

Sinha, Amarjeet

**Book**

## The Last Mile: Turning Public Policy Upside Down

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# The Last Mile

Turning Public Policy Upside Down

Amarjeet Sinha

Innovations, Practice and the Future in Public Policy in India



‘For decades, policy makers have been frustrated with the wide gap between intent and impact. This gap between hope and reality is a drag on India’s growth as the last mile becomes a dotted line. This book, based on Amarjeet Sinha’s rich experience of dealing with these challenges, is a masterclass in understanding why these gaps exist and what possible alternative approaches should be adopted to get better outcomes. He makes a strong case for delegation and democratization. A compelling argument which cannot be ignored.’

**Vineet Nayar**, *ex- CEO Hindustan Computers Limited (HCL), founder of Sampark, a trust for frugal innovations in elementary education on scale and author of ‘Employees First, Customer Second’, Harvard Business Review Press, 2011.*

‘A segmented approach to analysis and a fragmented effort for implementation of programmes often undermine the work of academia and administrators when issues of human development are addressed. As a distinguished civil servant, Amarjeet Sinha has brought an enlightened understanding of the multi-dimensional complexity of human welfare to his work in the key domains of education, health and rural development. His approach to elucidation of intricate issues and implementation of insightfully designed solutions reflect both the rigour of an academic mind and the vigour of a problem-solving change maker. Above all, he has been a passionate democrat who has ardently advocated decentralised, community-led initiatives for social development. This book brings us his distilled experiential wisdom and guides us in charting a path for India’s journey towards sustainable and equitable development.’

**Dr K. Srinath Reddy**, *renowned cardiologist and public health specialist, ex- President of Public Health Foundation of India; ex- Professor of Cardiology at All India Institute of Medical Sciences (AIIMS), and Chairman of High Level Expert Group on Universal Health Coverage (2010).*

‘In *The Last Mile – Turning Public Policy Upside Down*, Amarjeet Sinha weds his academic excellence with his passion for inclusive, community-based, and gender-sensitive social development and presents before us a body of work brilliant both in its insight and wisdom, which flows out of his grassroots experience and his expertise in planning and management. I found the book very insightful and rich in parameters for a more holistic and people-oriented approach to social development. As I read the book, especially the section on women and community connections, I felt a deep gratitude to the author, for his insistence on the fundamental truth that

women must have equal space and voice in all development efforts, and on the active participation of the community as a non-negotiable in any social development. This book is an excellent, indispensable resource that needs to be used by all those entrusted with the great responsibility of planning and administration of the development initiatives of the country, as well as by those responsible for the implementation of these programmes.'

**Sister Sujita**, *Sisters of Notre Dame, Patna, a pioneer in bringing Mahila Samakhyas to Bihar and in her work for the well-being of families belonging to the Musahar community, while living among them in Bihar.*

'Amarjeet Sinha has played extremely critical roles in policy formulation and programme implementation across the Ministries of Rural Development, Health and Education. His heart and soul has always been with the poor and downtrodden. The book combines the author's expertise and empathy to focus on the importance of the "last mile", be it for delivery of programmes, or the use of technology, or the inclusion of all social categories, or even for the execution of infrastructure projects.'

**Sumit Bose**, *retired finance secretary, government of India and government of Madhya Pradesh and distinguished social sector and civil society policy maker and professional.*

'After a full and productive working life in government, both at state and national levels, Amarjeet Sinha brings a unique perspective to this book – a combination of practical experience and academic zeal. His work across different sectors – health, education and rural development has given him wide exposure in dealing with implementation challenges but also reinforced his faith in the need for systemic and institutional change. The book is a "must read" for administrators, practitioners, academics, and all those who are keen to understand nuts and bolts of India's development and change.'

**Rukmini Banerji**, *Pratham Education Foundation and pioneer behind the Annual Survey of Education report.*

'Amarjeet Sinha's book makes a very valuable contribution to our understanding of the reasons why India's development strategy has been much less successful than it should have been in areas such as health, child nutrition, education, and expansion of rural livelihoods. The author draws on his personal experience in working in these areas both in the central

government and at the state level, to outline a course correction. He goes beyond the usual recommendations for more resources being directed to these areas to emphasise the need for greater flexibility in the design of these programmes and also the involvement of the community. What is particularly heartening, is the evidence marshalled to show that, where this has been attempted, the response is very encouraging. Since implementation of all these programmes is largely in the hands of state administrations, both politicians and administrators at the state level and also journalists covering these areas, would benefit from reading the book.'

**Montek Singh Ahluwalia**, *retired deputy chairman, Planning Commission and one of the architects of the 1991 economic reforms.*

'Only 15 paise reaches the beneficiary, said a former Prime Minister. Here is an insider's perspective of a sensitive, listening, and constantly learning bureaucrat. The author, in a rare case, is transparent and personal in asserting his convictions about public policy that should be made for Dalits, women and Adivasis, the last mile communities, to truly realize "India for All". He has been keen to implement better so the intended policy benefits reach the last mile. To borrow from Hannah Arendt, "no public servant's life is possible without a world which directly or indirectly testifies to the presence of other public servants. Public policy making in this sense is a collective venture, even as it appears as an act of a single person". However, leadership is about change-making. How your personal convictions are converted into policy and then how that is implemented is the most interesting "execution" process to learn from. What is at play here, therefore, is the change-making process by a leader bureaucrat.'

**Ved Arya**, *founder, SRIJAN and Buddha Institute, and National Convenor, Rapid Rural Community Response ( RCRC.)*

'The book would be a useful reference text in academic courses on public policy, rural management and development practice in Indian Universities. Its richness in terms of what has happened in the actual implementation of flagship programmes in recent years is likely to make it a preferred reference book. It would also be a handy reference book for development practitioners in India, both within the government and in civil society organisations.'

**Dr Jugal K. Mohapatra**, *administrator and economist, retired chief secretary of Odisha and secretary for rural development, distinguished public policy analyst, and commentator.*

‘An outstanding book on all aspects of social development in India that captivates and keeps your curiosity alive throughout. Amarjeet Sinha, who has himself designed many development programmes such as Sarva Shiksha Abhiyan and the National Rural Health Mission, has brilliantly analysed the reasons behind India’s success in improving livelihoods in the last two decades, and has also given practical suggestions for how to focus on community participation and promotion of women’s self-help groups for even better results. A compelling and must-read book for all those interested in India’s growth through the empowerment of marginalised groups.’

