Raj laws can spur a new welfare model

Laws on a minimum income and benefits for gig workers bring the conversation on rights and citizenship into the core of the welfare debate

Rajasthan passed two important laws — the Rajasthan Minimum Guaranteed Income Bill, 2023 and the Rajasthan Fairness for Gig Workers (Registration and Welfare) Bill, 2023 — this week. In a political moment where pre-election announcements are the modus operandi across political parties, it’s easy to dismiss these laws as no more than typical poll year ups, or revamps. But beyond the hyperbole, these laws signify an opportunity to re-engage with important and deeply contested ideas of citizenship, rights, and State-building that have long shaped India’s standing efforts at building a welfare State.

As a bastion of India’s welfare State, the most important shift for me in recent years is the emerging consensus on the expansion of welfare to the form of cash transfers. Across states and indeed between states and the Centre, political parties of all hues are actively competing over welfare pronouncements. In the era of centralised, leadership-driven policies, these cash transfers have become a critical tool through which party leaders have sought to successfully establish an emotive connection with the voter. Voter surveys repeatedly demonstrate the effectiveness of these schemes in enabling leaders — from Prime Minister Narendra Modi to Chief Ministers across states — to secure direct credit attribution with voters. Against the backdrop of declining party identification and the urgency of redistribution, this competitive welfareism is broadly good. It is does raise important questions about the kind of welfare State being built and its long-term implications.

For one, in the rush to compete over cash transfers and the cacophony of schemes this has unleashed, a critical debate on the purpose of welfare and its inextricable link with citizenship has been brushed aside. In the specific context of India, this link is central to the welfare question, because the welfare project was long pushed to the margins of the social contract. Rather than an essential responsibility of the State toward its citizens, the State’s welfare obligations were cast as parasitism or charity of the ‘relief’ kind.

This resulted in entrenching deeply asymmetric power dynamics between the State and citizens in ways that allowed the State to routinely escape accountability, leaving citizens at the mercy of petty bureaucrats and local politicians with no redress. The first significant attempt to reshape the terms of the contract and build a welfare politics that was genuinely empowering was taken in the 2000s through the platform of rights-based legislation passed by Parliament, including the Mahatma Gandhi National Rural Employment Guarantee Act and the Right to Food Act. Crucially, these laws have built-in procedural requirements for greater transparency and citizen participation through forums such as social audits, designed to enhance citizen bargaining power to place claims and directly demand accountability from the government. But implementation was half-hearted. The conviction that legislation was not complemented with long-term investments in State capacity. Too much centralisation and too little investment in administrative capacity at the grassroots, particularly in the local governments, meant that the promise of empowering citizens was only half-implemented. And in the vacuum, the marvels of technology, coupled with the inescapable opportunity to consolidate political power, created the perfect conditions for a personalisation of direct benefit transfer approach to dominate welfare. The grammar of rights and empowerment was thus replaced by the search for the abharati — the beneficiary of cash schemes.

Inevitably, the discourse on State building for welfare has shifted to an emphasis on efficiency, identifying targeted beneficiaries, removing false names and eligible citizens from cash transfer lists by using technologically sophisticated data systems where the State building effort is focused.

Participation, accountability and rights have all but disappeared from the grammar of governance. Efficiency is, of course, a worthy goal but it does risk casting citizens as passive recipients of government largesse (not unlike the mini-heap in the park) rather than active claimants of rights.

This is not romantic activism. Technology, by nature, creates centralised systems that are distant from citizens. If an active effort is not made to nurture active citizens at the grassroots level — particularly at the panchayat and block level — for citizens to complain, protest, and demand accountability, technology-based systems risk closing off spaces for citizens to assert rights. From the perspective of State building, welfare through cash seeks to bypass these very arms of local government rather than invest in them and their ability to respond to citizen demands. It is a tradeoff between efficiency and accountability, one that we must debate as new welfare systems get entrenched in India. This is where the new Rajasthan laws are a powerful alternative to the dominant approach. The laws reform welfare schemes — rural and urban employment guarantee schemes, pensions and welfare for gig workers — as rights and emphasis on procedural steps that need to be built at the local government level to nurture accountability. In doing so, they have brought rights and citizenship back from the margins into the heart of the welfare debate. But these success will be only be in their ability — regardless of electoral outcome — to invest in building State capacity at the local level.

Finally, Rajasthan’s laws are a reminder of the centrality of social movements in shaping welfare. The grammar of rights stayed alive because Rajasthan held a long history of rights-based social movements mobilising, protesting and engaging with the State. Experimentation has emerged through this dialectic of protest and engagement. This is the power of democracy and assertion of rights. One that we must fight to preserve.

Yamini Aiyar is president, CPI. The views expressed are personal.