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**PROMOTIONAL AND PROTECTIVE SOCIAL
SECURITY DURING ECONOMIC REFORM:A
STUDY OF TWO
INDIAN STATES**

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ABSTRACT

The paper. examines the role of promotional and protective measures in providing social security for the rural poor, particularly during a period of economic reform with respect to two Indian States, viz., Maharashtra and Tamil Nadu. The trends in government expenditure at the State and district levels on rural employment, social security and welfare and nutrition during the economic reform period beginning mid-1991 indicate shifts in emphasis in both States. While Maharashtra seems to be substituting JRY employment for EGS, in Tamil Nadu, the shift is from social security pensions to nutrition programmes. The perceptions of beneficiaries from selected villages in both the States points to the inadequacy of any single measure to provide the required level of social security. The paper suggests the implementation of an integrated package which maximises the synergies accruing from the joint implementation of promotional and protective social security measures.

1. Introduction

Issues pertaining to social security assume overwhelming importance during a period of economic reform. The process of fiscal compression affects, in most cases, government expenditure on social security at a time when the need for enhancing such support becomes compelling especially in developing countries with substantial proportions of the population below the poverty line. This dilemma has acquired immediate relevance for India since the initiation of the process of economic reform in mid-1991. The concern as well as the interest expressed in these issues may be gauged by the recent spurt in the writings on this subject (Guhan, 1993, Harriss-White, 1995, Hirway, 1995, Mahendra Dev, 1995).

It is in the above context that the present paper attempts to understand issues pertaining to social security with reference to two Indian States, viz., Maharashtra and Tamil Nadu. The choice of the States is prompted by the fact that though Maharashtra and Tamil Nadu represent different levels of income, they are similarly placed in terms of crucial social indicators. Moreover, the type of social security measures implemented in both the States is quite different. Whereas Maharashtra emphasises provision of employment to the able-bodied rural poor as evident in its pioneering Employment Guarantee Scheme (EGS), Tamil Nadu has been in the forefront in formulating and implementing a wide range of measures to the old, infirm and destitute sections of the population. The nutrition programmes implemented in Tamil Nadu provide an additional layer of state support to the vulnerable. The fiscal situation of both these States is also different. Tamil Nadu has a higher proportion of non plan expenditure, consumption expenditure as well as

subsidies, though much of its expenditure is for development, purposes. The State also has a much higher revenue deficit as compared to Maharashtra. In sharp contrast, Maharashtra fiscal management is more prudent so much so that it could be faulted on having an extremely low public expenditure to GDP ratio¹. A study of the responses of these States during a period of economic reform could provide interesting insights and useful lessons for state policy.

The paper is arranged as follows. The next section outlines the various concepts of social security used in the paper and delineates their role in ensuring security to the poor in the two States. The third section discusses details regarding the important promotional and protective social security schemes being implemented in the two States. Section 4 presents data on expenditure incurred at the State level on three important social security measures implemented in the States, viz., rural employment, nutrition and social security and welfare for the period 1988-89 to 1993-94. Section 5 provides details regarding the district level expenditure on selected sectors whereas section 6 outlines the perceptions and responses of households regarding these schemes at the village level. The last section sums up the main conclusions of the analysis and raises some important questions.

2. Social Security; A Conceptual Clarification

The connotation of the term social security has undergone much change in recent times. The term has traditionally been used to denote "protection against economic and social distress caused by stoppage or fall in income

¹ For more details regarding the pattern of expenditure in the two States as well as the trends during the period of economic reform see chapter 4 in Prabhu, 1996.

resulting from death, old age, sickness, employment-injury, maternity and temporary unemployment" (ILO, 1984) . This connotation of social security has changed and the term has come to denote a wide range of income augmenting as well as protecting measures. Dreze and Sen (1989, p.16), have advocated the use of the term with a wider connotation wherein social security is viewed as "essentially as an objective pursued through public means rather than as a narrowly defined set of particular strategies...." (emphasis as in the original).

Following Dreze and Sen, Burgess and Stern, 1991, (p.43) define social security as " prevention by social, means, of very low standards of living irrespective of whether these are the result of chronic deprivation or temporary adversity." Guhan (1992, p.283-84) uses an even wider definition and states," In its widest formulation social security can be taken to mean maintenance of incomes upto a certain minimum which is considered to be necessary for a living without want, with such a minimum being a social norm arrived at in different societies in specific stages of their development."

The difference between the definitions given by the ILO and Guhan may be understood in terms of the distinction between promotional and protective aspects of social security. The ILO definition confines itself to protective aspects alone whereas the other definitions encompass both promotional and protective measures. Guhan, (1993, p.206) identifies the following under promotional measures:

- (a) growth-mediated as well as direct anti-poverty measures
such as programmes for increasing farm incomes through
irrigation, credit, technical assistance and subsidies,-
- (b) employment generation schemes such as Jawahar Rojgar Yojana (JRY);
- (c) asset distribution through Integrated Rural Development Programme (IRDP);
- (d) backward area development programmes such as DPAP;

- (e) provision of basic needs such as subsidised housing for the, poor, slum improvement, primary education, health care, child nutrition, water supply and sanitation;
- (f) the public distribution system.