**Dr N. C. Saxena**, *retired member secretary of the Planning Commission, retired director of Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie and respected public policy commentator.*

# THE LAST MILE

*The Last Mile* explores the gaps and dichotomy between drafted policies and their implementation, and the last mile challenges which often make public services inaccessible to the poorest and most vulnerable sections of society. It provides an in-depth overview of the dynamics between communities, research and consultation and the implementation of policies for development.

Rich in empirical data and case studies from different government programmes and reports, this book examines the implementation of government service programmes for poverty reduction, women's empowerment, and income generation for the poor, among others, from a people's perspective. It highlights the need for policies and institutions to align their methods to community needs. Offering guidelines for redesigning as well as solutions to counter challenges related to lack of trust and effective communication, human resource management, capacity development, redressal mechanisms, and facilitating the last mile connection, the author delineates effective ways for integrating new technologies in policy implementation. The book also addresses legacy issues in institutions and re-orienting policy for better governance, transparency, and building trust.

Part of the *Public Policy in India* series, this book, by a senior practitioner, will be an essential resource for students and researchers of development studies, sociology, public policy and governance, economics, and South Asian studies.

This book is freely available as a downloadable Open Access PDF at <http://www.taylorfrancis.com> under a Creative Commons (CC-BY-NC-ND) 4.0 license.

**Amarjeet Sinha** is currently a member of the Public Enterprises Selection Board, India. He was earlier posted as advisor to the prime minister of India till 31 July 2021. A retired Indian administrative service officer, he has over 40 years of experience working in government, largely in the rural and social sectors. He has had the unique distinction of having played a major role in designing the *Sarva Siksha Abhiyan* (India's main programme for Universal Elementary Education), the National Rural Health Mission, and in bringing about governance reforms in programmes for rural areas covering livelihoods, employment, housing, social security, skills, rural development, and road construction. He is also the author of *An India for Everyone – A Path to Inclusive Development* (2013).

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*Amarjeet Sinha*

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# THE LAST MILE

Turning Public Policy Upside Down

*Amarjeet Sinha*



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To

*Anita*

*for*

*being there for me, always.*

*Ankur, Tarunima, and Anubhuti,*

*for that glitter in their eyes,*

*that tells me all.*

*And, of course,*

*for all fellow travellers*

*who have been part of this journey*

*to transform lives and livelihoods.*



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Rarely does it happen in government that you are assigned responsibilities of your choice. But for a few months in sales tax, all my life has been about social development. The footloose travels across the country's districts have been my greatest education, much beyond books and seminars. I was fortunate to have had tenures of reflection and reading to test the hypothesis of the field with actual evidence-based academics. Learning, serving, and teaching at the Lal Bahadur Shastri National Academy of Administration, Mussoorie, provided an opportunity to develop. Teaching is the highest form of learning and I have done this over three decades with young minds, in social development.

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I have been fortunate to have had the occasion to learn from many mentors and guides in the service. K. B. Saxena taught us to be empathetic to the poor. N. C. Saxena was the quintessential liberal. Sumit Bose taught me how

to get a team to work together. Girish Chaturvedi Sir's ability to grasp at once and communicate feedback clearly with States in appraisal meetings, would all leave their impact on me. Naresh Dayal Sir was the large-hearted boss you rarely get and P. K. Hota, a man convinced about the managerial mode of problem solving. Interaction with diverse perspectives provided an opportunity to experiment and learn. Rajeev Kapoor has been a real friend and the best critic, tearing apart whatever did not make sense. I cannot thank him enough. Indu Bhushan was generous with his time in commenting on some of my writing.

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There is no other debt greater than that owing to the family. My father gave us values by 'speaking through silences, and practising, never preaching'. In the eyes of our mother, her children could do no wrong. It gave us so much confidence to pursue our own pathways. Anita, my life partner, has been my greatest critic, nipping arrogance in its bud and rubbing my writing if it does not meet her standards. She is the pillar of our family, bringing up two of God's gifts to us, Ankur and Anubhuti. Tarunima our daughter-in-law, has added to our cup of joy. The joy in children's eyes is what kept us on the right path. Without the understanding and love of the dear ones, nothing would have been possible.

# INTRODUCTION

## **Why We Need To Develop the Discipline of Public Policy from the Community's Perspective and the Last Mile**

Public policy as a discipline is recognized the world over as the instrument to provide direction to interventions made directly by the State or through its instrumentality.<sup>1</sup> It is expected that this direction is based on an intense sifting of the evidence, the community, and the last mile. Public policy is expected to learn from its interaction with the field and plan the implementation, recognizing all the challenges of implementation. Often, while consultations happen and good ideas get reflected in policy documents, the attention to how it will be carried out, what skill sets would be required, what is the divergence of the field situation across provinces, what technology use options are there, how will financing be planned and provided, and how communities will become central to the implementation process, is often not so well spelt out.<sup>2</sup> As a consequence, the best of drafted policy documents often does not achieve what they set out to do in quality and time frame of implementation. We say the policy was good, but the implementation was poor. This is the dichotomy that development of the discipline of public policy and public management from the community's perspective and the last mile sets out to address.

Sectors that have a role in addressing the well-being of deprived households are very vulnerable to some of the centralized efforts as the last mile challenges are manifold, whether seen from the perspective of deficit, or ability to access technology. The poor asset base often compromises the ability of poor households to fully leverage the benefits of Information Technology (IT) solutions.<sup>3</sup> During the Covid-19 pandemic when online learning solutions of

high quality were offered, challenges faced by children from the poorer communities and living in remote regions has already been well documented.<sup>4</sup> Similarly, under Ayushman Bharat's Pradhan Mantri Jan Arogya Yojana for secondary and tertiary care without cost, many a time a poor household that is covered under the scheme is unaware of it, as community connect to explain the benefit was weak, in many States.<sup>5</sup> States that focused on this gap have done well in providing secondary and tertiary care to poor households. Clearly, the policy is good, but absence of an intensive community connect makes the benefit limited. Many more examples can be seen from many more sectors, highlighting the need for an effective last-mile community connect with remedial solutions to all last-mile challenges. The Gram Swaraj Abhiyan that reached seven basic services to over 63 974 villages across the country, tried to address some of these challenges through an intensive community connect and a last-mile changes and solutions approach.

