

#TheIndiaDialog Working Paper Series

Working Paper (WP-2024-023, May 2024)¹

Integrated Welfare Empowerment in India's New Welfarism Paradigm

Aditya Sinha²

US Asia Technology Management Center
521, Memorial Way, Knight Building
Stanford University

Institute for Competitiveness
155, National Media Center
Gurgaon, Haryana, India

¹ The views presented here are those of the authors and do not necessarily represent the position of either Institute for Competitiveness or Stanford University. Working papers are in draft form. This working paper is distributed for purposes of comment and discussion only.

² Aditya Sinha is Officer on Special Duty, Research, Economic Advisory Council to the Prime Minister of India.
Views are Personal

Integrated Welfare Empowerment in India's New Welfarism Paradigm

Abstract

This paper delves into the paradigm shift in India's welfare approach, termed "New Welfarism," which pivots from traditional welfare models towards a comprehensive strategy of direct provision and technological integration to enhance social welfare. Central to this transformative approach is the Integrated Welfare Empowerment Model (IWEM), a novel framework that underscores the integration of direct service provision with technological advancements to ensure efficiency, transparency, and inclusivity. Through the analysis of key initiatives such as the Aadhaar system and Direct Benefit Transfers (DBT), the paper highlights how New Welfarism has significantly improved access to essential services, empowered marginalized communities, and fostered sustainable development. By juxtaposing this contemporary model against traditional welfare frameworks, the study elucidates the profound impact of New Welfarism on social inclusion, economic growth, and the overarching paradigm of welfare in India, offering insights into the potential for replicating such a model in other global contexts.

Keywords: New Welfarism; Integrated Welfare Empowerment Model (IWEM); Direct Benefit Transfers (DBT); Social Inclusion; Technological Innovation in Welfare; Sustainable Development; Behavioral Change in Welfare Policy; Inclusive Growth; Public Service Efficiency.

JEL Classification: I38, O35, H53, O20 & J18.

1. Introduction

The conception of welfare state has been in a state of continuous evolution. In its earlier stages, the welfare system emerged as an institutional response to the pressing dilemmas of poverty and social inequities. The initial strategy was concentrated on extending basic support to those deemed worthy of aid, a determination often tainted by moralistic assessments of the individuals in need. Assistance was dispensed on a conditional basis, aiming more at the symptomatic relief of poverty and less at its root causes. The prevailing belief, as reflected in policies like the poor law, was that poverty sprang from personal deficiencies, hence the assistance framework focused on moral rectification and deterrence.

The early philosophical perspectives, as articulated by thinkers such as Thomas Hobbes and John Locke, positioned the state essentially as a guarantor of societal harmony and individual liberties, without placing a substantial emphasis on its role in welfare provision. This stance, however, was significantly broadened by later philosophical discourse.

John Rawls' theory of justice, advocated for the 'difference principle' which posited that societal and economic disparities ought to be structured in a manner that benefits the most disadvantaged in society, thereby endorsing a redistributive mandate for the welfare state. In a contrasting vein, Robert Nozick presented a libertarian critique, upholding the concept of a minimal state dedicated to safeguarding individual freedoms, and contending that any redistribution beyond this was ethically indefensible.

The historical evolution of European welfare regimes reveals two primary models in the post-war era: the Nordic-cum-British system, funded largely through general revenues with a focus on universal benefits, and the Continental European model, which emphasized employment-based

social insurance programs. By the 1970s, the distinct characteristics of these regimes became more pronounced. The Nordic countries developed a model renowned for its generous universal benefits (Brandal, Bratberg, & Thorsen, 2013), but more notably, for its emphasis on employment and the de-familialization of welfare, integrating women into the workforce and shifting from cash transfers to family services. Conversely, Britain's move towards targeted services and income testing marked a shift closer to the North American model, emphasizing market responsibility for welfare. Most Continental European countries have remained largely unchanged, maintaining their commitment to employment-based social insurance while extending coverage to residual groups through income-testing programs. This strong familialism, particularly in Mediterranean countries, points towards the primary role of families in providing for members' welfare, resulting in a system heavily reliant on social contributions and characterized by underdeveloped social services.

The modern welfare state, however, was most significantly shaped by the intellectual contributions of British economist William Beveridge and the policy directions of American President Franklin D. Roosevelt. Beveridge, in his 1942 report, laid the groundwork for the United Kingdom's post-war welfare system, suggesting state interventions in social insurance and advocating for state responsibility in areas of health, education, and welfare to address what he termed the "five giants": Want, Disease, Ignorance, Squalor, and Idleness (Beveridge, 1942).

The evolution of the welfare state thus transitioned into a more intricate and expansive construct, driven by an increasing acknowledgment that issues of poverty and social challenges were not merely individual shortcomings but rather systemic in nature, deeply embedded in the fabric of economic and social frameworks. This contributed towards a more inclusive and comprehensive outlook on social well-being. Policies began to transcend the boundaries of simple poverty relief to encompass broader life quality improvements, emphasizing education, health care, and housing.

