic verification process that uses Aadhaar authentication to verify farmers' identities and ensure that entitlements reach genuine recipients only. It has been implemented through multiple modes, including OTP-based authentication, biometric verification at CSCs and facial recognition facilitated by frontline officials. While these measures were introduced to strengthen verification and improve targeting, they have also added successive layers of compliance.

These changes have had visible effects on access to PM-KISAN. The number of farmers receiving payments declined from 10.5 crore in the eleventh instalment to 8.6 crore in the twelfth instalment.[4] eKYC became compulsory from the fifteenth instalment, and RTI data[5] as of 11 July 2025 shows that more than 48 lakh out of 10.64 crore farmers had not completed the process. Field evidence suggests that even when farmers complete the required procedures, they may still be drawn into repeated verification cycles because of system inconsistencies (Buddha and Kishore 2026).

4 Refer to Annexure 14.4 for state wise drop in farmers count

5 RTI response

More broadly, these technological interventions have shifted the burden of proof onto farmers. Each new layer—whether Aadhaar linkage, eKYC or database integration—requires farmers to repeatedly establish their eligibility within systems that are often unstable or poorly aligned with ground realities. In contexts marked by weak connectivity, limited digital literacy and inadequate local support, these requirements translate into significant transaction costs. While digital reforms may have reduced certain intermediaries, they have simultaneously increased the number of points at which eligible farmers may be excluded. As a result, access to PM-KISAN is no longer determined solely by eligibility, but also by the ability to navigate an evolving and increasingly complex digital infrastructure.

14.3.4 Farmer registry and its future role

The Union government launched the Digital Agriculture Mission in 2024 with an outlay of ₹2,817 crore to create a Digital Public Infrastructure (DPI) for the efficient delivery of schemes such as PM-KISAN. Under this initiative, AgriStack comprises three registries or databases: (1) Farmer Registry, (2) Crop Sown Registry and (3) Geo-Referenced Village Maps. The Farmer Registry contains demographic details, landholding information, family details and crop-related information of farmers. It is created and maintained by the state and UT governments with technical and financial support from the Union government. The registry is expected to function as a centralised database for identifying and delivering agriculture related schemes.

The Union government has already made Farmer ID registration mandatory in fourteen states for new PM-KISAN registrations (Government of India 2025b). Farmer ID is, therefore, likely to play a crucial role in accessing PM-KISAN in the future. However, several challenges continue to affect farmers' ability to enroll in the Farmer Registry.

The Union government has set a target of generating Farmer IDs for eleven crore farmers by 2026–27 (Government of India 2025a). According to an RTI response[6] dated 3 July 2025, over 6.6 crore Farmer IDs had already been generated across the country. Uttar Pradesh, Maharashtra and Madhya Pradesh recorded the highest numbers, with 1.4 crore, 1 crore and 85 lakh registrations respectively. In contrast, no registrations have been recorded in UTs and north-eastern states other than Assam.

Farmers can register through the Farmer Registry mobile application (self-registration), CSCs or through a frontline government official's login. For registration, farmers must possess an Aadhaar number linked to a mobile number as well as a valid land *patta*. During the registration process, farmers receive three OTPs in total to complete verification. Two OTPs are sent to the mobile number

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linked to Aadhaar for verification of personal details, eSign and consent procedures. An additional OTP is sent to the mobile number entered in the application form to activate the farmer's profile in the registry. As a result, farmers without Aadhaar, those whose Aadhaar is not linked to their mobile number or those lacking land records are effectively excluded from the process.

In practice, several challenges emerge. During fieldwork conducted in tribal areas of Andhra Pradesh, we found that farmers holding Recognition of Forest Rights (RoFR) pattas[7] under the Forest Rights Act, 2006, as well as D-pattas,[8] were often unable to complete the registration process. The application process requires a land survey number, without which registration cannot proceed. However, RoFR and D-pattas frequently do not contain survey numbers. This disproportionately affects tribal and other marginalised households that depend on such land records.

We also found that some states, such as Telangana, were not participating in the registry process. If this continues, farmers in these states are likely to face difficulties once Farmer ID becomes mandatory for accessing Union government schemes. During fieldwork, we also encountered instances where PM-KISAN farmers holding revenue land pattas[9] received warning SMS messages that entitlements may be discontinued if they did not register for a Farmer ID. When such messages circulate among RoFR and D-patta holders who are unable to complete registration, they generate fear and uncertainty. Proceeding with mandatory registration without addressing these structural barriers is therefore likely to deepen exclusions under PM-KISAN in the future.

14.4 Equity and inclusion

Exclusion under PM-KISAN follows distinct social and spatial patterns, disproportionately affecting adivasis, dalits and women cultivators. Gender bias within the scheme is structural, as most land titles are in men's names, while women who perform agricultural work rarely appear as farmers in the PM-KISAN database. Among Adivasi communities, community ownership and forest-rights-based holdings further complicate individual identification, leading to widespread exclusion despite cultivation.

For many households, the cost of the compliance process itself becomes exclusionary. Farmers travel long distances to CSCs for biometric or facial authentication, only to encounter server failures or mismatches in personal details. In

7 Such land is recognized under the Forest Rights Act 2006 for forest dwelling communities. The land holder has a right to self-cultivation, access to minor forest produce and grazing rights. The land holder also has the right to transfer land based on inheritance but no right to sell.

8 Darakasthu land in Andhra Pradesh refers to a government assigned land to the landless poor for housing or cultivation. It can be inherited but it cannot be sold or transferred.

9 This refers to privately owned land over which the landholder possesses full ownership rights, including inheritance and transfer through sale.

remote districts of Odisha and Andhra Pradesh, poor connectivity forces multiple visits for a single eKYC update. The denial or delay of ₹6,000 carries direct livelihood consequences, including disrupted access to credit, delayed purchase of agricultural inputs and growing indebtedness. These experiences suggest that digital reforms, when introduced without adequate local facilitation, tend to deepen existing inequalities rather than reduce them.

According to the Census 2011 data, women constitute nearly 41 per cent of the rural population, yet female farmers represent only 24 per cent of PM-KISAN beneficiaries, indicating a significant gender gap in access to the scheme (Table 14.1).

In India, land ownership has historically been tied to social power and marginalised groups, particularly women, have long faced structural barriers in accessing land rights. Although women possess equal legal rights to inheritance, land ownership in practice continues to remain concentrated among male family members. Since those without a *patta* cannot register as farmers under PM-KISAN, women's representation within the scheme remains significantly lower.

The scheme also reflects disparities across caste groups, with the proportion of SC and ST farmers under PM-KISAN remaining lower than their share in the rural population. According to the Census 2011 data, SCs and STs constitute 18.5 per cent and 11.3 per cent of the rural population respectively. By comparison, SC and ST farmers registered under PM-KISAN account for only 12.1 per cent and 9.2 per cent of enrolled farmers, respectively.

On the other hand, non-SC/ST groups (including OBCs and General categories) constitute 70.3 per cent of the rural population but represent 78.6 per cent of farmers enrolled under PM-KISAN (Table 14.2). These disparities also reflect long-standing inequalities in land ownership, with a substantial proportion of Dalit and Adivasi households remaining landless.

Table 14.1: Gender disparity in access to PM-KISAN

Gender	Rural population[10] (in crore)	% of population[11]	Number of farmers in PM-KISAN (in crore)	% of farmers in PM-KISAN
Male	42.8	51.3	7.3	76.4
Female	40.6	48.7	2.3	23.6
Total	83.4	–	9.59	–

Sources and notes: https://pmkisan.gov.in/ (male and female farmer count as of 10 December 2024).

10 According to Census 2011 data.

11 According to Census 2011 data.

Table 14.2: Social category disparity in access to PM-KISAN

Gender	% in total rural population[12]	% of farmers in PM-KISAN
Scheduled Caste (SC)	18.5	12.1
Scheduled Tribe (ST)	11.3	9.2
Others[13]	70.3	78.6

Sources and notes: https://pmkisan.gov.in/ (based on data available as of 10 December 2024)

14.5 Exclusions and challenges

Exclusion under PM-KISAN occurs at different stages of implementation – during entry into the system as per the eligibility criteria, through verification and payment processes and while accessing the payments after disbursal. These are linked to the design of the scheme, the condition of land records and the functioning of digital and administrative systems. This section explores exclusions and challenges that arise both pre- and post-registration.

Exclusion at the first stage arises from the design of the scheme, as the eligibility criteria itself excludes many farmers. PM-KISAN covers only landholding farmer families, excluding tenant farmers, sharecroppers and landless agricultural households, even when they are directly engaged in cultivation. Among land-owning families, land ownership is largely recorded in the names of men, limiting women's inclusion within the scheme. The scheme is therefore biased towards male land owners, without any special provisions to reach out to marginalised groups such as tenant farmers, women farmers, Dalit and Adivasi farmers without proper land pattas and so on. Further, there is no specific provision under PM-KISAN for persons with disabilities among cultivators. According to Nayak (2020), this is not aligned with the intent of Section 24 of the Rights of Persons with Disabilities Act, 2016, which emphasises appropriate support to disabled persons in accessing welfare schemes.

Even when farmers meet the eligibility criteria of owning land, they may face difficulties at different stages of implementation. PM-KISAN implementation depends on the quality of land record systems. Pending mutation (where land remains in the name of a deceased patta holder) for instance can delay or prevent entry into the system. In tribal areas, land records such as RoFR and D-pattas may lack standard details like survey numbers, making recognition difficult.

Even after registration, verification requires matching farmers' details across databases. As discussed above, Aadhaar must be linked to land records, names must

12 According to Census 2011 data.

13 'Others' include both OBC and General categories. PM-KISAN records did not provide separate data for these categories; therefore, they have been reported together.

be matched exactly and bank accounts must be mapped through NPCI. If databases do not align, mismatches lead to delays or rejection. In some cases, payments may be credited but not reach the intended farmers due to incorrect Aadhaar linkage. Official records may show payments as completed, while the intended farmer does not receive the amount. In other cases, payments are held back due to mismatches between land records and Aadhaar.

Payments are made through the Aadhaar Based Payment System. If Aadhaar-bank linkage or NPCI mapping is incomplete, payments are not processed. Error messages that arise due to delays and rejected payments are often difficult to interpret, and local officials have limited ability to resolve such issues (see Figure 14.5 for an example of the reason for rejection).

14.5.1 Accountability gaps

At the last mile, gaps in accountability become visible. Once payments are credited, the system treats the transaction as complete, with limited visibility on whether the money is actually accessed by the farmer. Banks often discourage farmers from withdrawing cash at branches and direct them instead to Business Correspondents (BCs) and Customer Service Points (CSPs). Transactions conducted at these points are often not accompanied by receipts, and facilities such as passbook updation are typically unavailable. Consequently, farmers often have no reliable record of withdrawals.

Where irregularities arise, it is often unclear whom to approach. In the case of BCs, farmers can, in principle, approach the bank that appointed them, though this is not always straightforward. In the case of CSPs, lines of accountability are even less clear, leaving farmers with limited avenues for grievance redressal. LibTech's field studies across Rajasthan, Jharkhand, Odisha and Andhra Pradesh consistently show that such issues often go unresolved. While these gaps affect a wide range of farmers, they are particularly difficult for farmers with limited literacy or digital familiarity, who rely more heavily on intermediaries and have fewer means to verify transactions independently.

Figure 14.5: Snapshot of an example of bank rejection reason

Farmer Application Status

Farmer Name : [redacted]	**Mobile Number:** *****1851
Father Name: NA	**Account Number:** NA
Aadhar Number: ********5415	**District:** VISAKHAPATANAM
State: ANDHRA PRADESH	**Town:** NA
Village: Antharla	**Home Address:** 7-7 , sadipeta
Ward: NA	**Registration Date:** 21/02/2019
Registration Status: Registration done ([redacted]	
Active/Inactive: Active	
PFMS / Bank Status: Farmer Record has been rejected by PFMS / Bank	**PFMS / Bank Rejection Reason:** UID NEVER ENABLE FOR DBT (Contact your bank to link Aadhaar with Account)
Aadhar Status: Aadhar Number is Verified	**Payment Mode:** AADHAR

Sources and notes: https://pmkisan.gov.in/

Even when payments are successfully credited, accessing them may be difficult in certain contexts. Many farmers need to travel considerable distances to banks or CSPs, and often require multiple visits. Studies such as LibTech's analysis on the 'Length of the Last Mile' show that the time, cost and effort required to access payments can be substantial, particularly in remote areas (LibTech 2020; 2023). In addition, grievance mechanisms require digital access and offline systems remain limited. While these challenges are more pronounced in tribal areas, similar issues are observed in non-tribal regions as well.

Exclusion under PM-KISAN thus operates across multiple stages of implementation. Farmers must satisfy eligibility conditions, enter the system, pass verification, receive payments and finally access those payments. The nature of these challenges varies across regions and depends on the condition of land records, the availability of digital infrastructure and access to banking services.

14.6 A case study of tribal areas of Andhra Pradesh

To examine the adequacy and timing of PM-KISAN support in specific contexts, this section presents findings from an exploratory field study in tribal areas of Andhra Pradesh. According to the Census 2011, tribal communities constitute 26.31 lakh persons (5.3 per cent of Andhra Pradesh's population) and are largely concentrated in the Eastern Ghats region. Farming in these hilly areas involves higher input costs and follows an agricultural calendar that differs from that of the plains, with limited access to irrigation facilities. To assess whether PM-KISAN's ₹6,000 support is sufficient and reaches farmers when needed, LibTech India conducted a qualitative study with sixty farmers in Alluri Sitaramaraju and Parvathipuram Manyam districts.

The study covered two categories of cultivators: farmers cultivating revenue land and those cultivating land under the Forest Rights Act (RoFR pattas). Most respondents practised only kharif cultivation due to lack of irrigation facilities. For comparison, paddy (revenue land) and red kidney beans (rajma) (RoFR land) were analysed. Input costs were estimated by recalling the previous year's expenses.

On average, we found that revenue land farmers spend ₹27,500 and RoFR land farmers spend ₹21,600 as input costs to cultivate paddy and rajma beans in 1 acre of land (see Table 14.3 for details).

Overall, the ₹6,000 from PM-KISAN contributes to only around 22 per cent and 28 per cent of average input costs for both sets of farmers interviewed. Even then, it is a significant amount given the nature of minimal savings in their subsistence economy and the need for monetary capital during agricultural seasons. Also, many of the farmers interviewed are performing tasks with limited intervention of machinery. Especially in the case of RoFR land holding farmers, the use of machin-

ery is minimal because fields are located on hill slopes. This also increases input costs.

Beyond adequacy, the effectiveness of the transfer may also vary across regions and social groups. In areas with limited infrastructure, higher transaction costs and barriers in accessing services, the effective value of the money transferred may be lower. Even where certain input costs are lower, these factors can reduce the benefit of a uniform transfer. In this context, approaches such as the Tribal Sub-Plan recognise that areas with greater disadvantage may require different levels of support. PM-KISAN, however, provides the same transfer across regions. This means that the benefit may not have the same effect in all areas, particularly in tribal regions where access barriers are higher.

Not only is the amount inadequate, it is often also not timely. Revenue land farmers begin paddy cultivation in June–July and harvest around December–January. RoFR farmers begin red kidney beans cultivation in August–September and harvest in December–January. These periods, especially the initial months, require the highest cash outflow for land preparation, seeds and labour. However, the seventeenth, eighteenth and nineteenth PM-KISAN instalments (2024–25) were released during April–July, August–November and December–March, which mostly did not

Table 14.3: Average input costs for major activities for paddy and red kidney beans cultivation

Activity	Estimated average expenditure (in ₹)	
	Paddy	Red kidney beans
Land preparation	9,300[14]	6,600[15]
Seeds for sowing[16]	3,200	5,500
Transplant seedlings to the main field[17]	5,500	NA
Fertilizers and pesticides	4,000	3,000
Harvesting the crop	5,500	6,500
Total	**27,500[18]**	**21,600[19]**

Sources and notes: Exploratory field study conducted by authors, LibTech India.

14 Removal of weeds, clearing, leveling and tilling the land two to three times to prepare the field for cultivation. This process also includes flooding the field.

15 Removal of all weeds, bushes and plant debris, along with tilling of the land.

16 These are the prices of the most widely cultivated seed varieties.

17 This activity applies only to paddy cultivation and not to kidney bean cultivation.

18 Includes reaping, drying, threshing, cleaning and bagging of the crop.

19 Includes reaping and drying of crops harvested on hill slopes.

coincide with the initial stage of cultivation. Since June–July and August–September alone require approximately ₹9,300 and ₹6,600 towards input costs, farmers reported that receiving the entire ₹6,000 at once at the initial stage of cultivation would have been more beneficial than receiving ₹2,000 in each instalment.

Our field study shows that PM-KISAN support is both insufficient and poorly timed for tribal farmers, and there is a clear need to (a) review and increase the entitlement amount and (b) until then release the entire ₹6,000 in a single instalment aligned with the agricultural calendar. The Parliamentary Standing Committee on Agriculture, Animal Husbandry and Food Processing in December 2024 recommended increasing the PM-KISAN amount to ₹12,000 (Government of India 2024). However, the Union government has repeatedly stated in the past that there is no proposal to increase the PM-KISAN entitlement amount (Government of India 2020; Government of India 2023; Government of India 2026).

14.7 Some good practices

This section highlights practices from Andhra Pradesh and Odisha that improve accessibility and could be adapted within PM-KISAN. It also identifies provisions already operating within PM-KISAN that may be replicated across states.

14.7.1 Rythu Bharosa – Andhra Pradesh

Rythu Bharosa, introduced in 2019 (renamed Annadata Sukhibhava in 2025), is an input subsidy scheme that incorporates greater administrative flexibility than PM-KISAN. Unlike PM-KISAN, the scheme allows nominees of a landholder (pattadar) to receive entitlements even when the original pattadar has died and mutation has not yet been completed. A similar provision within PM-KISAN would enable benefits to continue to legal heirs without making mutation a precondition for access.

14.7.2 KALIA – Odisha

KALIA (Krushak Assistance for Livelihood and Income Augmentation) combines financial assistance with insurance and interest-free loans. The scheme also extends support to landless agricultural households, including SC and ST communities that have historically lacked access to land ownership. Although PM-KISAN excludes landless cultivators by design, the KALIA model demonstrates that broader inclusion is administratively feasible.

14.7.3 PM-KISAN – Jharkhand

In Jharkhand, where land records often remain outdated for long periods, PM-KISAN permits nominees to access entitlements through a Gram Sabha resolution instead of insisting upon mutation. This provision enables households to

continue receiving support after the death of the patta holder. Extending such flexibility to other states, especially Fifth Schedule areas where gram sabhas possess statutory authority under the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) could reduce exclusions linked to unclear or incomplete land records.

14.7.4 Information access – Gujarat and Andhra Pradesh

Between 2019 and 2023, the process for checking PM-KISAN records on the portal changed several times. Each modification required both farmers and local officials to repeatedly familiarise themselves with new procedures and systems. Earlier field studies by LibTech India showed that farmers without smartphones, internet access or registration numbers often struggled to retrieve their own records, making grievance resolution nearly extremely difficult. Although PM-KISAN guidelines require farmers' lists to be displayed at panchayat offices, implementation remains inconsistent.

In Gujarat, printed lists were available at panchayat offices, while in Andhra Pradesh (2019–2023), beneficiary lists were displayed at village secretariats. Maintaining such offline displays alongside digital systems enables farmers to verify their status more easily and reduces the likelihood of exclusion. These examples illustrate that exclusion within PM-KISAN is not inevitable. Relatively simple forms of administrative flexibility – including nominee access, inclusion of landless cultivators and gram sabha verification – can substantially improve access for eligible households.

14.8 Conclusion

PM-KISAN was launched with the promise of providing dignified income support and reducing agrarian distress. Its scale is unprecedented: crores of farmers receive payments during each instalment cycle, and the scheme now occupies a substantial share of India's agriculture budget. This chapter examined the design, implementation and access challenges of PM-KISAN, focusing on how income support reaches farmers in practice. The field evidence presented here points to a persistent gap between enrolment and actual access.

Although PM-KISAN is often described as a 'simple' DBT scheme, it increasingly demands a high level of digital compliance from farmers who frequently possess the weakest access to digital infrastructure. The analysis also demonstrates how exclusions emerge at different stages of implementation, from registration and verification to payment delivery and database integration.

Experiences from Andhra Pradesh (nominee access), Odisha (inclusion of landless cultivators) and Jharkhand (gram sabha verification) indicate that a more inclusive design is possible without weakening accountability mechanisms. The next phase of PM-KISAN should therefore prioritise reducing exclusions and not

merely increasing digital dashboards. While PM-KISAN marks a shift towards direct income support, its long-term effectiveness will ultimately depend on how questions of exclusion, access and implementation are addressed.

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Ph.Studio/Dec,1955,A46g. Women Social Workers of the Bharat Sewak Samaj trainees camp at Badarpur explaining to village women how to follow clean and sanitary ways on December, 1955. Public Resource via Internet Archive

Whose Direct Benefit? Cash Transfers for Women

Over the last few years, there has been a tremendous rise in unconditional cash transfer (UCT) schemes targeted at women. Since 2021, seventeen states have introduced them and some estimates suggest that over ₹2 lakh crore was allocated to such schemes in 2024. These initiatives continue to spread and have become a central feature of electoral promises made by political parties in state elections. The debate on cash versus in-kind transfers in India is not new but has recently evolved into a complex and contested one. It is important to examine the various dimensions of this debate and situate this wave of UCTs within its broader policy and political context. This shift in welfare policy raises key questions on implications for financial sustainability and state budgets, public services and human development outcomes, gender relations and women's economic agency, the state-citizen relationship and the nature of democracy.

CHAPTER 15

Whose Direct Benefit? Cash Transfers for Women

Dipa Sinha and Vijay Ram S

Cash transfers as a form of welfare delivery are neither new to India nor unique to the global policy landscape. National scholarship schemes, for instance, have long been delivered in the form of cash transfers. The National Social Assistance Programme (NSAP), which provides social security pensions, is also a cash transfer programme, as is the Janani Suraksha Yojana (JSY), which offers a cash incentive for institutional delivery. More recently, in 2019, the Government of India launched a large-scale cash transfer programme for farmers through the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). India, therefore, already has multiple forms of national cash transfer schemes targeted at different population groups and designed with varying objectives and scope. Any broader debate on in-kind versus cash transfers in welfare policy must necessarily engage with this diversity.

In this chapter, however, we focus on a narrower and more recent category of cash transfers. Unconditional cash transfers targeted at women, usually married women, are becoming increasingly common across Indian states. While only two

states had such schemes in 2021, the number has risen to seventeen in 2025.. An estimated twelve to twenty crore women are covered by these schemes, with a total outlay exceeding ₹2 lakh crore annually. Although there is currently no national scheme of this nature, the scale and possible implications of these programmes for India's welfare landscape warrant attention.

These schemes may be situated within the discussion on Universal Basic Income (UBI) in India that emerged more prominently around a decade ago. Jean Drèze coined the term 'quasi-universal income top-up' (QUIT) to describe proposals that were neither universal nor sufficient to constitute a basic income (Drèze 2017b). The schemes discussed in this chapter may similarly be understood as QUIT schemes targeted at women and funded and implemented by state governments. Most have emerged as electoral promises and have been rolled out immediately before or after state elections. They have generated significant debate in policy circles and the media concerning their fiscal viability, political implications and ethical foundations. Recent policy documents, the Economic Survey 2025–26 and the report of the Sixteenth Finance Commission, have also raised concerns regarding their impact on states' fiscal health.

Since most of these women-centred QUIT or UBI-like schemes are relatively recent, there is still insufficient evidence to evaluate them comprehensively. In this chapter, we review the status of these schemes, identify major concerns and discuss their plausible implications. Section 2 defines the various forms of cash transfers in India and locates the UBI-like schemes discussed here within that broader landscape. Section 3 traces the history of unconditional cash transfer schemes and proposals in the country. Section 4 examines recent state-level schemes, their coverage, entitlement amounts and budgetary allocations while also reviewing the limited evidence currently available on their impacts. Section 5 concludes with a discussion of the long-term implications of these schemes.

15.1 Classifying cash transfer schemes

There are several distinct types of cash transfers, differing substantially in their design, objectives and implications. Recognising these differences is important because debates on the desirability or effectiveness of cash transfers cannot be meaningfully framed in binary terms. Rather, such discussions must be attentive to the diversity of programmes that fall under this wide category. Broadly, cash transfers may be classified as conditional cash transfers (CCTs) or unconditional cash transfers (UCTs).

