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STATE WELFARE AND THE STRATIFICATION OF SOCIAL AND ECONOMIC LIFE

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ABSTRACT

The interplay between state welfare and the stratification of social and economic life has become a focal point in contemporary policy debates. Welfare policies, originally conceived to bridge social disparities and promote equitable development, have often been implicated in either mitigating or reinforcing structural inequalities. This research investigates the complex relationship between state welfare programs and the persistent patterns of social and economic stratification. By analyzing welfare regimes, redistributive policies, and access to social services, the study explores how class, caste, race, gender, and geography influence welfare access and impact. Drawing from comparative global frameworks and Indian contexts, the paper delves into how certain welfare policies have unintentionally perpetuated dependence, stigmatization, and segmentation of citizens into welfare-reliant and economically productive groups. The research also examines the capacity of welfare programs to uplift marginalized populations, reduce poverty, and enhance social mobility when designed and implemented equitably. Ultimately, the paper argues for a transformative welfare approach—one that is inclusive, participatory, and capable of dismantling rather than reinforcing entrenched social hierarchies.

Keywords: marginalized communities, welfare regimes, social mobility, India, public policy, inclusive development.

I. INTRODUCTION

In the modern era of governance and public policy, the concept of state welfare has emerged as both a critical instrument for social justice and a complex arena for political negotiation. State welfare refers to a range of government-initiated programs designed to provide economic assistance, healthcare, education, housing, and other essential services to individuals and families, particularly those considered vulnerable or disadvantaged. Rooted in the ideals of equity, redistribution, and the social contract, welfare systems aim to cushion citizens against economic risks and structural disadvantages. However, while the intention behind welfare programs is to promote inclusive growth and reduce disparities, their implementation often reveals deep-seated contradictions. One of the most significant and persistent challenges in this context is the stratification of social and economic life, which continues to structure opportunities and outcomes along lines of class, caste, gender, ethnicity, and geography. The intersection of state welfare and societal stratification raises critical questions about access, fairness, and the actual impact of welfare policies on dismantling entrenched hierarchies.

Social stratification refers to the hierarchical arrangement of individuals in society, where resources, opportunities, and privileges are distributed unevenly based on identifiable markers such as wealth, occupation, education, race, caste, and gender. This structured inequality, passed from one generation to the next, profoundly shapes the social and economic trajectories of individuals and communities. Welfare policies are, in theory, designed to interrupt or mitigate this cycle by ensuring that marginalized groups have access to essential services and opportunities. However, in practice, these policies often interact with existing power dynamics in ways that reproduce or even deepen existing forms of exclusion. For example, programs aimed at poverty alleviation may disproportionately benefit the politically influential or those with better access to bureaucratic systems, leaving the most marginalized outside the safety net. Such outcomes suggest that welfare is not a neutral or universally beneficial intervention; rather, it is shaped by and in turn shapes the social structure within which it operates.

The origins of welfare states can be traced back to early twentieth-century Europe, where the devastating effects of industrial capitalism, wars, and economic depression underscored the need for systematic public support. Welfare policies were institutionalized to protect workers from

unemployment, illness, and old age, and to promote social cohesion. In many countries, particularly those with strong democratic traditions, the welfare state was seen as a moral and political obligation—an expression of solidarity and social citizenship. In postcolonial nations like India, the welfare state was envisioned as a transformative tool to address colonial-era injustices, social backwardness, and economic deprivation. From affirmative action policies for Scheduled Castes and Scheduled Tribes to employment guarantee schemes and food security programs, India's welfare architecture has been expansive and ambitious. Yet, despite these efforts, social stratification remains stark and persistent, indicating a complex and often contradictory relationship between welfare provision and social equality.

This contradiction can be partially explained by the politics of welfare distribution. Who gets what, how, and under what conditions is not merely a matter of administrative efficiency but of political economy. Welfare programs are frequently influenced by electoral considerations, patronage networks, and institutional biases. Consequently, access to welfare benefits often mirrors broader societal inequalities. For instance, in rural areas, dominant castes may monopolize local governance institutions, thereby controlling the allocation of welfare resources and excluding minority communities. Similarly, women, particularly from marginalized groups, may find it difficult to access entitlements due to patriarchal norms, lack of mobility, or bureaucratic requirements such as identity documents and bank accounts. Such barriers highlight how welfare programs, when not designed with an inclusive and intersectional lens, can inadvertently reinforce the very inequalities they aim to address.