Post-independence, India grappled with formidable obstacles in public service provisioning and societal welfare. Despite a burgeoning government role in social development, the provision of fundamental services to the citizenry was marred by inefficiency. A study conducted in the year 2012 revealed that Indian households were bereft of access to 46% of essential services, a situation compounded by corruption, bureaucratic inefficiencies, and a dearth of infrastructure and resources (Gupta, et al., 2014).

The delivery of public services is fundamentally intertwined with the ethos of social welfare, for it is through these services that a state materializes its welfare objectives. Such services, encompassing healthcare, education, social security, housing, and infrastructural development, are pivotal to enhancing life quality and citizen well-being. The performance, reach, and caliber of these services are directly indicative of a society's ability to fulfill basic needs, mitigate disparities, and foster social equity. A strong public service mechanism ensures the conversion of welfare policies from abstract ideas into benefits that permeate all societal layers, especially reaching the marginalized and the vulnerable. Thus, the standard of public services is frequently viewed as a measure of a nation's dedication to and effectiveness in its welfare endeavors.

In the 1980s, the then Prime Minister of India, Rajiv Gandhi, made a striking observation, albeit anecdotally rather than empirically substantiated, that out of every rupee earmarked for welfare and poverty eradication, a mere 15 paise reached the intended recipients, underscoring the substantial leakage and overheads endemic to the public service apparatus.

In the last decade, there has been a noteworthy transformation as far as public service delivery and social welfare within India. Some have categorized it as 'new welfarism' wherein "traditional redistribution, which aims to deliver on intangibles like health and education, has ceded to a distinctive 'New Welfarism', where centre is demonstrably providing tangible essentials to citizens" (Anand, Dimble, & Subramanian, 2020). While one can argue that this new welfarism has provided tangible essentials, but it has not necessarily come at the expense of health and education. This paper gives an insight into this very model of 'New-Welfarism' which is now unfolding in India.

2. New Welfarism

New welfarism in social policy represents a nuanced and evolving paradigm, which seeks to adapt and respond to the complex challenges of contemporary societies. This approach is characterized by a blend of traditional welfare principles with innovative strategies aimed at enhancing individual and collective well-being in a rapidly changing world.

The genesis of new welfarism can be traced back to the foundational work of scholars like Esping-Andersen, who in the early 1990s, outlined the "three worlds of welfare capitalism," providing a framework to understand how different countries organize their social policies based on historical, political, and economic contexts (Esping-Andersen, 1990). This framework was instrumental in highlighting the diversity of welfare regimes and the varied approaches to social protection and redistribution.

As global economic pressures intensified, particularly with the rise of globalization and post-industrial economies, the welfare state's traditional roles were challenged. Scholars have explored the impact of corporate power and global economic policies on national social policies, suggesting that the global economic situations significantly influence domestic welfare policies (Farnsworth & Holden, 2006). This global perspective is crucial for understanding the shifts towards new welfarism, as countries navigate the complexities of maintaining social protection mechanisms in the face of international economic constraints and opportunities.

One of the critical aspects of new welfarism is its response to the critiques of traditional welfare states, particularly those coming from neo-liberal perspectives. The late 20th century saw a significant shift in many countries, marked by a move towards market-oriented reforms and an emphasis on individual responsibility. This shift was not just economic but also ideological, challenging the very foundations of the welfare state and prompting a re-evaluation of social policies. In the UK, for instance, the rise of Thatcherism in the 1970s marked a pivotal moment, with significant implications for social work and welfare policies. The emphasis on market rationalities and individual choice, as opposed to collective welfare solutions, represented a fundamental challenge to traditional welfarism.

New welfarism seeks to address these challenges by advocating for a more flexible, responsive, and inclusive approach to welfare. This involves a greater emphasis on personalization, where policies are tailored to meet the diverse needs of individuals and communities, recognizing the complexity of social issues and the limitations of one-size-fits-all solutions. The aim is to foster a welfare system that not only provides safety nets but also empowers individuals and communities, enhancing their capacity to participate fully in society.

Furthermore, new welfarism incorporates a critical understanding of the interplay between social policies and broader economic and political dynamics. This includes recognizing the impact of

global economic policies, the role of corporate power in shaping social policy agendas, and the importance of international cooperation in addressing transnational social issues. The approach calls for a more integrated and holistic view of welfare, where social policies are not isolated from economic and political considerations but are part of a comprehensive strategy to promote social justice and equity. However, both the welfare state and the new welfarism in India is quite distinct from that of Europe.

3. Indian Welfare State

The evolution of the Indian welfare state can be understood within a unique framework that diverges significantly from Western models. The inception of welfare policies in India was not rooted in the Western notion of compensating for market-generated inequalities. Rather, it emerged alongside the state's developmental and socialist pursuits. This distinct path reflects a more interventionist and developmental approach, with welfare playing a secondary, albeit important, role. The Indian social policy, particularly in the early years post-independence, focused on addressing disparities not necessarily created by market dynamics but more by structural inequalities, especially in land ownership and use.

The critique of the welfare state in India differs markedly from Western discourses. In the West, debates around the welfare state often revolve around deontological theories of rights and the philosophical implications of state intervention on individual freedoms. In contrast, India's discourse has largely been shaped by efficiency arguments, questioning the efficacy of state-led welfare schemes and their impact on economic development. This difference highlights the absence of a rights-based critique in India, where welfare has traditionally not been framed as a matter of rights but rather as a response to need, with the state adopting a paternalistic role rather than one of guaranteeing rights.