Unconditional cash transfers are provided without requiring recipients to fulfil specific behavioural conditions. The UBI-like transfers being discussed in this chapter are unconditional in nature. A more common example is social security pensions, such as old-age pensions, widow pensions and disability pensions. In

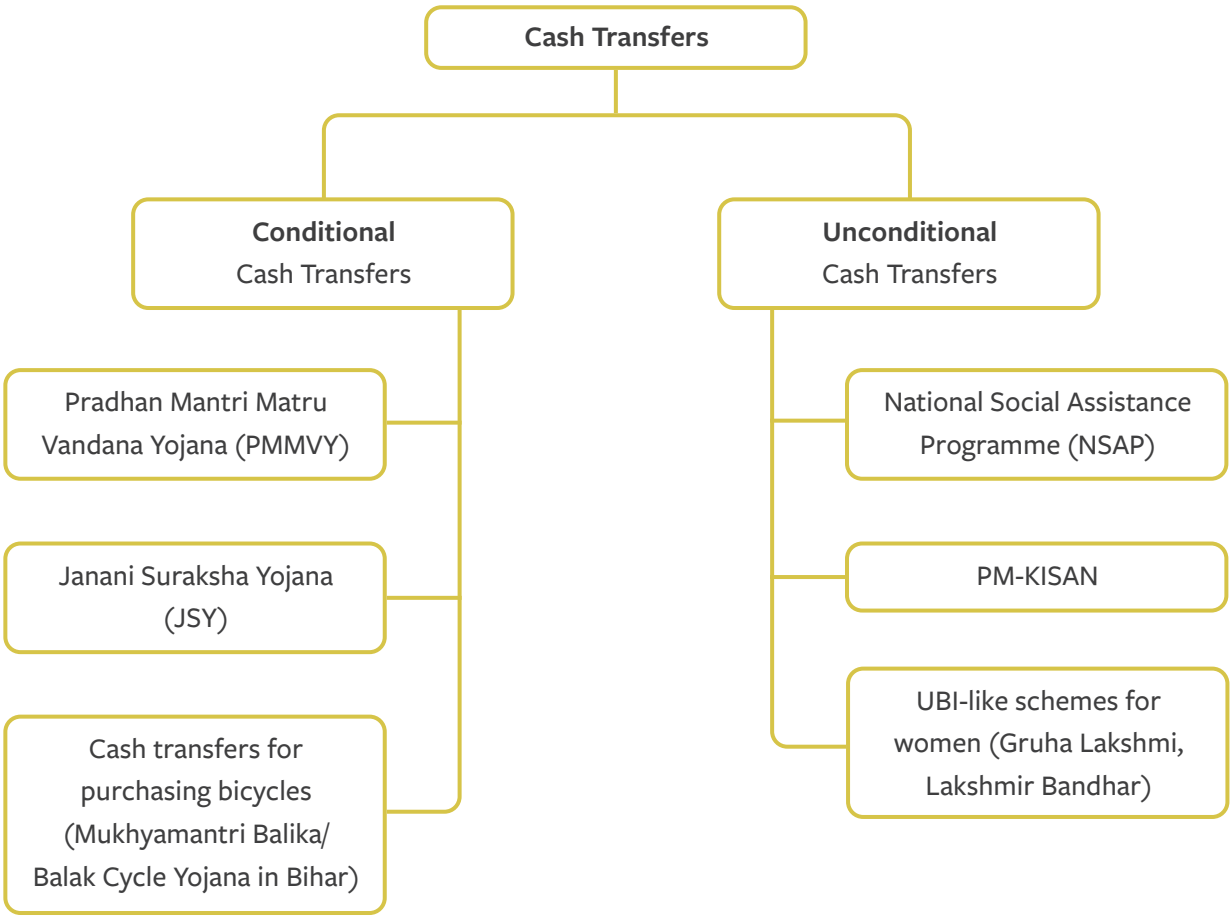
India, such pensions are provided through the Union government's NSAP as well as through various state schemes. These programmes are forms of social protection justified on the grounds of providing income security to vulnerable populations, who, because of age or social exclusion, are unable to earn a livelihood. Old-age pensions of this nature are especially important in India, where more than 70 per cent of the labour force works in the informal sector without access to contributory pension systems. In this context, pensions may be understood not merely as welfare measures but also as entitlements grounded in the right to social security and recognition of lifelong contributions to the economy. Such schemes have existed since the 1990s, and they are discussed in detail in a Chapter 13 in this Handbook.

Another category of UCTs comprises of income transfer schemes targeted at occupational groups as such as farmers or agricultural workers. Chapter 14 discusses the PM-KISAN which is one such scheme. PM-KISAN, introduced in 2019 as part of the government's stated objective of doubling farmers' incomes, provides ₹6,000 annually to each farming household. Many states also operate similar schemes. Most are linked to land ownership and therefore disproportionately benefit those who own agricultural land. At the same time, farmers' incomes may also be improved through a range of structural interventions, including investments in irrigation, improved access to markets and transportation networks, cheaper or more reliable inputs and the adoption of more productive technologies. Such measures seek to enhance agricultural productivity and reduce structural vulnerabilities. Assessing the relative effectiveness of cash transfers vis-à-vis these interventions remains an important policy question, although a detailed evaluation lies beyond the scope of this chapter.

A third category of UCTs consists of UBI-like transfers targeted at adult women. These schemes provide periodic cash payments to women without linking them to specific expenditures or behavioural conditions. Their stated objectives vary and include improving household welfare, enhancing women's economic agency and addressing income insecurity. The Sixteenth Finance Commission describes them as 'subsidies that are not directed to a specific economic or social sector'. These schemes are discussed in greater detail below.

Much of the debate on cash transfers during the 1990s and 2000s, both in India and globally, centred on conditional cash transfers (CCTs). Under these programmes, cash benefits are tied to compliance with specific requirements related to education, health or nutrition, such as minimum school attendance, vaccination compliance or participation in health check-ups. The rationale underlying conditionality is that it encourages investments in human capital while simultaneously providing income support. One of the most widely cited examples is Brazil's *Bolsa Família* programme, which targets recipients based on their monthly incomes. Since 2003, the Government of Brazil has provided approximately US$35 per month to

Figure 15.1: Types of cash transfers



Note: Schemes mentioned are examples, not exhaustive

thirteen million families. The scheme has been associated with reductions in poverty and inequality as well as improvements in health and education outcomes (Fassarella et al. 2024; Magalhães et al. 2024). Indonesia's *Program Keluarga Harapan* offers around US$580 annually to nearly ten million families that satisfy health and education requirements (Syamsulhakim and Khadijah 2021). Other examples include PROGRESA in Mexico (Siaens et al. 2003), the Benazir Income Support Programme in Pakistan (Cheema et al. 2016) and Kenya's Cash Transfer for Orphans and Vulnerable Children (The Kenya CT-OVC Evaluation Team 2012).

India also has examples of CCTs, most notably the JSY, which provides financial incentives to pregnant women delivering in health institutions in order to reduce maternal and neonatal mortality. CCTs can be effective when they complement public service provisioning and are accompanied by system-strengthening initiatives. However, they are not equally effective across all kinds of outcomes. For instance, they have mostly succeeded in increasing attendance at nutrition counselling sessions without producing commensurate improvements in nutritional outcomes (Ali et al. 2022).

These varied forms of cash transfers illustrate that the category itself encompasses programmes with different objectives and design features. Some are

intended primarily to provide income security, while others seek to alter behaviour or improve particular social outcomes. Some are targeted at demographic groups such as the elderly or women, while others focus on poor households more generally. The conditions attached to transfers, the extent of targeting, the frequency and size of payments and the administrative mechanisms for delivery vary considerably. For this reason, policy debates cannot be reduced to being simply 'for' or 'against' cash transfers as a general instrument. Such framing obscures the fact that different forms of transfers pursue different policy goals and operate through distinct mechanisms. The more relevant questions concern which kinds of transfers are appropriate in particular contexts, how they interact with other components of social policy and what trade-offs they entail.

15.2 Debates on UBI in India

Discussions on income transfers as a means of enhancing livelihoods have existed in India since the time of Independence. During the 2000s and early 2010s, debates on in-kind versus cash transfers intensified, particularly in relation to reforming the public distribution system. Proposals were advanced to replace other in-kind schemes, such as school meals and supplementary nutrition programmes, with conditional cash transfers (Mahapatra 2012). In practice, however, apart from schemes such as the JSY, these debates did not result in major policy shifts. Without entering into those wider discussions, this section focuses specifically on debates surrounding the universal basic income.

Discussions on UBI gathered momentum in India after the Economic Survey 2016–17 argued that it could constitute a more effective method of combating poverty than existing welfare programmes (Ministry of Finance 2017), especially with the emergence of the Jan Dhan–Aadhaar–Mobile (JAM) trinity. It was claimed that UBI could reduce the inefficiencies of existing social security schemes by replacing allegedly bureaucratic and leak-prone systems with direct cash transfers to beneficiaries. Critics, however, warned that such proposals risked further weakening an already fragile social security system (Khosla 2018).

The Economic Survey made several arguments in favour of UBI. It suggested that such a scheme would provide citizens with a share in the country's collective wealth, reduce the paternalistic attitude of the state by allowing recipients autonomy over spending decisions and improve transparency and administrative efficiency through JAM-enabled delivery systems. The Survey estimated the cost of such a scheme at 4.9 per cent of the gross domestic product (GDP), while recognising that a fiscally sound execution of UBI can only be achieved after some social security programmes are withdrawn (Ministry of Finance 2017).

Subsequent commentators raised several concerns regarding these proposals. First, targeted UBI-like schemes do not resolve exclusion errors because they

continue to depend on the same targeting mechanisms (Khosla 2018; Drèze 2017b). More fundamentally, critics argued that the proposals underestimated the importance of existing social security and anti-poverty programmes that provide essential services and pursue larger developmental goals. The value of in-kind programmes extends beyond the transfer itself The Mid-Day Meal scheme, for example, contributes to education, employment generation and social equity. Similarly, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) supports asset creation, women's empowerment and environmental protection (Drèze 2017b). Moreover, the claim that cash transfers necessarily reduce leakages has not been substantiated empirically, since corruption and exclusion also persist within cash transfer schemes such as pensions and housing subsidies (Himanshu 2017).

Nimai Mehta (2016) argues that even a successfully implemented UBI would fail to address two fundamental problems confronting the poor in India: the absence of adequate employment opportunities and the poor quality of public services related to health, education and sanitation. In conditions where livelihoods remain precarious and the provision of public services is weak, the limited resources that households are able to allocate towards human development are further constrained. In such a context, UBI may prove insufficient or even counterproductive. There is also the risk that cash transfers could weaken political pressure for broader structural reforms.

Questions regarding fiscal feasibility have likewise remained central to debates on UBI in India. Ghatak (2016), for instance, estimates that providing every adult with an income equivalent to the poverty line would cost approximately 11 per cent of GDP. It is frequently argued that expenditure of this scale would require either substantial spending cuts elsewhere or increased taxation in order to avoid fiscal pressures and inflationary risks. In practical terms, financing a meaningful UBI would likely require reducing the state's role in providing public services related to health, education, nutrition and infrastructure. Even smaller UBI proposals, such as Bardhan's (2016) model costing around 3.5 per cent of GDP, would exceed the entire health budget and amount to nearly ten times the expenditure on MGNREGA (Drèze 2017a). There is therefore a significant risk that such schemes could come at the expense of existing public services and in-kind transfer programmes, and there is no clear justification for why they are urgent despite the continuing inadequacy of affordable and accessible education, healthcare and social infrastructure in India. The poor already face increasing barriers in accessing quality public services amid ongoing privatisation. Under such conditions, the implementation of UBI could potentially deepen existing inequalities rather than alleviate them (Himanshu 2017).

15.2.1 Universal basic income pilots in India

India's first UBI pilot was launched in Delhi in 2011 through a partnership between the Government of Delhi and SEWA Bharat as part of a United Nations Development Programme initiative. The pilot studied the effects of replacing the public distribution system food rations with cash transfers for 100 below-poverty-line families. Each family received ₹1,000 per month through Direct Benefit Transfer (DBT). The findings showed that the transfers neither reduced household per capita calorie consumption nor increased expenditure on non-food items. However, households reported increased consumption of nutritious non-cereal foods.

A second pilot was conducted in Madhya Pradesh by SEWA Bharat and the United Nations Children's Fund. UCTs were provided to all adults and children across eight villages, with adults receiving ₹200 per month and children receiving ₹100 (SEWA Bharat and UNICEF 2014). The pilot documented improvements across a range of indicators, including sanitation, housing, access to drinking water, energy sources, healthcare, indebtedness and child nutrition, particularly among girls. Tribal villages also reported improvements in food security and ownership of household assets.

15.3 The rise of UBI-like schemes

Just before the 2019 elections, the Union government under the National Democratic Alliance announced the PM-KISAN scheme, which provides annual cash transfers of ₹6,000. This was towards fulfilling its electoral promise of doubling farmers' incomes (Ministry of Agriculture and Farmers Welfare 2019). During this period, states such as Telangana (Rythu Bandhu in 2018) and Odisha (KALIA in 2019) also initiated UCT schemes for farmers (Government of Telangana 2018; Department of Agriculture and Farmers' Empowerment, Government of Odisha 2018). Although they target a different group, namely farmers, these schemes can be seen as precursors to the current wave of cash transfer schemes. They come along with this broader shift towards 'new welfare' schemes involving DBTs, which are well-defined, individualised benefits not mediated through any institutional mechanisms.

The emergence of these DBT and UCT schemes was enabled by the proliferation of information and communication technologies that made digital-led administration feasible, and a push for 'good governance' and efficiency in welfare delivery through technological interventions, large-scale databases and 'e-governance'. These changes aligned with and accelerated the broader neoliberal shifts and structural adjustments taking place in the 1990s in India (Narayanan and Ramesh 2026).

Anand et al. (2020) define 'new welfarism' as the 'subsidised public provision of essential goods and services, normally provided by the private sector, such as bank accounts, cooking gas, toilets, electricity, housing and more recently, water and also plain cash'. The idea behind new welfarism is that the provision of tangible goods and services that reach recipients directly and quickly results in progress that can be easily monitored and measured. While a wide range of goods and services, including cash, may be provided under new welfarist schemes, the commonality they share is that they are all 'attributable tangibles' (Subramanian and Felman 2023). This is different from the more traditional approach to welfare, where, for example, the provision of primary education or healthcare services often produces impacts that are difficult to define and measure and whose effects might only be visible in the longer term. New welfarism is also politically advantageous for governments since tangible goods and services are delivered in the short term, that is, in the 'political present'. On the other hand, the benefits of the earlier approach to welfare might accrue over a longer horizon. Increasingly centralised implementation of schemes under new welfarism and the ability to easily attribute these benefits to the leadership in the Union or state governments enable political parties to consolidate electoral support.

In its manifesto for the 2019 parliamentary elections in India, the Indian National Congress (INC) proposed a minimum income support programme called Nyuntam Aay Yojana (NYAY). Under the scheme, the INC promised that it would guarantee cash transfers amounting to ₹72,000 per year, paid in monthly instalments, to the poorest 20 per cent of all households – five crore families – in India (Indian National Congress 2019). The manifesto also stated that 'as far as possible, the money will be transferred to the account of a woman of the family who has a bank account'. It estimated that, once fully implemented, the programme would cost less than 2 per cent of India's GDP annually. This electoral promise received widespread media coverage. Rahul Gandhi, then President of the INC and the party's prime ministerial candidate, described the scheme as a 'final assault on poverty' (Roy 2019). Although the INC did not come to power after the 2019 elections, the party returned to a similar proposal in the 2024 parliamentary elections. Under the Mahalakshmi scheme, introduced as part of its 'five guarantees', the INC promised ₹1 lakh a year to women in the poorest households in the country (Indian National Congress 2024).

15.3.1 Women-centred state schemes

In March 2020, the Government of India announced unconditional cash transfers of ₹500 for three months to all women holding Pradhan Mantri Jan Dhan Yojana (PMJDY) bank accounts (Kotiswaran et al. 2025). This remained a short-term COVID-19 relief initiative and did not translate into a national scheme.

However, since 2021, UCTs have been introduced across seventeen states by governments led by various political parties. It is claimed that these schemes are now an effective electoral plank to win over women voters (Nair and Suganthan 2024). The first such state-level scheme was Goa's *Griha Aadhaar* scheme (2013), under which married, divorced or widowed women above the age of 18 are entitled to ₹1,500 per month.[1,2]

While UCTs to women are a common element across these schemes, there is significant heterogeneity in their structures, entitlement amounts, eligibility criteria and impacts. Table 15.1 and Figure 15.2 provide details of these schemes. All impose some form of upper limit on family income, ranging between ₹1 lakh and ₹3 lakh per annum, beyond which women are excluded. Some states, like Tamil Nadu, also exclude applicants based on land ownership, vehicle ownership and government employment. Age criteria also vary, with some schemes limiting benefits to women under 59 or 60 years and above 18 or 21 years of age. The entitlement amount ranges from ₹833 per month in Odisha, corresponding to an annual transfer of ₹10,000, to ₹2,500 per month in Jharkhand and Telangana. While some schemes are restricted only to the women who are heads of households, others permit multiple women within the same household to qualify or limit the eligibility to married, divorced, widowed or destitute women. Certain states, such as Assam, prioritise single, divorced or widowed women.

The stated objectives of these schemes also vary significantly across states. *Makkal Needhi Maiam*, a newly formed political party in Tamil Nadu, for instance, promised 'salaries for housewives' in its 2021 election manifesto. Although this party did not come to power, the Tamil Nadu government's *Kalaingar Mahalair Urimai Thittam* scheme foregrounds recognition of women's household and domestic labour. Other UCTs emphasise objectives such as improving women's financial independence, increasing household incomes and enhancing women's health and nutrition. Bihar's *Mukhyamantri Mahila Rozgar Yojana* and similar schemes in Assam have cash transfers that support women's entrepreneurship. These programmes provide one-time transfers to a broad section of women in the state, while also promising additional financial assistance on the basis of performance.

1 One of the earliest UCTs targeted at women was introduced in Kerala in 2012 for unmarried mothers below the age of 65, providing a monthly transfer of ₹1,000. This scheme has not been included in the present list, even though it is a UCT targeted at women; it is limited to a specific vulnerable group rather than the broader population characteristic of the schemes discussed in this chapter. Unlike the latter, it has also not been uniformly linked to electoral mobilisation.

2 The scheme was initially launched in 2013 and subsequently revamped in 2016 into its current form.

Table 15.1: State-level UCT schemes for women

State	Scheme	Target population	Amount per month (₹)	Start Year
Existing UBI-like schemes				
Assam	Orunodoi 3.0	Women heads of economically vulnerable families	1,250	2024
Chhattisgarh	Mahtari Vandan Yojana	Women of households with income below ₹8 lakh per year	1,000	2024
Delhi	Mukhyamantri Mahila Samriddhi Yojana	All women aged 18 years and above, excluding taxpayers and government employees	1,000	2025
Goa	Griha Aadhaar Scheme	Married women aged above 18 years	1,500	2013
Haryana	Lado Lakshmi Yojana	Women aged above 23 years; family income below ₹1 lakh per year	2,100	2025
Himachal Pradesh	Indira Gandhi Pyari Behna Sukh Samman Nidhi Yojana	Women aged 18–59 years	1,500	2024
Jharkhand	Mukhyamantri Maiya Samman Yojana	Women aged 18–50 years; household income below ₹8 lakh per year	2,500	2024
Karnataka	Gruha Lakshmi Scheme	Female heads of households	2,000	2024
Kerala	Sthree Suraksha Scheme	Unemployed women and transgender persons aged 35–60 years not receiving any other pensions	1,000	2026
Madhya Pradesh	Ladli Behna Yojana	Married women aged 21–60 years with household income less than ₹2.5 lakh per year	1,500	2023

Table 15.1 (contd.): State-level UCT schemes for women

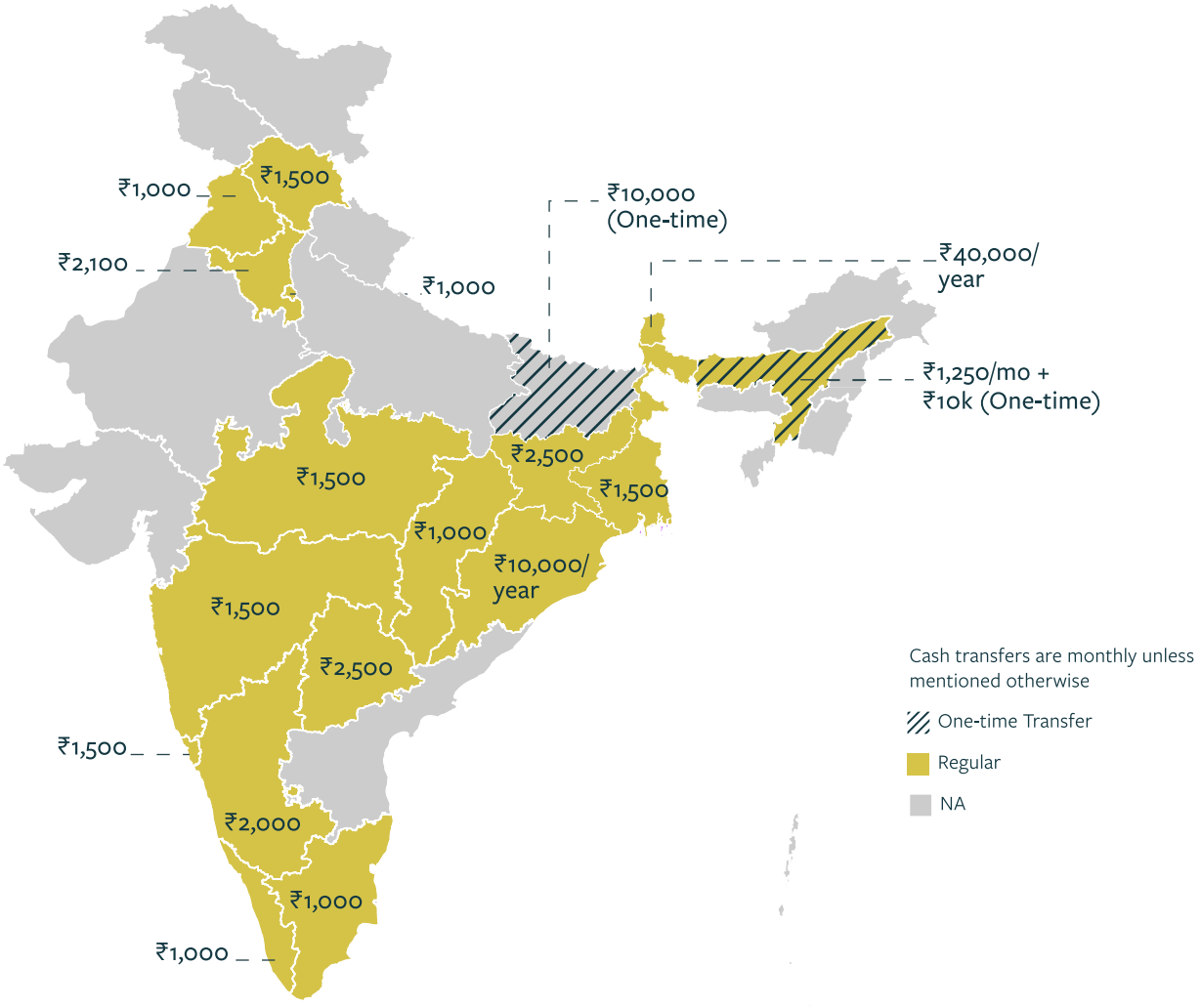
State	Scheme	Target population	Amount per month (₹)	Start Year
Existing UBI-like schemes				
Maharashtra	Mukhyamantri Majhi Ladki Bahin Yojana	Women aged 18–65 years with household income less than ₹2.5 lakh per year	1,500	2024
Odisha	Subhadra Yojana	Women aged 21–60 years from economically weaker families.	10,000 (per year)	2024
Punjab	Mukhya Mantri Mawan Dheeyan Satkar Yojna	All women aged 18 years and above	1,000 (1,500 for scheduled castes)	2026
Sikkim	Sikkim Aama Sashaktikaran Yojana	Women aged between 18–59 years	40,000 (per year)	2026
Tamil Nadu	Kalaignar Mahalir Urimai Thittam	Women/transgender heads of households with income less than ₹2.5 lakh per year	1,000	2023
Telangana	Mahalakshmi Scheme	Women and transgender persons from families with income less than ₹2 lakh per year	2,500	2023
West Bengal	Lakshmir Bhandar Scheme	All women covered under the Swasthya Saathi scheme	1,500 (other castes/ other backward castes) 1,700 (scheduled castes/ scheduled tribes)	2021
One-time UCTs for employment generation				
Assam	Mukhya Mantri Mahila Udyamita Abhiyan	Rural women members of self-help groups	Year 1: 10,000; Year 2: 25,000; Year 3: 50,000	2025
Bihar	Mukhyamantri Mahila Rozgar Yojana	Women aged 18–60 years who are members of self-help groups	10,000 2,00,000 for those who have started businesses after assessment	2025

Sources and notes: Compiled by the authors from scheme websites (upto May 2026)

15.3.2 Scheme impacts

Evaluation studies of these schemes have looked at the household and individual-level benefits of receiving the cash transfers and have reported widely positive results. Field studies in Maharashtra (Radkar and Kulkarni 2025), Assam (Kotiswaran 2022; Pegu 2024), Tamil Nadu (Kotiswaran 2025a) and Karnataka (Kotiswaran 2025b) find that the money received under these schemes was mostly used for consumption expenses related to food, education, health and so on. Some also used the transfers for repayment of debt or interest payments. Ambedkar and Shinde (2025) in Maharashtra report improvements in health and education outcomes, while Kotiswaran (2025b) in Karnataka finds that women had full control over the cash, enhanced financial inclusion and improved say in decision making. Some of these studies also document the difficulties in accessing the scheme due to a lack of proper documents, failures in Aadhaar linkage, delays in payments and other similar hurdles. Twenty-five out of thirty entitlement holders who were surveyed in a study reported difficulties in applying for the *Ladki Bahin Yojana* in Maharashtra, due to document requirements, bureaucratic hurdles and insufficient information (More and Chatare 2024). Similarly, in Assam, only 63 per cent of more

Figure 15.2: Monthly UCTs for women by state



than 26,000 applications were accepted because households could not provide proof of below-poverty-line income, address or valid identity documents (Phukan 2021).

