

Structural Gaps in the Indian Welfare System and the Bridging Role of Non-Governmental Organizations

Nivya Manoj

Abstract: *With a population of over 1.4 billion people, India has the largest population in the world, making the country's welfare system more crucial than ever as so many people depend on it. However, the Indian Welfare System is notorious for its numerous shortfalls. This research paper examines the key drivers of gaps present in the Indian Welfare System and how NGOs bridge these gaps by analysing existing literature and original qualitative data collected through interviews. The eight interviewees included NGO representatives, social workers, and a former civil official. Although the scale of the research was quite limited, no significant biases were found. The results indicated that the primary drivers behind gaps include poor communication between the government and beneficiaries, inconsistencies in data collection across the country, resource constraints, and corruption. Additionally, it was found that NGOs play a vital role in bridging gaps in the Indian welfare system, as they work at the grassroots level and interact directly with beneficiaries, something the government does not have the reach or resources to do. The paper also discusses further scope for related research.*

Keywords: India welfare system, NGOs, gaps in welfare, government communication, corruption

1. Introduction

India is a rapidly growing economy whose high economic performance has surpassed many of its fellow Asia - Pacific countries since 2009 (Jha, 2013). However, the country has lagged behind every other nation in the region in terms of social welfare (Jha, 2013). There has been a gradual retreat of the public sector from crucial areas such as health and education (Jha, 2013). Even with a growing population of over 1 billion, India's expenditure on social welfare has remained relatively stagnant between 2009 and 2023, reaching an all time high of only 30% of the national budget during the COVID - 19 pandemic (*The Wire*, 2023).

Moreover, although the Indian government has initiated numerous welfare schemes for its citizens, there are multiple shortfalls in their implementation and coverage. A concerning trend seen since 2009 is that the citizens are often unaware of their eligibility for these government provisions, and even if they are, they do not apply for it (*IDinsight*, 2021). Over the years, multiple NGOs have emerged across the country with the aim of making welfare schemes more accessible to the Indian public and to provide aid to those not covered by existing schemes.

This paper, therefore, aims to evaluate the key drivers of the gaps present in the Indian welfare system and how NGOs bridge these gaps. It will do so through a literature review of India's current welfare system and the gaps identified by scholars, as well as a qualitative data analysis based on interviews. Interviews with NGOs and social workers will provide unique front - line perspectives often missing from existing research, allowing the paper to explore in greater depth why the Indian welfare system seems to be lacking and how it can be improved. By looking beyond national statistics to the root issues present within the country's welfare system, this paper can contribute to modelling more effective policies and improving the efficiency of their implementation.

2. Literature Review

The Dual Welfare system: The Formal and Informal sector

The formal sector refers to production and employment in registered enterprises that are regulated by the government. In contrast, the informal sector encompasses production and employment that operates outside the legal regulatory framework (*International Monetary Fund*, 2020). Although these activities have market value, they do not contribute to a country's GDP. In India, the informal sector accounts for over 90% of the labour force (Nahan, 2023). The formal sector benefits from social security schemes provided by the government whereas the majority of the informal sector lacks this protection (Nahan, 2023). Consequently, the majority of the Indian labour force does not have access to government - provided social security, highlighting a significant disparity between the two sectors, which represent two distinct welfare systems.

Essentially, the Indian Welfare System is a dual system comprising a formal sector welfare system that serves approximately 10% of the labour force, and an informal sector welfare system that caters to over 90% of the workforce (Pedicini, 2011).

Welfare Schemes in India

In India, Government welfare schemes can be categorised into two groups: central sector schemes and centrally sponsored schemes (*Business Standard*, 2024). Central government schemes are completely funded and implemented by the central government, while centrally sponsored schemes are formulated and supported by the central government but implemented by individual state governments, who share a percentage of the scheme's cost (*Business Standard*, 2024).

It is important to understand that the welfare system is not uniform throughout the country - it varies from state to state. The state governments have the power to implement state - specific welfare schemes, making the efficiency of the welfare system different throughout the nation. Furthermore,

the needs of the citizens differ from state to state depending on the existing infrastructure and societal culture.

Today, India has over 500 available welfare schemes (*Government Report, 2024*). These schemes intend to alleviate poverty and provide social security to the citizens, providing benefits ranging from financial aid and housing to employment opportunities and education. The basic requirement to qualify for any scheme is to be a citizen of the country (*Government Report, 2024*). All other eligibility criteria such as age, income, and employment status vary from scheme to scheme. Some prominent schemes include the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Pradhan Mantri Jan Arogya Yojana (PMJAY). MGNREGA is the world's largest social welfare scheme (Sanjeet Singh, 2016) and aims to provide livelihood security and guarantee the "right to work" through rural employment generation (*Government Report, 2024*). PMJAY is a health insurance scheme targeted at families that make up the bottom 40% of the population (*Government Report, 2024*).

