

EVA STALIN IAS ACADEMY

12/24, Muthuranga Mudali St, next to Deepam Hospital,
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Guarantee is precarity, welfare is self-care

The National Democratic Alliance (NDA) years are often, in mainstream media, lauded as years with a generous welfare agenda. But do budgetary allocations in the Union Budget corroborate this assessment?

We try to answer this by looking at the trend in welfare spending over the past 20 years. We compare expenditure on what we label “NDA schemes” with United Progressive Alliance (UPA) or “UPA schemes”.

Contrasting models?

For the UPA decade (2004-2014), we include five major programmes as “UPA schemes”. These are the National Rural Employment Guarantee Act (NREGA) 2005 and four schemes of the National Food Security Act (NFSA) 2013: the Public Distribution System (PDS), Mid Day Meals (MDM), Integrated Child Development Services (ICDS) and maternity entitlements (provided through the Pradhan Mantri Matru Vandana Yojana (PMMVY) that operationalised very belatedly in 2017).

For the PDS, we use the food subsidy. Apportioning the food subsidy into a consumer, producer (i.e., the farmer’s share, who sells wheat and rice at minimum support prices) subsidy and administrative costs is not straightforward. However, halving the food subsidy (as an approximation of the consumer subsidy) does not make much of a difference.

During the NDA period (2014-2024), the Bharatiya Janata Party funded the Swachh Bharat Abhiyan (SBA) from 2014, Pradhan Mantri Awas Yojana-Urban (PMAY-U) from 2015 and PM-Awas (rural) the following year along with Pradhan Mantri Ujjwala Yojana. The PM-Kisan Samman Nidhi (PM-Kisan) and Ayushman Bharat were initiated in 2018, while the Jal Jeevan Mission (JJM) was in 2019. The total budget for Ayushman Bharat from 2019-24 was ₹32,000 crore, i.e., half the annual expenditure on PM-Awas, averaged over the same period. Including it does not change the broad results, which is why we exclude it.



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The NDA government has managed to project itself as a big welfare spender by renaming pre-existing UPA programmes but has been underfunding them without any compensatory social assistance of its own

For Ujjwala Yojana we use the LPG subsidy (as with the food subsidy), though only a small part of it is spent on Ujjwala Yojana. The chart includes five major “NDA schemes”: SBA, PM-Awas, LPG subsidy, PM-Kisan and the JJM.

Some have contrasted the UPA with the NDA, where private goods (toilets, LPG cylinder and water connections, housing) are provided by the government, and have labelled this “new welfarism”. However, several of these schemes existed in the UPA years, with different names (Swachh Bharat was Nirmal Bharat, PM-Awas was Indra Awas, and so on) and lower budgets. After 2014, the UPA schemes continue with new names (e.g., MDM is Pradhan Mantri Poshan Shakti Nirman, or PM POSHAN, and the PDS is Pradhan Mantri Garib Kalyan Anna Yojana, or PMGKAY).

The NDA schemes follow a saturation approach that allows an element of “self-targeting”. Only those who do not have a toilet or “pucca” room or LPG connection, are eligible. Once they receive it, others get a chance. In the case of the UPA’s benefits, entitled people get benefits enshrined in the laws on a yearly (100 days of work for rural families), monthly (PDS grains) or daily (meals in schools and at anganwadis) basis. Here too, there is some self-targeting – only those who cannot get work at higher wages than NREGA show up for it and children in government schools and anganwadis tend to be from poorer families.

On how welfare spending has changed

Let us, nevertheless, keep the distinction for now. The chart shows expenditure in the Union Budget on “NDA schemes”, “UPA schemes” and the combined total. The level of welfare expenditure (top line) is low and stagnating, in spite of good GDP growth in this period. It exceeds 3% of GDP only once (in one of the two COVID-19 years). Whatever increase there is, was during the UPA years. After the Fourteenth Finance Commission devolved more funds to the States; the Centre’s share was reduced to 60% from 90% for some schemes. Adjusting for this, the point still stands.