The studies so far are limited in nature as they do not address the larger questions of fiscal implications and long-term human development outcomes. To evaluate these empirically, the schemes would need to be operational for longer. At the same time, scholars have raised concerns about the effect of these schemes on decentralised governance, local democracy and state–citizen relations, which are equally serious considerations. Commenting on this broader shift in welfare policy towards direct transfers, Aiyar and Venkat (2024) describe this as a shift away from the 'centrality of the public sector in delivering basic services'. Understandings of citizenship and state accountability have also shifted from 'deepening citizen capacity to place claims on the state and extract accountability' to the 'efficiency of direct delivery and the role of markets' as the key to accountability for citizens, who are now viewed as customers. Rathin Roy (2019) describes it as a shift to a 'compensatory economy' from a welfare state. New welfarism and cash transfers are described as a 'compensation' for the failure of the state and the economy to create opportunities for all.

The timing of the cash transfers, immediately before elections, has also led many to call them a 'dole' or even a 'bribe'. These schemes have been seen less as instruments of empowerment and more as tools of electoral strategy. 'Women are positioned as beneficiaries to be courted, and political loyalty is secured in the most direct way possible: through deposits into their bank accounts' (Hasan 2025). Kotiswaran (2022; 2025b) argues that these schemes could have the potential to be gender-transformative when they are seen as wages or recognition for housework. Field experiences on improved access to resources and greater decision-making power due to cash transfers are presented as evidence towards this.

Others argue that while recognition of women's unpaid domestic and care work is undoubtedly important, such cash transfers serve to reinforce existing gendered divisions of labour and do not contribute to questioning the structural inequalities within and outside the household (Cookson 2018). Rather, they might even take resources away from care services that could lighten the burden of unpaid care work on women (Atasü-Topcuoğlu 2022). Similarly, cash transfers have also been linked to increases in domestic violence, child labour and even mortality (Henderson 2025). It has been argued that cash transfers cannot be a panacea for global poverty. They also risk diverting attention from public infrastructure, such as healthcare systems or access to clean water, that cannot be addressed by giving cash to households. While proponents argue that it is a solution to sidestep the 'paternalism' of the state, cash transfers only replace one form of paternalism with another by assuming that markets can be a one-size-fits-all solution (Henderson 2025).

15.3.3 Financial burden of UCTs

With the expansion of these schemes and their coverage, the share of cash transfers within overall subsidy and transfer expenditure has also risen sharply. Taking all categories of UCTs into account, including pensions and PM-KISAN, a report by Project DEEP estimates that the total budgetary allocation for UCTs by the Union and state governments increased twenty-three-fold, from ₹12,188 crore in 2015–16 to ₹2,80,780.5 crore in 2024–25, accounting for 11 per cent of total social sector spending. During this period, the Centre's share in total UCT expenditure declined from 70 per cent to 25 per cent (Shah, Hathiari and Ghatak 2025). The report of the Sixteenth Finance Commission separately estimates the fiscal costs to state governments of large-group cash transfer schemes that do not fall under either social security programmes or transfers to farmers. It finds that expenditure on large-group UCTs totalled ₹1.96 lakh crore in 2025–26 Budget Estimates, with a trend growth of 53.6 per cent between 2018–19 and 2025–26. Much of this increase has happened after 2023–24. The largest schemes include Maharashtra's *Majhi Ladki Bahin Yojana*, Karnataka's *Gruha Lakshmi* and West Bengal's *Lakshmir Bhandar* scheme.

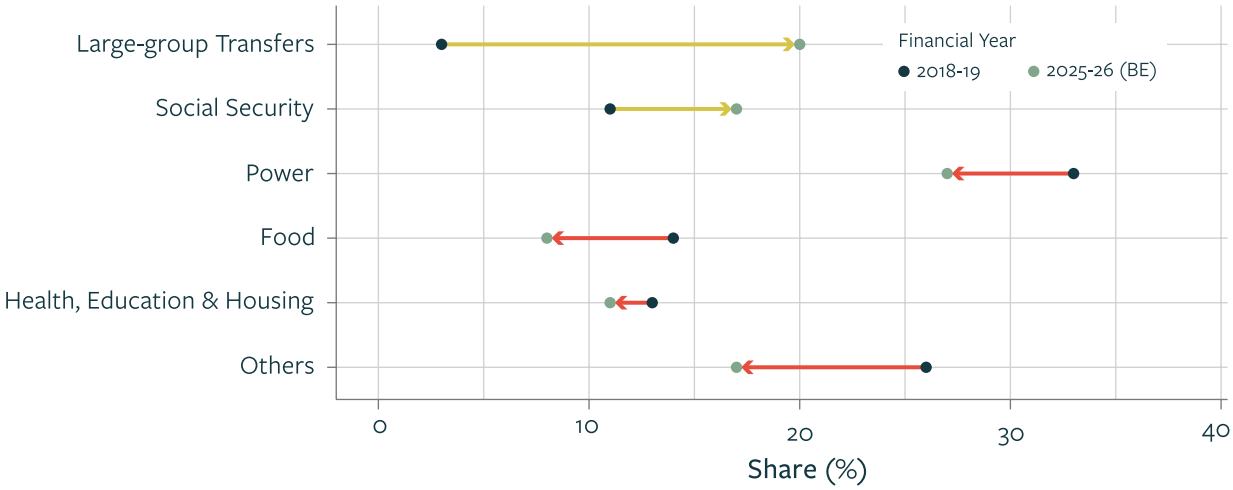
The composition of states' revenue expenditure has also shifted significantly during this period. The share of cash transfers within subsidies and transfers increased from 3 per cent in 2018–19 to 20 per cent in 2025–26, as shown in Figure 15.3. Furthermore, within these transfers, the proportion accounted for by large-group schemes – which include the UBI-like schemes discussed in this chapter – rose from 16 per cent to 47 per cent (Sixteenth Finance Commission 2025).

One concern associated with the growing fiscal burden of these schemes is that, over time, they are likely to put pressure on other essential social sector expenditures. There have already been allegations in Maharashtra and West Bengal of funds being diverted from social justice, social welfare and education schemes towards these new cash transfers (Marpakwar 2025; Mitra 2026).

States bear the primary responsibility for most social sector spending while operating within limited fiscal space because of taxation structures. State finances have already been under strain and stringent Fiscal Responsibility and Budget Management (FRBM) norms[3] place clear limits on borrowing and deficit expansion. In practical terms, overemphasis on one category of transfer schemes is bound to come at the cost of other expenditures. In the context of already underfunded social sector investments, as discussed throughout this Handbook, concerns that these UCTs may crowd out spending on education, health and social security are not unfounded. Any assessment of the costs and benefits of UCTs must therefore

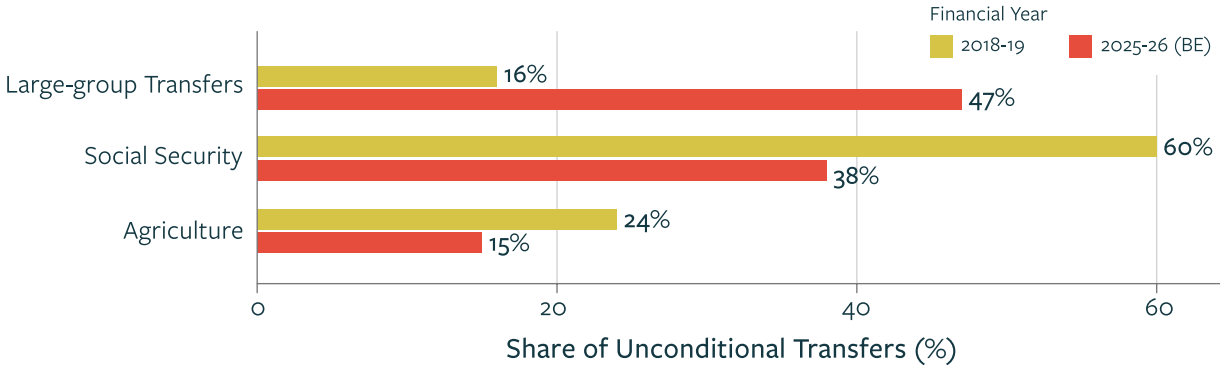
3 The Fiscal Responsibility and Budget Management (FRBM) Act, 2003, is aimed at institutionalising financial discipline and reducing fiscal deficit. It empowers the central government to set limits to state governments' borrowings, generally to 3 per cent of Gross State Domestic Product (GSDP).

Figure 15.3: Comparison of sectoral shares of subsidies and transfer schemes between FY 2018–19 and FY 2025–26 (BE)



Sources and notes: 16th Finance Commission Report, States' Demand for Grants.
The composition of subsidies in each sector is as follows: (i) Power: Subsidies provided to state distribution companies (DISCOMs); (ii) Large-group transfers: Includes only large-group cash transfers that are not directed to a specific economic or social sector. Cash transfers for agriculture are not part of this. The unconditional cash transfer schemes referred to in this chapter form the majority of these subsidies; (iii) Social security: Pensions and welfare support to vulnerable groups such as the elderly, widows and persons with disabilities; (iv) Food: Food subsidies; (v) Health, Education and Housing: Subsidies on health and education through scholarship schemes, the free distribution of inputs such as uniforms, subsidised insurance premiums and treatment costs. Top-ups to PM Awaz Yojana and other state-level housing schemes.

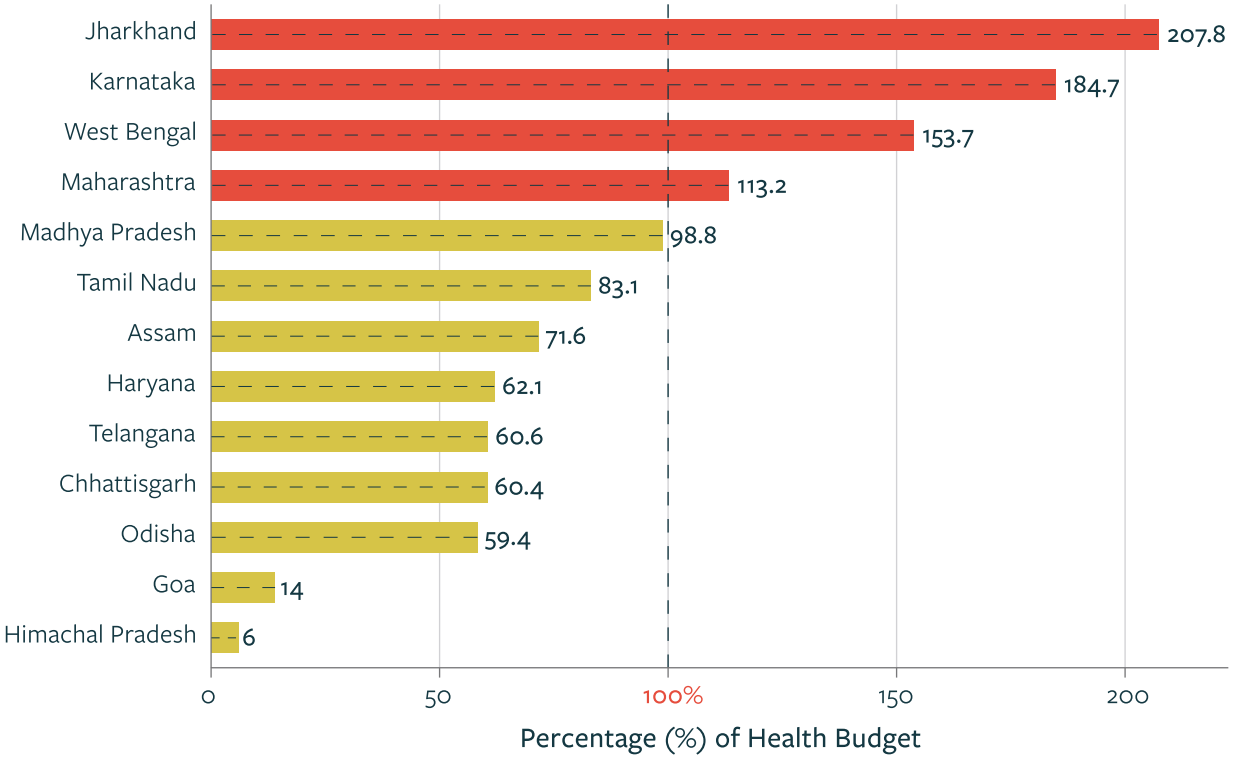
Figure 15.4: Sectoral composition of state-level cash transfers



Sources and notes: 16th Finance Commission Report, States' Demand for Grants.
Composition of subsidies in each sector is as follows: (i) Agriculture: cash transfers to farmers under schemes such as the such as Krushak Assistance for Livelihood and Income Augmentation (KALIA), Rythu Bandhu and top-ups to the PM Kisan Samman Nidhi Yojna (PM KISAN); (ii) Social security: pensions and welfare support to vulnerable groups such as the elderly, widows and persons with disabilities; (iii) Large-group transfers: large-group cash transfers that are not directed to a specific economic or social sector. The unconditional cash transfer schemes referred to in this chapter form the majority of these subsidies.

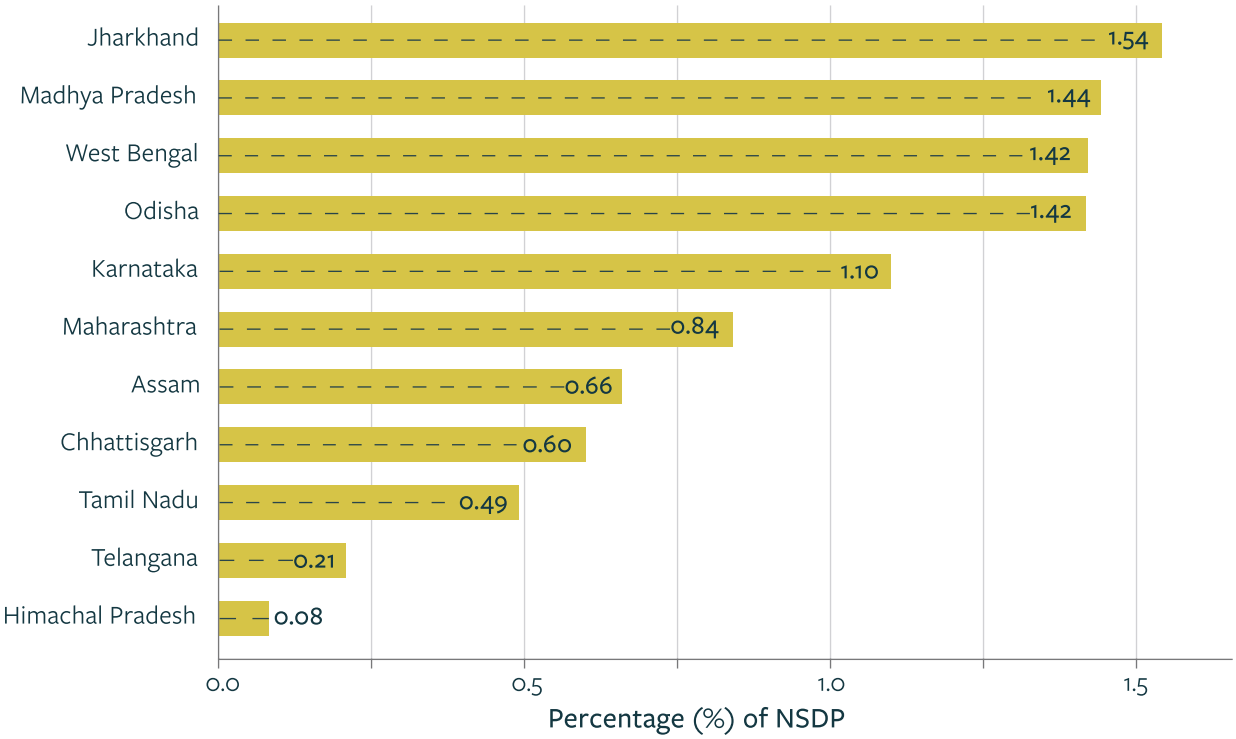
consider not only their effects on state finances, but also their implications for human development outcomes. Since most of these schemes are only a few years old, it is too early to determine their full impact on other expenditures. However, the scale of these schemes is evident. Figure 15.5 compares expenditure on these schemes as a proportion of total state expenditure with state spending on health across twelve states. States such as Jharkhand, Karnataka, Maharashtra and West Bengal are already spending more on these schemes than on their entire health budgets.

Figure 15.5: Budgets for cash transfer schemes as a % of health budget for select states, FY 2025-26 (BE)



Sources and notes: 16th Finance Commission Report, States' Demand for Grants

Figure 15.6: Cash transfer expenditure as % of NSDP (FY 2024-25)



Sources and notes: 16th Finance Commission Report, States' Demand for Grants; NSDP is Net State Domestic Product

States are also resorting to other measures to manage the financial pressures generated by these programmes. In Maharashtra, for example, the state's forest minister stated that the *Ladki Bahin scheme* was affecting the finances of other departments and that the forest department would fell and monetise teak trees worth ₹12,000 crore in order to raise funds for departmental expenditure (Kulshreshtha 2026).

15.4 Conclusion

This chapter has examined the rapid expansion of unconditional cash transfers targeted at women across Indian states and situated these schemes within broader debates on welfare, social protection and UBI-like interventions. Although the available evidence remains limited, existing studies suggest that these transfers are largely being used for essential expenditures related to food, healthcare, education, debt repayment and interest payments. In contexts marked by unemployment, stagnant incomes and increasing precarity, it is unsurprising that a cash influx into households is welcomed and is mostly spent on necessary goods and services. At the same time, these schemes must be assessed within the wider economic and political context, particularly in relation to the forms of intervention they risk displacing. The macroeconomic and fiscal implications of these programmes are far more complex than their immediate household-level benefits, as reflected in the growing share of state expenditure being directed towards such transfers.

As these schemes expand, they increase the fiscal burden on states, which is likely to generate pressure on other forms of social sector spending, including existing social security expenditures. Given the resource-constrained position of state governments, this is not an unreasonable apprehension. In the longer term, the implications of underfunded public services and infrastructure in health, education and nutrition for human development, growth and equity must be considered. The nature of these schemes also reflects a shift in welfare delivery away from a rights-based framework towards one in which recipients become beneficiaries (*labharthis*) of state largesse. This raises critical questions regarding state–citizen relations, accountability mechanisms and local democracy. Expanding welfare access must involve strengthening communities' democratic capacities and moving towards more bottom-up and participatory forms of claim-making (Henderson 2025). In light of these concerns, UCTs for women in India require much deeper scrutiny. Given the rapid ballooning of the scale of these schemes, both in terms of population coverage and fiscal magnitude, the urgency of such scrutiny is only increasing.

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16

A view of the public meeting at Katah addressed by Shri N.V. Gadgil Minister for Works, Minister and Power, Government of India on 25/3/1948. Public Resource via Internet Archive

People's Watch: Principles of Social Accountability

Social accountability refers to mechanisms within public programmes that seek to make the state responsive to citizens' claims by creating direct linkages between citizens and government. These mechanisms have expanded state–society interfaces for participation, claim-making and oversight, extending the downward reach of the democratic state. The development and functioning of social accountability mechanisms in India's welfare state can be understood through key instruments such as social audits, grievance redress systems and public information platforms. Rights-based legislations since the 2000s have transformed governance by embedding transparency, citizen participation and oversight within state institutions. However, persistent challenges remain and perhaps the gravest threat to these social accountability systems are sweeping legislative changes which undermine transparency and the retrenchment of social rights.

CHAPTER 16

People's Watch: Principles of Social Accountability

*Anindita Adhikari**

Rights-based legislation introduced in India in the early 2000s marked a profound shift in welfare governance and was characterised by several distinctive features. First, these laws emphasised legal entitlements rather than discretionary benefits. They also moved away from narrow below poverty line (BPL) targeting toward a quasi-universal approach. A traditionally opaque bureaucracy was pushed towards legally mandated transparency. Civil and political rights were now brought into closer relationship with social and economic rights institutional and procedural arrangements. These enabled citizens and their associations to participate in implementation and oversight, most notably through social audits under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). These laws also went further than earlier welfare initiatives in empowering local self-gov-

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ernment by making the gram panchayat central to planning and implementation and by designing local institutions that sought to counter state–citizen power asymmetries through participatory governance rather than top-down patronage. Despite India's reputation for bureaucratic size, however, the state remains institutionally thin, especially at the local level. These laws relied on limited budgets to create new social accountability structures and expand frontline capacities through significant recruitment. In addition, new forums and procedures, collectively termed 'social accountability institutions', now provided citizens with multiple points of access to the state.

Civil society organisations and governments in India have pioneered the collaborative design and institutionalisation of practical interventions intended to deepen democratic governance, including proactive disclosure of government information, social audits, facilitation support for accessing basic entitlements and grievance redressal (Adhikari and Heller 2024). In this chapter, social accountability refers to mechanisms within public programmes that seek to make the state responsive to citizens' claims by creating direct linkages between citizens and government at the local, state and national levels for participation in and oversight of implementation and governance (Fox 2015). Together with earlier decentralisation reforms, these mechanisms have expanded state-society interfaces for participation, claim-making and oversight, extending the democratic reach of the state downward. Yet the embedding of social rights remains uneven and incomplete, and ongoing efforts to dilute MGNREGA and other rights-based welfare provisions have made the future of this architecture increasingly uncertain.

The rapid digitisation of welfare has profoundly altered the terrain of social accountability over the past decade, simultaneously opening up new possibilities for claiming rights and entitlements, while also entrenching power along caste and gender faultlines. The digitisation of attendance at public worksites, birth and death registration, social security pensions, hospitals, schools and welfare systems has centralised authority within the state without adequate legal safeguards or accountability mechanisms. When confronted with systemic failures, officials routinely place the blame on algorithms or data systems, thereby denying citizens tangible forms of accountability. This reproduces a new form of what Akhil Gupta (2012) calls 'structural violence', in which repeated bureaucratic action produces arbitrary outcomes even when the intent is the provision of care. Such routinisation generates indifference towards arbitrary outcomes. The burden of proof is placed on marginalised citizens, who must demonstrate the harms inflicted upon them by systems they neither designed nor consented to and cannot oversee.

Despite these pressures on the architecture of welfare, social accountability mechanisms have not been entirely dismantled. In fact, they continue to evolve, expand and assume new forms. Extending the principles and practices of social

accountability, which creates openings for citizen oversight, participation and claim-making within an increasingly digitised welfare system, therefore becomes even more urgent.

16.1 Distinctive features of social accountability mechanisms

Traditional forms of accountability, rooted in the New Public Management-inspired good-governance agenda, emphasise administrative oversight mechanisms such as national monitors and external auditors, prioritising efficiency and compliance (Roelofs 2023; Doornbos 2010; Leftwich 1994). These approaches are largely post facto, assessing performance only after actions have already taken place. They frequently outsource accountability to third parties, distancing citizens and frontline functionaries from the process. As a result, governance and accountability become externalised technical exercises (Sajjanhar 2024).

A first distinctive feature is the institutionalisation of accountability mechanisms or what Jenkins and Manor (2017) call 'governance rights'. These mechanisms are funded and established by the government, yet designed to operate with a degree of independence from it. This represents a significant shift away from the earlier models in which accountability relied heavily either on oversight bodies embedded within government, such as audit institutions and vigilance commissions (also called horizontal accountability), or on citizens and civil society organisations holding elected representatives to account (vertical accountability). These new mechanisms opened up concrete pathways for 'diagonal accountability', which involves direct citizen participation within state institutions or in official oversight bodies at local, state and even national levels (Fox 2015). Instead, rights-based laws invest directly in building the government's own capacity to facilitate transparency, oversight and responsiveness. By embedding these functions within the architecture of government, accountability becomes a stable and predictable component of governance rather than an ad hoc or externally driven effort.