Human resource challenges have played a pivotal role in understanding public policy from a people's perspective; even more so in a country like India, where the delivery machinery has been a regulatory one and not geared to development functions and needs. In sectors like education and health, a beginning was made by bringing in new skill sets for IT, for planning, for civil construction, for hospital and health management, and so on, through the 6% administrative cost in programmes like the Sarva Shiksha Abhiyan and National Rural Health Mission.<sup>6</sup> While many States have rationalized human resource needs, many others have continued ad hoc in their educational planning or in hospital management. There is a need to understand skill-set needs in implementing a public policy imperative and developing public management discipline to align to these needs. It is for this reason that public policy needs to be turned upside down. We will need more managers than magistrates in managing hospitals and schools.

While technology offers many solutions to long-pending challenges in transparency, timeliness, evidence-based beneficiary selection,<sup>7</sup> and so on, we must remember that technology is a means and not an end. It is important to realize this as every technological intervention, to be fully successful in giving the results desired, needs an equally strong last-mile community connect and facilitation. There has to be a grievance articulation and redress mechanism at the community level.<sup>8</sup> It has to be responsive to build confidence that mid-course changes in design, based on feedback, are integral to a programme. Often programmes are seen as cast in stone and this makes the chasm between public policy articulation and public management skill sets for last-mile solution, get in the way of effective implementation. This has consequences for human well-being.

The recently approved New National Education Policy 2020 is a very outstanding example of a policy document that is the outcome of intensive consultation at all levels. Serious efforts have been made in school education to

identify the set of actions that will facilitate its achievement. The success will depend on this willingness to address the challenges in actual implementation. The Mission Karmayogi for capacity development can meaningfully address some of the systemic skill set issues in public governance. Many new skill sets will be required to improve governance of public systems. Also, partnership with civil society and the non-governmental sector will also need to be factored into planning for human resources (HR). Regulation will need to be revisited from a completely new perspective to change its role from negative to facilitative, without compromising on standards. Outside-of-the-box thinking on regulation is needed, based on evidence, and not on impulse. Peer-group consultations in regulatory challenges, more transparent reasons for approval or rejection, and simplified compliance parameters will all pave the way for a regulation built on trust and quality.

The historical legacy issues also inform gaps in policy and implementation. A state like Tamil Nadu, with a very evolved public health cadre, is able to operationalize many health initiatives far more effectively than many other States.<sup>9</sup> Similarly, efforts at crafting new institutions like the District Institutes of Education and Training have raised fundamental issues of sustaining quality in faculty and making a training institution an exemplar of practice of excellence.<sup>10</sup> The important lesson is to try and understand why an intervention does not work as intended and what needs to be done to set it right. Rather than top-down solutions, it is important to understand the evidence on non-performance or poor performance to reformulate interventions.<sup>11</sup> Personnel and Human Resource (HR) policies in States also need to be fully re-oriented under Mission Karmayogi<sup>12</sup> to make available persons tailored to the requirements of successful time-bound outcomes.

Another major area of work is to do with an understanding of where we need effective public systems to address equity, equality of opportunities, and the challenges of market failure.<sup>13</sup> If human development is integral to a person's ability to exercise freedoms and choices, there cannot be any compromise in access to such services.<sup>14</sup> While the private sector has a role and is important in moving towards universal quality health care and education, it must be understood that public policy has to ensure that the fruits of quality reach every school and hospital, whether private or public. It is for this reason that we need to get out of the binary of public and private and move towards creating community institutions. Recent thrust on the cooperative spirit, the mobilization of women under the Livelihood Mission into self-help groups, and the power of elected Panchayats, needs to be harnessed for the well-being of the larger community. Decentralization, within the framework of the 11th Schedule and the 29 Sectors and 12th Schedule and the 18 sectors in urban local bodies, with adequate thrust on human resource management to address efficiency and effectiveness challenges in decentralized governance, actually holds the key to a transformation of lives and livelihoods.

Public policy and public management also have to address the challenge of not leaving any poor household behind. Beneficiary selection is fraught with challenges, even with the most sophisticated use of technology. The Socio-Economic and Caste Census (SECC 2011)<sup>15</sup> made a good beginning with selection based on easily identifiable deprivation parameters, irrespective of caste, creed, or religion. While it was able to provide a list of households with their respective deprivation, it is also true that many vulnerable households have been left out over time. These have to be addressed using technology and community connect as a participatory identification of the poor<sup>16</sup> through a vibrant and purposive Gram Sabha is the best way out, using all technological evidence at our command. It is these last-mile challenges that need to be addressed to ensure that no one gets left behind: a call given by the Hon'ble Prime Minister on Independence Day.<sup>17</sup>

India has a strange paradox. Of the 29 subjects assigned to Rural Panchayats in the 11th Schedule and the 18 to urban local bodies in the 12th Schedule of the Constitution of India, a very large number have centrally sponsored programmes substantially funding them. Historically, Panchayats own resources have been negligible, and States have pitched in with what they can. When devolution to States was lower, the central government had more funds to offer to States. The centrally sponsored schemes came up on the 'equalizing principle'<sup>18</sup> that no citizen should be denied very basic entitlements to education, health, nutrition, livelihood, housing, drinking water, sanitation, employment, skill, and road connectivity, among others, simply because a State has inadequate revenues. As a consequence, sectors that have been the domain of local government and State lists like health have been funded for plan activities by central government. Education, brought into the concurrent list by the 42nd Constitutional Amendment, 1976, also continues to have significant central government funding, especially for programme interventions. Even after higher devolution, a planning commission/Niti Aayog committee, under Shivraj Singh Chauhan, identified centrally sponsored schemes that needed to continue as core and necessary with specified sharing patterns.<sup>19</sup>

