



ASWINI MISHRA

State, Economic Reform and Social Security

Micro-Level Experiences in India

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VDM Verlag Dr. Müller

Impressum/Imprint (nur für Deutschland/ only for Germany)

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über <http://dnb.d-nb.de> abrufbar.

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Coverbild: www.ingimage.com

Verlag: VDM Verlag Dr. Müller GmbH & Co. KG
Dudweiler Landstr. 99, 66123 Saarbrücken, Deutschland
Telefon +49 681 9100-698, Telefax +49 681 9100-988
Email: info@vdm-verlag.de
Zugl.: Bhubaneswar, Utkal University, Diss., 2008

Herstellung in Deutschland:
Schaltungsdienst Lange o.H.G., Berlin
Books on Demand GmbH, Norderstedt
Reha GmbH, Saarbrücken
Amazon Distribution GmbH, Leipzig
ISBN: 978-3-639-30259-2

Imprint (only for USA, GB)

Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

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Publisher: VDM Verlag Dr. Müller GmbH & Co. KG
Dudweiler Landstr. 99, 66123 Saarbrücken, Germany
Phone +49 681 9100-698, Fax +49 681 9100-988
Email: info@vdm-publishing.com

Printed in the U.S.A.
Printed in the U.K. by (see last page)
ISBN: 978-3-639-30259-2

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ASWINI MISHRA

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*This book is dedicated to the memory of my revered teacher,
Prof. Sakti Padhi and
For my parents
whose implicit and explicit support to me made this book possible.*

Foreword

The topic of this book is of great importance to the hundreds of millions of poor people in low income states of India and other middle and low income countries. The prevalence of insecurity and vulnerability is very high among the poor, and even among the vulnerable non-poor, and they are barely protected against most of the risks they face. There is an active debate in India and elsewhere across the developing world about the relevance and importance of social security, with a large number of countries adopting measures to protect the poorest people against diverse risks during the last two decades. There are very few good, rigorous, in depth studies of such efforts, however: this book fills an important gap in the literature for India. It focuses on both the need for social security and the provision of social security in India's poorest state. Orissa provides a litmus test: if social security can be well provided there, it can be done anywhere.

Very methodically, the book examines vulnerability and insecurity, and the risks poor people face. It documents, for example, the massive and continuing increases in vulnerable older persons in India, and the growing importance of widowhood, separation and divorce, and the great needs of poor older people and single women. Making use of the work of the excellent National Commission for Enterprises in the Unorganised Sector it demonstrates the vulnerability of the large number of the informally employed. The working poor constitute the largest share of the vulnerable. The book argues that the institutions, such as the joint family, which used to take care of vulnerable people are no longer so able to, and that the state has rightly taken on some of this burden.

The risks people face are also methodically investigated, using specially produced survey data from Orissa as well as national survey and census data. One of the commendable aspects of the book is the use of multiple sources of data to build the picture of not only vulnerability and insecurity but also the effects of the state's major policy and programme responses. Focusing on the National and State Old Age Pension Schemes, the National Rural Employment Guarantee Scheme, the National Family Benefit Scheme, and the Orissa Disability pension Scheme, the book asks the difficult questions about how well targeted these schemes are, what determines differential access, and what

makes programmes more successful in one area compared to another. It stops short of assessing outcomes and impact, though there a subjective performance index is included. The focus is rather on how well the different programmes perform and are targeted.

There are two key findings which I would like to highlight here as they are very important for policy makers. Firstly, that there are substantial errors of both exclusion and inclusion in India's social security schemes, which derive from the use of the 'Below Poverty Line' lists. This is of course a continuing concern for policy makers. Finding innovative ways of reducing especially the errors of exclusion is a priority. Secondly, that programme performance is better in richer areas, drawing attention to the continued weakness of governance in poorer areas with large numbers of people against whom discrimination is practiced. This is the Achilles heel of India's political economy, and this state failure a major source of the continuing violent conflict affecting many such areas. The urgency of generating inclusive development (rather than security) solutions to the problems of the poorest regions has never been more urgent. Social security is a very good place to start, since its effects are immediate and highly visible.

This book will have a wide readership across India among policy makers as well as researchers, and across the disciplines of economics, sociology, political science. It is also capable of informing debates about social security in other middle and low income countries.

Andrew Shepherd

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Preface

Social security issues have received a great deal of attention in public policy debate in recent decades in India because of the recognition that benefits of growth have not adequately reached the poor and the vulnerable groups in the society, particularly in the post reform era when the role of the state has been redefined in terms of being a facilitator.