A second feature concerns the universalisation of participation. Rights-based laws move beyond the idea that only 'affected persons' have the legitimacy to demand accountability. In its place, they establish procedures through which all citizens have the right to engage with the government, ask questions and participate in oversight processes. This broadening of participation transforms accountability from a reactive, issue-specific practice into a proactive, democratic right that any individual can exercise, regardless of whether they are directly affected by a particular programme or grievance.

A third distinctive feature is that these laws directly address asymmetries of power between citizens and the government. By creating mechanisms that allow citizens to monitor implementation, scrutinise decisions and challenge administra-

tive irregularities, rights-based legislation sought to redistribute power downward. It enhances citizens' ability to hold officials to account while limiting opportunities for discretionary or opaque decision-making within the bureaucracy.

This debate between approaches to accountability was reflected in the contrasting positions of the India Against Corruption movement and the National Campaign for People's Right to Information (NCPRI) in 2011. While the former advocated for a centralised and overarching anti-corruption body, the Jan Lokpal, as a solution to all forms of corruption, NCPRI proposed a 'basket of measures'. In addition to a national anti-corruption body and the Central Vigilance Commission, NCPRI argued for a decentralised grievance redress system to address arbitrary uses of power and everyday corruption. The proposed system would integrate public vigilance processes such as vigilance committees and social audits, while also facilitating the filing of grievances through block-level information and facilitation centres in rural areas and ward-level centres in urban areas. The grievance redress mechanism was envisioned as a three-tier structure consisting of local grievance redress officers within departments, independent district-level grievance redressal authorities and central and state-level grievance redress commissions.[1]

More recently, a framework for social accountability has emerged directly from young Dalit activists reflecting on the denial of accountability and justice in caste-based atrocities through a series of dialogues in rural Rajasthan.

This chapter first briefly discusses how social accountability differs from other forms of accountability and traces its institutional and legal evolution in India. The next section focuses on three cases: social audits as a pioneering approach and practice of social accountability; decentralised grievance redress systems in Bihar and Telangana centred on public hearings; and Rajasthan's people's information system, which offers lessons for other states. Each section provides context on the evolution and performance of these systems, highlights challenges to their functioning and considers how they may be strengthened.

The framework (see Box 16.1) has been used to design, assess and reflect on a range of initiatives introduced for transparency and accountability in welfare service delivery, including programmes framed explicitly as social accountability interventions (Swamy 2020). Institutionalisation is an important cornerstone of this framework, which relies on a delicate balance between government sponsorship and independent facilitation. This form of facilitation is endorsed by law or policy, while retaining an autonomous implementation architecture. Social audits exemplify this balancing.

1 Email correspondence by Aruna Roy, including a note from the NCPRI, dated 22 August 2011.

Box 16.1: Six principles of Bhilwara framework for accountability

Access to Relevant Information (*jaankaari*)

Complaint Protection (*suraksha*)

Grievance Registration (*sunwai*)

Citizen Participation (*bhaagidaari*)

Time-bound Redress (*karyawahi*)

Public Collective Platforms for Dialogue (*janta ka manch*)

Icons: Information by Ricoster; complaint by Hanbai; fix by kholifah rokhman; Security by Funtasticon; Participation by tatia salsabila; collective by SeeMo; all from Noun Project (CC BY 3.0)

16.2 An approach to social accountability: Three cases

16.2.1 Social audit: Scale, scope and roadblocks

Social audits began as an experiment in strengthening transparency and accountability in Rajasthan in the late 1990s. When the Mazdoor Kisan Shakti Sangathan (MKSS), a workers' and peasants' collective, began its work in rural Rajasthan in the early 1990s on issues of land redistribution and minimum wage regulation in drought-relief works, it encountered large-scale corruption and under-payment of workers. In the absence of access to official government records, corruption in the form of siphoning of funds and leakages had proliferated unchecked for decades. The MKSS began mobilising communities and demanding access to government records and information related to local development works. From this process evolved a popular form of auditing called *jun sunwais* (public hearings), where welfare expenditure was verified through a collective and participatory process. The first stage of the *jun sunwai* process involved a painstakingly meticulous household-verification exercise in which expenditure statements relating to wage and material payments were matched against people's testimonies and discrepancies carefully recorded. The findings from this exercise were then presented at a public hearing where citizens, officials and elected representatives engaged in open debate and discussion before deciding on further action. These were often heated and conflict-ridden deliberations, and frequently generated serious backlash when local networks of privilege and power were exposed and challenged.

Early *jun sunwais* exposed corruption but lacked legal force. While hunger strikes and sit-ins were used to press for action, the effectiveness of these methods also reached its limits. As activists recount, 'street struggle was seen in the true Gandhian spirit of satyagraha, non-violent civil disobedience, but the state was seen as Ambedkar visualised it – an institution that must deliver constitutional promises. The notion of engagement with the state, opinion-makers and policy began to take shape' (Roy and MKSS Collective 2018). From this popular practice emerged the demand for a statutory right to information, which was passed in 2005, followed by another major legal breakthrough with the MGNREGA. For the first time, the practice of *jun sunwais* gained legal recognition and thereafter became the responsibility of the state to facilitate periodic social audits through panchayats. The Act specified that independent audit institutions would be set up in every state and that 1 per cent of programme expenditure would be allocated to conducting social audits.

Since then, this experiment has proliferated geographically as well as in terms of the number of schemes and programmes to which it now applies.[2] Social audits are now widely mandated by law, most prominently under MGNREGA (now VB-GRAM-G) and the National Food Security Act (NFSA), 2013. The Supreme Court has also endorsed social audits as a tool for transparency and accountability in the implementation of the Building and Other Construction Workers' (BOCW) Act, 1996 and has called for the auditing of childcare institutions under the Juvenile Justice Act, 2015. In addition to public works and food security, social audits are now mandated through legislation, scheme guidelines, judicial orders and executive policy frameworks across a range of other welfare programmes, including social security for workers, disability entitlements and primary education. In 2016, social audits were endorsed by the Comptroller and Auditor General (CAG) of India through the issuance of social audit standards. These standards elevated the status of social audits and placed them alongside 'formal audits',[3] although important distinctions remain. For instance, while the CAG signs a non-disclosure agreement with the government that explicitly states that all information received from the state will remain confidential and be used for audit purposes, the explicit mandate in social audits is that all information must be publicly disclosed.

2 For a detailed history of social audits see:
Pande, Suchi. 2014. *The Right to Know, the Right to Live: Grassroots Struggle for Information and Work in India.* PhD diss., University of Sussex. https://sussex.figshare.com/articles/thesis/The_right_to_know_the_right_to_live_grassroots_struggle_for_information_and_work_in_India/23401088?file=41125916.
Pande, Suchi. 2022. "State-led Social Audits: Enabling Citizen Oversight in India's National Rural Employment Guarantee Program." Case Study. Washington, DC: Accountability Research Center. https://accountabilityresearch.org/wp-content/uploads/2022/08/Case-study_6_State-led-Social-Audits_Suchi-Pande-8-21.pdf

3 Excerpt from a speech delivered by the CAG on 10 March 2015

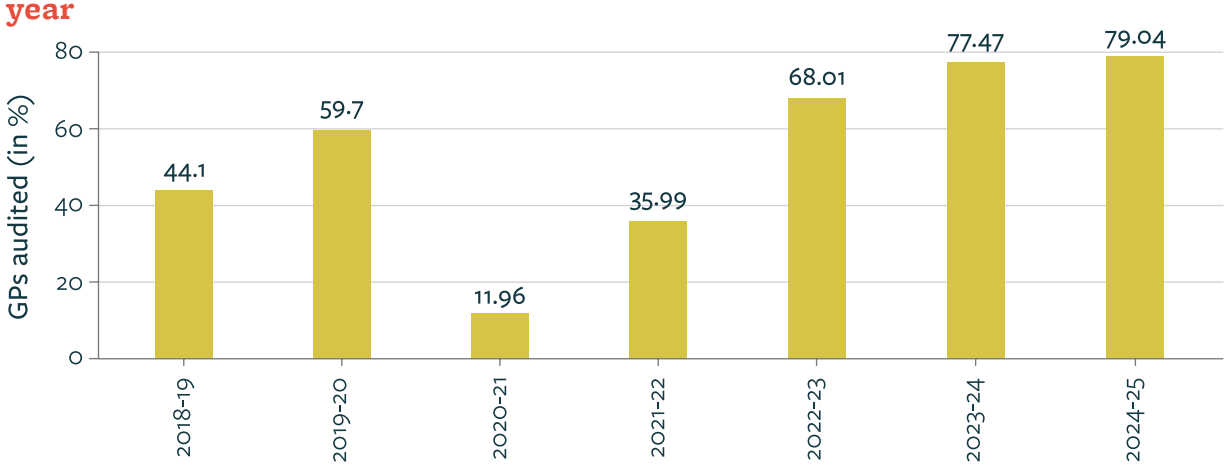
> *"...'Social audits serve as an important mechanism of complementing formal audits conducted by the CAG by supplementing the latter with feedback relating to the implementation of the programme from the field.' Conceptually, social audit goes beyond realm of traditional financial audit as it focuses on issues such as awareness, grievance redressal, feedback about the programmes, physical verification, etc., in its ambit. It is more akin to the concept of Performance Audit. Further, the depths and details up to which social audit goes for examination is not possible in any other evaluation or feedback mechanism. Therefore, when conducted effectively it can provide us valuable feedback on efficiency of a scheme or programme."* (Excerpt from a speech by the CAG)

With the evolution of social audits from a largely movement-led process into one embedded within government institutions, both the theory and practice of social audits continue to evolve. The first state government to implement the legal mandate for regular social audits was the Government of (undivided) Andhra Pradesh through the establishment of an independent social audit unit. Today, social audits have been institutionalised with varying degrees of independence across most Indian states. Although questions of quality remain, the scale of social audits in India is unprecedented. Since 2019, week-long social audits culminating in public hearings have been conducted annually in nearly half of India's more than 2.5 lakh panchayats. More than 90,000 resource persons from local communities have been deployed across the country to facilitate these audits. Table 16.1 gives a timeline and status on the provision of social audits for the corresponding law and its implementation status.

The Meghalaya Community Participation and Public Services Social Audit Act, 2017, marked an important legislative development in expanding both the scope and scale of social audit implementation. By establishing social audits as a mandatory requirement for welfare programme evaluation, Meghalaya became the first state to enshrine citizens' right to evaluate government programmes in binding legislation. This pioneering approach represented a significant breakthrough for civil society organisations advocating national legislation that would extend and strengthen existing social audit frameworks through standardised guidelines and implementation protocols. However, despite this legislative mandate, social audits in Meghalaya continue to face problems similar to those observed elsewhere, such as a lack of financial resources, poor follow-up and difficulties in appointing village-level social audit committees (Seth et al. 2023).

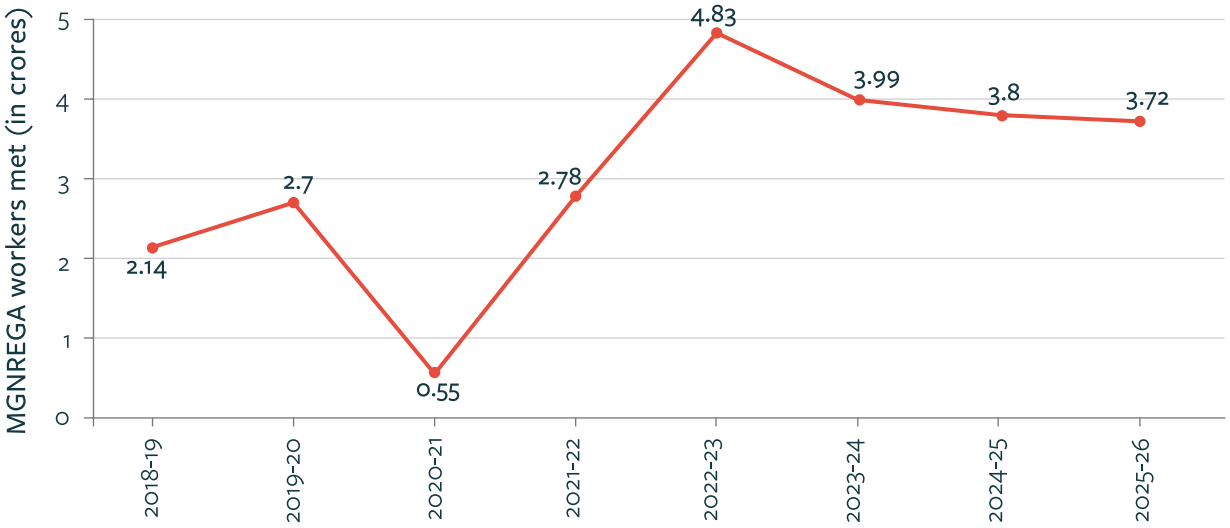
Since 2019, social audit implementation has expanded considerably, except during the years affected by the COVID-19 pandemic. In 2024–25, social audits were conducted in nearly 80 per cent of all panchayats in the country. Many social audit units (SAUs) were established after 2016 alongside efforts to strengthen their capacity

Figure 16.1: Percentage of Gram panchayats audited once in given financial year



Sources and notes: MGNREGA MIS Report

Figure 16.2: Number of workers met during the social audit process



Sources and notes: MGNREGA MIS Report

and widen their mandate across welfare schemes. SAUs are working to increase coverage and align with social audit standards, aiming for universal implementation.

Social audits: Methods and challenges

Social audits are intensive exercises, with teams spending three to seven days in a panchayat. While quality varies across regions, the scale of coverage is significant. These audits involve in-person, household-level verification of entitlements followed by participation in public hearings. According to the social audit reports published on the Ministry of Rural Development's (MoRD) MGNREGA Management Information System, in the financial year 2024–25, 3.2 crore workers were met and 5 crore people attended public hearings.[4] No existing monitoring and evaluation mechanism for welfare programmes matches the reach of social audits in terms of geographical coverage or citizen participation.

4 As per MGNREGA MIS Report 9.1.4, accessed in July 2024.

Table 16.1: Social audit provisions under different laws and their implementation status

Year	Policy	Provision for social audit	Implementation status
2000	Juvenile Justice (JJ) Act	Mandates monitoring and evaluation of children's homes through social audits (rules issued in 2007)	No clear record of implementation; Act replaced in 2015.
2005	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Gram sabhas mandated to conduct regular social audits; dedicated Social Audit Units (SAUs) established	Most institutionalised social audit system; conducted regularly, though quality varies
2012	National Health Mission Framework	Encourages community oversight, including jan sunwais and social audits	Limited pilot audits in states such as Jharkhand, Uttarakhand and Meghalaya
2013	National Food Security Act (NFSA)	Periodic social audits mandated for welfare schemes under the Act	Largely not operationalised; limited pilots in some states
2014 / 2022	Mid-Day Meal / PM POSHAN guidelines	Guidelines for social audits through community participation and SAUs	Implemented in several states; about 2% of schools audited per district
2015	14th Finance Commission Grants Advisory	Allowed use of grants for social audit costs	Pilots conducted in Jharkhand and Karnataka
2015–2016	District Mineral Foundation Trust Rules (select states)	Gram sabhas mandated to conduct social audits of projects funded by DMF	No public reports available
2016	Rights of Persons with Disabilities Act	Requires social audits of schemes affecting persons with disabilities	Not operationalised

Table 16.1 (contd.): Social audit provisions under different laws and their implementation status

Year	Policy	Provision for social audit	Implementation status
2017	Supreme Court orders (NFSA, JJ Act, BOCW Act cases)	Directed governments to establish and strengthen social audit mechanisms	Partial implementation; some pilots conducted
2017	Meghalaya Community Participation and Public Services Social Audit Act	Institutionalises participatory social audits across public services	Regular audits conducted through Meghalaya Social Audit Unit
2019	PMAY-G and NSAP guidelines	Social audit guidelines issued by the Ministry of Rural Development	Conducted in some states along with MGNREGA audits
2022	Samagra Shiksha Social Audit guidelines	Social audits covering ~20% of schools annually	Implemented in multiple states with support from audit societies
2024	PMAY-Urban 2.0 guidelines	Social audits mandated for at least 10% of projects	Conducted in some states but reports rarely public

The implementation of social audits faces several challenges. The first is weak action and recovery. Financial misappropriation data reported in social audit reports under the MGNREGA management and information system highlights the genuine efforts of SAUs to identify leakages and strengthen programme implementation. However, action on audit findings and recovery of funds remain highly inadequate. In 2024, 11,42,000 issues were raised through social audits across the country and close to 70 per cent were reported as 'satisfactorily' closed. While no independent studies have systematically evaluated action taken reports, anecdotal evidence suggests that many of these closures are little more than perfunctory. Only five states had initiated criminal proceedings, and the number of such cases typically remains in the single digits. Negative sanctions are applied sparingly and rarely extend beyond warnings and show-cause notices. Given the low rates of recovery and punitive action, the conclusions of existing studies (Afridi and Iversen 2014; Aiyar and Mehta 2015; Shankar and Gaiha 2013) on social audits are largely pessimistic. Some punitive measures have been initiated by the Union government, but these have often weakened the process rather than strengthened it. In 2022, for

instance, the MoRD made the release of funds for centrally sponsored welfare programmes conditional on the conduct of social audits and the resolution of claims (Nair 2022). Civil society groups have also begun to use social audits as a lever for seeking accountability, including through litigation, as seen in the Swaraj Abhiyan case.[5] Even where formal sanctions remain elusive, the institutional design of social audits creates spaces within which local and organised civil society can mobilise. While there is considerable subnational variation in the quality, volume and resolution of claims, a public paper trail is nonetheless created.

A second major challenge concerns delays and instability in funding. Significant delays in the release of funds have undermined the effectiveness of social audits across states. In 2024, for instance, Tamil Nadu and Meghalaya received only a single tranche of funding. The situation was dire in states such as Assam, Bihar, Tripura and West Bengal, where no funds were allocated by the MoRD for the financial year 2023–24. In some of these states, village- and block-level resource persons continued to work without wages. Volatility in fund release and the clustering of disbursements towards the end of the fiscal year compel SAUs to compress audit schedules, rush completion and submit utilisation certificates. This pattern undermines audit quality. Delays between funding requests and actual allocations further exacerbate the problem, leaving SAUs engaged in continual fund-chasing whilst managing audit operations. The duration of these delays varies considerably, ranging from around thirty days in Kerala and Andhra Pradesh to more than 130 days in Tamil Nadu. In Assam, Bihar, Tripura and West Bengal, delays have extended beyond an entire financial year.[6] This instability directly affects field-level resource persons, leading to financial hardship that compromises audit integrity, enables malpractices and undermines the credibility of the process.

Despite these vulnerabilities, social audits have gained increasing political recognition across party lines. In 2023, the then Union minister for Rural Development and Panchayati Raj, Giriraj Singh, emphasised that *jan bhagidari* (people's participation) must be central to social audit initiatives. Governments have also sought to leverage social audits to project accountable and transparent governance. Most recently, as MGNREGA was repealed and replaced with a hollowed out employment-without-any-guarantee programme (VB-GRAM-G), the social audit mandate within the law continues to hold.

16.2.2 Grievance redress systems

If audits are commonly understood as the official examination of accounts in public discourse, a more expansive meaning comes from the Latin word *auditus* (a hearing, a listening) and *audire* (to hear). The official examination of accounts

5 *Swaraj Abhiyan v. Union of India,* 2016 See https://indiankanoon.org/doc/19199787/.

6 Data provided by Social Audit Units, June 2024.

was originally an oral procedure. Grievance redress and the right to be heard constitute an often overlooked form of political participation but feature centrally in the Bhilwara framework as the second and third principles of *sunwai* and *karyawahi*. A people-centric grievance redress mechanism also flows from the constitutional mandate of participatory governance, non-arbitrariness (Article 14), procedural fairness in access to public services (Article 21) and promotion of the welfare of people (Article 38). In addition, the Constitution provides a foundation for legislative action on grievance redress under Entry 8 of the Concurrent List – 'Actionable Wrongs' – which empowers both the Centre and the states to enact laws to hear and redress citizens' grievances.

India's efforts to institutionalise time-bound service delivery and grievance redress have evolved through a combination of proposed national legislation, state-level laws and administrative and civil society innovations. At the national level, a key initiative building on the 'basket of measures' proposed by the NCPRI was the Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011. The Bill laid out provisions for a decentralised grievance redress system with independent appellate structures and proactive disclosure of information. It was introduced in the Lok Sabha and unanimously endorsed by the Parliamentary Standing Committee in 2012. However, despite this broad political support, the Bill ultimately lapsed. Some central welfare legislations, such as MGNREGA, the Forest Rights Act and the NFSA, set out grievance redress mechanisms alongside their implementation architecture. For example, the NFSA provides for an internal grievance redressal mechanism (Section 14), district grievance redressal officers (Section 15), state food commissions (Section 16–21), vigilance committees at fair price shop, block, district and state levels (Section 29) and reporting and public disclosure obligations (Section 27). Provisions for grievance redress under MGNREGA (Section 25) have been retained under the VB-GRAM-G Act, 2025 (Section 28), which calls for 'institutional mechanisms for receiving grievances at the ward, gram panchayat, block and district levels'. However, implementation has been uneven, with rules either absent, non-functional or minimally utilised, helplines underused and commissions defunct (Nayak 2020).

In the absence of an overarching central law, progress has been minimal at the state level. As of 2026, twenty-two states and union territories have enacted Right to Public Service Delivery Acts, beginning with Madhya Pradesh in 2010. These laws establish enforceable entitlements for citizens to receive notified public services within stipulated timelines, backed by penalties for delays and structured appellate mechanisms. However, their scope remains limited to pre-notified services and does not extend to broader or systemic grievances. A notable initiative is Rajasthan's Right to Hearing Act, 2012, which guarantees citizens timely hearings and decisions, supported by appellate provisions and facilitation centres to enhance

accessibility. The Act also establishes information and facilitation centres, which include call centres and help desks for receiving grievances, offering filing support and the effective redressal of grievances. After initial enthusiasm for implementing its most notable features of grievance filing support and hearings, the act has lapsed into cold storage with the digital portal becoming the primary platform for grievance redress.

Most states have established dedicated online grievance portals with statewide coverage, with the exception of Jharkhand, Assam, Nagaland and Sikkim. These platforms, often managed by the chief minister's office, receive complaints and route them to relevant departments for resolution (see Table 16.2). These systems have evolved from ad hoc cells into permanent digital infrastructures characterised by significant fiscal commitment and high levels of citizen engagement. Some states, including Madhya Pradesh and Rajasthan, now allocate close to ₹100 crore[7] annually to support unified grievance portals and 24/7 helplines. These investments sustain large digital backends, call-centre personnel and real-time monitoring dashboards, indicating that grievance redress is becoming integral to state service delivery.

The sheer volume of grievances reflects this high citizen reliance on these systems. In Uttar Pradesh, more than 74 lakh grievances are handled annually, while Rajasthan processes approximately 22 lakh. In Odisha, the number has increased from nearly 43,000 in 2021 to over 6.4 lakh in 2024–25, reaching an intensity of 151 complaints per 10,000 population.[8] Despite this scale and investment, a critical legal vacuum persists. Most portals operate under executive mandates rather than legislative frameworks. These digital-only systems often lack physical interfaces or facilitation support for filing grievances, limiting their accessibility to those with greater familiarity with government systems. They can therefore be characterised as 'techno-administrative', focused on 'data collection processes that enable fine-tuning of government programmes' (Hossain, Joshi and Pande 2023). Interaction with citizens during verification and resolution is minimal, and reported satisfaction is often treated as a box-ticking exercise rather than a substantive measure of redress quality. High reported resolution rates displayed on these portals further obscure underlying limitations. These systems also foreclose opportunities for collective engagement, offering no space for citizens to challenge power through shared political action.

7 Based on RTI responses from states on budgetary outlays for grievance redress portals in 23 states. Approximately 70–75 RTI applications were filed between March and September 2025, with substantial responses received from 12 states. These RTIs were filed by the author and researchers associated with the Theory and Practice of Social Accountability Project, National Law School of India University.