The need for partnerships becomes paramount for all activities and interventions as it is the State and local governments that actually have the field presence and so lead programme planning and implementation. Given the diversity that is India, this calls for a shift from 'cast-in-stone' guidelines to 'Frameworks for Implementation'. Sarva Shiksha Abhiyan (SSA) (Samagra Shiksha since 2018, covering pre-school to Class XII), National Rural Health Mission (NRHM), and rural development programmes, all have Frameworks for Implementation that allow for State specific modulation for effectiveness. In fact, States were an integral part in drafting these frameworks for implementation. The ownership of the States comes through their representation in the actual drafting of a programme framework. The Pradhan Mantri



Awaas Yojana Gramin is a very good example of such an effort.<sup>20</sup>

For the central government, centrally sponsored programmes are an opportunity to push for reforms in State and local governments. The insistence on technology, Adhaar validation, geo-tagging, direct benefit transfer to beneficiary accounts, social audit, transparent on-line monitoring system, use of the SECC 2011 deprived households as a basis for beneficiary selection, and adoption of good practices, are all an outcome of such a partnership for reforms. Since all States and districts had validated the SECC data, they had no reasons to complain.<sup>21</sup>

The State legislatures have the authority to transfer funds, functions and functionaries to local governments.<sup>22</sup> There are many States where this has been slow as State governments do not want to part with their control over these resources. The role of the central government is to convince States about such decentralization with community countervailing presence. The activeness of the Gram Sabha and Gram Panchayat leadership with the presence of a vibrant community organization like the women's collectives of the Livelihood Mission, is a process where central and State governments have to work together for reform. One innovative possibility is for central government to insist on devolution in all programmes even partly funded by it.

For the central government to carry conviction with the States, it is not only fund transfers that matter. Professional support for driving reforms becomes extremely important. It is for this reason that Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM) and rural development programmes have insisted on institutions that provide hand-holding, appraisal, and technical support to States. The Technical Support Group of SSA, the National Health System Resource Centre (NHSRC) in NRHM, the National Rural Infrastructure Development Authority, and the National Rural Livelihood Promotion Society, were all crafted to build capacity in technical areas at all levels. For the first time, States started coming up with district and State plans. Through a process of pre-appraisal, appraisal and final approval of agreed plans and targets, the organic partnership of the central and State governments became deeper.<sup>23</sup>

The involvement of the best professionals from institutions in the Pradhan Mantri Gram Sadak Yojana (PMGSY), the partnerships with National Resource Organizations (NROs) in the Livelihood Mission, and the diversity of region-specific housing designs in the PMAY-Gramin, are all examples of how professionalism could be instilled through a support for outstanding technical institutions and individuals. The NHSRC's leadership in capacity development of Accredited Social Health Activists (ASHAs), public health thrust, mainstreaming of AYUSH (traditional systems of healthcare) studies on health financing, developing health MIS, and so forth are also examples of capacity support. Programmes like the Livelihood Mission are human-resource-centric

as they are about building community capacity for livelihoods. Over three lakh Community Resource Persons could be developed in States only due to the concerted support of national resource organizations in training and capacity building. The National Institute of Rural Development and Panchayati Raj working very closely with the States' Institutes of Rural Development, the National Council of Educational Research and Training and National University of Educational Planning and Administration working closely with SCERTs/District Institutes of Education and Training and State Institutes of Educational Management and Training, the NIHFWS and NHSRC working with SIHFWS, provide a framework for capacity development institutionally. The involvement of civil society organizations speed up the process of adoption of good practices.

Good practices sharing workshops, where States/districts showcase their initiatives, were integral to these partnerships, promoting a culture of learning from each other. The central government has a critical role in providing this platform to States for cross-learning. Reform is about adoption of good practices in State contexts.

Likewise, the organic partnership would be incomplete without an accountability framework. Transparent MISs making full disclosure, geo-tagging of assets, advisory groups on community action in the health sector with civil society organizations carrying out an audit of health institution performance and services to citizens,<sup>24</sup> building up social and financial audit systems, and independent Annual Common Review Missions with academics, sector experts, and civil society representatives to critically comment on a programme,<sup>25</sup> are all needed for effectiveness. Central and State governments both learn from these independent processes. I still recall the comment of Chinmaya Basu, a respected retired civil servant, about on-line records having led to a decline in the quality of physical record keeping. We could address it, thereafter, because of these critical comments.<sup>26</sup>

Independent evaluation studies<sup>27</sup> and follow up on comments, concurrent audits, and comptroller and auditor general's performance audit, are all means to hold everyone accountable for outcomes and quality. The detailed curriculum for a four-week concurrent audit for retired professionals, and certificate courses for social audit professionals were designed to provide tools for transparency and accountability.<sup>28</sup>

The central, State and local governments have to necessarily work together to make a difference to outcomes. There is no going away from partnerships for deepening reforms. This holds true not only for the social sector; infrastructure, too, needs partnerships for coordination and reforms as land is with the States and its acquisition is the biggest factor in delayed infrastructure projects. Also, States on board with such projects make community connect easier, explaining the genesis of the project and its positive impact on local communities. Partnerships for reforms is the best way forward.

Ashoka Mody,<sup>29</sup> in his book, *India is Broken – And Why it is Hard to Fix*, states that India's neglect of public goods like education, health, urban infrastructure, clean water, and a fair and responsive judiciary explains why it is broken. His solution is, 'India needs more democracy through decentralization of authority to city and village governments. Despite its own perils, decentralized governance offers the best – possibly the only – prospect of morally anchored political accountability.' This book tries to understand what makes efforts in outcomes from these public goods better and more transformational in changing lives and livelihoods. Ashok Lahiri's *India in Search of Glory*<sup>30</sup> also makes a strong case for community action and public accountability. This book is an effort to make a difference to the last mile of community connect and outcomes.