Gaps in the Indian Welfare System

Although the country has a wide array of available welfare schemes, a majority of the population still finds themselves at an economic disadvantage. Some common trends identified in literature with respect to gaps in India's welfare system are listed below:

1) Lack of awareness

Many individuals from vulnerable groups are unaware of the aid available to them, either due to poor communication from the government or low literacy rates (Nijith, 2024).

2) Corruption and Political agendas

Corruption among government officials and the influence of political agendas often lead to a misallocation of resources, resulting in an ineffective welfare system (Nijith, 2024).

3) Convoluted bureaucratic procedures

Lengthy and complex bureaucratic procedures often requiring extensive paperwork, can deter citizens from availing government aid, leading to low utilisation of existing schemes (Nijith, 2024).

4) Identification and targeting of vulnerable groups

The government has yet to effectively identify and target all disadvantaged groups and individuals, resulting in exclusion within the Indian welfare system (Nijith, 2024).

5) Resource constraints

With a population exceeding 1 billion, the government lacks sufficient resources to provide aid to the entire population and cover all aspects of social welfare (Nijith, 2024).

6) Lack of coordination between different levels of government

A lack of coordination among the various levels and departments of government has led to inefficiencies in the welfare system (Nijith, 2024). India has a three - tiered government structure consisting of the Central government, State governments, and Local governments, which function at the Municipality and Panchayat levels (Patil, 2021). There is

often a lack of coordination between these three levels of government when developing and implementing welfare schemes.

7) Social stigma surrounding availing aid

Social stigma surrounding the receipt of government aid causes people to perceive it as shameful or embarrassing, especially in rural regions, discouraging eligible citizens from accessing welfare benefits (Nijith, 2024).

8) Ineffective record - keeping system

Studies have found that government officials are often not fully aware of the welfare schemes available within their departments, and there is no well - established record - keeping system in place within the government (Thaware, 2016).

3. Methodology

The method of research in this paper is two layered, consisting of a literature review and qualitative analysis through interviews. Data from the two will be compared and contrasted to present a holistic evaluation of the Indian Welfare system. The primary sources of information for the literature review are government reports, newspaper reports, and academic papers. The qualitative data was procured through interviews with NGOs and Social workers.

Interview design and procedure

I initially identified 10 NGOs and 2 - 3 social workers to contact for my research. The list was created based on my accessibility to the interviewees. To obtain a diverse range of perspectives, I ensured the inclusion of both NGOs that coordinate with the government and those that operate independently. Additionally, I sought to gain third - party insights from social workers and inputs from someone with government experience. The list was ultimately narrowed down to 8 participants: 5 NGO representatives, 2 social workers, and 1 former civil official.

After reviewing existing research on welfare schemes in India, I drafted a set of questions to explore different perspectives on the effectiveness of the current Indian welfare system, the primary barriers to accessing aid, and potential improvements to the system. A comprehensive list of the base set of interview questions as well as the list of interviewees is included in the appendix.

The interviews were conducted both online and in person. In all cases, the interviews were recorded with the interviewees' permission and knowledge, and notes were taken to collate and analyse the data. Given that interviews are a dynamic method for gathering qualitative information, I adapted my questions and language to each situation, asking follow - up questions to gain deeper insights. To minimise potential biases, I ensured that my questions did not lead interviewees toward specific responses and maintained neutral language and body language so that my opinions did not influence the data collected.

To collate the data, responses were grouped based on common themes such as gaps in the identification of welfare issues and gaps in the implementation of welfare schemes. I

also highlighted each interviewees' perceived role of NGOs in the Indian Welfare system and any unique ideas they shared. The organised data was then compared with existing literature to identify common themes and differences.

Analysis of Interview Responses

The figure below depicts the life cycle of a welfare scheme as interpreted by me. It has been split into 6 stages to make the collation and analysis of qualitative data more efficient.