8 See note 7.

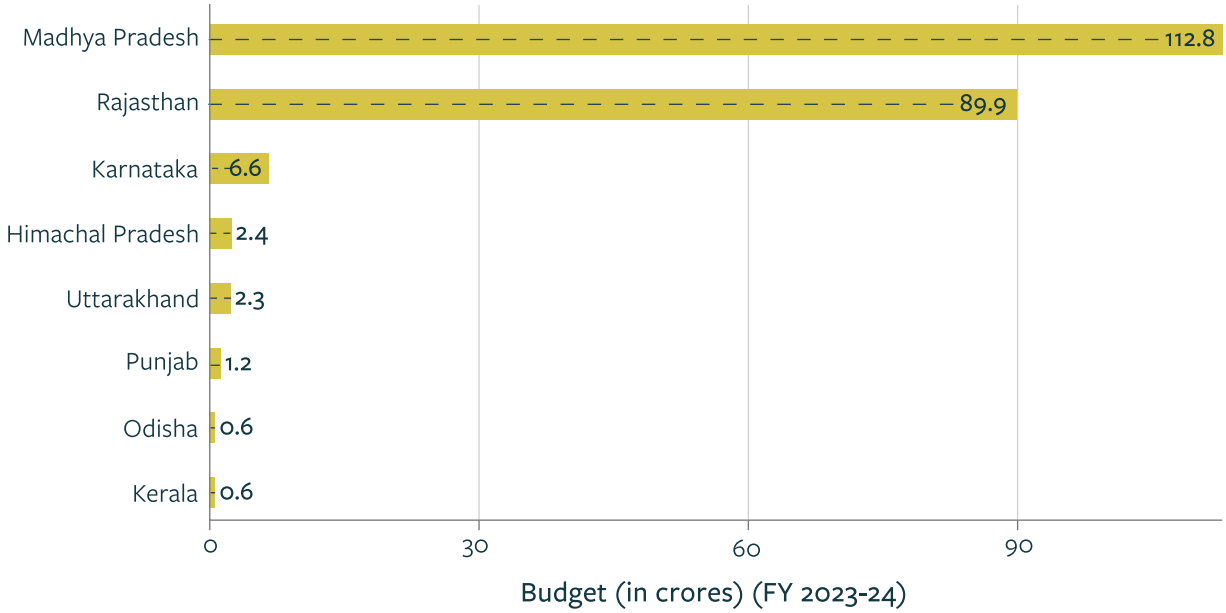
Table 16.2: State-wise online grievance portals

State	Grievance redressal portal	Date of inception
Andhra Pradesh	Public Grievance Redressal System (PGRS)	2016
Arunachal Pradesh	CM Jansunwai	-
Bihar	Lok Shikayat	2015
Chhattisgarh	Jan Shikayat Nivaran Vibhag	-
Goa	Directorate of Public Grievances	-
Gujarat	SWAGAT (State Wide Attentions on Grievance by Application of Technology)	2003
Haryana	CM Window and Jan Samvaad	2014
Himachal Pradesh	E-Samadhan, CM Sankalp	2008
Karnataka	Janaspandana	2021
Kerala	Santhwanam	2023
Madhya Pradesh	CM Helpline – Jan Hetu-Jan Setu	2020
Maharashtra	Aaple Sarkar	2015
Meghalaya	Meghalaya One	2012
Odisha	Jana Sunani	2021
Punjab	Connect Punjab	-
Rajasthan	Rajasthan Sampark	2014
Telangana	CM Prajavani	2023
Uttar Pradesh	Jansunwai-Samadhan	2019
West Bengal	Sarasari Mukhyomontri	2023

Sources and notes: Meghalaya Public Grievance Redressal and Monitoring System (MegPGRAMS) changed to Meghalaya One since 2025.

The proliferation of grievance portals was preceded by the legislative movement around right to public services laws. In 2010, Madhya Pradesh became the first state to pass such legislation, followed by a wave of similar laws across nearly fifteen states between 2011 and 2013. By 2026, twenty-four states will have enacted these laws to ensure the time-bound delivery of notified services such as

Figure 16.3: State budgets for grievance redress portals



Sources and notes: Responses to RTIs filed by the author and researchers associated with the Theory and Practice of Social Accountability Project, National Law School of India University.

licenses, certificates and permits. These laws guarantee delivery within stipulated timelines, impose penalties for delays and defaults, designate appellate authorities and create enforceable citizen entitlements. However, they are limited to pre-notified services and do not address broader grievances such as delays in non-notified entitlements, systemic failures or other 'actionable wrongs'.

More comprehensive grievance redress frameworks have emerged in select states. The Bihar Right to Public Grievances Redressal Act, 2015 goes furthest in aligning with the principles of social accountability. It establishes a statutory right to time-bound grievance resolution across government schemes and services, supported by a multi-tier structure of designated officers, appellate authorities, timelines of 30–45 days, penalties for delays and facilitation centres for in-person filing. The centrepiece of this system is the hearings conducted by independent grievance redress officers, bringing complainants and implementing officials face to face. The Act could go further by making these hearings public; at present, they remain individual and closed-door processes. Moreover, the absence of public disclosure of complaint data limits transparency and minimises the scope for collective action. Similar patterns have been observed in grievance systems globally, as a multi-country study shows (Hossain, Joshi and Pande 2023)

Administrative and civil society collaboration has complemented legislative efforts. A notable example is the decentralised grievance redress *Prajavaani* pilot in Adilabad district, Telangana, launched in January 2025. The pilot integrated multiple measures, including proactive disclosure of welfare entitlements, information facilitation centres for accessing application status and registering complaints, and

designated officers mandated to resolve cases within thirty days through written action taken reports. Between January 2025 and March 2026, 12,652 grievances were processed, 82 public hearings conducted and more than 100 officials trained, with 7,924 action taken reports issued.[9] Public hearings were held at the mandal level, and more than 50 per cent of complainants attended public hearings, with participation reaching up to 80 per cent in some mandals, indicative of higher expectations. Women accounted for 63 per cent of complainants compared to men, partly reflecting the nature of grievances included in the pilot, such as gas subsidies and electricity billing. Extensive outreach by local civil society organisations, social auditors and panchayat-level functionaries contributed to this participation.

To strengthen grievance redress architecture in India, an overarching and interdepartmental statutory framework is necessary to transform grievance redress from discretion to right. Such a framework needs to be grounded in the principles of social accountability and extend to a clear and comprehensive definition of grievances, enforceable timelines, multiple modes of filing and independent administrative and appellate structures, with public hearings at the heart of the resolution process. A campaign to introduce such a nationwide law, a '*jawaabdehi kanoon*', has been initiated in Rajasthan. However, despite political assurances and consultations between the state government and civil society, the Rajasthan Guaranteed Delivery of Public Services and Accountability Bill remains pending and has yet to be enacted.

16.2.3 Public data portals

Access to relevant and actionable information (*jaankari*) is essential for enabling citizens to realise their rights and participate effectively in governance processes. This principle is embedded in Section 4(2)[10] of the Right to Information (RTI) Act, which mandates proactive, *suo motu* disclosure of information by public authorities. The provision emphasises that information should be regularly disseminated through multiple channels, including digital platforms, so that citizens are not compelled to rely on formal RTI applications to obtain basic information. A study by Satark Nagrik Sangathan (2014) found that 67 percent of RTI applications sought information that should already have been proactively disclosed under Section 4 (49 per cent) or supplied without requiring an application (18 per cent). Only 4 per cent of surveyed central ministries and departments were proactively disclosing information under the RTI Act (Tiwari and Ansari 2018).[11]

9 Data collected by the Social Accountability Forum for Action and Research. (Punetha et al. 2026)

10 RTI Act, Section 4(2): 'It shall be a constant endeavour of every public authority…to provide as much information suo motu to the public at regular intervals…so that the public have minimum resort to the use of this Act to obtain information'

While there is no shortage of public dashboards on welfare programmes launched by the Union and state governments, these rarely meet the needs of ordinary citizens and the information asymmetry persists. Many dashboards disclose aggregate data rather than lists that can be independently verified. Instead of enabling 'open government', these portals often remain limited to 'open data', which is largely inert and unactionable. They function primarily as management information systems serving administrative interests and do not substantially enhance political accountability (Yu and Robinson 2012). In most cases, usable data – such as beneficiary-wise lists of payments for housing schemes or real-time application status (accepted, pending, rejected), reason for rejection, sanctioning authority and payment timelines is either not disclosed or remains accessible only through administrative logins. Information is therefore restricted to those with state-authorised access.

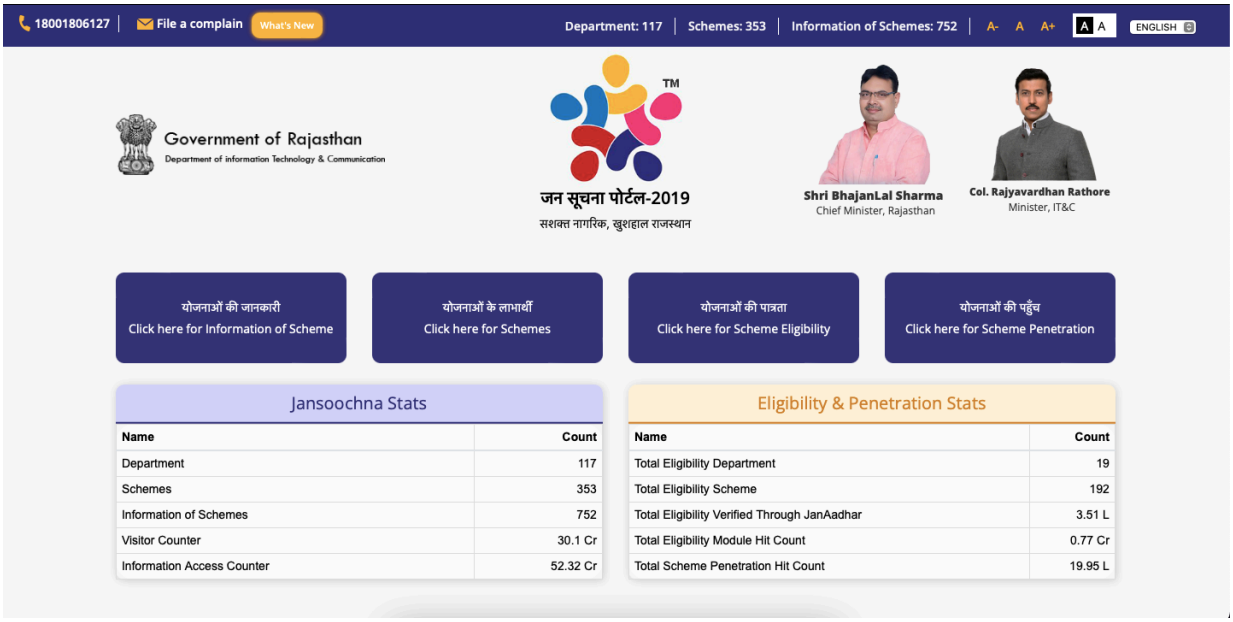
The Jan Soochna Portal represents a significant breakthrough in operationalising the proactive disclosure mandate of the RTI Act within a digital governance framework. Conceived through collaboration between civil society and the Government of Rajasthan, the portal places non-exempt public information directly in the public domain in line with Sections 4(1) and 4(2) of the Act. It marks a shift from reactive information access – where citizens must file applications – to a system of routine disclosure.

The development of the Jan Soochna Portal reflects the linkages between multiple principles of the Bhilwara Framework and offers insight into the design of People's Digital Infrastructures for welfare. In 2015, the *Soochna evum Rozgar Abhiyan* (*SR Abhiyan*), in collaboration with Rajasthan Patrika, led a campaign called *Shiksha Ka Sawal,* which advocated improvements in public education, greater community participation in government school management and greater transparency. It became evident that students, parents and local communities lacked adequate information to monitor school functioning. Over the course of the campaign, nearly 5,000 RTI applications were filed across thirty-three districts. These revealed a wide range of grievances, including delays in granting forest rights titles, delays in MGNREGA wage payments, exclusion of eligible households from ration card lists under NFSA and instances of corruption. Nearly 10,000 grievances were documented (SAFAR and SR Abhiyan 2021).

It became clear that timely grievance redress was constrained by the lack of accessible and relevant information at the appropriate administrative level. Many grievances stemmed from inadequate budget allocations, staff vacancies, poor communication of entitlements and complex application procedures. However, the absence of systematic disclosure of information across stages of planning,

11 Central Information Commission. 2018. Transparency audit of public authorities.

Figure 16.4: Screenshot of Jan Soochna Portal



Sources and notes: https://jansoochna.rajasthan.gov.in (Accessed May 2026)

application, verification, sanction and expenditure limited the ability of citizens to hold public officials accountable when their rights were violated.

The portal was developed through a series of forty 'Digital Dialogues' – tripartite consultations involving line departments, the IT Department and civil society organisations – conducted over two years. These dialogues helped identify the nature, scope and format of information to be proactively disclosed across government programmes. This collaborative approach has enabled continuous identification of information gaps, iterative improvements in data presentation and closer alignment with citizen priorities.

The Jan Soochna Portal addresses information asymmetry by reorganising government data around citizens' needs rather than administrative objectives. It integrates data from 117 departments and covers 344 schemes, providing scheme-wise, entitlement-holder-level and transaction-level information. This enables individuals to verify entitlements, track application status and identify discrepancies. The portal discloses disaggregated and actionable information across sectors, including toilets constructed under the Swacch Bharat Mission, panchayat works funded through finance commission grants, distribution of free medicines, Ayushman Bharat, RTI applications, ration distribution, farm loan waivers, functioning of educational institutions, benefits for labourers and persons with disabilities, social security pensions, mining lease contracts and land titles under the Forest Rights Act. Since its launch in September 2019, the portal has recorded over 16.7 crore visits.

To illustrate, under the BOCW Act, lakhs of construction workers are registered and entitled to benefits such as insurance and scholarships for their children.

Historically, however, information on welfare cess collection and disbursement was not publicly available. This forced people to rely on intermediaries for basic information; who was registered, eligibility for benefits, amounts received, processing timelines, selection and rejection criteria, pending applications, employer details and issuing authorities. This dependency enabled large-scale irregularities. Ineligible individuals accessed benefits in the names of workers, while eligible workers were unable to file complaints due to lack of information. These issues were documented through social audits in Salumbar block in Rajasthan and Shalimar Bagh constituency in Delhi.

Following extensive consultations with the Labour Department during the Digital Dialogues, Application Programming Interfaces (APIs) were developed to enable data integration. Information on all BOCW rights holders – such as name, address, age, application status, reasons for rejection, sanction details and payment records – was made publicly available on the portal. Using registration numbers or geographic filters, this information became easily searchable and verifiable by workers and their collectives.

A similar initiative, *Mahiti Kanaja* (information repository), was launched in Karnataka as a single-window public information portal. Developed by the Centre for e-Governance, Government of Karnataka, it provides information across nineteen sectors and has recorded 97 lakh visitors since its launch. However, unlike the Jan Soochna Portal, which is embedded within a broader ecosystem combining digital access with offline facilitation through civil society networks such as SR Abhiyan, *Mahiti Kanaja* has not progressed beyond its initial phase of disclosure.

16.3 Conclusion

One of the gravest challenges that face transparency and the freedom of information in India today, on which much of the future of social accountability rests, is the Digital Personal Data Protection (DPDP) Act. The Act amends Section 8(1)(j) of the RTI Act, representing a violation of the fundamental right to information under Articles 19(1)(a) and 21. The DPDP Act conflates 'personal' with 'private', contrary to constitutional doctrine. Privacy, as recognised in *Puttaswamy* case,[12] protects against unjustified state intrusion into an individual's intimate sphere, not information relating to public functions or state action. By extending privacy to all personal data in public records, the amendment shields state activity from public scrutiny. The consequences for the social accountability initiatives outlined in this chapter are significant.

First, social audits rely on collective disclosure of identifiable data. By classifying muster rolls, payment records and workers' lists for MGNREGA, for example, as exempt 'personal information', the amendment renders statutorily mandated

12 *Justice K.S.Puttaswamy (Retd) v Union of India*, 2018.

social audits largely unworkable. Public hearings depend on access to official records – names, amounts, dates and designations – to enable verification. By exempting such records, this provision undermines a central mechanism of scrutiny. Second, platforms such as Jan Soochna Portal and Mahiti Kanaja depend on the disclosure of data on individual rights and entitlement holders. The amendment places this framework at risk by allowing such information to be withheld.

An important argument advanced by civil society in opposition to the DPDP Act is that, for marginalised groups such as landless workers, Dalit workers, women and communities dependent on the public distribution system, the RTI Act – particularly its proactive disclosure provisions – has been a key instrument for documenting, exposing and challenging unequal and discretionary treatment by the state and its officials. It has enabled comparisons of who received work and who did not, who was paid and who was not and who was included or excluded from beneficiary lists. In that sense, it underpins the ability to enforce Article 14's guarantee of equality before the law. That ability depends on access to personal information in government records, and the impugned amendment effectively undermines it. Further, identifying officials by name, disclosing their decisions, payments to contractors and the exercise of discretionary powers all involve personal information about identifiable individuals. By placing such information beyond the reach of the RTI Act, the amendment shields not only private details but also officials' public actions from scrutiny.

Finally, this chapter has focused primarily on institutionalised social accountability mechanisms such as social audits mandated by the CAG's auditing standards. However, the practice and evolution of social accountability ultimately rest with people and their collectives. While the future of social audits depends on programme implementation, adequate resourcing and follow-through on findings, people's audits led by civil society have continued to evolve in diverse forms, albeit at a smaller scale. These are assessments of public services and institutions driven by citizens and civil society organisations as an extension of their democratic right to know, speak and be heard. Civil society groups across India have conducted public audits of various programmes for decades and offer models that can be adapted.[13] The government and SAUs need to recognise the legitimacy of such processes and engage with them as part of a broader commitment to transparency and accountability.

The trajectory of social accountability in India reflects both a deepening of democratic practice and an intensifying contestation over its future. Innovations such as social audits, grievance redress systems and public information platforms have expanded citizens' capacity to engage with and hold the state accountable.

13 Reports of civil society-led audits are available at https://socialauditindia.org/

However, their effectiveness remains contingent on how digitisation enables or restricts their use, the adequacy of resources and the strength of legal frameworks. Challenges, particularly the curtailment of access to information, threaten to erode these gains. Safeguarding and strengthening social accountability will require reaffirming transparency, participation and enforceable rights as foundational principles of welfare governance.

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17

PS/December, 1957, A46e/A40d/A46d.Panchayat meeting at Naggar village in Kulu Valley.
Public Resource via Internet Archive

Localising the State: Decentralisation and Democratic Governance

The 73rd and 74th Amendment Acts 1992, institutionalised urban and rural local governments as a third-tier of governance. This was a landmark step. In practice, however, there continues to be much variation in the devolution of funds, functions and functionaries between states. Shifts in the architecture of welfare delivery have created parallel administrative structures, leading to the local governments increasingly operating as implementers rather than autonomous decision-making bodies. India's vision of decentralisation was intended as a means of deepening democracy by embedding decision-making power with institutions closest to citizens. Realising this vision requires aligning fiscal devolution with functional authority, strengthening local accountability, and empowering panchayats. Although a vital initiative to deepen democracy, significant corrective measures have to be taken towards achieving it in its intended form.

CHAPTER 17

Localising the State: Decentralisation and Democratic Governance

*Avani Kapur**

Decentralisation is widely recognised as a cornerstone of effective welfare delivery and democratic governance, bringing decision-making closer to citizens and improving responsiveness, efficiency and accountability. In India, the 73rd and 74th Constitutional Amendments of 1992–93 marked a critical juncture by institutionalising Panchayati Raj Institutions (PRIs) and urban local bodies (ULBs) as constitutionally mandated third-tier governments. Much of the literature on decentralisation in India focuses on the '3Fs'—funds, functions and functionaries—or fiscal, administrative and political decentralisation, referring to the transfer of financial resources, functional responsibilities and decision-making authority from the union and state government to elected local governments.

Several studies show that where panchayats were active in planning and resource allocation, villages experienced better school functioning, improved health indicators and more inclusive access to social protection programmes (Heller,

* The author is grateful to Pritika Malhotra for research assistance.

Harilal and Chaudhuri 2007; Thomas and Rajesh 2011; Rajasekhar 2022). However, the effectiveness of decentralisation depends not merely on the formal transfer of powers but on the extent to which these three dimensions are realised. Fiscal decentralisation requires not just fund flows but predictability and autonomy. Administrative decentralisation extends beyond the assignment of functions to include control over personnel and implementation authority. Political decentralisation shapes whether these powers are exercised in a democratically accountable manner, through representation, participation and local oversight.

From a welfare perspective, decentralisation becomes meaningful when communities can utilise devolved powers, participate in decision-making and assert their rights and entitlements (Rajasekhar 2022). India's constitutional design recognised this broader intent. The 73rd Amendment not only redistributed power but also sought to democratise it socially through institutional mechanisms such as mandatory reservations for women, scheduled castes (SCs) and scheduled tribes (STs), and participatory forums like gram sabhas.

This is particularly significant in practice, as local governments—especially PRIs—form the last mile of the state and are often the primary interface for citizens accessing welfare programmes, including employment guarantees, social protection, nutrition services, and basic public goods. The effectiveness of the welfare state is therefore closely tied to the functioning of these institutions, including their ability to plan, implement and monitor programmes. This was evident during the COVID-19 pandemic, when local governments played a critical role in last-mile response.

Yet, more than three decades after these reforms, the promise of decentralised governance remains unevenly realised. While states such as Kerala, Tamil Nadu and Karnataka have institutionalised devolution in practice, others continue to exhibit partial financial autonomy, dependence on central and state schemes, and limited local accountability. At the same time, emerging administrative trends are reshaping the architecture of welfare delivery. The rise of digital governance tools, Direct Benefit Transfer (DBT) systems, and Centrally Sponsored Schemes (CSS) has strengthened welfare delivery, often through parallel administrative structures rather than elected local governments. This has created a paradox: welfare outcomes may have quantitatively improved, but not necessarily through democratically accountable local governments. As a result, local

This has created a paradox: welfare outcomes may have quantitatively improved, but not necessarily through democratically accountable local governments. As a result, local governments increasingly function as implementers rather than autonomous decision-making bodies.

governments increasingly function as implementers rather than autonomous decision-making bodies.

The Indian Constitution on Decentralisation

Article 40 (Part IV: Directive Principles of State Policy)

'The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.'

Article 243G

'The legislature of a state may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government... such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level...'

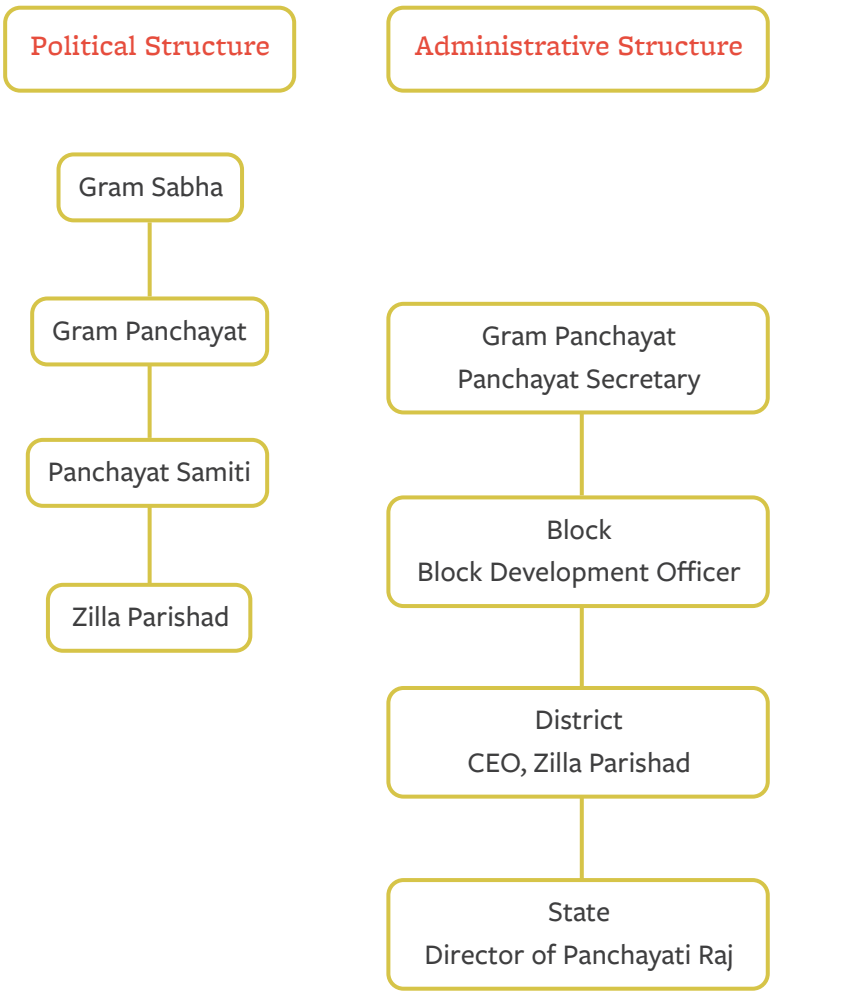
The 73rd Amendment Act, 1992, provided constitutional status to Panchayati Raj Institutions. It added Part IX, 'The Panchayats', covering Articles 243 to 243O. It also added the Eleventh Schedule which placed 29 functions under the purview of panchayats.