My last book, *An India for Everyone*, a HarperCollins Paperback, was published in 2013. It dealt at length with the need to focus on human development for attaining higher rates of economic progress and a more inclusive society. Sectors like basic education, health, and nutrition were discussed to understand the innovations that could help in moving faster. There was a confidence that human development would do it all. The successes of Kerala and Tamil Nadu in significantly bringing down poverty were reasons for hope for such a strategy. Often, the roles played by basic infrastructure, adolescent girls in higher secondary schools, women's collectives, and improving the asset base of the poor, were not highlighted much, on the assumption that human development would do it all. The linkages of improved human development outcomes with better housing, electricity, LPG cooking, individual household toilets, roads, bank accounts, life and accident insurance, and so on, were not explored in as much detail.

In early 2015, I had an opportunity to manage pro-poor public welfare programmes in rural areas, in partnership with States. From PMGSY to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), from Pradhan Mantri Awaas Yojana Gramin (PMAY Gramin) to Deendayal Antyodaya Yojana National Rural Livelihood Mission (DAY-NRLM), from Deendayal Upadhyay Grameen Kaushal Yojana (DDUGKY) to Rural Self-Employment Training Institutes (RSETIs), from National Social Assistance Programme (NSAP) to Rurban Clusters (Shyama Prasad Mukherjee Rurban Mission), capacity building of Panchayat leaders under the Rashtriya Gram Swaraj Abhiyan (RGSA), to the preparation of Gram Panchayat Development Plans (GPDs) as part of a Gram Sabha initiative of ranking of villages under the Mission Antyodaya, I got a chance to work on a range of pro-poor public welfare programmes. Coordinating the work of the Gram Swaraj Abhiyan in 63,974 purposively selected villages in 2018, I got an opportunity to engage with a wider range of pro-poor public programmes like Ujjwala for LPG connections, to Saubhagya for electricity connections to households, to immunization under Mission Indradhanush, to programmes for financial

inclusion, and so on. The experience of campaigns for community connect involving Gram Panchayats and women's Self-Help Groups for extending pro-poor public welfare programmes to deprived households, provided an opportunity to understand the thrust for improving the ease of living of deprived households and human development. The idea of this book was born in these countrywide interactions with the households of the deprived. Reducing the asset-base deficits of poor households and improving ease of living for them, facilitates partnership in human development and other public services. Disposable incomes are important for educational participation.

The engagement with pro-poor public welfare programmes and programmes for improving rural infrastructure with clear time line specific outcomes, required a range of innovations in programme design, implementation and effective monitoring. Technology was extensively used for transaction-based MISs, Direct Benefit Transfer, geo-tagging and GIS mapping of assets, and so forth. It introduced a sense of convergent action with community connect, using all the tools that technology offered. The need to write on what worked, what was the level of plumbing required to achieve outcomes, and what could be done better through new innovations and approaches, has led to this volume on public management. Looking at books on public administration and public policy making in India, I was struck by the lack of good evidence-based works that actually critically analyse the systems of public management, their weaknesses, and outside-of-the-box solutions. The diversity of systems of governance across States, the role of local governments, the frontline workers and their accountability, the challenges in governance, and financial management, needed to be discussed in detail on the basis of the evidence.<sup>31</sup> Plumbing to make systems better needed to look at the nitty-gritty of the systems of public administration. This book would have added to the body of knowledge if it succeeds in sharing detailed micro-level analysis of what works and what does not and how public systems for outcomes can be designed based on the learnings.

The use of the SECC 2011 provided a unique opportunity for evidence-based identification of deprivation, free from the manipulation of locally prepared Below Poverty Line (BPL) lists. A census outside the Census Act, using the same listing of households as the National Population Register 2010 (NPR 2010) and the SECC 2011, for the first time, provided household deprivation data that was caste-, creed-, and religion-neutral. Deprivation was to be ascertained on the basis of easily verifiable indicators after automatically excluding those who had government jobs, three pucca rooms, motorized vehicle, irrigated land, and so on. The application of SECC to development initiatives for housing, LPG gas connection, electricity connection, Ayushman Bharat listing, provided an opportunity to attend to the multi-dimensionality of poverty, through a range of pro-poor public welfare programmes. Identification of the poor has been one of the greatest

development challenges and the use of SECC opened a new paradigm of beneficiary selection. Development practitioners also needed to understand the efforts at objectively ranking Gram Panchayats on the basis of infrastructure, human development, and economic activity. Such insights into the poverty of geographies and the poverty of households, opens new ways of understanding the challenges.

This book confirms four hypotheses:

- i) The role of accountability through community collectives/neighbourhood household groups, and women's self-help groups in improving the governance through local governments, by holding them more directly accountable to the people. It provides reasons for hope in effective and accountable decentralized governance through Panchayats and Local Bodies.
- ii) The role of women's collectives along with participation in higher education, decline in fertility, access to skill and vocational courses, health care, and access to collateral free credit for self-help groups leading to decline in poverty in southern Indian States on a larger scale. There is evidence across States of similar interventions leading to exactly similar gains in poverty reduction.
- iii) The role of removal of the asset base deficit of the poor and improvement in ease of living through good housing, sanitation, electricity, roads, bank accounts, gas connections for cooking, food grain security, membership of women's collectives, and so on, in improving the ability of a household to leverage opportunities for human development and capabilities.
- iv) The necessity of working in a decentralized local government framework with funds, functions, and functionaries, in sectors like education, health, nutrition, livelihoods and skills, given the fact that these sectors do not lend themselves to narrow departmentalism.

There is evidence across villages, Gram Panchayats, blocks, districts and States in India confirming the above four hypotheses. This provides a roadmap for an even faster decline in poverty across the States. In India, 415 million persons coming out of poverty over the last 15 years<sup>32</sup> has been possible on account of efforts in this direction.

This volume is the outcome of these experiences acquired over the last few decades. Since there was more than was offered in the last book and newer areas where research has yet not delved deep into the nitty gritty of administrative arrangements, I genuinely felt that this book would add to the body of knowledge and break new ground in the study of public management and public policy, making for better outcomes and the well-being of all. If implementation has been the bane of development, it was important to understand

what will make a difference. This book is about implementing better to make a New India, that is poverty free and much less unequal – an India that provides social opportunities to every individual to develop her/his fullest human potential through good health, income, education, skills and sustainable livelihoods. If it succeeds in sharing the geographical diversity in outcomes, and in making readers grasp the nuances of administrative systems and their efficacy, it will have met the author's expectations. A developed India by 2047 is on the national agenda in the Amrit Kaal. This book outlines the policies and programmes that are likely to transform India into a developed India, where every citizen actually lives a healthy and happy life, fully cultivating their human potential.