. Hirway (1995) distinguishes between promotional, preventive and protective measures though the categories are not mutually exclusive. Asset provision, investment in human capital and provision of basic needs are considered to be promotional, employment, programmes, especially employment guarantee schemes, food subsidies and PDS as preventive whereas protective measures include employment guarantee including scarcity works, minimum wages and food subsidies as well as conventional social security such as compensation against sickness, injury etc.

At this stage it may be useful to point out that there is a time element involved in the classification of social security measures as either promotional or protective. The same measure may either promote or protect an individual's welfare depending on the time period under consideration. For example, the provision of food during a period of scarcity or famine can be considered a protective measure though in the long run enhanced nutrition promotes human welfare. Similar arguments apply to the provision of employment as well.

3. Social Security in Maharashtra and Tamil Nadu

Maharashtra is a high income State which ranks second in terms of per capita SDP whereas Tamil Nadu has a lower level of income and ranked eighth among 15 States in 1988-91. With respect to human development, however, Maharashtra's ranks fourth whereas Tamil Nadu ranks sixth (Prabhu and Chatterjee, 1993). Maharashtra's human development is characterised by large rural-urban disparities in the State. In fact, when the rural HDI constructed by Vyas and Vidyasagar (1993) is considered, rural Maharashtra secures the 14th rank, being positioned below even Bihar and Orissa and ranking just above rural Uttar Pradesh. In

terms of the rural HDI, Tamil Nadu's performance is inferior with a rank of 11 though the difference in overall and rural HDI (5 points) is not as much as in Maharashtra (10 points). It is well known that the HDI has per capita income as one of its components. If human development levels are judged using indicators rather than indices, Tamil Nadu's performance would be comparable to that of Maharashtra despite its considerably lower income (Table 1) .

The distinction between promotional and protective measures assumes significance in the context of these two States. Maharashtra is well known for the Employment Guarantee Scheme which is in the nature of an 'enforceable entitlement'². Tamil Nadu, on the other hand, has been known for the wide range of protective social security measures implemented in the State, more so since 1989. Participation in public works is quite low in Tamil Nadu. In 1987-88, only 3.4 per cent of the rural households participated in public works as against 11.8 per cent in Maharashtra (NSS 43rd Round, 1993) . Both States implement nutrition programmes apart from the Public Distribution System (PDS) though the success of these in Tamil Nadu is noteworthy. In what follows, we briefly summarise the main findings of studies which have tried to assess the impact of these measures in the two States.

In the case of the EGS, Mahendra Dev (1995) estimates that it was able to eliminate about 7 per cent of the unemployment in among the rural wage employed workers in Maharashtra. Hirway and Terhal (1994) report that about 8 per cent of casual labour in Maharashtra is engaged in the EGS. If the share of EGS in total workers (self employed as well as wage employed) over 15 years is considered, the share is only 2.5 per cent in 1987-88, Significantly, though the impact of the EGS in reducing the

² Considering the legally binding nature of the entitlement there is justification for classifying the EGS as a protective measure though Guhan (1993) classifies it as being promotional in nature.

headcount rate of poverty is not . substantial, it has been observed to lead to a substantial decline in the severity of poverty. If EGS alone were to be relied upon to remove unemployment, the expenditure should be 20 times the expenditure in 1987-88 (Mahendra Dev,1995). This indicates that the EGS at best can be a supplementary measure and cannot be used singly for any substantial reduction in the poverty levels. Despite this the EGS is important for the rural workers because of the following reasons:

1. EGS is an important source of employment for women with their share constituting between one-third to one-half with median value of about 40 per cent (Datt, 1994).
2. EGS works are intensive in their use of unskilled labour particularly those belonging to the backward castes (Hirway and Terhal, 1994) .
3. EGS employment provided during the lean season stabilises the demand for casual labour and reduces the fluctuations in income of the most vulnerable sections of the population (Mahendra Dev, 1995) .

The social security schemes in Tamil Nadu include- old age pensions (OAP), Destitute Widows Pension (DWP), Destitute Deserted Widows Pension (DDWP), Destitute Agricultural Labourers Pension (DALP), marriage assistance for orphan girls and daughters of poor widows etc. Several of the above schemes were introduced revamped in 1989. Guhan (1993) estimates that 7.32 lakh poor households out of an estimated 44 lakh poor households, i.e. about 17 per cent have been protected from contingencies which could have made them poorer. It is also significant that out of the total beneficiaries, at least 57 per cent are women, viz., deserted women, widows, working mothers and brides belonging to poor households. Guhan's estimates further show that pensions would have covered 28 per cent of the poor, survivor benefit and maternity assistance about 63 per cent and marriage grant a very high 90 per cent. The expenditure incurred around 40 crores constituted 1.5 per cent of revenue expenditure in 1989-90.