The 74th Amendment Act, 1992, granted constitutional status to urban local bodies. Part IXA (Articles 243P to 243 ZG) and the Twelfth Schedule, which lists the 18 functions to be devolved to urban local bodies were added.

In this context, recent developments in India's fiscal federal architecture are significant. Successive Finance Commissions (FCs) have expanded fiscal transfers to local governments, from about 1.4 per cent of the divisible pool under the Tenth Finance Commission to around 3.2 per cent in recent periods, reflecting greater recognition of their role in service delivery (Sixteenth Finance Commission 2025). Under the Sixteenth Finance Commission, grants to local governments increased to ₹7.91 lakh crore—an increase of about 81 per cent over the previous award period (Sixteenth Finance Commission 2025). This has led to a contradiction. While the fiscal space available to local governments is expanding, their functional authority and role in welfare delivery have not kept pace.

Against this backdrop, revisiting the state of decentralisation and its next phase is necessary. This chapter provides an overview of the history, structure and challenges of decentralised governance in India, with a particular focus on rural governance. It first reviews the historical evolution of PRIs, then examines fiscal devolution, including the role of State Finance Commissions (SFCs) and intergovernmental transfers. Subsequent sections analyse administrative arrangements and political accountability and then explore the tensions between decentralisation and centralisation in welfare delivery.

Political, Administrative and Financial Structures of PRIs



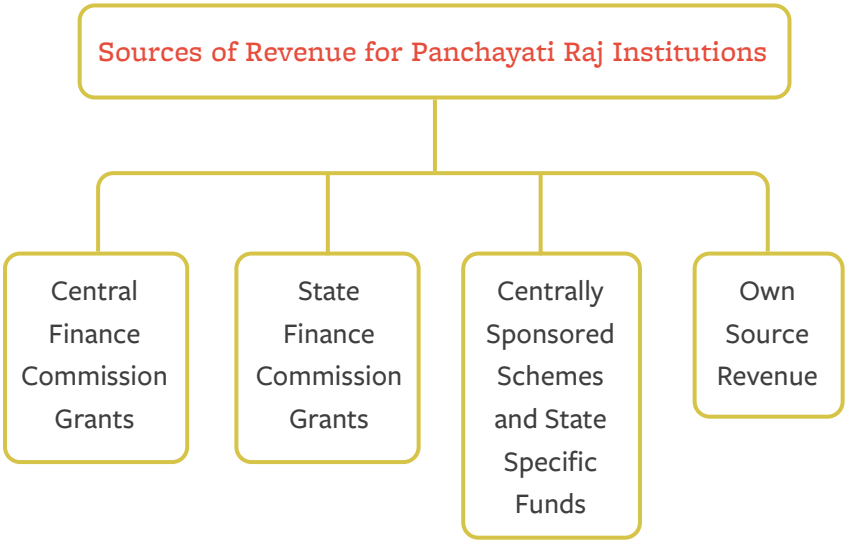


Photo Studio/December, 1957/K.L., A46e. B.D.O. Pilana addressing villagers at Roshangarh during an early morning visit. Public Resource via Internet Archive

17.1 A brief history of PRIs

India's idea of local self-governance predates Independence but took institutional shape thereafter. Article 40 of the Constitution of India, part of the Directive Principles of State Policy, directs the state to organise village panchayats and enable them to function as units of self-government. In line with this vision, the Union government launched the Community Development Programme (CDP)[1] in 1952, focusing on comprehensive rural development through state-led interventions in agriculture, infrastructure, health and education (Indian Institute of Public Administration [IIPA] 2024). This was followed by the National Extension Programme, which emphasised technical capacity-building rather than direct implementation. At the village level, panchayats, supported by gram sevaks, were responsible for implementing development projects.

However, evaluations of the CDP indicated limited impact due to top-down implementation and weak community participation. This led to the acceptance of the Balwant Rai Mehta Committee's (1957) recommendations for a three-tier structure of elected PRIs at the village, block and district levels and their introduction in 1958. Over the following years, most states enacted their own Panchayati Raj Act and adopted the three-tier structure. Despite this, the 1960s and 1970s saw a shift towards recentralisation, with state governments increasingly relying on line departments and parallel bodies for rural development. Irregular elections and entrenched local power structures further limited participation and representation.

The Emergency (1975–77) exposed the fragility of democratic institutions and was followed by the Ashok Mehta Committee report (1978), which recommended constitutional recognition of PRIs, regular elections and enhanced representation for disadvantaged groups. Debate continued through the 1980s, with committees such as the G.K.V. Rao Committee (1985) and the L.M. Singhvi Committee (1986) reiterating these recommendations.

By the late 1980s, a consensus had emerged on embedding PRIs within India's democratic framework, culminating in the 73rd Constitutional Amendment. Article 243G empowers state legislatures to endow panchayats with the authority to function as institutions of self-government.

17.2 Key features of the 73rd Amendment

Part IX of the Constitution (Articles 243–243O)[2] sets out the constitutional framework for PRIs. These provisions establish broad principles of governance—bringing planning, finances, service delivery and accountability closer to citizens—

1 The programme was implemented through a pilot of fifty-five projects, each covering approximately 300 villages and 2,00,000 people.

2 Part IX of the Constitution comprises sixteen Articles. Articles refer to specific provisions within the Constitution, while Schedules provide detailed subject lists linked to these provisions. The Eleventh Schedule, for example, lists functional areas that may be devolved to panchayats.

1957

Balwant Rai Mehta Committee

Recommended Panchayat structure at district, block and village levels, elected bodies with five-year terms, devolution of powers to Panchayats

1963

K. Santhanam Committee

Recommended limited revenue raising powers for Panchayats and setting up of State Panchayati Raj Finance Corporations

1978

Ashok Mehta Committee

Recommended that the district serve as the administrative unit in the Panchayat structure and tiers at district and block levels

1985

G.V.K. Rao Committee

Recommended that the block development office (BDO) should be strengthened

1986

L.M. Singhvi Committee

Recommended that local self-government should be constitutionally enshrined, and the gram sabha should be the base of decentralised democracy

1993

73rd Amendment to the Indian Constitution

Panchayats at district, block and village levels were created through the Constitution. Part IX for Panchayats was inserted in the Constitution with the 11th schedule that enumerated 29 matters for Panchayats.

1996

Provisions of the Panchayats (Extension to Scheduled Areas) Act

Powers of self-government were extended to the tribal communities in 'Fifth Schedule' areas

2004

The Union Ministry of Panchayati Raj was created

Source: Based on IIPA 2024

while leaving the detailed design and composition of PRI bodies to state legislatures. Article 243B lays down a three-tier structure of local government with gram panchayats (GPs) at the village level, panchayat samitis at the intermediate or block level, and zilla parishads at the district level. Smaller states with populations below twenty lakh may adopt a two-tier structure.

The Amendment also includes provisions to strengthen inclusion and representation. Article 243D mandates reservation of seats for SCs and STs at all tiers, in proportion to their population, and reserves at least one-third of all seats, including those of chairpersons, for women. These reservations rotate across election cycles, widening participation in local governance. Article 243E further mandates regular elections every five years, to be conducted by independent state election commissions, thereby reducing the discretion of state governments in constituting local bodies.

Article 243G enables states to devolve powers, authority and financial resources necessary for self-government to PRIs, while Article 243I requires the constitution of SFCs every five years to recommend the distribution of resources between states and local governments, similar to the Central Finance Commission's role in Centre-state fiscal relations. In addition, Article 243ZD provides for District Planning Committees (DPCs) to consolidate rural and urban plans into district development plans, enabling increased integration and coordination.

Finally, the Eleventh Schedule of the Constitution identifies twenty-nine functional areas to be devolved to PRIs, covering sectors such as agriculture, health, education, rural housing, drinking water, sanitation, social welfare, women and child development and poverty alleviation.

17.3 The three-tier system in practice

While the 73rd Constitutional Amendment laid out the framework for decentralisation, there are significant differences in how states have implemented these provisions through their respective Panchayati Raj Acts. To understand these variations, this section examines decentralisation across three dimensions–administrative, political and fiscal–focusing on how structures, capacities and resources shape local governance.

India currently has about 2.62 lakh panchayats, including around 2.55 lakh GPs, 6,756 intermediate or block panchayats and 674 district panchayats (Local Government Directory n.d.). The scale and structure of these institutions vary widely across states. For instance, Uttar Pradesh has over 55,000 GPs, while Kerala has fewer than 1,000, with significant differences in the population covered by each GP (IIPA 2024).

Table 17.1: Different nomenclatures across states

Nomenclature	States
Sarpanch	Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Telangana
Pradhan/Gram Pradhan/ Panchayat Pradhan	Himachal Pradesh, Manipur, Tripura, Uttar Pradesh, Uttarakhand, West Bengal
Mukhiya	Bihar, Jharkhand
Adhyaksha	Karnataka
Chairperson	Arunachal Pradesh
President	Assam, Kerala, Tamil Nadu
Sabhapati	Sikkim
Panchayat Samiti	Bihar, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Punjab, Rajasthan, Tripura, West Bengal
Taluka Panchayat	Gujarat, Karnataka
Janpad Panchayat	Chhattisgarh, Madhya Pradesh
Kshettra Panchayat	Uttar Pradesh, Uttarakhand
Mandal Parishad	Andhra Pradesh, Telangana
Panchayat Union	Tamil Nadu
Anchal Samiti	Arunachal Pradesh
Anchalik Panchayat	Assam
Block Panchayat	Kerala
Goa, Sikkim and Manipur follow a two-tier system of local-governance due to smaller populations or administrative exemptions under Article 243M of the 73rd Constitutional Amendment	

Sources and notes: State Panchayati Raj Ministry and department websites

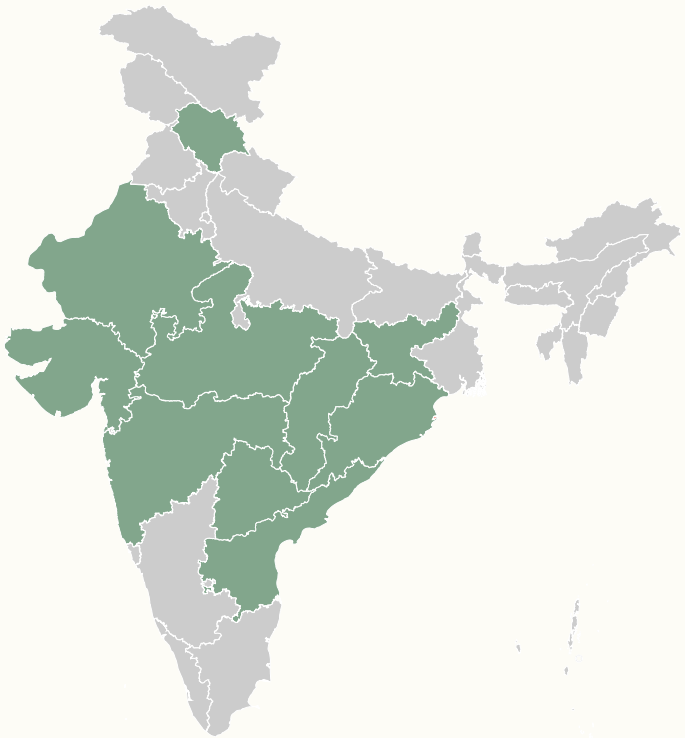
17.4 Administrative decentralisation

Administrative decentralisation refers to the transfer of functions, authority over personnel and implementation responsibilities to local governments. In practice, however, while functions have been assigned, control over personnel and decision-making often remains with higher levels of government.

17.4.1 Structure and institutional variation

Most states follow a three-tier structure at the village, intermediate and district levels. However, certain states such as Nagaland, Meghalaya and Mizoram, which fall under the Sixth Schedule of the Constitution, as well as Goa, and the union territories of Dadra and Nagar Haveli and Daman and Diu, Lakshadweep and Puducherry, have adopted a two-tier system reflecting their demographic and socio-political contexts. In scheduled areas, decentralisation is further shaped by the Panchayats (Extension to Scheduled Areas) (PESA) Act, 1996, which assigns additional powers to gram sabhas. A brief overview is provided in Box 17.1. This chapter does not engage in a detailed assessment of PESA implementation.

Box 17.1: States in which the Panchayats (Extension to Scheduled Areas) (PESA) Act, 1996 is applicable



The PESA seeks to preserve and protect tribal culture and customary laws while extending the 73rd Amendment to Scheduled Areas. PESA places the gram sabha at the centre of governance, granting it significant powers over local decision-making. These include recognising collective ownership of resources, enhanced administrative and financial powers to regulate, plan and implement schemes, keeping in mind local needs and promoting social inclusion. The Act applies to ten states with significant scheduled area populations.

17.4.2 Staffing structures and capacity

GPs function through a mix of elected representatives and administrative personnel. A key functionary is the panchayat secretary (PS), who acts as the interface between elected representatives and the administrative system. However, many states face severe shortages of PS, creating operational challenges. Evidence shows that while states such as Karnataka, Kerala and West Bengal have approximately one PS per GP, others such as Uttar Pradesh, Bihar, Punjab and Haryana have one PS responsible for multiple GPs. In Uttar Pradesh, for instance, one PS covers as many as three GPs and in some cases more than five (Verma and Ranjan 2023). Given differences in GP sizes, a PS in Bihar must also serve a much larger population than in states such as Gujarat, resulting in higher workloads.

PRIs also rely on a range of technical and support staff, including engineers, accountants, data entry operators and sectoral officers.[3] These staff support implementation and monitoring often through various management information systems. The growing role of digital systems has made positions such as data entry operators critical for data capture and fund tracking. However, many panchayats, especially in weaker states, lack adequate technical staff and IT support, limiting their ability to leverage digital governance for developmental outcomes. High attrition, limited training and weak onboarding systems further constrain capacity (Accountability Initiative 2024).

17.4.3 Legal and administrative powers

A recurring narrative over the past three decades is that many functions have been devolved 'on paper' but not in practice. Key welfare sectors such as education, health and rural development continue to be largely controlled by state line departments, which retain authority over personnel and fiscal decisions. This is compounded by overlapping mandates across tiers of panchayats and legal ambiguities in the transfer of the twenty-nine subjects listed in the Eleventh Schedule (see Annexure 17.1). According to the Devolution Index[4] 2024, while there have been improvements in the devolution of functions across states, very few states have devolved all twenty-nine functions in practice (see Figure 17.1).

These issues are further compounded by weak activity mapping. Based on the principle of subsidiarity, whereby functions should be performed at the lowest appropriate level, activity mapping involves breaking down broad functional responsibilities into specific activities and clearly assigning them across the three

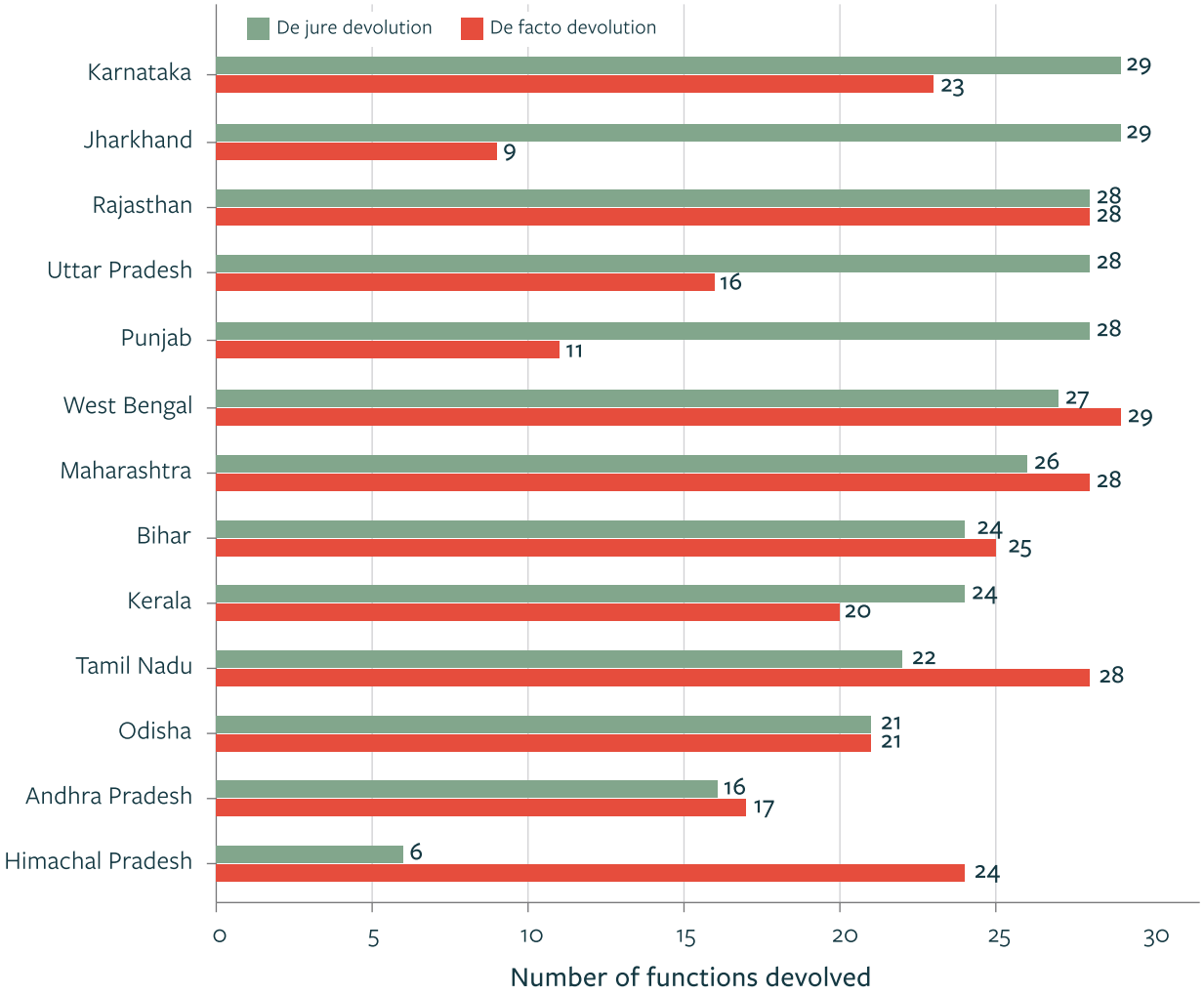
3 These include Assistant Secretaries, Computer Assistants, Junior Engineers, Accountants, Bill Collectors, Water Collectors, and Management Information System personnel.

4 The devolution index is an evidence-based assessment and ranking of the states produced by the Indian Institute of Public Administration (IIPA) to assess how effectively state governments have transferred powers, finances, functions, and functionaries to rural local bodies. The latest index covered 6 parameters including framework, functions, finances, functionaries, capacity building, and accountability of panchayats.

tiers of panchayats. For example, in the health sector, this includes responsibilities such as maintaining sub-centres, monitoring frontline workers, planning sanitation and local health awareness activities. Implementation, however, remains uneven. In Karnataka, sectors such as health and sanitation have been disaggregated into thirty-eight activities and agriculture into twenty-five, distributed across tiers. In contrast, states such as Madhya Pradesh and Odisha have made limited progress (National Institute of Public Finance and Policy 2025; IIPA 2024).

State-level variations aside, the overall depth of activity mapping remains limited across several sectors. While health and sanitation are relatively well disaggregated, others—including education, non-conventional energy, fisheries and

Figure 17.1: De jure and de facto devolution of functions to different tiers of panchayats



Sources and notes: IIPA 2024
De jure assignment of functions means that the devolution of these functions are legally and officially recognised through the Constitution or state-specific legislations. For example, the identification of beneficiaries for social security programmes like the National Social Assistance Programme. De facto assignment of functions refers to the extent that these functions are exercised by PRIs in practice, irrespective of whether they have been legally sanctioned or codified. For example, while GPs may have the authority to plan local infrastructure works on paper, in practice, the authority often lies with state government line departments.
Refer Table 5.1 of IIPS 2024 for the full list of functions devolved by states.

libraries—lack functional clarity (National Institute of Public Finance and Policy 2025). As a result, this lack of clarity reduces the role of PRIs and limits their ability, particularly that of GPs, to raise their own revenues. This is discussed further in the section on fiscal decentralisation.

17.5 Political decentralisation

Political decentralisation refers to the extent to which local governments are democratically constituted and accountable to citizens. While India's constitutional framework provides for representation and participation, the depth of these processes varies significantly in practice.

17.5.1 Representation and inclusion

The Constitution mandates a minimum of 33 per cent reservation for women in PRIs, which has been increased to 50 per cent in twenty-three states and two union territories.[5] At the all-India level, about 46.63 per cent of PRI members are women, 12.02 per cent are SCs and 10.21 percent are STs (IIPA 2024). While the Constitution does not mandate reservation for other backward classes (OBCs), Article 243-D allows states to provide for it, leading to variation across states. This discretion has been shaped by Supreme Court rulings, which require a 'triple test'—empirical evidence, proportional allocation and adherence to a 50 per cent ceiling—thereby introducing safeguards while constraining expansion.

17.5.2 Accountability and local power structures

While formal representation has expanded significantly, its translation into meaningful participation and accountability remains uneven. The persistence of proxy leadership, often referred to as 'sarpanch pati' or 'pradhan pati', continues to undermine women's effective participation, with male family members exercising de facto decision-making power (Ministry of Panchayati Raj [MoPR] 2024). In 2023, following a public interest litigation petition, the Supreme Court directed the constitution of a panel within the MoPR to address this issue, which continues even three decades after the 73rd Amendment (Advisory Committee on Women Pradhans 2025).

Local power structures and entrenched social hierarchies continue to shape the functioning of panchayats, often limiting the extent to which formal representation translates into substantive participation (Bardhan and Mookherjee 2006; Mansuri and Rao 2013). Constitutional design places the gram sabha at the centre of local accountability, envisaging it as a forum for participatory decision-making

5 These are Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttarakhand, West Bengal, Lakshadweep, and Dadra and Nagar Haveli and Daman and Diu.

and oversight (Article 243A). In practice, however, its functioning remains uneven across states. Evidence suggests that low participation, weak awareness and procedural compliance often reduce it to a formal requirement rather than an effective platform for deliberation and collective decision-making (Mansuri and Rao 2013; IIPA 2024).

Na Lok Sabha na Vidhan Sabha, sabse badi gram sabha.

- A popular slogan

These limitations have direct implications for welfare delivery. Where local accountability mechanisms are weak, panchayats are less able to monitor implementation, address exclusion errors or ensure that benefits reach intended beneficiaries. Moreover, as welfare delivery increasingly shifts towards centrally designed schemes and digital systems, the space for local deliberation and accountability is further constrained (Singh and Shukla 2025; Drèze and Khera 2017).

17.6 Fiscal decentralisation

Fiscal decentralisation is central to the functioning of PRIs, as it determines the extent to which local governments can exercise autonomy in planning and service delivery. In practice, however, the fiscal capacity of PRIs is shaped by a combination of own revenues, intergovernmental transfers and scheme-based funding.

17.6.1 State finance commissions

State FCs are constitutionally mandated to recommend measures to augment the fiscal position of local governments, including PRIs. However, their functioning remains uneven, with disparities in their constitution, timeliness and implementation, affecting fiscal devolution. While these commissions are meant to be constituted every five years, many states delay this formation, creating gaps in fiscal planning. For example, Assam, Himachal Pradesh and Kerala have constituted their seventh commission while Mizoram has constituted only the second. States like Gujarat, Manipur and Nagaland are also slow having only constituted their fourth while Andhra, Karnataka, Madhya Pradesh and Tripura have constituted the fifth SFC. Even when these commissions are constituted, report submissions often extend beyond the award period, weakening implementation and creating a disconnect between recommendations and fund transfers.

A review of SFC reports by Gupta and Chakraborty (2019) found that of the twenty-five states studied, it took an average of thirty-two months (nearly three years) for an SFC to submit a report. This resulted in an average delay of sixteen months and left little time to implement its recommendations. Further, action taken reports published alongside SFC recommendations are often perfunctory and lack effective monitoring mechanisms. Most states issue broad acknowledgements without specifying concrete steps for implementation. Only a few states, like

Kerala and Karnataka, have active mechanisms for periodic monitoring and course correction.

17.6.2 Finances

PRIs finance their activities primarily through two sources: a) own-source revenues (OSR), including property tax, water taxes, user fees, fines and charges for services; and b) transfers and grants-in-aid from state and central FCs. In addition, panchayats also receive funds for executing CSSs such as the Rashtriya Gram Swaraj Abhiyan, the SVAMITVA scheme,[6] the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and the mid-day meal scheme (now known as PM POSHAN), among others (IIPA 2024).