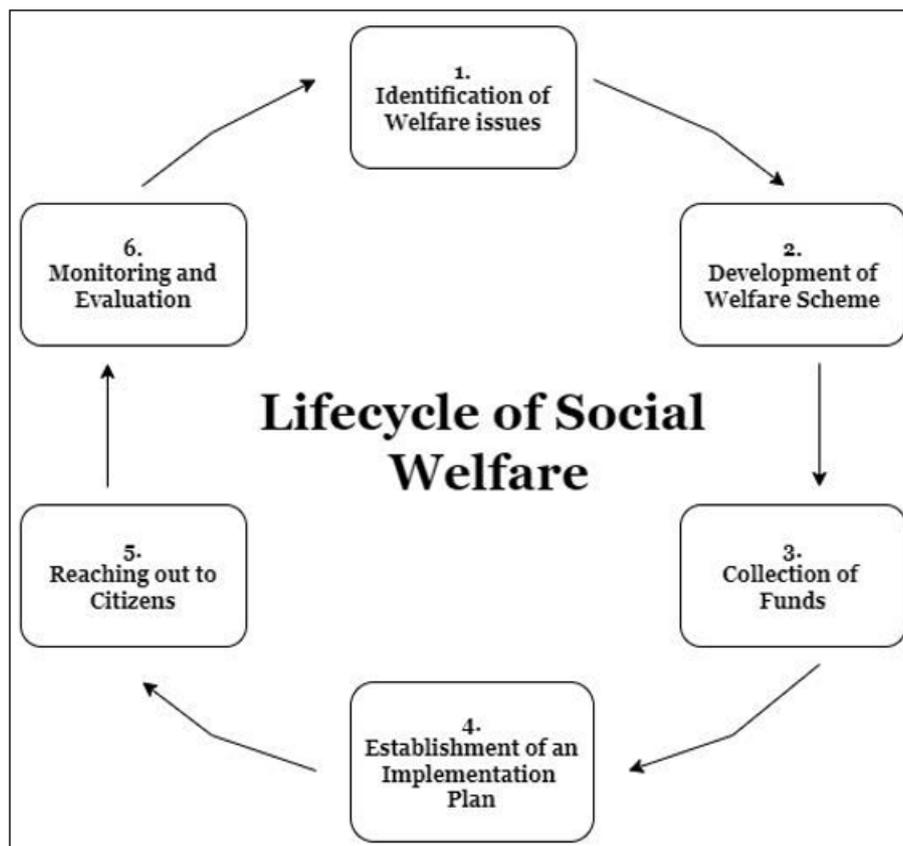


Figure 1.1: Lifecycle of Social Welfare

Stage 1: Identification of welfare issues

Gaps and their Key drivers

A majority of interviewees highlighted that there are significant gaps in the identification of the needs of the people. They noted that the government relies on data from the national census to identify welfare issues and formulate schemes. However, the last national census of India took place in 2011, making the data available to the government outdated and potentially irrelevant. Moreover, the government also uses data collected from surveys conducted in individual states. However, the efficiency of data collection varies across the country, with the southern states maintaining relatively more organised and coherent data bases.

Some groups identified as being left out of most government schemes include migrant workers, members of the Scheduled Castes and Tribes, people who identify as transgender or do not conform to any gender, and people with disabilities.

Role of NGOs:

This knowledge gap is where NGOs come in. NGOs conduct their own studies in their specialised areas, providing the government with the necessary data to deliver welfare to the citizens. These organisations work at the grassroots level, gaining deeper insights to the needs of the citizens. Although the government is utilising these available resources, interviewees emphasised that it is important for the government to conduct more extensive research and analysis on their target populations.

Stage 2: Development of Welfare Schemes

Gaps and their Key drivers

A common theme among responses was that available welfare schemes do not provide opportunities for growth, which would enable citizens to better their standards of living and escape the poor circumstances they are trapped in. Some interviewees suggested that this could be due to resource constraints as India's population is much larger than what government resources can adequately support. Others noted that many government officials perceive welfare schemes as a form of charity rather than a right of the citizens to access aid. This could make them less inclined to create opportunities for growth. Interviewees also highlighted that there are too many existing schemes, making it difficult for both government officials and beneficiaries to keep track of available aid. Moreover, many of these schemes have overlapping objectives. Additionally, not all welfare schemes are relevant across the nation, and suitable alternatives for exceptions have yet to be developed.

A unique gap identified at this stage was that welfare schemes often tend to prioritise women as mothers first and as individuals second. The schemes appear to be operating within existing social norms, thereby reinforcing discriminatory beliefs. This is particularly evident in schemes related to violence against women, where the root causes of such violence are not adequately addressed. Another response pointed out that the government tends to focus on welfare at a broader scale, with few benefits available for smaller,

specific groups, such as financially struggling single - parent homes.

Role of NGOs:

NGOs collaborate with the government to conduct sensitization workshops and train government staff to better understand the needs and the situations of marginalised groups, such as people with disabilities and victims of violence. Moreover, NGOs also provide aid in smaller more specialised areas, such as support for single parent homes, and offer region - specific assistance as well.