With respect to nutrition, there are two broad approaches one represented by the PDS with its wide and untargeted coverage and other more specific targeted programmes such as the ICDS and state sponsored programmes targeted towards the vulnerable sections of the population. The problems associated with the PDS such as lack of targeting, leakages³, irregular and inadequate supplies have rendered it an ineffective instrument for ensuring 'protection' of nutritional entitlements of the vulnerable population. It is estimated that at most the PDS would supply 10 per cent of the required calories (Harriss-White, 1995). With respect to the efficacy of the PDS in Maharashtra and Tamil Nadu, Geetha and Suryanarayana (1993) provide clear evidence of the better performance of the PDS in Tamil Nadu in ensuring food grains for the poor. Briefly, the per capita foodgrain quantity delivered under the PDS in 1989 was 24 kg. per annum in Maharashtra as compared to 38 kg. in Tamil Nadu. More importantly, the per capita PDS grain distributed per poor person in 1988 was 58 kg. in Maharashtra as against 67 kg. in Tamil Nadu pointing to the better access of the poor to PDS in the latter.

This difference in distribution is accentuated by the sharp contrast between the two States with respect to government policy on PDS issue prices. In February 1994, the Maharashtra government charged a price of Rs.660 per quintal for common variety of rice which was 23 per cent higher than the Central Issue Price (CIP). For wheat, the price was 24 per cent higher than the CIP at Rs.500. In sharp contrast, the Tamil Nadu government charged Rs.350 per quintal for rice, its main consumption item. This price was 35 per cent lower than the CIP (Government of India, 1995) . The impact of the higher prices in Maharashtra has been a drastic fall in off take from 7.5 lakh tonnes of rice in 1992 to 3.8 lakh tonnes in 1994. For wheat, the decline has been much higher from 11.57 lakh tonnes in 1992 to 4.90 lakh tonnes in 1994 (Government of Maharashtra, 1995) .

³ For example, it has been estimated that the leakage in the EGS is around 10 per cent whereas in the PDS it is as high as 35 per cent (Mahendra Dev, 1996) .

With respect to special nutrition programmes, Maharashtra implements a school feeding programme under which supplementary nutrition in the form of nutritious food of 100 grams or 150 ml of boiled whole milk or one boiled egg is-provided on all school days except Sundays, holidays and vacations to all school going children in the age group 6-11. 181 Integrated Child Development Services Schemes providing nutritious food to malnourished children below the age of six and expectant mothers were also being implemented in rural areas in 1993-94. Reports however point to the limited success of these programmes in the State. The National Family Health Survey for Maharashtra (1994, p. 182)) confirms these reports and indicates that "both chronic and acute under-nutrition are very high in Maharashtra- more than half of all children are under weight and about half are stunted- The proportion of children who are severely under nourished is also substantial (20 per cent) . One out of every five children faces the most serious nutritional problem of wasting".

The nutrition programmes implemented by Tamil Nadu have been much acclaimed . The Chief Minister's Nutritious Meal Programme (CMNMP) introduced in 1982 is the largest such programme providing mid-day meal to children in schools and nurseries in the age group of 2-15. Old age pensioners have also been considered eligible for the mid-day meal since 1983. Evaluation of the impact of the scheme on children in Coimbatore district (Harriss, 1991) , found that the programme did not raise the height of the children but substantial gains, particularly for female children were manifest. The Tamil Nadu Integrated Nutrition Project (TINP) operating in 9 districts is a more comprehensive programme covering nutrition for children in the 6-36 months age group and pregnant and nursing mothers. Among these schemes the TINP is considered to be better targeted (Subba Rao, 1992). The National Family Health Survey for Tamil Nadu (1994), reports the lower incidence of severely under nourished children in Tamil Nadu. As against around 20 per cent of such children in Maharashtra in 1992-93, the proportion in Tamil Nadu was around 13 per cent.

The above brief review points to the differing priorities of the two States as also their lack of recognition of the synergistic relationship between promotional and protective social security schemes. The provision of employment is given utmost importance in Maharashtra though the government is not equally concerned about provision of adequate nutrition. In fact, the lack of sensitivity of Maharashtra in this regard is evident by the fact that the State issues foodgrains from the PDS at much higher prices than the Central Issue Price. The Tamil Nadu government, on the other hand, is overwhelmingly concerned with the provision of nutrition to the vulnerable sections as reflected in the number and scope of programmes implemented in this sector. The PDS issue prices are also kept substantially below the Central Issue Price. The State further emphasises the provision of pensions to the old, infirm and destitute. It has, however, no thrust on rural employment which could not only provide a source of income to the able-bodied in the rural areas but also contribute to capital formation and enhance the productivity levels.