In practice, PRIs remain heavily dependent on transfers. The Reserve Bank of India (2024) estimates that in 2022–23, nearly 80 per cent of panchayat revenues came from the Union government and about 15 per cent from state governments, with only a small share generated locally. In terms of total quantum, average revenue from all sources – tax and non-tax revenues, and grants – per panchayat stood at ₹21.23 lakh in 2022–23 (Reserve Bank of India 2024).

As regards OSR, between 2017–18 and 2021–22, per capita collections were highest in Kerala (₹286), followed by Andhra Pradesh (₹209) and, among smaller states, Goa (₹1635). In contrast, collections were among the lowest in Himachal Pradesh (₹1), Jharkhand (₹2) and Bihar (₹4) (MoPR 2024). Within OSR, property tax[7] and common property resources, such as village ponds, grazing lands and community forests, remain underutilised, with only 18 per cent of GPs actively leveraging these assets (Shrawan, Krishnan, and Rao 2025).

Low OSR also constrains fiscal independence. Weak tax base assessments, poor collection systems and political reluctance to levy taxes mean many panchayats do not maximise their revenue potential. In addition, technical capacities for budget formulation, financial management, auditing and transparency remain limited in many PRIs, further hampering fiscal governance.

17.6.3 Transfers and fiscal design

Transfers from state governments, including grants recommended by SFCs, vary drastically, ranging from as high as 47 per cent of states' own tax revenue in Karnataka to as low as 3.7 per cent in West Bengal in 2018–19 (MoPR 2024). In per capita terms, between 2015–2019, grant recommendations ranged from over ₹6,000 in Karnataka to around ₹147 in Odisha and ₹152 in West Bengal (MoPR 2024). The

6 Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas (SVAMITVA).

7 Property tax has been assigned to local governments, including Panchayats, in the states of Andhra Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Puducherry, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

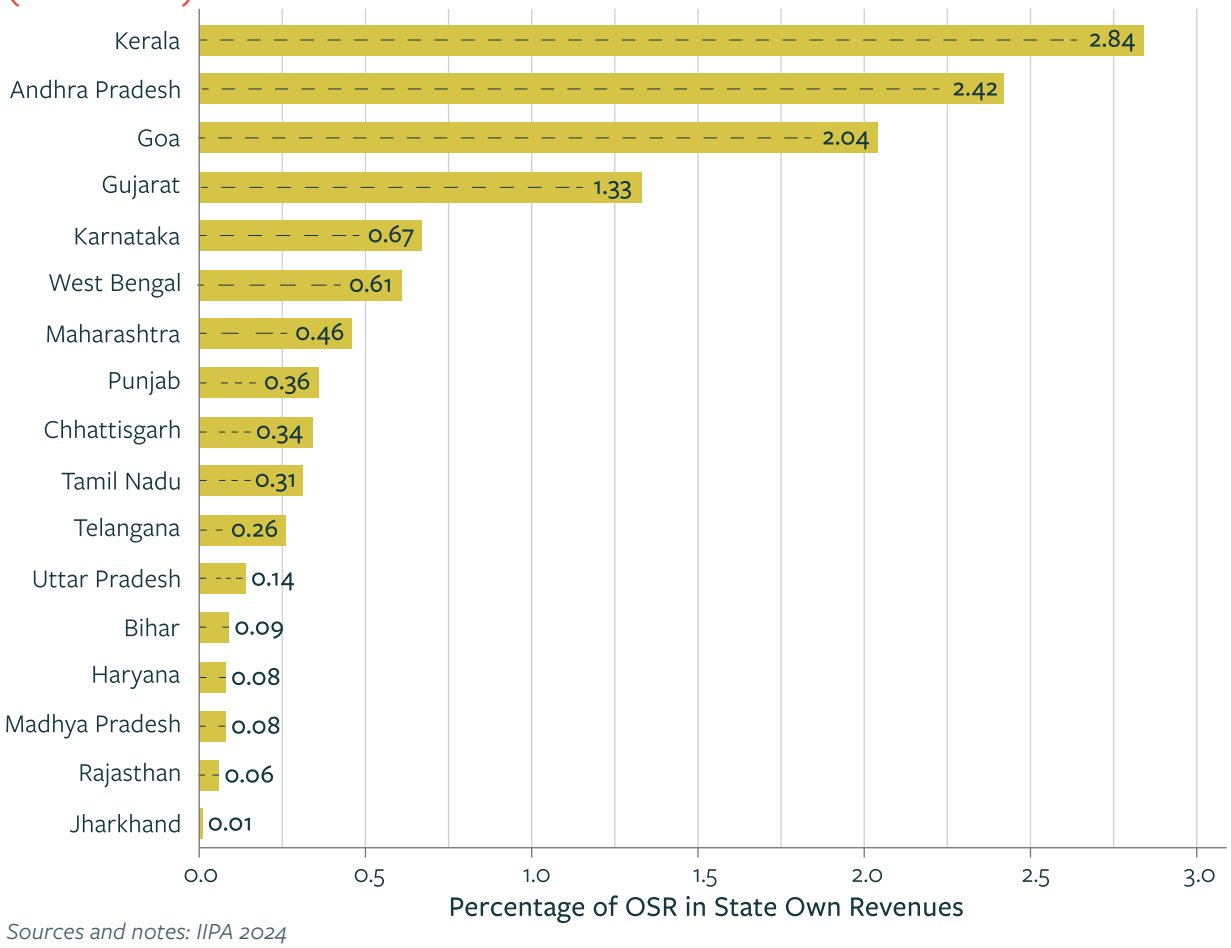
design of transfers also varies. States such as Karnataka and Rajasthan provide relatively higher shares of untied funding, while in states such as Bihar and Odisha, funds remain largely scheme-tied (Chakraborty, Chakraborty and Mukherjee 2018). Delays in the constitution of SFCs further reduce the predictability of these transfers.

The single most important source of finances for PRIs is transfers based on recommendations of central FCs. While the Sixteenth Finance Commission has increased allocations to local governments, including PRIs, experience shows that actual releases have often fallen short of recommended amounts due to non-compliance with conditions such as submission of utilisation certificates, audited accounts and performance criteria related to own revenue mobilisation.

17.6.4 CSS and DBT: Changing fiscal roles

PRIs also receive funds through CSSs. These funds are typically tied to specific schemes and are conditional, limiting local flexibility. Moreover, many CSSs and other welfare funds are routed through line departments or programme officers rather than directly through panchayats, constraining their authority and role. The increasing use of DBT has further altered the fiscal role of PRIs. Under DBT, funds

Figure 17.2: Share of Panchayats' Own Revenue in State's Own Revenue (FY 2021-22)



Sources and notes: IIPA 2024

Table 17.2: Recommended fund devolution by Central Finance Commissions versus actual devolution

Finance Commission	Recommended Devolution (in ₹ crore)	Actual Devolution (in ₹ crore)	Shortfall (%)
XFC	4,381	3,576	18
XIFC	8,000	6,602	17
XIIFC	20,000	18,927	5
XIIIFC	64,408	58,257	10
XIVFC	2,00,292	1,79,491	10
XV	2,36,805	2,26,723	4

Sources and notes: Central Finance Commission reports

are transferred directly from government treasuries to the bank accounts of beneficiaries, bypassing panchayat budgets. While panchayats may be involved in the identification, verification and grievance redressal of beneficiaries, they have limited control over financial flows.

As a result, panchayats increasingly function as administrative intermediaries rather than decision-making bodies. This shifts accountability away from local communities towards higher administrative levels. At the same time, panchayats have less say in how welfare funds are allocated, even though they continue to be responsible for implementation on the ground.

17.7 Navigating the inherent tensions

A common concern in decentralisation debates is whether panchayats are adequately equipped, financially and technically, to perform even their core functions, let alone broader welfare responsibilities. Core functions typically include basic service delivery such as sanitation, drinking water, along with the maintenance of community assets, including roads, footpaths, street lighting and burial and cremation grounds. While additional functions have been formally devolved to PRIs, in practice, limited trust in PRIs often becomes self-reinforcing in practice. The proliferation of CSSs and parallel administrative structures has undermined the authority, planning capacity and accountability of panchayats. This is particularly evident across several welfare sectors.

In key schemes such as the PM POSHAN, the MGNREGA and the Integrated Child Development Services (ICDS), now subsumed under Saksham Anganwadi and POSHAN 2.0, PRIs are formally designated as implementing agencies, but control

over technical staff, budgets and monitoring largely rests with line departments. A study from Karnataka found that despite approximately ₹6 crore flowing annually to GPs through various schemes, only about ₹20 lakh—roughly five per cent—was under their discretionary control for planning and decision-making. The remainder was managed by line departments (Kapur 2023).

This challenge is compounded by the presence of sectoral frontline workers such as Accredited Social Health Activists (ASHAs), anganwadi workers and MGNREGA functionaries, who are essential to service delivery but typically report to departmental hierarchies rather than elected panchayats. While such specialised cadres are necessary, their limited accountability to panchayats creates coordination gaps and weakens local oversight. These parallel structures and vertically designed programmes discourage panchayats from playing a proactive role in programme design and monitoring. For instance, Rajasekhar and Manjula (2019) find that, in Karnataka, twenty-two out of thirty GPs studied did not prepare annual action plans under the Swachh Bharat Mission between 2015 and 2019. This reflects the design of CSSs. Such schemes are accompanied by detailed guidelines, reporting requirements and performance metrics determined at higher levels of government. While intended to ensure standardisation and accountability, they limit panchayats' ability to adapt programmes to local needs and reduce local ownership.

This inherent tension has long been recognised by successive FCs and expert committees. The Fourteenth Finance Commission increased the quantum of untied grants to PRIs from ₹87,519 crore under the Thirteenth Finance Commission to ₹2,00,292 crore with the explicit objective of enhancing local fiscal autonomy. However, even where such recommendations were accepted, their implementation reflected a degree of recentralisation. Analysis of guidelines issued by the Ministry of Finance and MoPR between 2015 and 2017 shows that GPs were directed to prioritise specific expenditure areas, including waste management, installation of dustbins, drinking water supply and construction of toilets in schools and anganwadis. The use of centrally prescribed software systems such as PlanPlus for monitoring fund utilisation was also mandated, and caps were introduced on operations and maintenance as well as capital expenditure (Accountability Initiative 2019a).

At the same time, efforts were made to strengthen local planning through the introduction of the Gram Panchayat Development Plan (GPDP) framework in 2015. While the GPDP aimed to promote participatory planning and convergence across schemes, in practice, it remained closely aligned with centrally designed programme priorities and did not fully account for the constitutionally mandated role of DPCs in consolidating local plans. To encourage participation and performance, the MoPR created a scoring system to rank GPs and made the release of performance grants contingent not only on increasing OSR but also on outcomes such as open

defecation-free status and immunisation. These are outcomes over which GPs have limited control.

Recent years have seen a shift towards digitisation in welfare delivery, monitoring, and transparency. Platforms such as e-Gram Swaraj, GPDP portals, PRIASoft, PlanPlus, the National Asset Directory and the Local Government Directory have improved transparency and enabled better tracking and planning at the GP level. At the same time, digital monitoring systems and direct payments to individuals often bypass panchayats and weaken their role in budgeting and oversight as funds flow directly to citizens or through parallel administrative channels.

However, the Union and state governments are not the only actors shaping these outcomes. Panchayats themselves have often been reluctant to strengthen their revenue bases and their fiscal autonomy. This is compounded by weak accounting systems and gaps in maintaining reliable data on allocations and expenditures. Despite the expansion of digital platforms, successive FCs have continued to highlight concerns regarding the quality of panchayat-level financial data. A study for the Fifteenth Finance Commission, found significant discrepancies between data reported on the PRIASoft portal and that collected from sample GPs (Accountability Initiative 2019b). Strengthening accounting and financial management systems is therefore critical. It is necessary not only for a more accurate assessment of needs but also for building trust between higher levels of government and PRIs.

Finally, the most critical dimension of decentralisation remains its social foundation – participation, inclusion and empowerment. While constitutional provisions mandate representation for women and marginalised groups, translating this into meaningful participation requires sustained effort, including addressing proxy leadership and strengthening deliberative forums such as gram sabhas and ward committees. Across states, gram sabhas have demonstrated the potential of participatory institutions when given meaningful authority. In Chhattisgarh, for instance, gram sabhas have asserted control over local forest management by protecting forests from illegal logging, establishing forest protection committees, and framing regulations for sustainable use. Similarly, in Jharkhand, gram sabhas have played an active role in regulating liquor sales by imposing bans where necessary and designing locally appropriate systems for limited sales (IIPA 2024). Kerala's decentralised planning experience shows how local bodies can achieve greater convergence of welfare programmes by fostering collaboration and shared accountability between elected representatives and technical staff (Rajasekhar 2022).

17.8 Towards the next phase of decentralisation

The analysis in this chapter highlights a persistent structural imbalance in India's decentralisation framework. While fiscal transfers to panchayats have expanded significantly, including under the Sixteenth Finance Commission, the alignment between funds, functions and accountability remains weak. Panchayats continue to operate within centrally and state-designed systems, with limited control over planning, personnel and financial decision-making. The Commission presents an important opportunity to address this gap. However, this will require ensuring that increased transfers are leveraged to deepen decentralisation in practice—particularly towards more citizen-centric welfare delivery rather than remaining merely an expansion of fiscal flows.

India's federal and democratic vision of decentralisation was not intended only as an exercise in administrative efficiency, but as a means of deepening democracy by embedding decision-making power with institutions closest to citizens. Realising this vision requires aligning fiscal devolution with functional authority, strengthening local accountability, and enabling panchayats to play a more substantive role in shaping welfare outcomes. This shift is particularly significant for India's welfare state. As the composition of union government spending evolves, and responsibility for financing and implementation increasingly rests with states and local governments, the effectiveness of welfare delivery will depend critically on the capacity of local institutions. Strengthening panchayats is therefore not only a question of decentralisation, but also central to sustaining and improving welfare outcomes.

Against this backdrop, the next phase of decentralisation must focus on the following priorities. First, fiscal transfers must be aligned with clearly defined functional responsibilities. Comprehensive activity mapping across states can clarify roles across tiers and link funds to specific functions, particularly in core welfare sectors. This requires closer alignment of sectoral staff and budgets with panchayat authority, reducing the current fragmentation between line departments and local governments.

Second, the growing use of performance-linked and conditional transfers requires careful calibration. While such mechanisms can strengthen fiscal discipline, excessive conditionality risks constraining local decision-making. A clear distinction must be maintained between untied and performance grants, with a substantial share of resources remaining flexible. Performance criteria should be linked to functions within panchayat control, rather than outcomes shaped by multiple administrative actors.

Third, strengthening SFCs is critical to building a predictable and rules-based system of intergovernmental transfers. Ensuring their timely constitution, along with the report submission and implementation of their recommendations,

can reduce uncertainty and enhance fiscal stability at the local level. Notably, the increasing use of performance conditions by FCs—including linking transfers to the constitution and functioning of SFCs—reflects a paradox within India's federal design, where constitutionally mandated institutions depend on higher-tier incentives to function effectively.

Fourth, the role of panchayats in welfare delivery needs to be reconfigured. While digital platforms and DBT systems have improved efficiency, they have also altered accountability structures by bypassing panchayat budgets. Integrating panchayats more meaningfully into planning, beneficiary identification and grievance redressal can help restore the link between welfare delivery and local accountability.

Fifth, improving fiscal capacity at the local level remains essential. Strengthening OSR mobilisation, investing in accounting and audit systems, and improving the reliability of financial data are necessary for enhancing autonomy and meeting increasing performance expectations.

Finally, the effectiveness of decentralisation ultimately rests on its social dimension. Strengthening deliberative institutions such as gram sabhas, addressing proxy leadership, and building the capacities of elected representatives – particularly women and marginalised groups – are central to ensuring that decentralisation translates into meaningful participation and accountability. Taken together, these priorities suggest that the success of the Sixteenth Finance Commission in strengthening local governments will depend not only on the scale of resources devolved, but on whether it enables a shift from financing local governments to empowering them.

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Clouding Citizenship: The Digital State

The last two decades have seen a steady transformation of how welfare delivery has happened in India creating a "Digital State". Notwithstanding economic efficiency gains and ease of "targeting", this shift has purportedly risked the subordination of citizenship to administrative convenience. By transferring accountability from state to citizens, such a digital state often obscures the human costs and complexities involved in accessing rights. Governance strategies increasingly prioritise scale over accuracy and deprioritise consent. A participatory approach and a legal framework for digital accountability is likely to make welfare delivery more inclusive and less prone to potential misrepresentation of individuals' needs and realities.

CHAPTER 18

Clouding Citizenship: The Digital State

*Rajendran Narayanan and Padmini Ramesh**

A person born in rural India today encounters the state first through a digital identifier. Her birth is recorded, and an Aadhaar number is issued – most likely a Bal Aadhaar. A student identity card follows. Scholarships are delivered through Aadhaar. A health identity number is generated. Land and credit are further mapped through additional registries. Old-age pensions for rural individuals are based on demographic details as recorded in Aadhaar. From cradle to old age, recognition and access to services and welfare rely on digital identities and database systems (see Table 18.1 for a partial list of digital identities in welfare). In doing so, digital infrastructure has become the curator, arbitrator and primary interpreter of legitimacy in people's lives (Yahaya and Nyamwire 2024).

A recurrent theme across multiple chapters in this handbook is that access to welfare is increasingly mediated through digital interfaces, resulting in what we call a 'digital state'. Given the scale of operationalising a welfare state in India, the promises of efficiency, cost savings and seamless delivery offered by digitisation

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are noteworthy and the emergence of a digital state is often treated as inevitable (Government of India, Ministry of Information and Broadcasting 2024). However, experience and research suggest that the process is not always seamless, and calculations of efficiency seldom account for the human costs borne by citizens navigating these systems. The steady entrenchment of such a digital state reflects a broader shift towards what is often described as the 'datafication' of individuals: the rendering of social life into digital data that can be stored, analysed and acted upon at each stage of life (Mayer-Schönberger and Cukier 2013). We extend this argument to suggest that the expansion of datafication is reshaping not only administrative processes but also the architecture of citizenship.

18.1 Background and context

Identification, registration and classification of people are as old as the conception of the state itself. In India, as a constitutional democracy, these practices have been shaped by a commitment to social justice. Welfare policies are designed to address entrenched inequalities of caste, class and gender and to translate constitutional ideals into practice. However, the outcomes of these policies have depended critically on the institutions through which they are implemented. Institutions, as Douglass North argues, are created to establish order and reduce uncertainty in exchange (North 1991). These institutions extend beyond formal rules to include informal constraints such as customs, norms and social hierarchies.

It is within this complex architecture of institutions, power structures and social hierarchies that most welfare policies operate. Yet contemporary policymaking has increasingly come to be governed by an 'economic style of reasoning', in which questions of power, hierarchy, justice and equality are recast as problems of efficiency, optimisation and resource allocation (Popp-Berman 2022). Within this framework, the capacity of welfare policies to transform unequal social relations becomes secondary.

Targeting the delivery of welfare emerged as a central tool in this pursuit of efficiency. However, it is inherently prone to two well-known types of errors: exclusion and inclusion. Exclusion errors occur when eligible individuals are denied rights and entitlements, often resulting in severe deprivation. Inclusion errors, on the other hand, involve the wrongful allocation of entitlements to ineligible individuals.

While both have long been recognised as administrative challenges, the 1990s marked a shift in their interpretation. International development agencies increasingly prioritised inclusion errors as indicators of corruption and poor governance, tying development assistance to demonstrations of 'good governance'. Consequently, technological solutions appeared attractive, particularly because of their promise to bypass intermediaries and tighten 'beneficiary' identification.

These approaches aligned with broader neoliberal shifts associated with structural adjustment. At the same time, rapid advances in information and communication technologies (ICTs) made large-scale digital databases administratively feasible. As governance became increasingly preoccupied with minimising inclusion errors, advances in ICTs proved too tempting for the bureaucracy to ignore.

Electronic governance, or e-governance, became the new buzzword in the corridors of power, and commitment to development became synonymous with support for digital technologies in governance. It was within this technocratic milieu that the Indian state began to acquire a digital facelift. Mapping individuals numerically became vital for this project, translating the 'thick' social identities of persons into 'thin' standardised data categories (Bowker and Star 1999). The idea of a unique identification system gained traction, culminating in the launch of Aadhaar in 2009. Although early discussions around a unique identification number were tied to national security concerns, the convergence of structural adjustment and technocratic enthusiasm in welfare delivery reframed it as a necessary instrument of good governance (Ramakumar 2010).

Underscoring the argument that Aadhaar would reduce corruption through efficient targeting, its architect Nandan Nilekani said in his acceptance speech at the 22nd Nikkei Asia Prize in 2017: '*As India built a welfare state with pensions, employment guarantees, scholarships, etc., it was deploying a large part of its budget to such social benefits. However, the lack of a proper ID system meant that in every welfare scheme, there were lots of ghost and duplicate beneficiaries.*'[1]

Corruption and leakage were framed primarily as technical problems requiring technological solutions in this narrative. Aadhaar thus became the foundation for a broader digital transformation of the Indian state, layered atop pre-existing hierarchies of power and offering a 'new approach to governing Indian citizens through their data' (Singh 2020).

18.2 Five dimensions of datafication

Drawing on the preceding discussion of welfare delivery in India, we posit an expanded understanding of datafication in the digital state along five dimensions:

1. **The subordination of persons to digital identifiers:** This occurs when access to a scheme becomes conditional on the accuracy of a person's digital identifier instead of the person's physical presence.
2. **Selective reliance on dashboard metrics to construct narratives of efficiency and good governance, or the Rashomon Effect of Data:**[2] Administrative authorities often assume that dashboard metrics reflect ground realities

1 Quoted in Singh (2020).

2 The Rashomon effect refers to how the same event can be perceived, experienced and remembered differently by different people. The term derives from Akira Kurosawa's Japanese film Rashomon, in which multiple characters describe the same crime in conflicting ways. The central premise is that truth is not necessarily singular but may instead exist through multiple perspectives.

without examining how those numbers are produced. However, ground realities may present an altogether different version of truth. This results in what we call the 'Rashomon Effect of Data'.

3. **Shifting the burden of accountability from the State to citizens:** While the State has pushed for digitisation without consultation with rights holders and other stakeholders, the burden of correcting errors and ensuring documentary compliance is transferred almost entirely to citizens.
4. **Governance regimes that deprioritise consent:** The incorporation of rights holders into digital platforms is rarely based on informed consent. In practice, citizens are often given little choice but to comply with administrative diktats or risk losing access to their rights and entitlements.
5. **The growing primacy of scale over accuracy:** In the digital state, officials are given strict targets to onboard rights and entitlement holders onto digital platforms. As administrative infrastructure has failed to keep pace with digital infrastructure, the process is frequently error-prone, leading to new forms of exclusions.

These dimensions are not mutually exclusive; rather, they overlap and often reinforce one another.

18.2.1 Subordination of persons to digital identifiers

Digital identifiers have begun to assume a significance greater than the persons they are meant to represent, as illustrated by two instances at opposite ends of the age spectrum. Consider the case of the Automated Permanent Academic Account Registry (APAAR) identifier in education. Generating an APAAR identifier depends on the seamless integration of three distinct data systems: handwritten school registers, the Unified District Information System for Education Plus (UDISE+) portal and Aadhaar. Minor inconsistencies – such as improvised birth dates, spelling variations and typographical errors, all of which are common in rural India – can cascade across systems, making it difficult, if not impossible, to generate the identifier.

Although the government claimed that the APAAR identifier is optional, the Central Board of Secondary Education (CBSE) recently made it mandatory for Class 10 and Class 12 board examinations. Such conditionalities have significant implications for children from vulnerable communities, including those from rural areas, migrant populations and low-income households, with some students reportedly being prevented from registering for board examinations (Bose 2025). Invoking Article 21 (Right to Life), the Delhi High Court held in *Master Prabhnoor Singh Virdi v. The Indian School* (2023) that every child has a right to take board examinations.[3]

3 Master Prabhnoor Singh Virdi (Minor Son) through Father Karamjeet Singh Virdi v. The Indian School & Anr. 2023. W.P.(C) 584/2023, Delhi High Court, decided 17 January 2023. https://indiankanoon.org/doc/196611322/

Prima facie, the CBSE's decision to mandate APAAR identification appears to contravene this order. More broadly, the APAAR system illustrates how, in the digital state, administrative recognition increasingly depends not on lived reality – in this case, the existence of genuine students – but on coherence and consistency across digital systems, or what can be stabilised across databases. In effect, the digital identifier begins to carry more weight than the person it is meant to represent.