In contrast to the NDA schemes, none of which are legal entitlements, the UPA benefits are enshrined in the law. So, it is not easy to defund them entirely. The NDA schemes, therefore, are much more like “freebies” dependant on the whims of the government. Legal compulsions notwithstanding, the UPA schemes, especially those for children (school meals and the ICDS) suffered budgetary neglect under the NDA (middle line). Their share declined gradually from around 1.5% of GDP in 2014 to 1% of GDP in 2018-19. Then, the pandemic forced the government to ramp it up.

Increased funding to NDA schemes barely offsets the decline in spending on UPA schemes. It rose steadily (bottom line) in the past decade but remained below 1% of GDP. This explains their modest achievements: according to the National Family Health Survey, LPG usage increased from 43% in 2015-16 to 58% in 2019-21 (the most recent year for which the data is

available). The proportion of households practising open defecation has halved (from 39% to 19%) and those residing in “pucca” homes barely changed (from 56% to 60%).

It is precisely because the NDA lacked imagination that during COVID-19, it fell back on UPA initiatives, including NREGA which was mocked in 2015 by the Prime Minister as a symbol of the Congress’s failures.

The NDA’s fraught relationship with UPA schemes is evident in the case of the PDS/PMGKAY too. The NFSA 2013 mandated 50% coverage in urban areas and 75% in rural areas (i.e., 800 million in all), providing five kilograms a person a month at ₹2-₹3 a kg (for wheat and rice, respectively) for those covered by the PDS.

From April 2020 to December 2022, the government doubled people’s entitlements (from five kilograms each month to 10 kg, providing the extra five kilograms free) as COVID-19 relief. When the COVID-19 top up was discontinued in 2023, to blunt the blow, the original NFSA entitlement (five kilograms for ₹10-₹15) was made free. This repackaged PDS, that saved each person an additional ₹15 a month at most, was renamed PMGKAY.

Facts aside, the current expanded coverage of 800 million through the PDS that a UPA legislation (the NFSA 2013) enabled, is now associated much more with the BJP than the Congress. This is astonishing because the NDA’s failure to conduct the 2021 Census has excluded millions from the PDS. Estimates based on population projections show that applying NFSA mandated coverage ratios (50% in urban and 75% in rural areas) to the 2021 population would have added more than 100 million to the PDS.

State initiatives

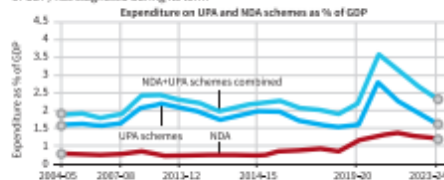
The silver lining is that several State governments, especially those ruled by regional parties, have stepped up to the plate. For instance, while the Union government has barely increased per child cooking costs for school meals, even poorer States such as Bihar, Jharkhand and Odisha provide for eggs a few times a week in the MDM and ICDS.

Similarly, the central contribution to some social security pensions (for the elderly, widows) has stagnated at ₹200 per month since 2006. Meanwhile, most States provide a top up and several have increased coverage. Odisha’s Madhu Babu Pension Yojana supports 58% of pensioners in the State. Odisha and Tamil Nadu provide higher amounts (₹10,000 and ₹18,000, respectively) as maternity entitlements to pregnant women than the Centre’s PMMVY (₹5,000-₹6,000).

The NDA government has managed to build a reputation as a big welfare spender by renaming pre-existing programmes (MDM/POSHAN, PDS/PMGKAY), while underfunding them without any compensatory social assistance of its own. In an Orwellian world, “war is peace”, “freedom is slavery”, so under the NDA’s, “guarantee is precarity” and “welfare is self-care”.

The state of welfare

Notwithstanding the Modi government’s shrill rhetoric, welfare spending (as % of GDP) has stagnated during its term



*UPA includes food subsidy, ANMREGA, Mid-Day Meals, ICDS and PM-Matru Vandana Yojana.
*NDA includes Swachh Bharat Mission, PM-Awas, PM-Kisan, Jal Jeevan Mission and LPG subsidy. Sources: Union Budget, various years. When data were unavailable, Revised Estimate (RE) is used. Where RE is not available, Budget Estimate (BE) is used.