Moreover, the design of welfare programs often carries implicit assumptions about the deservingness of beneficiaries. These assumptions shape both policy design and public attitudes. Recipients are frequently subjected to means-testing, moral scrutiny, and surveillance, which can result in stigmatization and a loss of dignity. The idea that welfare breeds dependency is a pervasive narrative in both policy discourse and popular imagination, leading to the implementation of conditionalities that may further alienate and disadvantage the poor. This stigmatization not only affects the self-perception of welfare recipients but also justifies the dilution or withdrawal of welfare support. In this context, the welfare state transforms from a rights-based institution into a charity-based model, where entitlements are replaced with favors, and beneficiaries are cast as passive recipients rather than active citizens.

In addition, the evolution of welfare states over the last few decades has been significantly shaped by the forces of globalization and neoliberalism. Structural adjustment programs, fiscal austerity, and market-oriented reforms have led to the retrenchment of welfare provisions in many countries. Public services have been privatized, subsidies have been reduced, and social spending has been curtailed in the name of efficiency and economic growth. This rollback of the welfare state has had profound implications for social stratification. The erosion of public education and healthcare, for example, disproportionately affects the poor, who cannot afford private alternatives. Consequently, social mobility becomes even more elusive, and inequality becomes more entrenched. The digitalization of welfare, while offering the promise of efficiency, has also introduced new forms of exclusion, particularly for those without access to digital infrastructure or literacy.

Despite these challenges, welfare remains a vital mechanism for addressing structural inequalities and promoting inclusive development. There is ample evidence to suggest that well-designed and effectively implemented welfare programs can reduce poverty, improve health and education outcomes, and empower marginalized groups. Universal access to healthcare, affirmative action in education and employment, public works programs, and social pensions have all contributed to enhancing the life chances of disadvantaged populations. However, for welfare to fulfill its transformative potential, it must go beyond income support and service delivery. It must address the underlying structures of exclusion and discrimination that perpetuate stratification. This requires a shift in both policy orientation and public discourse—from viewing welfare as a cost or burden to recognizing it as a fundamental right and a pillar of democratic society.

In light of these considerations, this research paper seeks to examine the relationship between state welfare and the stratification of social and economic life. It explores how welfare policies interact with existing social hierarchies and how they can be reimagined to promote greater equality and justice. The study adopts an interdisciplinary approach, drawing on theories from sociology, economics, political science, and development studies. It also engages with empirical data and case studies from both global and Indian contexts to provide a nuanced understanding of the issue. By doing so, the paper aims to contribute to ongoing debates on the role of the state in promoting social welfare and to offer insights into how welfare systems can be made more inclusive, equitable, and effective in addressing the complex realities of stratified societies.

II. WELFARE REGIMES AND SOCIAL OUTCOMES

The configuration of welfare regimes across the world significantly influences the social outcomes experienced by various populations, particularly those at the margins of economic and social systems. Gøsta Esping-Andersen's influential typology of welfare regimes—liberal, conservative (corporatist), and social democratic—provides a foundational framework for understanding how state policies shape social stratification. In liberal welfare regimes, such as those found in the United States, Australia, and Canada, social support is typically minimal, means-tested, and often stigmatized. These systems prioritize market solutions and individual responsibility over collective welfare, resulting in limited redistribution and significant income inequality. In such contexts, welfare recipients often face bureaucratic hurdles, and benefits are usually tied to specific eligibility conditions, which restrict access and reinforce existing socio-economic hierarchies. Consequently, these regimes exhibit higher levels of poverty and lower levels of social mobility, particularly among minority and marginalized groups.