The Indian state's approach to welfare has historically been characterized by a focus on developmental goals over direct welfare interventions. The pursuit of modernization and economic growth took precedence, with welfare initiatives often designed to complement these broader objectives rather than serve as standalone goals. This developmentalist stance saw the state engaging in significant intervention in the economy and society, aiming to transform and modernize the nation, while welfare measures, when introduced, were often targeted at mitigating the most acute manifestations of poverty and inequality rather than addressing systemic issues.

Over time, the limited welfarist orientation of the Indian state led to debates about the need for a more comprehensive welfare framework. The challenges to the Indian welfare state come from various quarters, including international pressures for economic liberalization, internal critiques of the efficiency of state-led welfare programs, and the demands of social movements for more inclusive and equitable development models. These debates underscored the tension between the state's developmentalist ambitions and the needs and rights of its citizens, pointing to a reevaluation of the role of welfare in the Indian state's agenda.

Since the 1990s, India's welfare state system has evolved significantly, reflecting a complex interplay of socio-political factors and economic reforms. This evolution has been marked by a series of legislative and policy initiatives aimed at expanding social protection and addressing the diverse needs of its vast population.

In the early 1990s, economic liberalization marked a significant shift in India's approach to welfare, focusing on liberal market policies and reduced state intervention in the economy. This period saw the initiation of structural adjustment programs and a shift towards targeted welfare schemes aimed at the most vulnerable sections of society. The National Social Assistance Program (NSAP), introduced in 1995, exemplified this targeted approach, providing direct support to the elderly, widows, and disabled individuals.

The early 2000s witnessed a further expansion of India's welfare initiatives, with a notable emphasis on rights-based legislation. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005 guaranteed 100 days of wage employment to every rural household. This was followed by the enactment of the National Food Security Act of 2013 which allowed eligible households to receive wheat, rice, and coarse grains at highly subsidized rates, ensuring that the basic nutritional needs of the most vulnerable sections of society are met. However, there has been significant shift in welfare provisions post 2014.

4. New Welfarism in India

"New Welfarism" in India represents a transformative approach to social welfare and development, fundamentally anchored in a series of policy initiatives aimed at providing essential goods and services directly to the population. This approach encompasses the distribution of bank accounts, cooking gas, toilets, electricity, housing, water, and direct cash transfers, with a particular focus on empowering women and supporting marginalized communities. The design and implementation of these policies reflect a deliberate shift towards ensuring that the benefits of India's economic growth are tangible and accessible to all segments of society, thereby addressing immediate needs while fostering a more inclusive economic environment.

Central to the success of these policy initiatives is the integration of technological and administrative innovations, which have significantly enhanced the efficiency and transparency of welfare delivery. The Aadhaar identification system plays a pivotal role in minimizing leakage and ensuring that subsidies and benefits reach their intended recipients. This digital infrastructure has been instrumental in streamlining processes, facilitating direct cash transfers, and simplifying access to various services, thereby reducing bureaucratic hurdles and corruption that previously marred welfare programs.

The system allows for the elimination of duplicates and fake beneficiaries, ensuring that subsidies and benefits reach the intended recipients. This is achieved through biometric and demographic verification, which curtails leakages in welfare programs such as the Public Distribution System (PDS) and the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The implementation of Aadhaar has led to substantial savings for the government by optimizing the allocation of resources and enhancing the efficiency of disbursement systems.

The expansion of Aadhaar coverage, now encompassing approximately 98% of the population, alongside the integration of bank accounts through initiatives like the Jan Dhan Yojana, has facilitated Direct Benefit Transfers (DBT). This system bypasses intermediaries, reducing corruption and ensuring that the benefits directly reach the beneficiaries' bank accounts. The Aadhaar-enabled DBT framework has been particularly effective in the transfer of funds for large-scale welfare schemes, demonstrating the potential of this system to revolutionize welfare delivery by making it more transparent and accountable.

While Subramanian & Felman (2021) & Anand, Dimble and Subramanian (2019) have argued that the interventions under the New Welfarism approach primarily address the immediate needs, the impact of new welfarism are much more pronounced and far reaching in the long run. Take for instance the Jal Jeevan Mission, an ambitious initiative by the Indian government aimed at ensuring the provision of piped drinking water to every rural household by 2024. With a comprehensive plan to supply 55 litres of water per person per day through Functional Household Tap Connections (FHTC), the mission adopts an integrated approach to manage both the demand and supply of water at the grassroots level. This includes building infrastructure for sustainable water sources, such as rainwater harvesting and groundwater recharge, and promoting the reuse of household wastewater, aligning with other governmental schemes for a synergistic effect. Emphasizing a community-driven strategy, JJM endeavors to galvanize a people's movement towards water conservation, underpinned by extensive informational and educational campaigns. What will be its impact though? Access to safe and clean drinking water is foundational to human health, contributing significantly to reducing the prevalence of waterborne diseases, such as diarrhoea, cholera, dysentery, typhoid, and polio. Billions of dollars in economic opportunities are lost annually due to the time spent collecting water or seeking safe sanitation facilities. Access to clean water and sanitation at home can lead to a reduction in healthcare expenses for families and, on a larger scale, results in substantial economic benefits due to avoided deaths and increased productivity.