## Notes

- 1 Francis Fukuyama: *Political Order and Political Decay* (2014).
- 2 The new National Education Policy 2020 is an excellent document. Its framework for implementation, however, has not been developed yet, in partnership with States.
- 3 Seen in the less-than-optimal response to many programmes for human development in nations with extremely high chronic poverty.
- 4 See the Pratham Report (2022), the National Achievement Survey of NCERT (Department of School Education and Literacy, 2021b), and the compilation of good practices on on-line digital learning during Covid-19 (Department of School Education and Literacy, 2021a).
- 5 In Bihar the uptake is very low as households that were deprived have been given a cashless facility, but they do not know. Also, facilities in the public and private sectors are still not available in many parts of the State for secondary and tertiary care.
- 6 See, for example, the National Rural Health Mission, (Ministry of Health, 2005).
- 7 See Nilekani & Shah (2015) on the IT revolution and its possibilities in rebooting India.
- 8 See, for example the challenges of the last mile in the use of technology in MGNREGS, in Jean Dreze et al. (1999).
- 9 See R. Parthasarathi and S. P. Sinha (2016).
- 10 The author had the opportunity to study and assess the performance of District Institutes of Education and Training in Assam, as part of a study on DIETs all over the country, conducted through the Educational Consultants India Limited (EdCIL), 1996–1997.
- 11 Assessments of District Institutes of Education and Training by Educational Consultants, India Limited for the District Primary Education Programme. Many DIETs did not take off, on account of very remote locations.
- 12 A new initiative launched for capacity building among central government officers at all levels.
- 13 See Rakesh Mohan (2021).
- 14 See, for example, Amartya Kumar Sen's work on human capabilities and freedoms, (Sen, 1999).
- 15 The Social Economic and Caste Census (SECC) 2011 started in 2011 but was completed in July 2015, See Ministry of Rural Development, Government of India (2011).

- 16 Tried out in Tamil Nadu on scale in the programmes for poverty reduction, through the Village Poverty Reduction Committees (VPRCs).
- 17 See, for example, the Prime Minister's Independence Day Speeches both in 2021 and 2022.
- 18 Erstwhile planning commission documents.
- 19 Report of the Committee of Chief Ministers under Shivraj Singh Chauhan, Niti Aayog, 2023.
- 20 All the programmes that I have been associated with have had only Frameworks for Implementation with flexibility to States in the preparation of their annual work plans.
- 21 The Socio-Economic and Caste Census (SECC 2011) was released in July 2015 by Shri Arun Jaitley, the then finance minister. The deprived households deprived therein were made beneficiaries under programmes like PMAY-Gramin, Ujjwala, PMJAY, Saubhagya and so on.
- 22 The Constitution of India.
- 23 The author had the opportunity to institutionalize this approach in Sarva Shiksha Abhiyan, the National Rural Health Mission, and later all the Ministry of Rural Development programmes. States know their approved plan, decided in consultation with them by the first week of April each year, allowing 365 days to implement the agreed plans.
- 24 Coordinated by the Population Foundation of India, civil society organizations undertook community audits of health facilities and made useful suggestions for corrective action.
- 25 A social audit certification module was developed by the Tata Institute of Social Sciences, Mumbai, in partnership with the National Institute of Rural Development of Rural Development and Panchayati Raj, Hyderabad. The NIRD & PR set up a Centre for Social Audit to take forward the capacity-building needs. The Institute of Concurrent Audit in partnership with NIR & PR, designed four-week course material for certification of concurrent auditors. The Independent Review Missions was a practice started in DPEP and then carried forward in Sarva Shiksha Abhiyan. Seeing its usefulness, I introduced it in the National Rural Health Mission and all the Rural Development Programmes. These reports provide a critical insight on the areas of improvement in programmes based on an intensive assessment of the field.
- 26 The comment was made by Chinmay Basu as a member of the Common Review Mission that visits States each year to assess the effectiveness of programmes. The Common Review Mission system was institutionalized in SSA, NRHM, and the Ministry of Rural Development programmes by the author.
- 27 Every programme in rural development was subjected to a detailed evaluation. Dr Manoj Panda, Director of the Institute of Economic Growth, led an evaluation of the water-related works in MGNREGS (see Institute of Economic Growth, New Delhi, 2018); R. N. R. Bhanumurthy of NIPFP undertook a series of evaluation studies of the PMAY-Gramin, 2017–2020 (see National Institute of Public Finance and Policy, 2018); the Institute of Rural Management led by Prof. Pramod Kumar Singh undertook a study on the Livelihood Mission (see Singh, 2018); the Mahila Kisan Sashaktikaran Pariyojana (see Banerjee et al., 2017), the PMGSY studies by the World Bank (see World Bank, 2018); and many other district specific studies have all provided insights into programmes.
- 28 The Ministry of Rural Development designed a certificate programme for social auditors through the Tata Institute of Social Sciences and the National Institute of Rural Development Hyderabad. Likewise, NIRD Hyderabad and the Association of Auditors of India designed the Concurrent Audit of Programme courses. 2016–2017.

## 12 Introduction

- 29 See Mody (2023) *India Is Broken and Why It's Hard To Fix*.
- 30 Ashok K. Lahiri (2022) *India in Search of Glory*.
- 31 Unfortunately, not many evidenced-based works are available on the nitty-gritty public management details.
- 32 The UNDP (UNDP, 2022b) report on the Multi-Dimensional Poverty Index brings out the reduction in poverty in India.