Conversely, conservative or corporatist welfare regimes, seen in countries like Germany, France, and Italy, emphasize social insurance and benefits based on employment status and traditional family roles. These systems reinforce existing occupational structures and familial dependencies, often privileging male breadwinners and assuming a supportive role for women within the household. While such regimes offer more comprehensive support than liberal models, they can also perpetuate gender and class stratification. The dependency on employment-related entitlements tends to exclude informal workers and the unemployed, thereby limiting the reach of welfare provisions for vulnerable populations. As a result, the stratification of economic life persists, especially in cases where access to social insurance is contingent on prior labor market participation.

In contrast, social democratic welfare regimes, exemplified by the Nordic countries such as Sweden, Norway, and Denmark, aim for universal coverage and high levels of decommodification—separating social rights from labor market status. These regimes invest heavily in public services, including education, healthcare, childcare, and housing, and fund welfare programs through progressive taxation. The emphasis on universalism and equality results in relatively low levels of poverty and high social mobility. Social democratic models illustrate

how welfare, when treated as a public good rather than a compensatory measure, can actively reshape social relations and reduce stratification. Moreover, their focus on gender equity, labor rights, and inclusive education systems highlights how structural design in welfare policy can significantly influence positive social outcomes.

India's welfare regime represents a hybrid model characterized by a mixture of universal and targeted schemes, often shaped by political priorities and fiscal constraints. While landmark programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Public Distribution System (PDS), and Ayushman Bharat aim to provide a social safety net, challenges such as implementation gaps, corruption, exclusion errors, and socio-political biases continue to undermine their effectiveness. Access to welfare is often mediated by caste, gender, and regional disparities, reinforcing stratification instead of alleviating it. Ultimately, the design and implementation of welfare regimes profoundly affect social outcomes—highlighting the need for inclusive, rights-based, and universal frameworks that transcend economic divisions and affirm the dignity of all citizens.

III. WELFARE DEPENDENCY, STIGMA, AND SOCIAL IDENTITY

The discourse surrounding welfare dependency and stigma has played a powerful role in shaping public opinion, policy narratives, and the lived experiences of welfare recipients. Welfare dependency is often framed as a state of prolonged reliance on government assistance, wherein individuals or families are perceived to lack motivation to become economically self-sufficient. This perception, while rarely supported by empirical data, has been widely propagated by political rhetoric and media portrayals, particularly in liberal welfare regimes. The consequence of such framing is the stigmatization of welfare recipients, who are frequently depicted as undeserving, irresponsible, or morally deficient. This stigma not only undermines the social legitimacy of welfare programs but also affects recipients' self-worth, mental health, and social identity. Welfare, which is intended to support dignity and equity, thus paradoxically becomes a source of shame and exclusion for those it serves. The labeling theory in sociology explains how individuals internalize societal judgments, and in the case of welfare recipients, this leads to marginalization and the development of an "outsider" identity, alienated from mainstream economic and civic life.

Social identity—the individual's self-conception based on group affiliations such as caste, class,

gender, race, and ethnicity—intersects significantly with experiences of welfare access and stigmatization. In many societies, including India, the United States, and the United Kingdom, welfare recipients are not a homogenous group but are disproportionately drawn from historically marginalized communities. In India, Scheduled Castes, Scheduled Tribes, and religious minorities constitute a substantial share of welfare beneficiaries, not because of cultural dependence but due to centuries of structural exclusion from education, land, and employment. However, dominant narratives often ignore this structural context and instead ascribe dependency to individual failure or community backwardness. This stigmatization is compounded by gendered norms, particularly in rural areas, where women receiving welfare benefits—such as maternity entitlements, food rations, or cash transfers—are often viewed as burdensome or as failing to uphold self-reliant household ideals. As a result, welfare can intensify gendered and caste-based identities rather than dissolve them.

Bureaucratic interactions further reinforce this stigmatization. Welfare recipients are often subject to surveillance, verification, and judgment by state authorities who wield discretionary power in determining eligibility and disbursing benefits. Requirements such as biometric verification, proof of income, and job-seeking behavior are used not only to target assistance efficiently but also to discipline and control the behavior of the poor. In this environment, the welfare state becomes a moralizing institution that rewards conformity and penalizes deviation, thereby deepening stratification. Even within communities, welfare recipients may face intra-group stigma, where receiving aid is seen as failing to uphold familial or social expectations. Thus, the structure and discourse of welfare often relegate the poor to the periphery, not only materially but symbolically.