4. Expenditure on Social Security During Economic Reform

The process of economic reform, including stabilisation as well as structural adjustment measures, could seriously affect the State governments' expenditure on social security. In this section we examine the trends in the expenditure on rural employment, social welfare and security and nutrition for Maharashtra and Tamil Nadu for the years 1988-89 to 1993-94. The data are presented in terms of absolute figures (Table 2) , ratios to total revenue expenditure (Table 3) as well as in terms of real per capita (Table 4). The state specific SDP deflator and estimated population based on the growth rate between 1981 and 1991 were used to arrive at real per capita expenditures.

A perusal of the Tables brings to the fore the following salient features:

The increase in expenditure on rural employment in Maharashtra was four fold and was much higher than the increase of about 49 per cent recorded by total revenue expenditure between 1988-91 and 1991-94. The increase in expenditure on social security and welfare and nutrition sectors was higher than the increase in total revenue expenditure though not as high as in the case of rural employment. With respect to nutrition, it is necessary to note that there was a reduction in nominal expenditure in 1993-94.

In Tamil Nadu, the year 1991-92 witnessed a phenomenal increase in revenue expenditure. Though there was a marginal decline in subsequent years, the expenditure level in 1991-94 was over 80 per cent higher than the level in 1989-91. Expenditure on rural employment in Tamil Nadu has been much lower than in Maharashtra despite an increase in 1990-91. The economic reform period did not witness any appreciable change in this respect. The social security and welfare sector also fared badly with an increase in nominal expenditure being only 20 per cent. The only sector which recorded higher growth when compared to total revenue was the nutrition sector.

A perusal of the ratios of sectoral expenditure to total expenditure (Table 3) presents the picture regarding relative expenditures more clearly. The increase in rural employment ratio in Maharashtra is evident. The sharp increase in revenue expenditure in Tamil Nadu in 1991-92 on account of writing off of Tamil Nadu Electricity Board dues is evident on most ratios. Except for the nutrition sector, the other ratios recorded a decline during 1991-94 as compared to 1989-91.

The trends in real per capita expenditure in the three sectors provide further insights (Table 4). The real per capita expenditure on rural employment in Maharashtra witnessed a sharp increase since 1991-92. The expenditure on social security and welfare, despite an increase, was only two thirds of the level in Tamil Nadu in 1993-94. In the nutrition sector, the real per

capita expenditure remained below Rs.4 per capita in all the years and had declined to around Rs. 3/-- in 1993-94. As against this, the real per capita expenditure on nutrition in Tamil Nadu increased substantially since 1990-91 and more than doubled in 1993-94 to over Rs.50 per capita.

Data pertaining to physical achievement in employment in Maharashtra (Table 5) points to a very disturbing trend of an apparent substitution of JRY employment for EGS in 1993-94. This considerably undermines the social security provided for atleast three reasons:

1. JRY has no guarantee component and hence does not constitute an enforceable entitlement.
2. JRY employment has a lower component of unskilled labour.
3. It has been reported that the leakages to the non-poor are higher in JRY (Mahendra Dev, 1996).

A preliminary examination of the intra-sectoral trends in the social security and nutrition sectors in the two States brings to the fore the differences in emphasis very clearly. In the social security and welfare sector, Tamil Nadu spent 36 per cent of the plan and non plan expenditure on the item, pension and social security schemes. The share of this item increased further to 54 per cent in 1993-94. In Maharashtra, there was no expenditure reported on this item either in 1990-91 or in 1993-94. The item welfare of the aged, infirm and destitute, was allocated around 11 per cent of the total expenditure in 1990-91 though its share declined rather sharply to 7 per cent in 1993-94.

Likewise, in the nutrition sector, Maharashtra spent 77 per cent on nutrition programmes and 23 per cent on ICDS Services scheme in 1990-91 whereas in 1993-94 the shares were 73 and 27 respectively. In Tamil Nadu, the mid day meal scheme accounted for 70 per cent of nutrition expenditure in 1990-91 and its share further increased to 78 per cent in 1993-94. Interestingly, the share of centrally sponsored programmes in the nutrition sector

declined from 12 per cent to 6 per cent between the two years.

5. District Level Expenditures

An important question that needs to be looked into in the context of economic reform is whether the trends observed at the State level are reflected in the expenditure patterns at the level of districts. The data pertaining to district level expenditures are rarely published and are not easily accessible though the district treasuries maintain detailed department-wise accounts on expenditure incurred. The Maharashtra government publishes data pertaining to plan outlays annually, which have been used for the analysis. Since data on non-plan expenditure are not available, it has been assumed that the trends in plan outlays reflect the trends in non-plan expenditures as well. For Tamil Nadu, a special compilation undertaken by the Government Data Centre has enabled us to examine the trends in district level expenditures for the relevant sectors. The data pertain to plan as well as non-plan outlays. The data are presented in terms of percentage change in the nominal expenditure in 1988-91 and 1991-94 for select sectors of importance in each of the two States (Tables 6 and 7).