Same goes for the Swachh Bharat Mission (SBM). It has made significant strides in improving sanitation and reducing open defecation, which in turn has had positive impacts on health and cognitive outcomes for children. A study by the World Health Organization estimated that the mission would avert more than 300,000 deaths due to diarrhoea and protein-energy malnutrition between 2014 and October 2019 (Ghosh & Nair, 2018). The reduction in unsafe sanitation practices, which previously caused an estimated 199 million cases of diarrhoea annually, is a testament to the mission's effectiveness in promoting health through improved sanitation. Furthermore, the mission has contributed to avoiding more than 14 million Disability-Adjusted Life Years (DALYs) related to diarrhoea and malnutrition, showcasing the significant health gains from the initiative. Further, empirical research has found that *“a 10 percent increase in open defecation was associated with a 0.7 percentage point increase in both stunting and severe stunting”* (Ghosh & Cumming, 2013). Thus, the reduction in open defecation due to SBM has also resulted in the incidence of stunting in India. This is evident from the latest National Family Health Survey-5 data with the prevalence of stunting decreasing from 38.4% in 2015–2016 to 35.5% in 2019–2021.

Research has consistently shown that stunted growth during early childhood is associated with delayed cognitive development (Alam, et al., 2020; Dewey & Begum, 2011), impacting abilities such as memory, attention, and problem-solving. For instance, a study conducted in Benin using data from the Demographic and Health Survey found that stunted children had a 7% reduction in optimal cognitive development compared to non-stunted children, even after adjusting for confounders (Ekholuenetale, Barrow, Ekholuenetale, & Tudeme, 2020). Similarly, the MAL-ED cohort study across six low- and middle-income countries (LMICs) revealed that children with early-onset persistent stunting scored significantly lower in cognitive tests at the age of 5 compared to their non-stunted peers (Murray-Kolb, et al., 2014).

These cognitive deficits not only affect academic performance but also have long-term economic consequences. Stunted children are less likely to achieve their full educational potential, leading to decreased productivity and earning potential in adulthood. This perpetuates a cycle of poverty and undernutrition, undermining broader economic development efforts. The implications of these findings extend beyond the need for direct interventions such as nutrition programs. They

underscore the importance of a holistic approach to welfare policies, such as the Swachh Bharat Mission in India, which aims to improve sanitation and hygiene. By addressing environmental factors contributing to stunting, such initiatives can enhance children's health and cognitive outcomes, leading to more substantial and lasting economic benefits. This broader approach to welfare, focusing on creating conducive environments for children's growth and development, not only addresses immediate needs like sanitation but also contributes to breaking the cycle of poverty and undernutrition, ensuring healthier and more prosperous future generations.

The POSHAN Abhiyaan, initiated by the Indian government, is designed to enhance nutritional outcomes nationwide, focusing on vulnerable groups such as children, pregnant women, and lactating mothers. The initiative's effectiveness has been scrutinized through numerous studies to gauge its real-world impact. A pivotal element of this program is its innovative use of technology, notably through the Poshan Tracker. This platform enables the dynamic monitoring and management of Anganwadi Services, thereby optimizing the roles of Anganwadi Workers (AWWs) in delivering nutritional services. The program's integration of strategic interventions from 18 different Ministries/Departments, particularly during the critical first 1,000 days of a child's life, represents a significant leap towards realizing a well-nourished India, often referred to as 'Suposhit Bharat'.

In addition to technological advancements, POSHAN Abhiyaan emphasizes community engagement and awareness, leveraging the Jan Andolan approach to drive significant behavioral change at the grassroots level. Evaluations by bodies such as NITI Aayog and organizations like IDinsight have shed light on the Abhiyaan's successes and challenges. NITI Aayog's assessment underscores the initiative's pivotal role in sharpening the focus on critical nutritional outcomes during the early developmental stages of life and its ability to foster substantial behavior change concerning nutrition and healthcare practices.

Another example of how the tangible assets is creating a long-term impact on the lives of people is that of access to electricity. The significant increase in access to electricity in India, particularly after 2014, marks a pivotal moment in the country's journey towards development and modernization. According to data from the National Family Health Survey (NFHS), there was a remarkable surge in electricity access among the poorest 20% of households, from 53% to 86%, between the fourth (2014-15) and fifth (2019-21) rounds of the survey. The impact of this increased access to electricity extends far beyond the convenience of having light in the dark. It is a cornerstone for enhancing the quality of life, contributing to better health, education, and overall well-being. The NFHS-5 highlighted that 97% of Indian households had access to electricity, with rural areas at 95% and urban areas at 99%. This is a significant achievement, considering the vast geographical and demographic challenges India faces. The report particularly noted substantial improvements in states like Bihar, Jharkhand, Odisha, Rajasthan, Madhya Pradesh, Arunachal Pradesh, Uttar Pradesh, and Assam, which are historically among the less developed regions of the country.