Stage 3: Collection of funds

Funds for welfare schemes are typically collected through taxation. The majority of the interviewees agreed that while the government generally has the necessary funds for individual welfare schemes, its ability to provide aid is constrained by the size of the population.

Stage 4: Implementation

Gaps and their Key drivers

All interviewees emphasised that existing welfare schemes involve complicated bureaucratic procedures and lengthy, convoluted paperwork. This often discourages beneficiaries from utilising schemes. Moreover, low literacy rates, particularly in rural areas, mean that few people know how to apply for these schemes. Furthermore, there is no single point of contact; beneficiaries often have to visit multiple offices to obtain a single ration card. Most interviewees also highlighted the corruption present in the system and its role in hindering access to aid. The influence of political agendas on welfare schemes was another recurring theme.

Another factor affecting implementation is coordination with NGOs and other third party organisations. Some interviewees stated that at times the government views NGOs as obstacles, especially when they question government actions. Others noted that the government coordinates with various NGOs to improve the welfare system but stressed that further partnership is required to implement welfare schemes effectively.

Role of NGOs:

NGOs provide assistance to beneficiaries in applying for welfare schemes, simplifying the process and ensuring the citizens receive the welfare that is rightfully theirs.

Stage 5: Reaching out to citizens

Gaps and their Key drivers

Almost all responses highlighted poor communication between the government and the citizens regarding welfare schemes. Moreover due to low literacy rates, some beneficiaries are unaware of the available aid and how to apply for it. A few responses also mentioned the social stigma associated with availing government aid. They noted that some individuals, especially in rural regions, find it shameful or embarrassing to accept government assistance, as it can make them feel inferior. Respondents also underlined that the government does not have the reach that NGOs do at the ground level due to the size of the population and resource constraints. The country's vast demographics - including geographical differences, different languages, social and

cultural differences - further hinder the government's ability to reach every group and individual effectively.

Role of NGOs:

While the government is making efforts to spread awareness, NGOs have been more effective in reaching citizens at the grassroots level to bridge awareness gaps.

Step 6: Monitoring and Evaluation

Gaps and their Key drivers

Some interviewees pointed out that the government does not effectively monitor the schemes that have been implemented. They stressed that it is insufficient to simply announce a scheme and let it run its course; it is crucial to monitor its progress and collect feedback to evaluate and improve the schemes.

Role of NGOs:

Some NGOs have empowered citizens with the knowledge to monitor the implementation of schemes themselves and hold the government accountable. Other organisations take on this role directly by holding the government accountable.

What can be done to improve the Indian welfare system?

All interviewees emphasised that although India has progressed a lot in the last 50 years with respect to welfare for citizens, the system still has room for improvement. Some suggestions from interviewees are listed below -

- 1) Improve communication between the government and the citizens.
- 2) Enhance communication and coordination between different levels and departments of the government.
- 3) Strengthen communication and coordination between the government and NGOs.
- 4) Allow communities to be involved in monitoring welfare schemes.
- 5) Improve monitoring and evaluation of existing schemes.
- 6) Standardise data collection methods across the states of India.
- 7) Simplify bureaucratic processes and reduce excessive paperwork.
- 8) Consolidate and streamline welfare schemes.

By incorporating these recommendations into government policies, the Indian government could potentially close the current gaps in the welfare system and support NGOs in reaching groups the government struggles to connect with at the ground level.

Literature vs Qualitative data

Both the literature and qualitative data agree on nearly all the main gaps in the Indian welfare system. However, unlike the existing literature, none of the interviewees explicitly mentioned an ineffective record - keeping system within the government. This omission could be because none of the interviewees have direct exposure to this particular aspect of the welfare system, where government officials themselves may be unaware of the existing welfare schemes.

The qualitative data provided insights not covered in the literature, particularly regarding the collaboration between NGOs and the government and the importance of empowering beneficiaries. It also emphasised the need to

effectively monitor schemes and empower beneficiaries to oversee the support they are promised. Additionally, it underscored the necessity for a shift in the mindset of government officials and their approach to welfare in order to improve the system.

4. Conclusion and Limitations

The scale of this research is relatively small and the sample does not represent a large portion of the groups involved in the Indian welfare system. The lack of mention of an ineffective record - keeping system by interviewees suggests the need for more diverse perspectives, possibly including government officials who directly handle these records, to provide a fuller picture of the gaps in the welfare system. However, the findings of this paper are valuable and can contribute to improving the Indian Welfare System.