The data for Maharashtra's districts indicate that a large number of districts (14 out of 31) experienced a decline in plan outlays for social security and welfare. These include both developed districts like Thane as well as backward districts like Gadchiroli. In the case of EGS expenditures, the variation across districts is particularly sharp. Whereas nine districts recorded an increase of over 100 per cent, with one district (Kolhapur) recording a 600 per cent increase, three districts registered a decline and three other districts experienced marginal single digit increases in nominal plan outlays. Nine districts recorded double digit increases though the extent of increase was lower than the rise in state plan outlays for EGS. The variation across districts in the JRY outlays was not as high as in the EGS. As many as thirteen districts recorded increase

in plan outlays which were lower than the rise at • the state level.

In Tamil Nadu, the increase in the expenditure on social security and welfare across districts has been extremely modest even 'in nominal terms. Five districts reported a decline in expenditure and even among those that reported an increase, the extent of increase was noteworthy (over 50 per cent) only in Pasumpon Muthuramalinga Thevar and Thanjavur. The situation with respect to the nutrition sector was, however, quite different. 21 out of 24 districts reported an increase of over 100 per cent.

The above observations considerably strengthen our earlier conclusion regarding the declining importance of social security and welfare in Tamil Nadu and a shift towards increased expenditure on the nutrition sector. In Maharashtra, the continued emphasis on employment is evident at the district level though there are marked differences across districts.

6. Implementation and Perceptions at the Village Level

The social security measures implemented by the government have relevance for the rural poor only if they are able to have access to such measures and derive benefits from them. A survey of households in selected villages in Tamil Nadu and Maharashtra was carried out to gain insights into the functioning of village level institutions. The villages selected in Tamil Nadu were Enathimelpakkam and Verkadu in Gummidipoondi taluka, Chengalpattu-MGR district which were surveyed in 1985-86 and again in 1993-94 by Dr.Chandrasekhar Naidu of the Madras Institute of Development Studies (MIDS). In Maharashtra, the villages selected were Rise, Pise and Mandhar in Purandhar taluka of Pune district. These villages had earlier been surveyed by the Foundation for Research in Community Health (FRCH) in 1990-91. Further details regarding the rationale for selecting these villages may be found in Prabhu, 1996. We present below some perceptions gathered from the beneficiaries of the social

security programmes under review.

With respect to the EGS, the work site was located 3 kms. away from the villages Rise and Pise where nalla building work was in progress. The other EGS site was located at Dhankudi village 4 kms. away from Mandhar. A pucca road was being constructed at this site. Twenty persons from each of these sites was interviewed to collect some impressionistic judgement about the problems faced by the workers. The aim was not to evaluate the working of the EGS. All the respondents at both the sites reported that EGS was a major source of income during the non-agricultural season. Almost all the workers felt that the wages being given were low and expressed a view that both the number of days of employment as well as the wage rate needed to be revised upwards. Less than ten per cent of the workers preferred wages in kind. The majority preferred to get wages in cash mainly because grains supplied few years ago under this scheme were of very inferior quality⁴. The workers included small and marginal farmers with less than five acres of land.

With respect to various pensions being provided in Tamil Nadu, the respondents were mainly from two hamlets, Chinnasoliyambakkam and Periyasoliyambakkam near the study villages. In all there were 22 beneficiaries of various pension schemes, the maximum (10) being recipients of old age pensions⁵. All the recipients reported receiving a monthly pension of Rs.75 and two sets of saris\dhotis per annum. The beneficiaries were also entitled to one kilo of rice from the ration shop every month. The beneficiaries complained about the inadequate amount

⁴ It is important to consider this in the context of recent suggestions (Basu, 1994) that it may be better to give wages in kind as a measure to contain inflation.

⁵ It is reported that considerable difficulties were experienced by destitute widows in securing a pension from the government (Easwara Prasad, 1995). Major obstacles were faced in securing application forms, age certificate and other formalities associated with the grant of a pension. Our concern was more on examining whether those listed in the village records as being recipients were obtaining the intended benefit or not.

of pension and expected a minimum pension of Rs.300'as also free medical, facilities The quota of rice was also suggested to be increased to R kilos per month.

The villages in Tamil Nadu were under the jurisdiction of the ICDS programme which provided substantial benefits to the Balwadis. The Balwadis in both the villages were staffed by a teacher who was a matriculate and an ayah who cooked food for the children. The ICDS provided food items and a small amount of cash (less than 12 paise per child) for purchase of vegetables and spices. The Balwadis were provided with toys and about 20 children,, most of whom belonged to weaker sections, were present. In Maharashtra, where the ICDS was not in operation, the Balwadis in selected villages were a place for children to collect and were more in the nature of creches. The Balwadis lacked toys and educational equipment nor was any nutritional supplement being given to the children.