The government's Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), launched in 2017, played a crucial role in this transformation. The scheme aimed at electrifying all unelectrified households across the country, with a special focus on poor households. It emphasized metered connections, electronic registration, real-time monitoring, and the use of solar photovoltaic systems for remote areas, ensuring a comprehensive approach to tackle the issue of electrification. The economic implications of such widespread access to electricity are profound. Electrification is known to be a key driver of economic development. It supports the establishment and expansion of industries, increases agricultural productivity through irrigation and mechanization, and fosters innovation and entrepreneurship. For the poorest states, where

the gains were most significant, this leap forward in electrification can catalyze a cycle of economic growth and development, lifting millions out of poverty and propelling them towards a brighter, more sustainable future.

Apart from the tangible assets, the focus of the government has not shifted from health and education. The Ayushman Bharat initiative, launched in 2018, is a pivotal move towards attaining Universal Health Coverage (UHC). This program is designed to bridge the gap in healthcare accessibility between rural and urban regions, encapsulating health and wellness centers for primary care and the Pradhan Mantri Jan Arogya Yojana (PM-JAY) for secondary and tertiary care. Ayushman Bharat has made substantial strides in improving healthcare access, providing financial protection against high medical costs, and enhancing healthcare infrastructure across the nation, marking a significant step towards achieving healthcare equity.

Similarly, the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) is drastically reducing out-of-pocket healthcare expenses for the residents by providing quality generic medicines at much lower prices compared to branded ones. With over 9484 Janaushadhi Kendras nationwide, the scheme offers a wide range of over 1800 medicines and 285 surgical items at discounts ranging from 50% to 90%. This initiative enhances healthcare affordability and also contributes to healthcare accessibility for all, particularly benefiting the economically disadvantaged sections of society.

5. Impact of New Welfarism

The Economic Survey 2020-21 constructed a Bare Necessities Index (BNI) at the rural, urban and all India level (Chief Economic Adviser, 2020). The BNI is an important tool for assessing access to fundamental services such as housing, clean water, sanitation, electricity, and clean cooking fuel. These services are essential for a decent standard of living. The BNI integrates 26 indicators across five categories—water, sanitation, housing, micro-environment, and other facilities—to provide a comprehensive overview at rural, urban, and national levels in India. Based on data from the National Sample Survey Office (NSO) for 2012 and 2018, the BNI highlights significant progress in access to these basic necessities across all states, indicating an overall improvement in living standards.

This concept has been embedded in India's academic and policy discourse, signifying its relevance in measuring economic development. It aligns with Sustainable Development Goals (SDGs) focusing on clean water, sanitation, and sustainable energy, reflecting its global and national significance. Government initiatives such as the Swachh Bharat Mission (SBM) and Pradhan Mantri Awaas Yojana (PMAY) have been instrumental in enhancing access to these essentials, demonstrating a targeted effort to improve citizens' quality of life.

The analysis of the BNI between 2012 and 2018 shows substantial improvements in access to all dimensions of bare necessities. States like Kerala, Punjab, Haryana, and Gujarat exhibited notable progress. States like Kerala and Punjab showed high levels of access to bare necessities, scoring above 0.70 on the BNI scale, where 1 represents perfect access. Conversely, states such as Odisha and Jharkhand were at the lower end of the spectrum, with BNI scores below 0.50, indicating lesser access. The reduction in interstate disparities, particularly for the poorest households, highlights significant strides towards equitable access to basic services. These advancements are crucial for ameliorating living conditions and have a positive impact on health and education outcomes. This is evidenced by the correlation between the BNI and lower infant mortality rates as well as increased educational enrolment.

Similarly, the Multidimensional Poverty Index (MPI) serves as an effective barometer for assessing the impact of new welfarism initiatives, offering a comprehensive measure of development progress. The methodology behind the MPI involves a comprehensive approach that captures the multifaceted nature of poverty, going beyond traditional income-based assessments. The process begins with the selection of relevant dimensions and indicators that reflect various aspects of deprivation, such as health, education, and living standards. India's National MPI, for instance, includes indicators like nutrition, child-adolescent mortality, maternal health, and several others related to living standards. Each indicator has specific deprivation criteria to identify whether a household is considered deprived in that aspect. Additionally, weights are assigned to each indicator to signify their relative importance, contributing to the nuanced representation of poverty across different domains.

Following the identification of deprivations, the methodology aggregates these across all indicators to compute a deprivation score for each household. A poverty cut-off is then established to classify households as multidimensionally poor. The MPI itself is calculated by combining the incidence of poverty, which is the proportion of the population that is multidimensionally poor, with the intensity of poverty, reflecting the average proportion of weighted indicators in which poor households are deprived. This sophisticated approach enables a deeper understanding of poverty's multiple dimensions, providing valuable insights for policymakers and stakeholders to design targeted and effective poverty alleviation strategies, thereby addressing the root causes of deprivation in a more holistic manner.

The 2023 MPI provides a revealing snapshot of India's progress in tackling poverty across multiple dimensions (NITI Aayog, 2023). According to the latest data from NFHS-5 (2019-21), there's been a significant decline in the percentage of India's population living in multidimensional poverty, dropping from 24.85% in the NFHS-4 (2015-16) period to 14.96%. This remarkable reduction translates to approximately 135 million individuals moving out of multidimensional poverty over a span of five years, signaling a strong stride towards achieving Sustainable Development Goal (SDG) Target 1.2, which aims to halve poverty in all its forms by 2030. Furthermore, the intensity of poverty, indicating the average deprivation among the multidimensionally poor, has decreased from approximately 47.14% to 44.39%, and the overall MPI value, reflecting the share of the population that is multidimensionally poor adjusted by the intensity of their deprivations, has nearly halved, falling from 0.117 to 0.066.

