

## **Success of the Public Welfare Schemes in Modern Times: Real or Rhetoric?**

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### **Abstract**

*Nearly all governments post-independence have been involved in the betterment of the general masses trying to qualitatively bring about a difference in their lives. Last five years have been no different. However, a number of schemes like Pradhan Mantri Jan Dhan Yojna, Atal Pension Yojna, Pradhan Mantri Jeevan Jyoti Yojna, Pradhan Mantri Suraksha Yojna, Ujjwala Scheme, Skill India, Stand Up India, and Digital India and the revolutionary Pradhan Mantri Jan Arogya Yojna or the Ayushman Bharat or simply “Modicare” have brought about social transformation in the lives of Indians. Public Policy needs to be broader than pure rational search and managerial execution of an optimum strategy for a clearly defined problem. It must include the dynamic exercise of being constantly in harmony with the ultimate client-the populace. Successful implementation of any policy requires the ability to motivate, a large number of people: to direct, supervise, organize and course correct them dynamically to ensure timely completion of desired projects is important. You always find defenders of individual enterprise, those who have great faith that the choices people will make, will result in benefit for all. Private initiative can generate wealth, but well-functioning state institutions will be, at times, indispensable in assuring that these gains can be translated into genuine assets and opportunities for all. Public institutions are also required for civic purposes, to define a space of mutual acknowledgement and reciprocity rather than domination and competition.*

**Keywords:** *Public Welfare Scheme, Effectiveness*

### **I. Introduction**

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populace. Successful implementation of any policy requires the ability to motivate, a large number of people: to direct, supervise, organize and course correct them dynamically to ensure timely completion of desired projects is important. You always find defenders of individual enterprise, those who have great faith that the choices people will make, will result in benefit for all. Private initiative can generate wealth, but well-functioning state institutions will be, at times, indispensable in assuring that these gains can be translated into genuine assets and opportunities for all.<sup>2</sup> Public institutions are also required for civic purposes, to define a space of mutual acknowledgement and reciprocity rather than domination and competition.

Broadly there are Five Stages in Policy making process, of which three constitute the formulation part. These are

- Identification/ Agenda Setting: Policy Problem is brought to the notice of public and policy makers through campaigns and other means
- Policy Articulation: Members of Parliament and bureaucrats take notice of the issue and identify the solutions through consultations. They draft a bill or policy to address the problem.
- Policy Adoption: Policy makers formally adopt a law or policy through the legislative process.
- Policy Implementation: Administrative Machinery starts implementing the law by drafting rules and assigning work to the appropriate authorities.
- Policy Evaluation: Policy Analysts within and outside the government evaluate the working of the law or policy and recommend revisions in the agenda, formulation or implementation.<sup>3</sup>

However, the process itself is not linear. As policies are implemented, shortcomings in their formulation or implementation or new problems are identified and added to the policy agenda. In India's case three features stand out most prominently: the parliamentary form of government, federalism and a broad band of social, economic and political philosophy articulated in the

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<sup>2</sup>PRATAP BHANU MEHTA, THE BURDEN OF DEMOCRACY 125 (Penguin Books, 2003)

<sup>3</sup>RAJESH CHAKRABARTI & KAUSHAKI SANYAL, PUBLIC POLICY IN INDIA, 38 (Oxford University Press 2017)

Preamble and the directive principles of state policy and fundamental rights.<sup>4</sup> There is a general negativity when it comes to state sponsored schemes , a kind of a cynical attitude that one has, when one hears of any new scheme announced by the government be it centre or state. The image of access to public offices , intentions of the babus implementing or rather not implementing the scheme comes to the minds of the people. The state's ability to create an impenetrable world, impervious to outside cannons of accountability has obvious implications for democracy. Partly, the very culture the state fomented, a disregard for the actual consequences of policy,came slowly to penetrate and much of our citizen's attitude to policy and shape our expectations as well. If we were candid, we would have to admit that public policy,even its broad contours , is very poorly discussed, if at all in the public realm. There is an extraordinary political consciousness about how the state affects the fortune of particular groups, and policy is, therefore, always hostage, as it must be, to countless political negotiations. But whether those negotiations informed are even minimally informed by general causal considerations about what makes the policy sustainable , how competing goals can be reconciled , remains more debatable.<sup>5</sup>

## II. Public Welfare Schemes under the Current Government

**PM KISAN or Kisan Samman Nidhi** is a Central Sector scheme with 100% funding from Government of India. It has become operational from 1.12.2018. Under the scheme an income support of Rs.6000/- per year in three equal instalments will be provided to small and marginal farmer families having combined land holding/ownership of up to 2 hectares. Definition of family for the scheme is husband, wife and minor children. State Government and UT Administration will identify the farmer families which are eligible for support as per scheme guidelines. The fund will be directly transferred to the bank accounts of the beneficiaries. The first instalment for the period 1.12.2018 to 31.03.2019 has already been paid.

