

Business Standard

Ajay Chhibber: Poor public services, India's Achilles heel

A seven-point agenda to fix India's public services, and overcome poorly designed systems

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India's Achilles Heel remains its inability to deliver public services. India's aspiration to be a global economic power will be unrealised if this remains unsolved. Why is this problem so particularly acute? Is it political interference and corruption, poorly designed programmes and weak administration? Or a much deeper cultural problem of aversion to collective action, often ascribed to individualistic iconoclastic Hinduism?

India has shown it can deliver on a mega scale when the collective goal is shared, such as these past elections, in which over 800 million citizens voted in a largely error-free collective action. The Kumbh Mela, in which over 100 million devotees are provided food, water, shelter, law and order and sanitary facilities over a 30-day period at one of Hinduism's four major holy sites every three years has been described as the "world's largest peaceful gathering" - dismissing Hinduism's individualistic ethos as a credible explanation for India's lack of collective action on basic public services.

So why can India deliver on these events - at world-class level - and yet fail to deliver basic health, education, water, electricity, roads to a large part of its population?

How can we fix India's Achilles heel in public-service delivery?

First, reduce the number of programmes

India spends over Rs 200,000 crore (over \$30 billion) every year on over 100 national flagship programmes, to deliver a range of public services. Of these the 10 largest take up almost 90 per cent of the resources - which means that there are many small programmes which soak up scarce administrative capacity, are centrally designed and are poorly delivered in states, districts and blocks. The typical district administrator does not even know how many programmes are being implemented in his/her district, let alone how well they are delivering. So one obvious solution is to reduce the number of programmes to at most 10.

Second, provide clearer objectives and focus on outcomes

One lesson from successful programmes is clarity and simplicity in objectives. The Election Commission wants to deliver an error-free election, the Kumbh Mela organises a peaceful gathering. In contrast, the MGNREGA - the largest rural programme - has at least seven objectives ranging from guaranteed employment and providing a social safety net to deepening democracy and drought management. There is no clear metric on any of these objectives, so it's almost impossible to evaluate its success. The JNNURM - the largest urban programme - also has no clear goals. It is not surprising that both programmes struggled to achieve clear results.

Third, build more flexibility in programmes and state capacity to deliver

Central programmes are designed with a very rigid blueprint with little flexibility at implementation. So states as diverse as Nagaland, Kerala and Madhya Pradesh get the same template in programme after programme. Some states - Andhra, Tamil Nadu, Kerala, Maharashtra, Gujarat - implement most schemes well but others such as Assam, UP and Rajasthan implement most schemes badly. The variation is not across programmes but across states and, within states, across districts. Support to states to build capacity to deliver along with more flexibility is needed to ensure better delivery.

Fourth, delegate spending and accountability to lower levels

Spending accountability lies with the Centre or the state, so local administrators and local bodies have little say in implementation. Teachers are chosen and paid by the state and local officials can do little when teacher absenteeism is rampant. Kerala has shown that providing local sarpanches some say in teacher performance improves teacher absenteeism hugely. Bihar allowed sarpanches to hire low-cost para-teachers, which has improved schooling outcomes. District officials say they dare not change the implementation rules as they are subject to audits which follow the central blueprint.

Schemes allocate funds rigidly. When schools need toilets they are assigned money for boundary walls. Moreover, the discretion to reallocate funds does not exist. Funds are delayed so that by the time they do come they are spent on whatever is easy to complete.

Fifth, allow NGOs to implement government programmes and outsource functions to the private sector

Schemes implemented by well-known NGOs often work much better than government programmes in the same area and with similar objectives. Seva Mandir, a dedicated NGO in Udaipur, has very successful pre-school, school, water supply and toilet programmes in the same area where government's ICDS, Sarva Shiksha Abhiyan and toilet programmes are a disaster. What distinguishes these is the time good NGOs take to bring the community on board and take ownership of their projects, whereas government programmes have no local ownership and are viewed as corrupt top-down schemes. Of course, not all NGO schemes are genuine and many local officials set up pseudo NGOs to access government and donor funds.

Many components of government programmes can be outsourced to private, commercial contractors on a competitive basis. If properly designed and monitored, these would reduce the cost of delivery and improve performance. E-governance with online tracking should be introduced wherever possible to increase transparency and reduce corruption.

Sixth, reform the Planning Commission

A symbol of old-style top-down planning, the Planning Commission (PC) has very little focus on implementation. Through it, the Centre directs state development plans and controls the flow of plan expenditure to the states. The PC is now seen as an obstacle to progress rather than a thought leader and driver of development.

States are increasingly keen to have their own approach to development. With a more market-based economy India does not need old Soviet-style planning. Instead of plan and non-plan expenditures the entire allocation to states can be done by the Finance Commission and the finance ministry.

The new organisation should then focus on three functions: a solution exchange for what works in different aspects of development in different states and districts and other parts of the world; generate ideas for integrated systems reform; and a long-range radar system for new and emerging challenges.

Seven, consolidate Central ministries and commercialise infrastructure and mining

Lack of coordination is another major problem in better service delivery - the railways and ports are not coordinated, so delivery is delayed; coal is not supplied to power plants, so power generation capacity is underutilised. There is no unified transport ministry - there are separate ministries for railways, roads, aviation and shipping. For energy too there are ministries for power, petroleum, coal and renewable energy.

India needs to find ways to consolidate ministries or create more institutionalised coordination mechanisms. Japan has a constitutional restriction of 25 ministries. If a new ministry has to be added, one has to be dropped. Indonesia has a coordinating minister for economic affairs, infrastructure, agriculture and rural development.

Commercialised entities to handle transport, mining and infrastructure activities and adjudicated through regulators could be a solution.

Better service delivery is not rocket science. We need to shift from grand schemes to evidence-based policies and programmes, to incentives that drive accountability and learning, devolve decisions to local levels and tailor programmes to local conditions. If we get this right we can deliver public services to improve people's lives and make India a great economic power.

The writer is Director General, Independent Evaluation. These views are personal