With respect to the mid day meal scheme, it was being availed by 79 children in Enathimelpakkam and 28 in Verkadu in Tamil Nadu, The children were provided with sambar and- rice six days a week. The other items being provided under the scheme such as books, uniforms etc.,were not distributed to all children due to the limited supplies received. In Maharashtra, the only item distributed in schools in selected villages was milk. Even this was not being supplied at the time of field visit in March 1995 as supplies were irregular. As in Tamil Nadu, the supplies of books and uniforms was inadequate and an arbitrary selection process is adopted for distribution.

With respect to the PDS, the lower income households in Selected village in both Maharashtra and Tamil Nadu obtained about; 16 to 18 per cent of their cereal requirements from the ration shops the proportion declined with an increase in income. 60 to 90 percent of the households in various income groups in the Maharashtra villages had reported that there was no change in the functioning of the- PDS during 1991-94, i.e. the period of

economic reform. In the Tamil Nadu villages, the proportion reporting no change was lower between 40 to 70 per cent. 18 per cent of below poverty households in Enathimelpakkam, 28 per cent in Verkadu and 20 percent of such households in Rise perceived a deterioration in the services provided by the PDS.

It is evident that both the EGS in Maharashtra and various pensions in Tamil Nadu have an important role to play in ensuring minimum security for the rural poor. However, none of these measures taken singly, can fully ameliorate the living conditions of the rural poor as the measures, at best, provide only partial relief.

7. Summary and Conclusions

The paper attempted to examine the trends in the government expenditure at the State and district levels on three important promotional and protective social security measures, viz., rural employment, social security and welfare and nutrition during the period of economic reform for two Indian States, Maharashtra and Tamil Nadu. The analysis was supplemented by perceptions gathered from the beneficiaries of these schemes in selected villages in both the States. Maharashtra is a relatively rich State ranking second in terms of per capita income as compared to the eighth rank secured by Tamil Nadu among fifteen major States in 1988-91. Despite its lower income, Tamil Nadu's human development indicators are similar to those of Maharashtra. A comparison of the responses of the two States during the period of economic reform beginning mid-1991 have brought to the fore the following salient features.

1. An increasing emphasis given to rural employment in Maharashtra and to nutrition in Tamil Nadu was evident in the rise in the share of these sectors in total revenue expenditure as well as real per capita expenditure between 1988-89 to 1990-91 and 1991-92 to 1993-94.
2. A tendency to substitute JRY employment for EGS was observed in Maharashtra in 1993-94 which weakens the extent

to which employment can be treated as an enforceable entitlement.

3. In the case of Tamil Nadu, there seemed to be a shift in emphasis from social security schemes which cater to the old, infirm and destitute to nutrition schemes in favour of children, expectant and nursing mothers.
4. The above conclusions are strengthened by observing changes in district level expenditures on these sectors. The plan outlays on EGS in Maharashtra revealed sharp variations across districts. In Tamil Nadu, the district level expenditure on social security and welfare either stagnated or declined in most districts during the period of economic reform. In sharp contrast, the expenditure on nutrition was considerably stepped up in most districts.
5. A preliminary examination of the responses of beneficiaries of various schemes in selected villages confirmed the limited nature of benefits received pointing to the inadequacy of any single measure in alleviating poverty.
6. The lack of recognition on the part of the two governments regarding the synergistic relationship between promotional and protective social security measures is evident. Maharashtra concentrates on provision of rural employment but is insensitive to the need for ensuring food security for the poor households. Tamil Nadu, at the other extreme, pays overwhelming attention to the provision of nutrition for the vulnerable sections but has no thrust on the provision of employment to the able-bodied persons in the rural areas,.

Thus both States miss out on the synergies that would be generated by a balanced provision of promotional and protective measures. It is also necessary to point out that the debates in this field are often conducted in an either/or mode and seriously limit the usefulness of the analysis. It needs to be clearly understood that various measures of social security cater to different and often mutually exclusive categories and the provision of one measure need not necessarily mean the

elimination of another. It is for this reason that 'the recent suggestion of limiting the benefits of PDC to only EG'S workers (Parikh, 1995) may be inappropriate.

Given that the above approach is inadequate and needs to be corrected, the following questions arise.

1. What is the optimum package of promotional and protective measures that should ideally be implemented in Indian States?
2. Is this package financially feasible, given that the fiscal situation in most of the States is already critical and is likely to atleast continue that way, if not get aggravated by the economic reform measures?
3. What is the relative role of the government, private sector, community including voluntary agencies and the family in ensuring social security for the vulnerable sections of the population?
4. What is the type of organisational restructuring that is required to ensure the success of the integrated package of social security?

A search for answers in this direction would go a long way in focusing more sharply on issues pertaining to social security in India and enable the formulation of appropriate policies.