Diving deeper into the rural and urban divide, the reduction in MPI values suggests progress in both sectors, albeit with persistent disparities. Rural areas have experienced a more pronounced decrease in multidimensional poverty, with the MPI value dropping from 0.154 to 0.085 and the headcount ratio falling from 32.59% to 19.28%. Urban areas also saw improvements, with their MPI value reducing from 0.039 to 0.023 and the headcount ratio decreasing from 8.65% to 5.27%. On the indicator level, significant advancements were made in areas like sanitation and cooking fuel, with reductions of 21.8 and 14.6 percentage points, respectively, showcasing the effectiveness of targeted interventions. Moreover, states such as Bihar, Jharkhand, Madhya Pradesh, and Uttar Pradesh have shown noteworthy progress in reducing multidimensional poverty, with Bihar leading the way by reducing its MPI value from 0.265 to 0.160, underscoring a nationwide commitment to eradicating poverty in all its dimensions.

Further, in the span of nine years, 24.82 crore individuals in India have transitioned out of multidimensional poverty, as detailed in the NITI Aayog's Discussion Paper 'Multidimensional Poverty in India since 2005-06' (NITI Aayog & UNDP, 2024). This document attributes the

significant decline in multidimensional poverty to targeted government interventions addressing various poverty dimensions from 2013-14 to 2022-23. Specifically, the poverty headcount ratio experienced a reduction from 29.17% in 2013-14 to 11.28% in 2022-23. The data indicate notable decreases in states like Uttar Pradesh (5.94 crore individuals), Bihar (3.77 crore), Madhya Pradesh (2.30 crore), and Rajasthan (1.87 crore), marking substantial progress in poverty alleviation.

The government's multifaceted approach encompassed several key initiatives. For instance, healthcare access was expanded through programs like Poshan Abhiyan and Anemia Mukh Bharat, while food security was bolstered by the Targeted Public Distribution System under the National Food Security Act, covering 81.35 crore beneficiaries. Moreover, schemes such as the Ujjwala Yojana for clean cooking fuel, Saubhagya for electricity access, and the Swachh Bharat Mission and Jal Jeevan Mission for sanitation and water supply have been instrumental in improving living standards. Financial inclusion and housing support were further extended through the Pradhan Mantri Jan Dhan Yojana and PM Awas Yojana. These targeted interventions have contributed to the observed reduction in multidimensional poverty, thereby supporting India's objective to halve poverty as per SDG Target 1.2 ahead of the 2030 deadline and reducing inter-state disparities in poverty levels.

Moreover, the inclusivity of New Welfarism in India, as demonstrated through the National Family Health Survey (NFHS) data, reflects a significant commitment to democratic principles by ensuring basic amenities reach the economically marginalized across various demographics (Ravi, 2023). Analyzing data from two rounds of the NFHS, encompassing over 1.2 million households from 2015-16 and 2019-21, reveals a notable increase in access to essential services. For instance, access to electricity surged from 53% to 85% among the poorest 20% of households, and bank account ownership rose from 74% to 93%. This data-centric approach underscores the strides made in democratizing access to basic needs, moving beyond the traditional elite-centric evaluation of democracy's health.

Moreover, the NFHS data allows for a nuanced understanding of inclusivity across religious and social groups as well as geographically diverse districts. The concept of 'Target Achievement,' reflecting the increase in households gaining access to amenities like mobile phones, toilets, and clean cooking gas, showcases equitable progress. For example, the target achievement for electricity access among the poorest Muslim households was notably high at 71%. This granular data analysis challenges prevailing narratives of bias and discrimination, presenting a picture of an evolving democracy that actively extends its benefits to its most vulnerable citizens, thereby strengthening the democratic fabric of India through inclusive welfare practices.

6. A new theoretical model of New Welfarism: Integrated Welfare Empowerment Model (IWEM)

To conceptualize India's New Welfarism within a theoretical model that moves beyond Foucauldian neoliberal governmentality, we can develop a framework that integrates the key elements of this approach, highlighting its distinct features and mechanisms. This theoretical model, which we can term the "Integrated Welfare Empowerment Model" (IWEM), encapsulates the multifaceted strategy of New Welfarism in India, focusing on direct provision, technological integration, inclusivity, and long-term developmental impacts.

Components of the Integrated Welfare Empowerment Model (IWEM)

Direct Provision and Inclusivity: At the core of IWEM is the direct provision of essential goods and services to the populace, ensuring inclusivity by targeting marginalized communities and focusing on empowering women. This component contrasts with the market-driven, individual-centric approaches characteristic of neoliberal governmentality, emphasizing the state's active role in welfare distribution and social upliftment.

Technological Integration for Efficiency: A key differentiator in IWEM is the strategic use of technology to enhance the efficiency, transparency, and accountability of welfare programs. The Aadhaar system's integration exemplifies this, reducing leakage and ensuring benefits reach the intended recipients. This aspect underscores a departure from traditional bureaucratic welfare systems, leveraging digital innovation to streamline and secure welfare delivery.