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<sup>4</sup>RAJESH CHAKRABARTI & KAUSHAKI SANYAL, PUBLIC POLICY IN INDIA, 3838 (Oxford University Press 2017)

<sup>5</sup>PRATAP BHANU MEHTA, THE BURDEN OF DEMOCRACY, 91 (Penguin Books, 2003)

There are various Exclusion Categories for the scheme. Many categories of beneficiaries of higher economic status shall not be eligible for benefit under the scheme. The merit of cash transfers over loan waivers and subsidies lies in their potential greater efficiency in enabling poor households to directly purchase the required goods and services as well as enhance their market choices. Therefore, the impact of a welfare measure such as PM-KISAN can only be realised through financial support that provides farmers with adequate purchasing power to meet their daily basic necessities. Given that India's poverty line is ₹32 per person per day in rural areas and ₹47 in urban areas, according to the Rangarajan Committee, the income support of ₹17 a day for a household, which is the amount offered by PM-KISAN, is largely insufficient for even bare minimum sustenance of vulnerable farmers. Therefore, to be effective, any cash transfer scheme should first ensure that there is enough cash provided to help bring an affected community out of poverty.<sup>6</sup> The RythuBandhu in Telangana provides ₹4,000 per acre to each farmer in each season, and the Krushak Assistance for Livelihood and Income Augmentation scheme in Odisha offers direct cash transfer of ₹5,000 for a farm family over five seasons, among other benefits.<sup>7</sup> Certain important issues have also been discussed in terms of effective implementation of the scheme. These are pro-active role of Banks, strengthening IT Backbone, targeting benefits and updating land records, no benefits under PM-KISAN accruing to lessee cultivators or share-croppers has been discussed, for want of legality of land leasing in many States, informal/concealed tenancy exists in large quantum and this precludes private investments in Indian agriculture.

Any income support scheme can't cover all the farm households and therefore, enhancing investments in rural infrastructure (roads; irrigation, marketing infrastructure, etc.) and agriculture R&D would have outcomes in raising farm incomes. The research in agriculture should increase the focus on development of climate-resilient varieties and nutrition aspects of agricultural productivity. Indexing the income support with inflation would also make it non-discretionary as has been done in case of deciding wage rates under MGNREGA. Aadhaar is

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<sup>6</sup> Available at <https://www.thehindu.com/opinion/op-ed/the-pm-kisan-challenge/article26261487.ece>

<sup>7</sup> Ibid.

well positioned in India to target the beneficiaries to prevent leakages and ensure efficient and effective delivery of benefits under PM-KISAN. Given the political dynamics of India, the income support scheme is here to stay for a long time.<sup>8</sup>

**Pradhan Mantri Jan Dhan Yojana** is a National Mission on Financial Inclusion which has an integrated approach to bring about comprehensive financial inclusion and provide banking services to all households in the country. PMJDY is a nationwide scheme launched by the Government of India to ensure financial inclusion of every individual who does not have a bank account in India. This scheme aims at providing access to financial services, namely, Banking / Savings & Deposit Accounts, Remittance, Credit, Insurance, and Pension in an affordable manner to all. This scheme was launched in August 2014 and according to reports by the Ministry of Finance, around 4 crore bank accounts have been opened under this scheme till September 2014.

An individual can consider opening an account under this scheme with any bank branch or Business Correspondent (Bank Mitra) outlet. Further, accounts opened under PMJDY can be opened with Zero balance. However, if the account-holder wishes to get a cheque book, he/she will have to fulfil minimum balance criteria. The account holders under this scheme will be given a RuPay debit card which can be used across all ATMs for cash withdrawal.<sup>9</sup>

Benefits of the PM JDY scheme includes **Insurance Benefits**, the account holders under this scheme will get an accidental insurance cover of Rs 1 lakh and a life cover of Rs 30,000 – payment on the death of the beneficiary (subject to conditions).

**Loan Benefits** The account holders under this scheme can avail an overdraft facility up to Rs 5,000. This is available against one account per household. The quantum of the loan may look small but definitely is a boon to those below the poverty line and would enable them to reinvest this in more profitable avenues.