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Table 1
Indicators of Human
Development

SI. No.	Item	Maharashtra	Tamil Nadu	All India
(1)	(2)	(3)	(4)	(5)
1.	Literacy Rate 1991 Male Female	63.10 50.50	63.70 52.30	52.10 39.40
2.	Average No. of years of Schooling (yrs.) (1987-88)	4.31	4.15	4.15
3.	Infant Mortality Rate (1988-90)	62	70	80
4.	Life Expectancy (yrs.) (1981-86)	60	58	55
5.	Birth Rate 1990-92	26.3	21.0	29.5
6.	Death Rate 1990-92	7.8	8.6	9.8
7.	Per Capita SDP(Rs.)1989-90	3281	1864	

Source: Selected Socio-Economic Indicators for
India

Table 2

**Trends in Revenue Expenditure on Social Security: Maharashtra and Tamil Nadu
1988-89 to 1993-94**

(Rs. in Millions)

SI. No	Maharashtra								
	1988-89 (Ace)	1989-90 (Ace)	1390-91 (Ace)	1991-92 (ACC)	1992-93 (ACC.)	1993-94 (R.E.)	3 year 1988-91	average 1991-94	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1 Total	65406.50	79025.50 (20.82)	87536.70 (10.77)	100487.20 (4.79)	115467.00 (14.91)	128681.30 (11.44)	77322.90	114878.50 (48.57)	
2 Rural Employment	607.73	470.97 (-22.50)	1851.06 (293.03)	4657.19 (151.60)	5001.93 (7.40)	6722.98 (34.41)	977.00	5461.00 (459.16)	
3 Social Security & Welfare	848.30	979.40 (15.45)	1040.20 (6.21)	1242.80 (19.48)	1533.60 (23.40)	1893.20 (23.45)	955.97	1556.53 (62.82)	
4 Nutrition	331.8	414.9 (25.04)	555.2 (33.81)	580.2 (4.50)	744.9 (28.38)	694.6 (- 6.75)	433.96	673.23 (55.13)	
Tamil Nadu									
1 Total	37630.40	47307.90 (25.72)	56412.90 (19.25)	86795.20 (53.86)	85425.30 (-1.58)	84074.10 (-1.58)	47117.07	85432.00 (81.32)	
2 Rural Employment	1249.61	410.55 (-67.15)	1762.32 (329.26)	-	2253.64	2264.71 (0.47)	1141.00	-	
3 Social Security & Welfare	1562.70	1404.10 (-10.15)	1394.40 (-0.69)	1409.60 (1.09)	1762.80 (25.06)	2070.70 (17.47)	1453.73	1747.70 (20.22)	
4 Nutrition	905.77	1396.6 (54.22)	2353.3 (68.47)	2555.6 (8.60)	2723 (6.55)	3405 (25.05)	1551.89	2895.00 (86.55)	

N.B. Figures in parentheses indicate percentage change over previous year/period.

Table 3

Social Security Expenditure Ratios Maharashtra and Tamil Nadu
1988-89 to 1993-94

Maharashtra

(per cent)

SI. No.	Proportion of Total Expenditure on	1988-89 (Ace)	1989-90 (Ace)	1990-91 (Acc)	1991-92 (Acc)	1992-93 (Acc.)	1993-94 (R.E.)	3 year average 1988-91	average 1991-94
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Rural Employment	0.93	0.60	2.11	4.63	4.33	5.22	1.26	4.75
2	Social Security & Welfare	1.30	1.24	1.19	1.24	1.33	1.47	1.24	1.35
3	Nutrition	0.51	0.53	0.63	0.58	0.65	0.54	0.56	0.59
Tamil Nadu									
1	Rural Employment	3.32	0.87	3.12	-	2.64	2.69	2.42	-
2	Social Security & Welfare	4.15	2.97	2.47	1.62	2.06	2.46	3.09	2.05
3	Nutrition	2.41	2.95	4.17	2.94	3.19	4.05	3.29	3.39

Table 4

Trends in Real Per Capita Revenue Expenditure
on Social Security

(Amount in Rs.)

Sl. No	Expenditure on	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
Maharashtra							
1.	Total	488.07	547.57 (12.19)	529.60 (-3.28)	529.03 (-0.11)	546.98 (3.39)	553.06 (1.11).
2.	Rural Employment	4.53	3.26 (-28.04)	11.20 (243.16)	24.52 (118.94)	23.69 (-3.36)	28.89 (21.95)
3.	Social Security and Welfare	6.33.	6.79 (7.21)	6.29 (-7.27)	6.54 (3.97)	7.26 (11.03)	8.14 (12.00)
4.	Nutrition	2.48	2.87 (15.73)	3.36 (17.07)	3.05 (-9.22)	3.53 (15.71)	2.99 (18.06)
Tamil Nadu							
1.	Total	367.99	414.72 (12.70)	449.07 (8.28)	616.94 (37.38)	571.39 (-7.38)	512.22 (-10.36)
2.	Rural Employment	12.22	3.60 (-70.55)	14.03 (289.79)	-	15.07	13.79 (-8.49)
3.	Social Security and Welfare	15.28	12.31 (-19.45)	11.10 (-9.82)	10.02 (-9.73)	11.79 (17.68)	12.62 (6.99)
4.	Nutrition	8.86	12.25 (33.25)	18.73 (52.98)	18.17 (-3.03)	18.21 (0.27)	50.75 (13.90)