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New data law, a barrier to journalistic free speech

In August 2023, India got its first comprehensive data protection law, the Digital Personal Data Protection (DPDP) Act, 2023. The government is in the process of framing rules and regulations to operationalise the law and the process is expected to be done after the general election. The law is largely based on users giving consent for the processing of their personal data. It provides basic rights such as access to and erasure of data, places some obligations on companies, and establishes a complaints body for grievance redress. However, the law might have an invisible impact on journalistic free speech.

Typically, data protection laws exempt journalistic activities from privacy obligations such as notifying users and taking their consent before using their personal data. Three previous drafts of the DPDP Act had exemptions for journalistic activities, but the final law withdrew such an exemption. The Editors Guild of India also pointed to this risk and in a letter to the government, requested that journalistic activities be exempted from the DPDP Act.

An impediment

Now you may ask, what does privacy have to do with journalistic free speech? Imagine that you are a journalist writing about a Member of Parliament (MP) and his performance. For your story, you use information from their lives such as the meetings they held, where, and with whom, the towns, villages, and cities they travelled to. How often did they use a private jet or a chartered plane? What about their financial background and also the investments made by their close family members? Most of this information is not available in the public domain and needs a lot of research. All this information about an MP is their 'personal data', which is data



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In the Digital Personal Data Protection Act, 2023, the removal of journalistic exemption' highlights the need for more robust public consultation

protected under the DPDP Act. Consequently, any journalist who wishes to use this data will have to get their consent before publishing the story. Even after publication, the MP can exercise their right to erasure and request journalists to delete such stories.

Further, the DPDP Act empowers the government to call for information from any data processor in India. Depending on how this provision is interpreted and applied, this may impact the confidentiality that journalists must maintain for their sources and research documents. Taken together, this need for journalists to get consent before publishing their story, the potential for the subject to rely on the right to erasure to have the story deleted, and the power of the government to call for information would likely impede a journalist's ability to discharge their role as the fourth estate – of holding the state accountable.

If this is a well-identified challenge, then why did the government remove such an exemption from subsequent drafts? This remains unclear. Three previous drafts of the DPDP Act, one released by an expert committee on data protection (2018), the other by the government (2019), and the third released by a Joint Parliamentary Committee in 2021, contained clear exemptions for journalistic activities. In two subsequent drafts of the DPDP Act (2022 and 2023), the exemption given to journalistic activities was withdrawn without reasons being given.

No clarification

This instance of the end stage removal of the clause for journalistic exemption points to the need for adopting a more robust and transparent public consultation process around proposed laws. One of the primary ways to get feedback on

a law is to institute an 'open and transparent' public consultation model. Although the Indian government released three separate drafts of the data protection law for public consultation, none of the comments received on the drafts has ever been released in the public domain. This impedes the ability of citizens to understand what different stakeholders were saying and who was finally heard in the final formulation of the law. The government has also conducted invite-only town halls to gather feedback on drafts of the DPDP Act.

The withdrawal of exemptions for journalistic activities was not discussed in such town halls. And, no clarification was provided by the government for its withdrawal. Unfortunately, these consultations and town halls are often not conducive to enable open debate and deliberation on the proposed law and its provisions.

An appeal

Legally then, what are the solutions we can envision? In addition to enabling an open and transparent consultation process, the government can swiftly remedy this problem via rules under the DPDP Act. Under the Act, the central government has the power to exempt any data processor or 'classes' of data processors from any provisions of the law. These give wide powers to the government to single-handedly provide and take away an exemption – but it is the quickest route available in this case. Although an exemption for journalistic work should form part of the core text of the law, the government must use this rule to exempt journalistic entities, including citizen journalists, from any obligations under the DPDP Act. This will ensure that the DPDP Act does not have negative consequences on journalistic free speech in India.