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<sup>8</sup>Available at <https://timesofindia.indiatimes.com/blogs/voices/implementation-challenges-of-pm-kisan/>

<sup>9</sup>Available at <https://cleartax.in>

**Mobile Banking Facility:** Enabling carrying out transactions through a mobile phone facilitates such account holders in checking of balance and also transferring funds with ease across India. The other benefits being:

- The account holders would be eligible for interest on their deposits
- They are not mandated to have a minimum balance in the account
- The scheme allows Direct Benefit Transfer for beneficiaries of Government Schemes.
- Account-holders can get easy access to pension and other insurance products with the PMJDY scheme.

India was no exception to the practice of debarring certain classes of society from the credit system. However, the Pradhan Mantri Jan Dhan Yojana (PMJDY) stepped in to change that. PMJDY, the Prime Minister's People Money Scheme, has arguably been a game-changer, accelerating the process of financial inclusion. By February 2017, less than three years since its inception, over 270 million bank accounts were opened and almost Rs.665 billion (\$10 billion) was deposited under the scheme.<sup>10</sup>The advantages of PM-JDY include absence of minimum balance requirement, assured accident cover of one lakh, delivery of services on non-smart phones. ,overall monitoring and grievance redressal mechanisms in place.

There are hits and misses of every scheme or programme initiated by the government. While the hits include elimination of middlemen. Another success attributed to the scheme is empowerment. Women have been in the forefront of taking advantage of this scheme. Jharkhand leads in this sector. The other side of the picture has Issues of Privacy and security have come to the forefront. Secondly there is an issue of whether the number of accounts opened are actually being used or not. A major issue of criticism is that the facility of overdraft has been left to the banks, a situation which seeing the contemporary scenario any bank would like to miss due to increase in the Non-performing Assets. The recently released World Bank Global Findex data show that 80% of

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<sup>10</sup>Available at <https://www.thehindu.com/thread/politics-and-policy/decoding-pmjdy-an-intriguing-work-in-progress/article19677006.ece>

Indian adults now have a bank account, which is being celebrated as the success of the JDY. While the increase in the proportion of adults having bank accounts is indeed impressive (80% in 2017 from 53% in 2014), 48% of those who have an account in a financial institution made no withdrawal or deposit in the past one year. Financial inclusion is not just about opening bank accounts, but also about using these accounts and providing access to formal credit. In fact, the major limitation of the JDY has been that while it has managed to get many people to open bank accounts, there is no commensurate increase in the use of these accounts, availability of formal credit, or savings in financial institutions, especially among the country's marginalised and poorer sections.<sup>11</sup>

**Pradhan Mantri Ujjwala Yojana (PMUY)** aims to safeguard the health of women & children by providing them with a clean cooking fuel – LPG, so that they don't have to compromise their health in smoky kitchens or wander in unsafe areas collecting firewood. Pradhan Mantri Ujjwala Yojana was launched by the Prime Minister on May 1st, 2016 in Ballia, Uttar Pradesh.

Clean cooking fuel is the need of the hour specially after 70 years of independence. Conventional sources of fuel have their own health hazards especially on the womenfolk of the rural areas. It is to deal with this situation that a scheme like Ujjwala has been introduced. The chief features of this scheme are that, a connection would be given in the name of the adult woman of the household on the condition that there is no previously existing connection in anyone from the family. Socio-economic-caste-census shall be the basis for eligibility. Cash help of sixteen hundred rupees will be provided. It will be fully funded by the central government. The first refill and the cost of the Hot plate will be borne by the customer.

Free connections are just the beginning, and it can be a triumph only if there is a full transition of poor households to cleaner fuel. As always critics are up-in-arms as far as the cost of the refill cylinders are concerned. The government on the other hand is clear that habits have to change if transition has to take place. The old thinking has to take a back seat.

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<sup>11</sup>Available at <https://www.thehindu.com/opinion/op-ed/the-jan-dhan-yojana-four-years-later/article24017333.ece>

Government has successfully persuaded people to give up their subsidies to finance the scheme which includes over one lakh people. And it has cut the subsidy on a few lakhs from its own side. Heavy expenditure on media campaigns have also taken place in order to start using newer systems of cooking. Rural UP, MP, Rajasthan and Bihar are few states where the benefits of the scheme are yet to reach. people still prefer the old ways of cooking. Gender inequalities also play a role. Surveyors found that almost 70% of households do not spend anything on solid fuels, meaning that the relative cost of an LPG cylinder refill, even if subsidised, is far higher. Women are more likely to make dung cakes, and while men are more likely to cut wood, women are often the ones collecting and carrying it. The study argues that these women, who do the unpaid labour needed for “free” solid fuels, are not typically economic decision-makers in the household, hindering a shift to LPG usage.<sup>12</sup>