The book looks at two major issues: provisioning for, and delivery of, social security entitlements of the poor and vulnerable. The book makes a comprehensive and good use of the available secondary and primary data for highlighting the fundamental significance of social security measures, and situating it in the specific context of Orissa, the poorest state in India with multiple and extreme forms of deprivation, social exclusion and vulnerability. The book rightly emphasizes that social protection policy plays a dual role in development-it promotes inclusive growth and it reduces extreme poverty and vulnerability.

The book is organized in 7 chapters. Chapter 1 provides an introduction to social security concepts and historical experience of different countries. It also introduces the relevant analytical issues for Orissa in the context of the stated objectives of the thesis. Chapter 2 reviews the performance of the economy of Orissa since the initiation of the reform process and profiles the condition of the vulnerable groups in the state. Chapter 3 is an overview of historical evolution of social security policies followed by the central and state governments and provides a systematic assessment of the measures undertaken in various plans. Chapter 4 discusses the trends and composition of social security expenditure in Orissa during era when the government undertook compression of expansionary fiscal policy and restructured government expenditure. Chapter 5 and 6 constitute the core of the thesis devoted to assessment of major social security schemes operated in Orissa with the help of primary data. Chapter 5 describes the methodology adopted for collection of data from two selected districts of Orissa and selection procedures of the sample households, socio-economic profile the study area, and other descriptive details of data. Chapter 6 reports the findings of the statistical econometric

analysis of the data collected focusing on various aspects of social security programmes. Finally, chapter 7 puts together the major findings of the thesis and the policy implications.

This volume is an important contribution to the existing literature on social policies, more particularly at the sub-national level, and will be of interest for professionals and scholars in the field of social work, development studies, and policy studies. It will also be interests to social activists and policy makers at the central and state government level.

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October 2010

Acknowledgements

Writing acknowledgements may be very difficult for the very reason of unwillingly forgetting someone whose contribution has helped for the completion of this humble work. Hence, the best way to overcome this is by saying “Sincere Thanks” to everyone who has helped me in completing this work and I am afraid that due to paucity of time at this moment and inadequate space, it may not be possible to mention all these names.

In this endeavor, first of all, I have the privilege to express my deep sense of gratitude to my guide and research supervisor late Dr. Sakti Prasad Padhi, Professor of Economics, Nabakrushna Choudhury Centre for development Studies (NCDS), Bhubaneswar, Orissa, India who was the guiding spirit of this humble work. I owe everything to him in the sense that I never ever have thought of doing and completing this work without his diligent guidance, keen analytical interest in the topic and constant flow of inspiration. His untiring efforts as well as immense patience in editing the earlier several rounds of drafts of this monograph, in spite of busy and hectic administrative works throughout are beyond the scope of formal encouragement. Needless to say, I have been associated with him for the last six years or so in various capacities and found him truly a philosopher and mentor in my academic pursuits. I am dedicating this book to such a great humane economist.

I express my deep sense of gratitude to Andrew Shepherd, Director, Chronic Poverty Research Centre, UK (www.chronicpoverty.org) for writing a foreword for this book.

I gratefully acknowledge the Indian Council of Social science Research (ICSSR), New Delhi for granting me a research fellowship for two years to do doctoral research and this book is the outcome of it. I gratefully acknowledge the authors, editors of the books, documents, journals, periodicals and articles referred in this work, over whose shoulders I have been lucky to get a glimpse of the world I lived in when working on this study.

I owe an immense sense of gratitude to Professor Biswajit Chatterjee, Jadavpur University; Professor Manoj Panda, Director of Centre for Economic and Social Studies

(CESS), Hyderabad; Dr. Shiblal Meher, Senior Lecturer in Economics, NCDS and my research co-supervisor; Dr. V.R. Panchamukhi, former Chairman, ICSSR and currently, Managing Editor, Indian Economic Journal; Dr. C. Ravi, CESS; Dr. Kishor C. Samal and Dr. S.N. Mishra, Retd. Professors of Economics, NCDS; Dr. Bhabes Sen and Dr.(Mrs.) Padmaja Mishra, Professors of Economics, Utkal University, Orissa; Professor Kesab Das, Gujarat Institute of Development Research (GIDR), Ahmedabad; Professor Banikanta Mishra, Xavier Institute of Management, Bhubaneswar (XIMB); Dr. Moneer Alam, Professor of Economics, Institute of Economic Growth (IEG), New Delhi; Dr. Shovan Ray, Professor of Economics, Indira Gandhi Institute of Development Research (IGIDR), Mumbai; Dr. Srijit Mishra, Associate Professor of Economics, IGIDR, Mumbai; Dr. P.C. Mohapatra, Director, Council of Analytical Tribal studies (COATS), Koraput, Orissa; Dr. Adwait Mohanty, Retd. Professors of Economics, Utkal University, Orissa; Dr. Anoop Satapathy and Dr. Babu P. Ramesh, Associate Fellows, V.V. Giri National labour Institute (VVGNI), Noida, Uttar Pradesh; Dr. D.K. Verma, Baba Saheb Ambedkar national Institute of Social Sciences (BANISS) Mhow, Madhya Pradesh; Faculties in Economics at BITS, Pilani-K.K. Birla Goa Campus, Goa naming a few for providing intellectual stimulation and valuable suggestions, ideas and inputs which have greatly enriched this study.