At the other end of the age spectrum is Lalitha, an octogenarian retired school teacher from Kolkata living in Bangalore and the mother of one of the authors of this chapter. To continue receiving her monthly pension, she must submit an annual life certificate proving that she is alive. Before 2015, this certificate could be obtained directly from the bank by visiting the branch. In late 2014, however, the government introduced Jeevan Pramaan, a digital life certificate system requiring pensioners' demographic details and biometric information to be uploaded to the Central Identities Data Repository and verified through biometric authentication. Authentication is deemed successful when fingerprints match records in the database. If repeated attempts fail, iris scans are used; failing that, the pensioner must approach a state office for manual verification.

A government press release on Jeevan Pramaan stated: '*The proposed digital certification will do away with the requirement of a pensioner having to submit a physical life certificate in November each year in order to ensure continuity of pension being credited into his account*' (Government of India, Prime Minister's Office 2014). A few years after digital life certificates became mandatory, Lalitha's biometric authentication repeatedly failed at Canara Bank. She was directed to several digital seva centres, where her biometrics failed again, before finally obtaining a life certificate at the Employees' Provident Fund Organisation office. The entire ordeal took a full day, cost her more than ₹700 and involved climbing several flights of stairs – a difficult task for an octogenarian with arthritis. In exasperation, she asked the authorities; '*When I am here in flesh and blood, why is it that you fail to trust me but rely on my fingerprints to prove who I am? My fingerprints are not my identity. Is my presence not proof that I am alive?*'

In exasperation, she asked the authorities; 'When I am here in flesh and blood, why is it that you fail to trust me but rely on my fingerprints to prove who I am? My fingerprints are not my identity. Is my presence not proof that I am alive?'

The central thrust of this case is the steady shift from the authentic to authenticating: a technocratic reconfiguration of citizens with rights into 'datafied beneficiaries' subordinate to a digital state (Narayanan and Sinha 2025). Lalitha's sustenance did not depend on her pension, and she possessed the advantages of English-language fluency and social agency. Yet such challenges are magnified in the case

of individuals without formal literacy in rural settings (Yadav 2026). For lakhs of rural women pensioners, pensions are not supplementary income but are their only source of sustenance. Lalitha's experience therefore underscores how the digital state can cut across class lines in shaping people's encounters with the state. As Virginia Eubanks observes in *Automating Inequality*: 'Only the poor were put under the diagnostic microscope of scientific clarity. Today, we all live among the digital traps we have laid for the destitute' (Eubanks 2018).

18.2.2 Pervasive reliance on dashboard metrics or the Rashomon Effect of Data

The second aspect of the digital state is its pervasive reliance on metrics collected through data dashboards to construct narratives of good governance that are often at odds with ground realities. Equally important is the selective use of indicators and dashboards that shapes what counts as evidence. For many administrators, dashboards appear to be a single source of truth, while reality presents a Rashomon Effect.

We present this through two examples: one from the Unique Identification Authority of India (UIDAI) and another from the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Unique Identification Authority of India

Premni Kunwar, a single woman, was a resident of Korta village in Garhwa, Jharkhand. She used to receive a monthly pension in her Aadhaar-linked bank account. However, from October 2017 onwards, she stopped receiving it because her pension had been diverted to another account. Around the same time, access to food grains at ration shops was made contingent on Aadhaar-based biometric authentication with the ration dealer. By the end of November, Kunwar had also run out of food grains at home. She approached her ration dealer to obtain rations. But the dealer was out of stock and suggested that she complete her Aadhaar-based biometric authentication so that ration could be disbursed on priority once fresh stock arrived in December. It was common practice for individuals to make multiple visits: several for biometric authentication and another for collecting rations. Kunwar completed biometric authentication in November 2017, but before she could receive her rations, she died on 1 December 2017.

In its fact-finding report, the Right to Food Campaign concluded that the diversion of pensions and denial of rations had led to starvation (Scroll Staff 2017). In contrast, the UIDAI's report and the official narrative arrived at a different conclusion. Relying solely on dashboard data, the UIDAI noted that the timestamp of Kunwar's biometric authentication had been recorded at the end of November and that pensions had indeed been deposited – albeit into a different account – and

therefore ruled out starvation as the cause of death. The incident thus produced two competing versions of truth: one derived from dashboard metrics and another from ground investigation.

A Comptroller and Auditor General (CAG) report on the UIDAI raised serious concerns about the veracity of its dashboard metrics (CAG 2021). First, the CAG noted that nearly three-fourths of all biometric updates were voluntary updates by residents 'for faulty biometrics after payment of charges'. Questioning the very purpose of the UIDAI, the CAG observed that this 'huge volume of voluntary updates indicated that the quality of data captured to issue initial Aadhaar was not good enough to establish uniqueness of identity'. Second, the CAG flagged that the UIDAI did not have a system to 'analyse the factors leading to authentication errors'. As a result, while the total number of biometric authentications was reported, the number of attempts remained unknown. Third, in breach of its own regulations, the UIDAI provided authentication services free of charge to banks, mobile operators and other agencies.

Mahatma Gandhi National Rural Employment Guarantee Act

Management Information Systems have become the de facto implementation engine for most welfare programmes in India. Numerous cash transfer programmes have been grouped under the umbrella of Direct Benefit Transfer (DBT). A total of 324 schemes across 56 ministries are currently listed under various DBT programmes, with 'estimated gains' amounting to ₹4,31,138.05 crore (Government of India n.d.). Estimated savings under the MGNREGA between April 2023 and March 2024 are reported to be ₹15,524.84 crore, while cumulative savings up to March 2024 are estimated at ₹58,058.98 crore. The stated reason for these savings is the 'deletion of 1.26 crore fake and duplicate job cards'. Since each job card may include multiple workers, the number of deleted workers is likely to be significantly higher. On the surface, the dashboard presented this as an administrative achievement; closer scrutiny, however, suggested otherwise.

Until recently, the Aadhaar-based Payment System (ABPS) for wage payments under MGNREGA existed as an option alongside the traditional account-based payment system. However, in 2023, the Union government made the ABPS mandatory. For this system to function, at least three conditions had to be met: a worker's job card had to be linked to her Aadhaar number; her bank account had to be linked to Aadhaar; and the bank branch maintaining her account had to be digitally mapped with the National Payments Corporation of India. In practice, this transition was implemented hastily, and officials were given no clear protocols for dealing with spelling mismatches across records. Consequently, when demographic details differed across documents, officials resorted to deleting workers from the MGNREGA database. The Union government, for its part, claimed that these were

'fake' or 'duplicate' workers and described the deletions as a 'routine exercise' (Government of India, Ministry of Rural Development 2025). It also maintained that no workers had been deleted because of ABPS (Government of India, Ministry of Rural Development 2023). However, several ground reports suggested otherwise.

Even a difference of a single letter between documents resulted in worker deletions (Nair 2023). Within one year of ABPS becoming mandatory, more than five crore workers were deleted, reflecting a 247 per cent increase in worker deletions (Buddha and Tamang 2023). Further, in ongoing work by Nanditha Ajith, Chakradhar Buddha and Rajendran Narayanan, the authors statistically estimate that nearly two-thirds of all deleted workers nationwide were removed on the grounds of being 'unwilling to work'. Under MGNREGA, such grounds cannot legally justify worker deletions, and the very presence of this category in the information system raises serious concerns. By combining large-scale data analysis with right to information (RTI) responses and immersive fieldwork, researchers have debunked the government's efficiency claims regarding ABPS, which were based largely on dashboard metrics (Bhaskar, Sarkar and Singh 2024; Bheemarasetti et al. 2025).

These examples illustrate how the politics of data play out in the digital state. The ruling political establishment repeatedly cites savings figures generated through dashboards, even though little transparency exists regarding the methodologies used to produce them. As these claims enter popular discourse, they begin to function as a single source of truth, while the erosion of legal rights is relegated to a footnote.

18.2.3 Shifting accountability from state to citizens

The third – and perhaps one of the most insidious – aspects of datafication is the shifting of the burden of accountability from the state to citizens. Building on social movements concerning socio-economic rights and aided by an 'activist judiciary', several rights-based legislations concerning information, education, employment and food, among others, were enacted between 2005 and 2013. In 2014, this trajectory underwent a significant shift when the National Democratic Alliance came to power on the promise of vikas (development).

The blueprint for this new phase was outlined in the third chapter of the Economic Survey 2014–15. Modestly titled 'Wiping every tear from every eye', it proposed the JAM trinity: Jan-Dhan, Aadhaar and Mobile. As Drèze (2015) noted, its proponents envisioned rolling 'all subsidies into a single lump-sum cash transfer to households' (George and Subramanian 2015). That vision has, to a large extent, materialised, as indicated in Figure 18.1, which shows the emergence of a new welfare regime in which direct cash transfers to bank accounts have become the new norm.

Figure 18.1: Union government schemes across ministries over time

Sources and notes: Direct Benefit Transfer website, Government of India.

Several of these cash transfer schemes introduced in recent years have prominently featured the Prime Minister's name and/or image. This has, in turn, laid the groundwork for a seismic shift in the role of the state in welfare provision. Increasingly, the prime minister, rather than merely serving as the head of a democratically elected government, is portrayed as a benefactor, while citizens possessing constitutional rights are reconfigured as *labharthis* or beneficiaries. As Yamini Aiyar argues, this has involved the 'careful positioning of welfare as the individualistic pursuit of a duty-bound citizen rather than state responsibility toward rights-bearing citizens'. The appeal of DBT lies partly in the direct emotional connection they create between the 'benefactor' and the 'beneficiary' through a digital channel (Aiyar 2023).

Earlier modes of welfare delivery involved multiple intermediaries who acted as the citizens' interface with the state. Responsiveness, however uneven, at least had a visible human face. DBTs appear to have rendered this responsiveness invisible by outsourcing accountability to opaque systems — ironically, without significantly reducing the number of intermediaries involved (Vivek et al. 2018). Access to welfare schemes is now, in many ways, contingent on Aadhaar-based system requirements. Consider maternity entitlements under the Pradhan Mantri Matru Vandana Yojana (PMMVY), which, as argued in the chapter on maternity entitlements in this Handbook, is itself a diluted version of the entitlements guaranteed under the National Food Security Act. A successful transfer depends on Aadhaar

authentication, correct bank linkage and accurate data entry in online portals. When any of these processes fail, the burden of correction falls entirely on the claimant. This burden is especially pronounced in rural contexts and our observations here draw on immersive fieldwork on rural social policies conducted by LibTech India.[4]

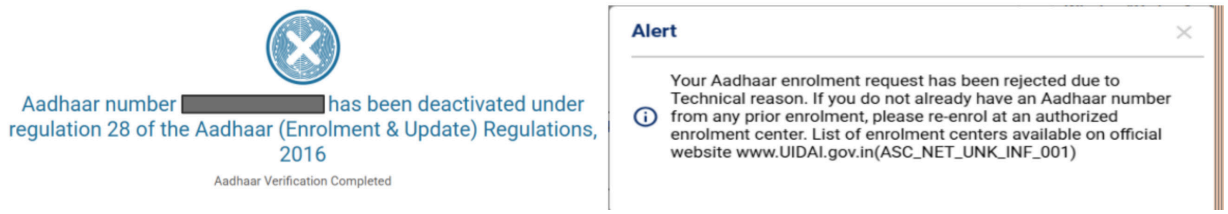
Among newly married women, many do not independently control their documents or mobile-linked bank accounts. Correcting errors such as name mismatches requires visiting Aadhaar enrolment or update centres, which are often located far from villages, involving multiple visits and biometric re-verification. For women in late pregnancy, the very group PMMVY seeks to support, travelling long distances or standing in queues can be especially difficult. Drawing on his experience in Raichur district in Karnataka and ASR district in Andhra Pradesh, Kuruva Venkatesh of LibTech India observes that officials often fail to explain the technical reasons for rejection, leaving many women uncertain whether the issue lies in Aadhaar linkage, portal entry or account status. As a result, many depend on intermediaries to navigate this digital maze, undermining the stated purpose of DBTs.

Mechanisms for correcting details in Aadhaar often involve disproportionate requirements, such as obtaining gazette notifications, which can pose major hurdles for rural citizens. Although local digital access points exist in some villages, blocks and districts to rectify DBT-related errors, citizens frequently have to rely on centralised Aadhaar Seva Kendras (ASKs). Ongoing ethnographic research on Aadhaar enrolment and update centres by Devahuti Sarkar in Jharkhand and B.D.S. Kishore in Andhra Pradesh, both associated with LibTech India, highlights several challenges. Many local centres are either closed or not authorised to process all applications, while inadequate operator training often compels individuals to travel from villages to city-based centres. Even when applications are processed locally, they face disproportionately high rejection rates. Weak mechanisms for tracking correction requests further render grievance redressal ineffective. As a result, applicants are pushed into making repeated visits to already overcrowded ASK offices – a situation further exacerbated by vague technical messages (Figure 18.2) that even officials struggle to interpret and routinely dismiss as 'technical errors in the backend process'.

Curiously enough, this tendency to recast governance failures as 'technical errors' is not confined to Aadhaar. It also characterises deeply contested and visibly political domains such as land ownership and control. For instance, a farmer in Rangareddy district in Telangana discovered that his digital land information had disappeared overnight from Dharani, the state's digital land infrastructure. When he visited the revenue office, he found that he was merely one among hundreds of farmers whose names had been erased from the state's digital land-records platform to facilitate the establishment of an industrial park. Officials dismissed this too

4 See LibTech India, 'Who we are'.

Figure 18.2: Vague technical messages for Aadhaar corrections



Sources and notes: By Devahuti Sarkar, LibTech India

as 'a technical error that occurred in the backend process'. The matter eventually reached the courts (Ramakumar and Ramesh 2023). Such recasting of systemic failures as mere technical errors weakens the grounds on which citizens can hold the state accountable, narrows avenues for redress and transfers the burden of correction onto citizens themselves.

18.2.4 Deprioritising consent

The fourth dimension involves governance operating through regimes that deprioritise consent, as data about citizens is increasingly observed rather than actively provided or volunteered. In his work, Seeing Like a State, James Scott argues that evolving technologies have aided in the creation of the 'high modernist' state, whose goal is to make people 'legible' to the state (Scott 1998). Scott's idea of legibility refers to the fundamental tendency of modern states to render society simplified, readable and administratively intelligible so that it can be monitored, administered, taxed and controlled. States seek to transform complex social realities into standardised categories that can be seen, measured and governed.

The digital state differs in that it operates through the power to make things 'visible' rather than merely 'legible'. While legibility increases governability in Scott's formulation, visibility enables the power to 'influence and intervene'. Unlike the data that provide legibility, these newer forms of data are often of unknown reliability and tend to reflect not populations but 'users and markets' (Taylor and Broeders 2015). In contemporary regimes of datafication, data are derived as by-products of technology use rather than collected through surveys or census methods.

Michel Foucault, in his seminal work on governmentality, shows how the modern state derives power not simply from commanding people but from producing knowledge about them and shaping the conditions in which they live (Foucault 1991, 98–102). These conditions are often altered through tactics and technologies that people themselves may neither fully perceive nor understand, thereby creating new forms of subjectivity. As Foucault writes:

> *'The population now represents more the end of government than the power of the sovereign; the population is the subject of needs and aspirations, but it is also the object in the hands of the government, aware, vis-à-vis the government, of what it wants,* ***but ignorant of what is being done to it*** (emphasis added)' (Foucault 1991, 100)

Thus, in the current trend of datafication, data are continuously generated and processed through an ensemble of institutions, procedures, analyses, calculations and tactics that enable the exercise of a very specific form of power. This power operates through the production of continuous and observable information about populations, making such knowledge central to governance. Additionally, these data exist as part of larger 'data assemblages' (Kitchin 2014); wider systems comprising databases, software, legal rules, bureaucratic procedures, financial investments, expert knowledge, and political decisions. A dataset becomes meaningful only because it is embedded within these wider systems. What gets counted, how people are classified, who can access information and how it is used are all shaped by institutional priorities and state power.

We illustrate this with two examples. On 28 November 2025, India's telecom ministry privately asked smartphone manufacturers to preload all new devices with the Sanchar Saathi app, directing that it remain 'visible, functional and enabled' upon first setup. Although the app was presented as a tool for blocking and tracking lost or stolen mobile phones using the device's International Mobile Equipment Identity (IMEI) number, it was also permitted to make and manage phone calls, send messages, access call and message logs, access files and photographs and use the phone camera. Following widespread criticism from civil society organisations and opposition parties, the government withdrew the directive (Kalra and Vengattil 2025).

Similar concerns emerged around platforms such as the CoWIN (the COVID-19 vaccination portal). This shift from episodic data collection to continuous observation alters the terms of engagement between citizens and the state, producing a form of 'digital behaviourism' in which individuals become knowable through continuous data capture and algorithmic interpretation rather than explicit participation (Issar and Aneesh 2021). Such digital behaviourism also expands the scope for ambient, embedded and routine surveillance, blurring the boundary between service provision and a panoptic state and further tilting the already unequal balance between citizens and the state. In this rapidly evolving reconfiguration of citizen-state relations, the Digital Personal Data Protection (DPDP) Act, 2023 raises additional concerns. Rule 23 of the DPDP Act grants the Union government unconditional powers to demand any information about individuals from digital platforms and telecom companies without the consent of those concerned.

In this context, the increasing deployment of facial recognition technologies – whether in welfare systems such as *anganwadi* centres or in policing – raises intersecting concerns regarding automated exclusions, manufactured consent, violations of privacy and the shifting of accountability from the state to citizens.

18.2.5 Scale over accuracy

The final dimension of the digital state and datafication concerns the growing primacy accorded to scale over accuracy. The emphasis on large volumes of data enables a discourse that privileges reach and coverage while often sidelining concerns about data quality and ground-level realities. A useful example is the widely cited case of ration cards cancelled in Jharkhand because of 'failures' in linking them to Aadhaar, even though they belonged to genuine households. While the government claimed that most of these cards belonged to 'ghost beneficiaries', a J-PAL study by Muralidharan, Niehaus and Sukhtankar (2020) found that 88 per cent of the cancelled ration cards belonged to genuine households. In this instance, what mattered more was the ability to claim savings and efficiency on the grounds of scale, irrespective of the accuracy of the process.

18.3 Discussion

The five interrelated and overlapping aspects of the digital state and the datafied citizens outlined above represent a new normal – one with significant implications for the growing centralised institutional capacity of the state to move contestable socio-political issues into a space of reduced negotiation. Datafication has become symptomatic of a governance assemblage in which the 'space for immediate negotiability has been reduced in algorithmically managed input-output systems', provoking deeper questions about how citizens engage with a digital state and what forms of mediation, contestation and collective action remain possible (Issar and Aneesh 2021).

The idea of a digital state is premised, among other things, on the assumption that digitally linking citizens to the state is sufficient to reduce corruption and leakages. While this may hold true in some cases, it overlooks the pervasive ways in which corruption actually operates in welfare systems. In practice, rights holders are usually not the principal agents of corruption but are instead co-opted by middlemen and local elites. Across welfare programmes, from children in Integrated Child Development Services (ICDS) scheme to old-age pensioners, digital technologies have increasingly been used to authenticate, monitor and verify rights holders rather than intermediaries. Consequently, such systems often fail to address the very problems they were intended to solve. As digital authentication has itself become a verb in rural India — reflected in everyday expressions such as '*eKYC kar diya*' (completed the eKYC) — inadequate attention has been paid to how

these technologies have spawned new forms of corruption and, in some instances, resulted in violations of rights, including access to foodgrains through the Public Distribution System and in attendance at worksites (Panda and Dash 2025; Buddha and Kuruva 2026). By triangulating programme data from the management information system with nationally representative government surveys, researchers have found that corruption and leakage in MGNREGA have not, in fact, reduced over time (Drèze and Somanchi 2025).

Within this reconfigured architecture of the digital state, the centralised state has effectively granted itself quasi-omniscient powers to determine who can be recognised within state systems and on what terms. If metrics shape narratives of performance and efficiency, and continuous observation expands administrative reach, then digital identifiers provide the basic infrastructure through which individuals are rendered visible, reshaping both the contours and meaning of citizenship. Citizenship rights, following T.H. Marshall's foundational typology, encompass civil rights (which enable personal freedom), political rights (which enable participation in the exercise of power) and social rights (which guarantee economic welfare and human well-being) (Marshall 1950). It is these rights and the means through which citizens claim them that constitute the practice of active citizenship.

Claim-making is an essential element of active citizenship. It involves ordinary practices – such as filing an application, attending a meeting or approaching a local official – through which social rights are activated and citizenship is practised (Kruks-Wisner 2018). Crucially, these are also the practices through which relations between citizens and the state are negotiated, contested and realised. Against this backdrop, datafication is reshaping everyday practices of claim-making by altering both the channels through which citizens access the state and the information available to them about it. Claims are increasingly routed through digital systems where errors are often hidden within opaque backend processes, while redress requires navigating multiple portals, operators and offices.

Worryingly, the shifting burden of accountability from the state to citizens has now entered the very domain of establishing citizenship itself through the Special Intensive Revision (SIR) exercise. Drawing from the technocratic playbook refined within the welfare architecture of the digital state, the ongoing revision of electoral rolls by the Election Commission of India reflects a similar logic (Buddha and Narayanan 2025). In both contexts, individuals are repeatedly required to verify, authenticate and prove their eligibility, transforming entitlements into claims that must be continuously performed and defended within a datafied regime. Similarly, contentious legislation such as the DPDP Act legalises opacity and erodes structures intended to hold the state accountable (Bharadwaj and Johri 2026).

Over time, these institutional shifts are likely to – and in many ways already do – reshape how citizens engage with the state. This is because the institutional architecture of the datafied regime, spanning welfare systems, legal frameworks and regulatory bodies, constitutes the everyday terrain through which state–citizen relations are experienced and understood. Each time a citizen struggles to claim her rights, she learns both what claims are possible and whether speaking up can meaningfully alter her circumstances or those of others. The challenge, therefore, is not simply to make digital systems more efficient but to ensure that they remain aligned with democratic accountability and attentive to the power structures within which they operate.

As the former techno-utopian Kentaro Toyama forcefully argues in his critique of technological solutionism in social policy:

> *'New vaccines are good, but not while health-care systems go unfunded. Educational technology might be helpful, but not if good teachers and institutional support are lacking. Elections are great, but not if social norms and government institutions don't support democracy. Technocratic means might be a part of the solution, but with so much attention on them, who's working on the other parts?'* (Toyama 2015).

Table 18.1: Partial list of digital identifiers in welfare

Stage of life/purpose	Digital identifier	Intended purpose
Birth/early childhood	Aadhaar (Unique Identification Number) (Bal Aadhaar for children aged 0–5 years)	Establish a unique resident identity from early life onwards
Health (lifelong)	ABHA ID (Ayushman Bharat Health Account)	Create a unified digital health identity
Nutrition and maternity (Integrated Child Development Services (ICDS) Scheme)	Poshan Tracker ID (Poshan Tracker System ID)	Enable tracking of nutrition services, growth monitoring and anganwadi benefits
School education	APAAR ID (Automated Permanent Academic Account Registry)	Create a lifelong academic identity
Scholarships (claim-based)	NSP OTR ID (National Scholarship Portal One-Time Registration ID)	Track and process scholarship claims

Table 18.1 (contd.): Partial list of digital identifiers in welfare

Stage of life/purpose	Digital identifier	Intended purpose
Rural employment	MGNREGA Job Card ID (Mahatma Gandhi National Rural Employment Guarantee Act job card number)	Establish worker identity for employment and wage payments
Unorganised labour	e-Shram UAN (e-Shram Universal Account Number)	Create a national and portable worker identity
Construction workers	BOCW Worker ID (Building and Other Construction Workers Worker ID)	Identify construction workers for welfare benefits
Agriculture	Farmer ID (AgriStack Farmer Registry ID)	Establish verified farmer identities for agricultural services
Land/property	ULPIN (Unique Land Parcel Identification Number)	Provide a unique digital identity for land parcels to enable integrated land governance
Farmer income support	PM-KISAN ID (Pradhan Mantri Kisan Samman Nidhi ID)	Identify farmers for income-support transfers
Food security	Digitised Ration Card (National Food Security Act ration card number)	Identify eligible households for Public Distribution System entitlements
Insurance (life/accident)	PMJJBY / PMSBY policy number (Pradhan Mantri Jeevan Jyoti Bima Yojana / Pradhan Mantri Suraksha Bima Yojana policy number)	Identify insured persons for claims processing
Maternity cash transfer	PMMVY ID (Pradhan Mantri Matru Vandana Yojana ID)	Identify women eligible for maternity benefits
Old age/disability/ widowhood	Pension Scheme Number (National Social Assistance Programme / state pension number)	Identify pension recipients for transfers
Pension continuation	Jeevan Pramaan ID (Digital Life Certificate for Pensioners)	Authenticate the life status of pensioners

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