Behavioral Change and Capacity Building: Unlike the Foucauldian perspective, which often views governance mechanisms as forms of control over individuals, IWEM emphasizes initiatives that foster behavioral change and community engagement (e.g., Swachh Bharat Mission, Jal Jeevan Mission). This approach aims to build capacities and encourage active participation in developmental processes, reflecting a more empowering and participatory form of governance.

Long-term Developmental Focus: IWEM is characterized by a focus on sustainable development and long-term impacts, integrating welfare initiatives with broader developmental goals. This includes infrastructure development, environmental sustainability, and human capital enhancement, moving beyond immediate welfare provision to ensure lasting benefits and improved quality of life.

Human Capital Theory in Education and Health: The impact of initiatives like the Swachh Bharat Mission on health outcomes and cognitive development in children can be explained through human capital theory. This theory posits that investments in human capital (such as health and education) are crucial for economic development. By improving sanitation and reducing open defecation, the mission contributes to better health outcomes, which in turn enhance cognitive development and educational attainment, ultimately leading to increased productivity and economic growth.

Theoretical Foundations of IWEM

Capability Approach: IWEM aligns with Amartya Sen's Capability Approach, emphasizing enhancing individuals' capabilities and freedoms to choose the lives they value. Direct provision of services and goods expands these capabilities, while technological integration ensures these resources are effectively delivered.

Communitarianism: This theory emphasizes the importance of community values, social cohesion, and collective well-being, which IWEM reflects in its focus on inclusive and community-driven welfare initiatives. It challenges the individualism inherent in neoliberal thought, advocating for a more communal and supportive approach to governance.

Participatory Development: IWEM incorporates elements of participatory development theories, which argue for the active involvement of communities in the development process. This is evident in the emphasis on behavioral change, community engagement, and capacity building within IWEM, fostering a more bottom-up approach to welfare and development.

Inclusive Growth and Development Theory: This approach emphasizes the equitable benefits of economic growth across different segments of society, including marginalized communities. The theory of inclusive growth, as articulated by economists like Joseph Stiglitz and Amartya Sen, argues that economic growth is sustainable and beneficial when it is inclusive, i.e., when it allows people to contribute to and benefit from economic growth. New Welfarism's focus on empowering women and supporting marginalized communities through direct interventions reflects the principles of inclusive growth.

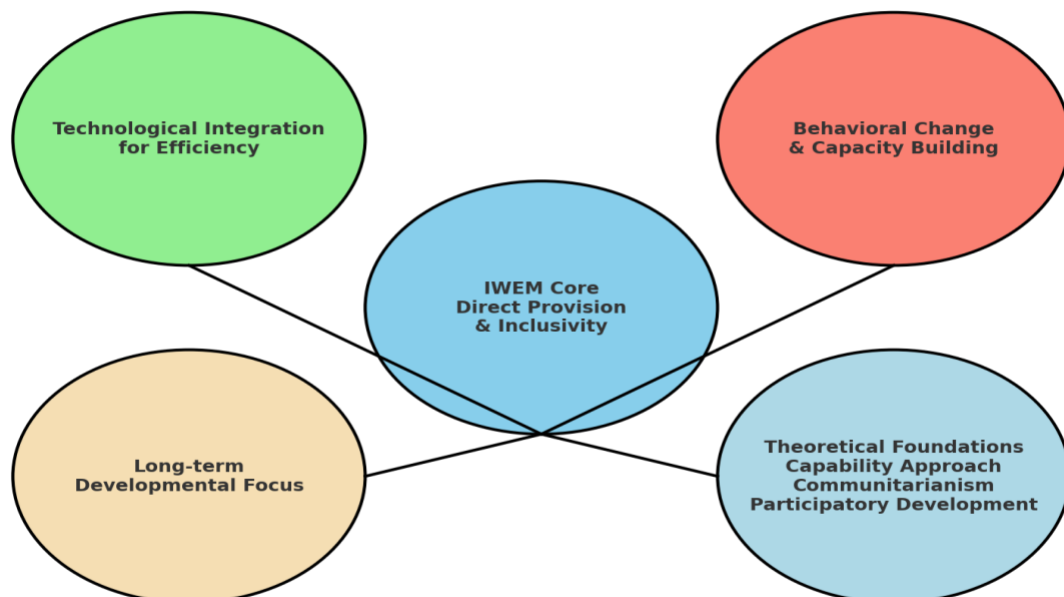
Operationalizing IWEM

Policy Design and Implementation: Policies under IWEM are designed with a focus on direct impact, inclusivity, and long-term sustainability. Implementation leverages digital technologies for efficient delivery and monitoring, ensuring transparency and accountability.

Community Engagement: IWEM involves communities in the planning and execution of welfare initiatives, encouraging participation and ownership of developmental projects, thereby enhancing their effectiveness and sustainability.

Monitoring and Evaluation: Continuous monitoring and evaluation are integral to IWEM, utilizing data and feedback to refine and improve welfare programs. This adaptive approach ensures that initiatives remain responsive to community needs and changing circumstances.