# 1

## A POVERTY-FREE INDIA

### Building Systems for Outcomes

Poverty is multi-dimensional and requires a simultaneous intervention in many sectors to really make a difference (see Figures 1.1 and 1.2).<sup>1</sup> High rates of economic growth are required to generate the resources needed to improve the ease of living of the poor through better education, health, housing, sanitation, skills, livelihood, and a range of other infrastructure and income generating initiatives. Recent studies (pre-Covid-19) have recorded a significant decline in chronic poverty measured in terms of a per capita income of one dollar and 90 cents. The expansion of Rs. 3/- per kg rice and Rs. 2/- per kg wheat for three-quarters of rural households and up to half of the urban households across the country has improved the access to food grains for the poor. Recent studies (76th Round National Sample Survey Organization (NSSO 2018), and National Family Health Survey (NFHS)-5 (IIPS 2019–2021) on multi-dimensional poverty have also captured significant improvement even after taking indicators like child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, and assets. However, the Oxford Poverty and Human Development Initiatives (OPHI) study for 2015–2016 concluded that 8.8% of population were in severe multi-dimensional poverty and 19.3% were still vulnerable to multi-dimensional poverty. The Global Multi-Dimensional Poverty Index (MPI) 2022, released by the United Nations Development Programme (UNDP) says that India succeeded in bringing 415 million people out of poverty in 15 years, and that the Multi-Dimensional Poverty Index value and incidence of poverty more than halved. Poverty declined to 16.4%.<sup>2</sup> The thrust on ease of living and on a range of interventions for the indicators mentioned above during the last eight years would surely have reduced these numbers further. The Covid-19 pandemic, however, has disrupted learning in



**FIGURE 1.1** All India Free from Poverty and Corruption.  
Amarjeet Sinha, 2019.



**FIGURE 1.2** An India of High Growth and Ease of Business.  
Amarjeet Sinha, 2019.

schools and dented the incomes of the poor. Recent studies are indicating how poverty may well have risen during this period.<sup>3</sup>

Unemployment and incomes have been a challenge for many households and increased demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a proxy indicator for the distress.<sup>4</sup> Households went back to their villages during the pandemic, and many do not seem to have returned yet, forcing them to work for a subsistence wage under MGNREGS. With increased mechanization, there are limits to agricultural employment. Also, not enough opportunities are available for non-farm employment to address the demand for skilled and semi-skilled work. Clearly, this will require concerted focused action for education, higher-order employment, and higher incomes. While the asset base of poor households may have improved (because of access to basics like housing, sanitation, electricity, LPG connection, Jandhan accounts, life and accident insurance) incomes have been a challenge in the post-Covid-19 phase.

For India to become truly poverty free, it is important to recognize the multi-dimensionality of poverty. The only way of tackling multi-dimensional poverty is through inter-sectoral interventions and convergence to create powerful local institutions with vibrant community organizations to hold elected representatives accountable for guaranteed public services and economic opportunities. Kerala's vibrant Panchayati Raj Institutions (PRIs) along with the equally vibrant Kudumbashree women's self-help movement and Neighbourhood Household Groups (NHGs) at the level of neighbourhood and communities working together to transform lives and livelihoods is perhaps a way forward. Tamil Nadu's efforts to promote higher secondary education among adolescent girls, reducing fertility, providing a platform for women Self-Help Groups (SHGs) under the Tamil Nadu State Rural Livelihood Mission, opportunities for diversification of livelihoods through skill development and bank linkage for SHGs, and for individuals, together explain a faster decline in poverty. Andhra Pradesh, Telengana, and Karnataka have also followed a model of SHGs contributing towards social capital and developing diversified livelihoods for sustained economic activity.

The scale of multi-dimensional poverty in India deserves a chapter on its own. India has made momentous progress in reducing multi-dimensional poverty. The incidence of multi-dimensional poverty was almost halved between 2005/06 and 2015/16, climbing down to 27.5%. The global Multi-dimensional Poverty Index (MPI) was cut by half due to faster progress among the poorest. Thus, within ten years, the number of poor people in India fell by more than 271 million – a truly massive gain. India's scale of multi-dimensional poverty reduction over the decade from 2005/06 to 2015/16 – from 635 million poor persons to 364 million – brings to mind the speedy pace of China's income poverty reduction, which occurred over more than 20 years.

(Global Multi-Dimensional Poverty Index, 2018) (see Figures 1.3 and 1.4)

Poverty Reduction: Lessons from Tamil Nadu

- High participation of adolescent girls in higher secondary/higher education
- Decline in birth rate among young women
- Formation of women’s SHGs
- Livelihood diversification through acquiring skills
- Bank linkage for SHGs

The success in poverty reduction in many southern Indian States has been emulated by a large number of States and Union Territories in other parts of the country.<sup>5</sup> States like Bihar, Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand, West Bengal, and Assam have focused on a universal presence of SHGs as a countervailing force working with Panchayati Raj elected representatives. An effort has been made to institutionalize the partnership of 3.1 million elected Panchayat leaders at various levels with over 85 million women of Self Help Groups (SHGs) under Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) through a provision of joint capacity development under the newly launched Rashtriya Gram Swaraj



FIGURE 1.3 Sustainable Development Goals 2030.

Amarjeet Sinha, 2020.

SECC 2011 Focused efforts on most deprived sections		
Particular	Deprived Households	Interventions Required
Only zero room or one room with kucha walls and kucha roof (D1)	2,37,31,674	<ul style="list-style-type: none"> <li>• PMAY Gramin</li> <li>• Day-NRLM</li> <li>• MGNREGS</li> <li>• DDUGKY/RSETI</li> <li>• NSAP</li> <li>• Livelihood</li> <li>• Education/Skills</li> <li>• Animal Resources</li> <li>• Non-Farm option</li> <li>• Markets/Value</li> <li>• Social Capital</li> <li>• Bank Linkage</li> <li>• Enterprise</li> <li>• Professionals</li> <li>• Horticulture</li> <li>• Organic</li> <li>• Health</li> <li>• Nutrition</li> <li>• SBM</li> </ul>
No adult member between 16 to 59 (D2)	65,15,05	
Female headed households with no adult male member between age 16 to 59 (D3)	68,96,014	
Disabled member and no able bodied adult member (D4)	7,16,045	
SC/ST households (D5)	3,85,82,225	
No literate adult above 25 year (D6)	4,21,47,568	
Landless households as manual casual labour (D7)	5,37,01,383	
TRANSFORMING LIVES AND LIVELIHOODS MEASURING OUTCOMES		

FIGURE 1.4 SECC - 2011 Based Deprivation.

Amarjeet Sinha, 2020.

