

Who benefits? On welfare and accumulation

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journals.sagepub.com/home/gsp**Sohini Kar**

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Commentary: reconfiguring labour and welfare in the global south

In the summer of 2015, I was conducting research in Mumbai on the role of banks and financial institutions in India's financial inclusion programme. Speaking to a senior executive at a private insurance company, I asked about the expansion of insurance as a part of the government's welfare agenda (see Kar, 2017). Leaning back on his chair, the senior executive noted the need for 'robustness of identity systems' so that insurance companies could limit false claims. Otherwise, they would face high transaction to implement insurance for poor populations that lacked necessary identity proof. He noted the available data in the government's biometric identity system, Aadhaar. 'We need links to [these] records', he explained. If they were able to access Aadhaar data, it would reduce their costs and risks, and allow for greater expansion of insurance products.

Aadhaar was introduced in 2010, aiming to improve welfare payments by streamlining the identification process and reducing corruption. While the claims for improving welfare delivery have been tenuous (Khera, 2017; Rao and Nair, 2019), the government has repeatedly attempted to expand the use of Aadhaar by the private sector. In 2018, the Supreme Court struck down a provision that allowed private entities to access Aadhaar data on privacy grounds. The government amended the Aadhaar Act in 2019 to allow for financial institutions and telecom companies to use Aadhaar for authentication of clients if they met certain security requirements. In 2023, the government sought once more to expand access of Aadhaar to private institutions, by amending regulations on the sharing of information. This steady expansion of access to Aadhaar data by private entities raises significant questions about who benefits from social protections. Benefits and beneficiaries are largely construed in terms of the recipients of welfare payments and/or in-kind provisions. When considering the growing market-orientation of social protections, however, the question of benefits needs to be unpacked further. Who, in other words,

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benefits from the system of social protections, including the emerging financial infrastructure?

The essays in this special issue examine the changing dynamics of labour, capital, and social protections. Taken together, they demonstrate the ways in which the benefits of social protections do not always accrue to the supposed beneficiaries of the different programmes. Although labour has historically fought for and won social protections, neoliberal conditions have reshaped these welfare regimes. In Vietnam, Luong and Nguyen demonstrate how market socialism is experienced by workers. Labour laws are not always met favourably by the workers themselves, who seek to sustain their livelihoods despite exploitative working conditions. Furthermore, globalisation has meant that both labour and capital are mobile; yet social protection regimes are often bounded by belonging to nation-states. As Plomien and Schwartz show, Eastern European migrants are forced to seek better returns to their labour through individualised participation in labour markets, over the guarantees offered by nationally bounded social protections.

For informal workers, the state and formal social security is often recognised in its absence. Raphael documents how informal traders of second clothes in India seek to build relational networks that provide security in the absence of the state. In Brazil, Georges reveals how even progressive governments offer social protections that both sustain the neoliberal market economy, while pacifying the poor. Meanwhile, Fouksman and Dawson show how COVID-19 presented an opportunity to radically reimagine welfare in terms of basic income. The temporal framing of the crisis, however, meant that these were seen as exceptional circumstances, even though conditions of precarity and unemployment are lasting features of the contemporary South African economy. Thus, even when social protections exist, they do not necessarily benefit the recipients in sufficient ways.

Social protections also rely on technical infrastructures and knowledge production. In China, Lammer identifies the sociotechnical arrangements in the *Dibao* programme that lead to particular ways of knowing recipients. Such processes of knowledge production mediate the recognition and standardisation of beneficiaries. Meanwhile, Webb and Vanqa-Mgijima show how distribution of social protections in South Africa is mediated by privatised financial technologies. These mediations mean that the beneficiaries often face complicated forms of access to payments, while privatised entities benefit from their role in the distribution of welfare. In both these cases, we see that the social protections are not a simple payment from state to recipient, but something that is mediated by financial and social infrastructures.

Perhaps shadowing the shifts identified in all these papers is not only a commodified and marketised economy, but also financialised one. While social protections in the global South have always faced the challenge of needing to meet productivist ends (i.e. improved economic outputs; see Mkandawire, 2007), in conditions of neoliberalism and austerity, social protections increasingly face the financial logics (see Alenda-Demoutiez, 2020). For proponents of these new welfare regimes, payment systems enable an ease of transfer. For instance, James Ferguson writes of how in ideal situations, recipients of basic income grants (BIGs) would 'access their funds simply swiping their national identity cards in an ATM' (Ferguson, 2015: 30). Yet what goes unsaid is the financial infrastructure that is needed to enable such transfers, and the forms of accumulation that are

embedded within these transfers. In India, I have found that banks participating in the government's financial inclusion programme do so with the goal of developing a new market for credit, as well as ability to receive fees from welfare transfers (Kar, 2020). Benefits accrue to financial entities by enabling the flow of welfare payments (see also James, 2015; Torkelson, 2020).

From the welfare state of post-war Fordist economies to the contemporary financialised ones, social protections always reflect the economic systems in which they exist and the settlements between labour and capital. That is, social protections set out to address the social question of the emergent economy. Yet, social protections – as a particular form of agreement between state and citizen – require a moral basis and consensus. Resolving the social problem requires resolving the emerging shifts in ethical and moral values. Viviana Zelizer's (1978) work on the emergence of life insurance in the United States in the 19th century helps to shed light on the reshaping of moral worlds in relation to financial tools. Writing of the popularisation of life insurance with the growing nuclearisation of families, Zelizer observes how the morally contentious financial product became normalised. The process is one in which, rather than death becoming profane, life insurance became sacred as a tool that ensured a householder would have to ensure a 'good death' (Zelizer, 1978: 602).

Furthermore, Zelizer (1978) notes how 'the public was assured that marketing death served the lofty social purpose of combating poverty, thereby reducing crime' (pp. 605–606). Similarly, financial inclusion has taken off globally in the past two decades with the goal of alleviating poverty. The privatised tools of financial inclusion are marketed as serving a greater social purpose, of enabling development, and reducing poverty – all deemed morally good. By enabling capital flows, financial institutions that participate in social protections can make it harder to ask 'who steals' and 'who is robbed?' (Deleuze and Guattari, 1983: 238), despite wealth that continues to accumulate with the capitalist.

Yet, such expansion of financial systems to the poor has often been linked to accumulation of wealth (Schuster and Kar, 2021). In the wake of the 2008 Global Financial Crisis (GFC), finance has reasserted its position of serving a social good through its incorporation into social protections. What we see now is a reworking of financial products to make them valued in a different way. By linking finance to public provisioning of social protections, finance becomes a social good. It is offered up as a gentler, kinder version of finance – one that seeks to do good, plug the gaps of funding, and enable sustainable development rather than raid the coffers of the global South. Who benefits? The answer becomes more complicated when accumulation and inequality are nested within the very infrastructures of redistribution.

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