Table 5

**Number of works and Employment Under the EGS and JRY: Maharashtra
1988-89 to 1993-94**

Sl. No.	Item	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	No. of works at the end of year	14694	13679 (-6.91)	13346 (-2.43)	19966 (49.60)	20901 (4.68)	16991 (-18.71)
2.	Expenditure Incurred (Rs.Lakhs)	25423.48	23154.00 (8.93)	23500.00 (1.49)	30854.00 (31.29)	42100.00 (36.45)	31000.00 (-26.35)
3.	Employment (person days) (in Crores)	8.26	7.80 (-5.57)	8.94 (14.62)	11.94 (33.57)	14.80 (23.95)	9.74 (-34.19)
4.	JRY*	-	7.98	8.50 (6.52)	7.72 (-9.18)	8.23 (6.61)	11.30 (37.30)

Table 6"

Percentage Change in District Level on Select Sectors
During Economic Reform: Maharashtra

SI.No. Percentage Change Between 1988-91 and 1991-94					
	Districts	Total Outlay	Social Security and Welfare	EGS	JRY
1.	Bombay city	105.74	-9.30		
2.	Bombay Sub.	-	-		
3.	Thane	256.78	-12.60	104.31	58.17
4.	Raigad	242.36	17.58	215.85	-3.77
5.	Ratnagiri	242.92	-65.41	267.34	-35.88
6.	Sindhudurg	-2.37	-9.50	222.92	-35.92
7.	Nashik	268.52	235.04	3.28	39.88
8.	Dhule	282.46	120.73	6.94	51.73
9.	Jalgaon-	281.98	-75.24	20.07	17.16
10.	Ahmednagar	231.82	-40.52	25.62	48.52
11.	Pune	287.91	-9.96	-13.26	5.99
12.	Satara	282.81	167.18	-7.90	-12.09
13.	Sangli	296.56	-40.78	-13.27	7.85
14.	Solapur	216.79	60.27	17.59	51.06
15.	Kolhapur	272.27	22.77	609.68	1.61
16.	Buldhana	299.14	-19.76	153.11	16.09
17.	Akola	259.58	113.55	43.58	24.54
18.	Amaravati	277.54	-21.31	56-26	52.48
19.	Yeotmal	269.10	160.90	77.58	17-90
20.	Nagpur	255.64	-40.50	123.20	44.12
21.	Wardha	266.78	-10.02	128.67	21.51
22.	Bhandara	274.21	92.54	55.08	6.09
23.	Chandrapur	309.49	23.41	109.27	26.69
24.	Gadchiroli	410.94	-39.90	76.01	54.67
25.	Aurangabad	319.95	200.86	21.70	31.30
26.	Jalna	299.69	193.57	41.26	40.58
27.	Bid	291.35	302.28	24.36	20.95
28.	Parbhani	267.29	-2.18	68.29	32.66
29.	Nanded	250.85	74.83	53.28	27.59
30.	Osmanad	314.22	19.86	46.65	54.80
31.	Latur	279.73	88.72	32.29	41.30
32.	Undistri.	141.28	-	-	-
33.	Total	274.75	29.67	41.69	27.93

Table 7

Percentage Change in District Level Expenditure on
Select Sectors During Economic Reform: Tamil Nadu

SI.No Percentage Change Between 1988-91 and 1991-94			
	Districts	Nutrition	Social Security & Welfare
1.	Kanyakumari	149.75	11.46
2.	Tirunelvelikattabomman	141.36	31.59
3.	Tuticorn	158.18	12.36
4.	Pasutnpon Muthuramalinga	108.74	64.89
5.	Thevar	175.10	32.30
6.	Kamaraj ar	134.24	73.64
7.	Madurai	141.49	40.55
8.	Ramanathapuram	164.83	19.72
9.	Dindiquil-Anna	159.72	39.71
10.	Tiruchirapalli	195.75'	8.63
11.	Pudukkotai	51.35	-21.89
12.	Thanj avur	626.60	98.39
13.	Nagapattinam Quaid-e-Milleth	180.81	23.48
14.	Coimbatore	160.25	29.74
15.	The Nilgiris	166.24	39.10
16.	Periyar	170.13	10.83
17.	Salem	189.87	20.40
18.	Dharmapuri	87.90	-12.36
19.	North Arcot	150.08	-17.20
20.	Thiruvellore	313.58	17.42
21.	Changalpattu-MGR	159.38	-0.08
22.	Villipuram Ramasami Padavathi		
23.	Tirunelveli Kottabonunan	148.04	24.02
24.	S.Arcot	161.94	-8.00
25.	Total	89.93	15.69

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