It is evident that original qualitative data, such as that collected for this research, can be a cost - effective and efficient method for identifying gaps in the Indian welfare system and finding ways to bridge them as well. While online meetings can facilitate a more time - efficient interview process, in - person meetings may yield more extensive and detailed qualitative data.

In conclusion, the findings of this paper indicate that there are significant gaps present in the identification of welfare issues, the development and implementation of welfare schemes, the government's reach, and the monitoring and evaluation of welfare schemes in India. The key drivers behind these gaps include poor communication between the government and beneficiaries, inconsistencies in data collection across the country, resource constraints, and corruption. The paper also identifies unique gaps in niche areas such as the tendency to prioritise women as mothers first and individuals second. Furthermore, it was found that NGOs play a vital role in bridging gaps in the Indian welfare system, as they operate at the grassroots level and engage directly with beneficiaries, something the government lacks the reach and resources to do.

Further research could focus on prioritising the identified gaps and existing initiatives to enhance current welfare policies and develop new, more effective policies. This could provide answers to economic, social, and moral questions surrounding the state of India's welfare system.

Appendix

Base interview questions:

- 1) What does your organisation do?
 - Who are the people you cater to?
 - What are your means of support? (financial aid/ spreading awareness/ skills/ assets etc)
- 2) Do you interact/ work with the government or any government programs?
 - Does your work align with government welfare schemes?

If yes to (2),

- 3) How effective do you think these relationships are?
 - Share some success stories/ challenges that you have faced

If no to (2),

- 4) Do you think you could benefit from coordination with the government?
- 5) How effective do you believe India's current welfare system is?
- 6) Do you believe that there are significant gaps in the welfare system?
 - Name some issues/ groups that are not addressed, elaborate on them.
- 7) It has been documented that XYZ schemes are available but not utilised widely. Is this a pattern you recognize in your area?

If yes to 5 or 6

- 8) What do you believe can be done to bridge these gaps?
 - Who should be responsible?
 - Who has the means and resources?

List of Interviewees:

- 1) **Isaac:** Founder of Santhosh Charitable trust
- 2) **Prarthana Kaul:** Co - founder of Giftabled
- 3) **Mercy Kappan:** Co - founder and Executive Director of Visthar
- 4) **Madhuri Dhariwal:** Indus Action
- 5) **Dr. Ram Nair:** CEO of JeevaRaksha
- 6) **Soumitra Mandal:** Ex - civil servant
- 7) **Arun Nathan:** Partner at Sattva Consulting - Non - profit Advisory
- 8) **Naresh Sadasivan:** Community Activist

References

- [1] Business Standard. (n. d.). What are Centrally sponsored schemes. Retrieved August 20, 2024, from Business - standard. com website: <https://www.business-standard.com/about/what-is-centrally-sponsored-schemes>
- [2] Jha, R. (2013). *Welfare Schemes and Social Protection in India*.
- [3] Mahatma Gandhi NREGA. (n. d.). Retrieved August 20, 2024, from Nic. in website: https://nrega.nic.in/MGNREGA_new/Nrega_home.aspx
- [4] Nahan, A. (2023). *INDIA - THE DUAL WELFARE STATE AND DATA PRIVACY DOGMA*.
- [5] National health authority. (n. d.). Retrieved August 20, 2024, from Gov. in website: <https://nha.gov.in/PM-JAY>
- [6] Nijith, S. (n. d.). *An overview of welfare measures for weaker sections in India*. doi: 10.1177/0019556119700309 accessed on 17/02/2024
- [7] Patil, A. (2021, December 28). Three - tier government - Indian polity notes. Retrieved August 20, 2024, from Prepp website: <https://prepp.in/news/e-492-indian>

constitution - three - tier - government - indian - polity - notes

- [8] Pedicini, J. (6/2011). *The Two Indian Welfare Systems: State & Corporate Responses*.
- [9] Scheme wise summary 2024 - 2025. (n. d.). Retrieved August 20, 2024, from Gov. in website: <https://e-outthaan.gov.in/report/scheme-wise-summary>
- [10] Thaware, K. (2016). *Limitations and Data gaps at Village and Block Levels on Welfare schemes of rural poor households*.
- [11] The evolution of India's welfare system, 2008 to 2023. (n. d.). Retrieved August 20, 2024, from The Wire website: <https://thewire.in/economy/the-evolution-of-indias-welfare-system-2008-to-2023>
- [12] (N. d.). Retrieved August 20, 2024, from Imf. org website: <https://www.imf.org/en/Publications/fandd/issues/2020/12/what-is-the-informal-economy-basics>