My special gratitude to Dr. R.K. Mohapatra, former librarian of NCDS library who kept me informed about the relevant literature published in journals, books, periodicals for my research work with tremendous dedication and enthusiasm. I also express my thanks to other staffs of this library for their generous cooperation. I am very much obliged to the authorities and library staffs of CYSD (Orissa); IGIDR; IEG; and VVGNI for helping me in using their library.

I am deeply obliged to the Block Development Officers and Extension Officers of four blocks namely, Aska and Sorada blocks of Ganjam district and Boriguma and Jeypore blocks of Koraput district, Orissa for helping me to obtain the relevant data and in gaining deeper insight to the institutional arrangements of social security measures.

I must express heartfelt thanks to the selected respondents of these four blocks, for sparing their time whose value we do not understand, and sharing their experiences, perceptions about the effective implementation of selected social security schemes. Sri Satya Bikas Biswal and Sri Hemanta Mahanandia deserve special thanks for helping me during the field study.

I wish to take this opportunity to thank each member of the NCDS faculty, administrative and research supporting staffs and in particular Sri Srikant Rath and Sri Biswabas Patra of NCDS for extending their generous help whenever required by me.

A special word of appreciation is also to my close friends as well as well-wishers; Abhijit Sahoo, Rajendra Prasad Patro, Chhabindra Basantia, Amarendra Das, Rudra Narayan Mishra, Arun Mahanandia naming a few and present research scholars at NCDS who have been very supportive through the arduous road I traveled, which I always cherish.

I record my reverence and gratitude to my parents, '*Sana Bapa*', my wife Atasi, and other family members who have been a constant source of inspiration and moral support, for unconditional love and affection which enabled me to complete this humble work. It is for me they who have made me what I am.

Finally, I express my deep appreciation to Abiir Paraouty, Acquisition Editor, VDM Publishing House Ltd. for his patient cooperation and skillful handling of a complex manuscript and thanks a lot to all the staff of production units of it who turned this into a book within a very short span of time.

Aswini Kumar Mishra

Abbreviations

AAY-	Antyodaya Anna Yojana
BPL-	Below Poverty Line
CBOs-	Civil Body Organisations
EAS-	Employment Assurance Scheme
FYP-	Five Year Plan
GoO-	Government of Orissa
GoI-	Government of India
G.P.s	- Gram Panchayats
HH-	household
HSSCI	-Household Structural Social Capital Index
IAY-	Indira Awas Yojana
ICDS-	Integrated Child Development Scheme
ILO-	International Labour Office
IRDP-	Integrated Rural Development Programme
JRY-	Jawahar Rojgar Yojana
JGSY-	Jawahar Grameen Sworojgar Yojana
MDM-	Mead-Day Meal
MOSPI-	Ministry of Statistics and Programme Implementation
NFBS-	National Family Benefit Scheme
NGOs-	Non-Governmental Organisation
NCEUS-	National Commission for Enterprises in the Unorganised Sector
NFFWP-	National Food for Work Programme
NOAPS-	National Old age Pension Scheme
NREP-	National Rural Employment Programme
NSAP-	National Social Assistance Programme
NREGS-	National Rural Employment Guarantee Scheme
NSSO-	National Sample Survey Organisation
ODPS-	Orissa Disability Pension Scheme
PDS-	Public Distribution Scheme

PPCI -Programme Perception Index

PPI-Programme Performance Index

PRIs- Panchayati Raj Institutions

RLEGP- Rural Landless Employment Guarantee Programme

SCs-Scheduled Castes

SGRY-Sampoorna Grameen Rojgar Yojana

SGSY-Swarna Jayanti Grameen Sworojgar Yojana

SLI-Standard of Living Index

SOAPS- State Old age Pension Scheme

SPI- Social Protection Index

STs-Scheduled Tribes

WHO- World Health Organisation

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