To mitigate these issues, welfare programs must be universal in design, rights-based in principle, and free of patronizing or punitive undertones. Normalizing welfare as a societal responsibility rather than a charity given to the few is essential to restoring dignity and reconfiguring the social identity of recipients. Only then can welfare transform from a source of stigma to a foundation for empowerment and equity.

IV. PATHWAYS TO INCLUSIVE AND TRANSFORMATIVE WELFARE

The pursuit of inclusive and transformative welfare requires a fundamental rethinking of how states conceptualize, design, and implement social protection systems. Rather than treating welfare

as a temporary safety net for the economically inactive or as a charitable concession, it must be grounded in the principles of social justice, universal entitlement, and human dignity. An inclusive welfare model is one that actively dismantles barriers to access and ensures that all citizens—regardless of caste, class, gender, religion, or geographic location—are able to participate fully in society. This requires shifting from a narrowly targeted, means-tested approach to one that is universal in coverage and rights-based in design. Universalism not only reduces the stigma associated with welfare but also builds broader political support for sustained investment in social infrastructure. When everyone benefits, welfare becomes a public good rather than a divisive policy tool. In countries like Norway and Sweden, this model has led to high levels of equality and citizen trust in institutions, proving that inclusive welfare is both politically viable and socially productive.

A transformative welfare system also demands active participation of communities in its governance and delivery. Participatory welfare mechanisms, such as community audits, grievance redressal forums, and user-based monitoring systems, ensure that programs reflect local needs and enhance accountability. In India, the success of programs like MGNREGA in certain regions has been tied to robust community engagement and transparent procedures such as social audits. Such models decentralize power, reduce elite capture, and instill a sense of ownership among beneficiaries. Further, digital technologies must be harnessed not to exclude but to enable access. Digital public infrastructure should be inclusive, multilingual, and designed to accommodate the elderly, the illiterate, and those in remote areas. This includes offering offline alternatives, streamlining documentation processes, and ensuring that technology supports rather than obstructs access to services.

Transformative welfare must also address intersectional vulnerabilities through policies that recognize and respond to the overlapping disadvantages faced by women, Dalits, Adivasis, persons with disabilities, and other marginalized groups. Gender-sensitive welfare schemes that acknowledge women's unpaid labor, ensure financial independence, and provide safe public services are essential to building an equitable society. Similarly, targeted investments in historically neglected regions—such as tribal areas or backward districts—can correct spatial inequalities and ensure more balanced development. Additionally, welfare should be linked to broader developmental goals including decent work, quality education, universal healthcare, and

environmental sustainability. Standalone welfare cannot transform lives if underlying systems of exploitation and discrimination remain unchallenged. Therefore, integrating welfare with policies on land reform, labor rights, tax justice, and public investment in social goods is critical.

Ultimately, the transformation of welfare from a fragmented, reactionary system into an inclusive, empowering framework depends on political will, democratic participation, and a commitment to equity. A welfare state that treats its citizens not as beneficiaries but as rights-holders can serve as a powerful engine of social transformation. In doing so, it can bridge the chasms of stratification and lay the foundation for a more just and humane society.

V. CONCLUSION

The state's role in shaping the socio-economic fabric of society through welfare is both profound and paradoxical. On one hand, welfare has alleviated poverty, empowered marginalized communities, and promoted social inclusion. On the other, it has often perpetuated the very hierarchies it aims to dissolve, through conditionality, exclusion, and stigmatization. This duality reflects the political economy of welfare—how it is embedded in systems of power, privilege, and ideology. As social stratification becomes more complex in the age of globalization, digitalization, and climate change, the need for robust and equitable welfare systems is more urgent than ever. Policymakers must recognize that welfare is not merely a tool for managing poverty but a mechanism for restructuring society along more just and egalitarian lines.

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