Integrated Welfare Empowerment Model (IWEM)



7. Conclusion

The transformative approach embodied by "New Welfarism" in India marks a significant paradigm shift in the conception and delivery of welfare. This model transcends traditional welfare mechanisms, integrating innovative technological and administrative solutions to enhance efficiency, transparency, and inclusivity. By ensuring direct provision of essential services and fostering an environment of empowerment, particularly for marginalized communities and women, New Welfarism has laid the groundwork for a more equitable distribution of economic growth benefits. The strategic focus on long-term developmental impacts, through initiatives like the Jal Jeevan Mission and Swachh Bharat Mission, extends the scope of welfare beyond immediate relief, embedding sustainability and capacity building at the core of social policies. This holistic approach, emphasizing both immediate and long-term well-being, signifies a notable departure from conventional welfare models, aligning more closely with the principles of inclusive growth and human development.

The Integrated Welfare Empowerment Model (IWEM) encapsulates this novel approach, presenting a theoretical framework that cohesively binds the core elements of New Welfarism. By highlighting direct provision, technological integration, behavioral change, and a long-term developmental focus, IWEM offers a comprehensive understanding of India's welfare evolution. This model not only addresses the limitations inherent in Foucauldian critiques of neoliberal governmentality but also transcends them by fostering an inclusive, participatory, and technologically empowered welfare state. In doing so, IWEM not only redefines the role of the state in welfare provision but also reimagines the potential for welfare policies to drive sustainable, inclusive development. As such, IWEM stands as a testament to the innovative spirit of New Welfarism, offering a promising avenue for other nations to explore in their pursuit of equitable welfare and development.

8. References

- Alam, M. A., Richard, S. A., Fahim, S. M., Mahfuz, M., Nahar, B., Das, S., . . . Ahmed, T. (2020). Impact of early-onset persistent stunting on cognitive development at 5 years of age: Results from a multi-country cohort study. *PLoS One*.
- Anand, A., Dimble, V., & Subramanian, A. (2020, December 22). New welfarism of India's Right. *Indian Express*.
- Beveridge, W. (1942). *Social Insurance & Allied Services*. London: His Majesty's Stationery Office.
- Brandal, N., Bratberg, Ø., & Thorsen, D. E. (2013). *The Nordic Model of Social Democracy*. London: Palgrave Macmillan.
- Chief Economic Adviser. (2020). *The Economic Survey 2020-21*. New Delhi: Department of Economic Affairs, Ministry of Finance.
- Dewey, K. G., & Begum, K. (2011). Long-term consequences of stunting in early life. *Maternal & Child Nutrition*, 7(3), 5 - 18.
- Ekholuenetale, M., Barrow, A., Ekholuenetale, C. E., & Tudeme, G. (2020). Impact of stunting on early childhood cognitive development in Benin: evidence from Demographic and Health Survey. *Egyptian Pediatric Association Gazette*, 68(31).
- Esping-Andersen, G. (1990). *The Three Worlds of Welfare Capitalism*. Princeton, New Jersey: Princeton University Press.
- Farnsworth, K., & Holden, C. (2006). *The Business-Social Policy Nexus: Corporate Power and Corporate Inputs into Social Policy*. Cambridge: Cambridge University Press.
- Ghosh, A., & Nair, S. (2018, August 16). *Three lakh lives saved: What WHO said about Swachh Bharat Mission impact*. Retrieved from Indian Express: <https://indianexpress.com/article/explained/fact-check-when-modi-got-swacch-bharat-mission-impact-a-bit-wrong-5307807/#:~:text=Parameswaran%20Iyer%2C%20Head%20of%20the,at%20100%25%20coverage%20of%20sanitation>.
- Ghosh, D. S., & Cumming, O. (2013). Open Defecation and Childhood Stunting in India: An Ecological Analysis of New Data from 112 Districts. *Plos One*, 8(9): e73784).
- Gupta, R., Sankhe, S., Dobbs, R., Woetzel, J., Madgavkar, A., & Hasyagar, A. (2014). *From poverty to empowerment: India's imperative for jobs, growth, and effective basic services*. McKinsey Global Institute.
- Murray-Kolb, L. E., Rasmussen, Z. A., Scharf, R. J., Rasheed, M. A., Svensen, E., Seidman, J. C., . . . Yousaf, A. K. (2014). The MAL-ED Cohort Study: Methods and Lessons Learned When Assessing Early Child Development and Caregiving Mediators in Infants and Young Children in 8 Low- and Middle-Income Countries. 261-272.
- NITI Aayog & UNDP. (2024). *Multidimensional poverty in India since 2005-06: A discussion Paper*. New Delhi: NITI Aayog.
- NITI Aayog. (2023). *India: National Multidimensional Poverty Index A Progress Review 2023*. New Delhi: NITI Aayog, UNDP, OPHI.
- Ravi, S. (2023). A Secular Democracy in Practice: Objective Assessment of Amenities Programs in India. *EAC-PM Working Paper EAC-PM/WP/18/2023*, 1-18.
- Subramanian, A., & Felman, J. (2021, December 14). *India's Stalled Rise*. Retrieved February 2024, from Foreign Affairs: <https://www.foreignaffairs.com/articles/india/2021-12-14/indias-stalled-rise>