### **Ayushman Bharat**

On September 23, 2018, the Prime Minister Narendra Modi launched Ayushman Bharat, world's largest government-funded healthcare scheme in Jharkhand's capital Ranchi. The Centre's flagship scheme has been renamed as PM Jan Arogya Yojana (PMJAY). The scheme has been operational from September 25 2018, on the birth anniversary of Pandit Deendayal Upadhyay. Ayushman Bharat is a health insurance scheme under which 10.74 crore poor households across India will be eligible for reimbursement of up to ₹5 lakh per year towards hospitalisation expenses of their family members. Apart from the expenses on in-patient treatment, the scheme also covers pre- and post-hospitalisation costs to some extent. The government has drawn up a list of families to be covered based on the Socio-Economic Caste Census conducted in 2011. In rural areas, households living in one room kuccha homes, those with no adult members, those headed by women, those belonging to SC/ST, the homeless and landless are some of the beneficiaries. In the cities, beneficiaries include rag pickers, street vendors, domestic help, sanitation workers, shop workers and so on.<sup>13</sup>

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<sup>12</sup> Ibid.

<sup>13</sup> Available at <https://www.thehindubusinessline.com/opinion/columns/slate/all-you-wanted-to-know-about/article25030717.ece#>

Under the scheme, “patients are entitled to get cashless treatment from empanelled government and private hospitals. Insurance pay-outs will be based on the package rates prescribed by the government for 1,354 ailments. But for anyone to avail of the scheme, his or her name must feature in the SECC database and he/she must furnish proof of identity (not necessarily Aadhaar) to enrol. Ayushman Bharat, by targeting the 40 per cent of India’s households at the lower rungs of the socio-economic ladder, tries to pre-empt this battering to family finances from sudden healthcare costs, by ensuring cashless treatment. The use of insurance to reimburse healthcare costs ensures more bang for the buck for the Centre, as more households can be covered with a limited budget outlay. Premium costs for the scheme are expected to be shared between the Centre and each State in a 60-40 ratio, with States expected to voluntarily opt into the scheme. The collaborative model ensures that State governments do their bit on last-mile delivery of healthcare services. As of now, 26 States have opted to join this scheme with over 8,700 public and private hospitals empanelled.”<sup>14</sup>

We need regular 'stock taking' of all such public schemes launched by the government. This one is particularly important as it attempts to tackle a long pending need of the nation and the society. "4.5 million cases of hospital treatment in the first year" is very impressive for a new scheme. It is a very large number by any standard, notwithstanding that it represents only a small percentage of the "number of possible cases in the country". Of course, the issue of scaling up needs to be addressed but that should not make us scoff at this achievement.<sup>15</sup>In one of his articles,Indu Bhushan, CEO AB- PMJAY discusses some concerns over the scheme namely, people are of the opinion that government should focus on preventive and promotive care, services of the private sector should not be supported by the limited resources of the government. Regulations should top the government agenda as private sector is poorly regulated. Issues of value addition of the scheme are also questioned. The scheme is only to help the insurance agencies is also an allegation put against

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<sup>14</sup> Ibid.

<sup>15</sup> Available at [https://www.business-standard.com/article/opinion/letter-to-bs-pmjay-has-not-yet-made-a-dent-where-it-s-most-needed-119092900899\\_1.html](https://www.business-standard.com/article/opinion/letter-to-bs-pmjay-has-not-yet-made-a-dent-where-it-s-most-needed-119092900899_1.html)

the government. Cost of care will increase and will be detrimental in the long run.

### **III. Conclusion**

There is an eightfold purpose of measuring performances namely Evaluation, Control, Budgeting, Motivation, Promotion, Celebration, Learning and improvement. Measuring performance has grown immeasurably as a dominant concern of the public administration community. The adoption and implementation of performance measures by governments are not easy chores. Research has found that state and local governments are persuaded to adopt performance measures largely by technical and rational arguments, but actually it is heavily influenced by political and cultural considerations.<sup>16</sup> Politics too has had its role to play in government schemes. While the opposition terms it as simple rhetoric, the government wishes to celebrate it as success. Any evaluation is purposeful only if there is a constructive criticism of the schemes and their implementation, which in turn is taken seriously into consideration by the government. In case of India, the narrative did go down well with the people of India with the government returning to power in the general elections held this year with even a greater majority than the previous one.

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<sup>16</sup>NICHOLAS HENRY, PUBLIC ADMINISTRATION AND PUBLIC AFFAIRS,164 (Routledge)