Abhiyan (RGSA) scheme. It is through this partnership of social capital, community frontline workers, and elected Panchayats that faster transformation and poverty reduction is possible. The recently released Niti Aayog Report on the MPI, based on the 2015–2016 NFHS-4 data placed 25% of households in India as multi-dimensionally poor.<sup>6</sup> That number is down to 16.4% in 2022. Now that the complete NFHS-5 results are out, it is important to see where we have reached on the MDPI. Covid-19 has surely shrunk incomes and employment for a large number of households, and this may have consequences for the MPI even though the asset base of the poor has considerably improved, thanks to the pro-poor public welfare thrust.<sup>7</sup> As the United Nations Development programme's Multi-Dimensional Poverty Index Report (UNDP MDPI Report), 2022 indicates, States with higher incidence of poverty like UP and Bihar have managed a faster rate of MDPI reduction than others. This confirms Socio-Economic and Caste Census (SECC) 2011 use as instrumental in addressing regional and social disparities.

A very successful effort in this direction has been the Gram Swaraj Abhiyan (GSA 2018) that provided seven basic services to all the eligible deprived households in 63,974 villages with a large population of vulnerable social groups especially in aspirational districts. Electricity connection, Liquefied Petroleum Gas (LPG) connection, bank account, accident insurance,

life insurance, immunization for children, and LED bulbs could reach nearly all deprived households in these villages through an integral partnership of Panchayat leaders, women's SHGs, frontline workers, and activation of all line departments for time-bound results.

For an evidence-based approach, the socio-economic assessments of households under the Socio-Economic and Caste Survey (SECC), 2011 are an excellent baseline against which progress can be measured (see Figure 1.4). Changes in the deprivation status of households can be tracked using this baseline and it would be a good measure of the movement towards a poverty- or deprivation-free India. The Mission Antyodaya survey carried out each year in every Gram Panchayat and village tries to do this as a system with community oversight at each stage.<sup>8</sup> Likewise, the assessments of Gram Panchayats on a scale of 100 with a thrust on physical infrastructure and human and economic progress, which were carried out in 2017 and have been repeated every year, thereafter, are also a very good measure of assessing the poverty of geographies. The ranking of Gram Panchayats provided a detailed picture of the gaps that need to be bridged Panchayat-wise. The process of the bottom-up approach of Gram Sabha led preparation of a Gram Panchayat Development Plan in an effort to respond to the gap analysis through interventions in the 29 sectors listed in the XIth Schedule of the Constitution as subjects under the Panchayat.<sup>9</sup> It is a strengthening of these processes of effective decentralization and devolution in partnership with social capital of women's SHGs that holds the key to vibrant local governance and faster poverty decline through concerted community led action.

The success in recent years of programmes like rural housing, Swachh Bharat Mission, Ujjwala, Mission Indradhanush, Poshan Abhiyan, Ayushman Bharat, Saubhagya Yojana, Jan Dhan, Jeevan Suraksha, Jeevan Jyoti, National Social Assistance Programme (NSAP), and Pradhan Mantri Gram Sadak Yojana (PMGSY), among others is on account of the coming together of local governance institutions and holding public systems accountable for outcomes and services. The recently launched thrust on drinking water<sup>10</sup> with source sustainability and water conservation will also greatly improve the fight against poverty and deprivation. The challenges of quality education and health care require the engagement of the line ministries with Panchayats and local bodies in a manner that the aspirations of the poor for quality education of their children are fulfilled at public cost. Besides removal of governance deficits, these would also require removal of deficits in teacher development, human resources for health, service guarantees, and perhaps additional financial resources geared to the achievement of quality outcomes (see Figures 1.5 and 1.6). These are only possible through a Gram-Panchayat-led movement for transformation of lives and livelihoods in partnership with the women's SHGs of the Deendayal Antyodaya National Rural Livelihood Mission (DAY-NRLM). Social capital is the only way to build a strong



# Methodology and NFHS Results

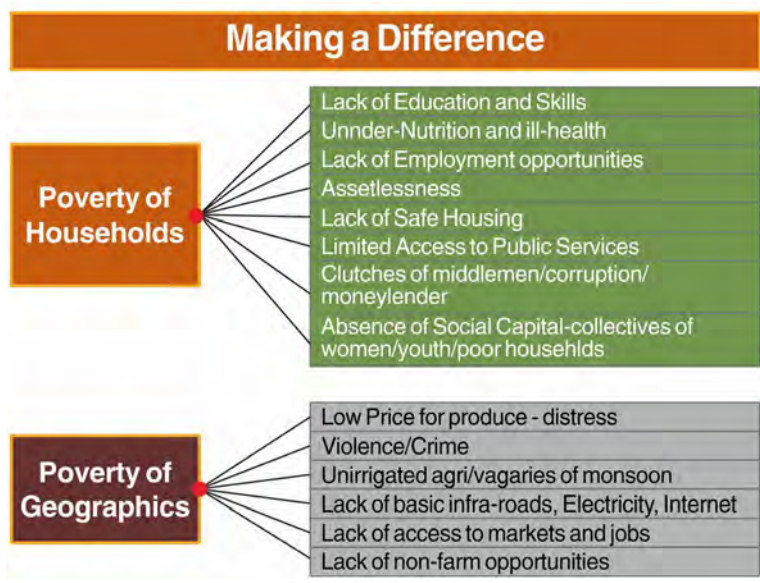
MPI is the weighted average of 10 indicators described in the table below

Dimensions of poverty	Indicator	Deprived if	Weight
Health	Nutrition	Any person under 70 years of age for whom there is nutritional information is undernourished	1/6
	Child mortality	Any child has died in the family in the five -year period preceding the survey	1/6
Education	Years of schooling	No household member aged 10 years or older has completed six years of schooling.	1/6
	School attendance	Any school-aged child++ is not attending school up to the age at which he/she would complete class 8	1/6
Standard of living	Cooking fuel	The household cooks with dung, wood, or charcoal	1/18
	Sanitation	The household's sanitation facility is not improved (according to SDG guidelines) or it is improved but shared with other households	1/18
	Drinking water	The household does not have access to improved drinking water (according to SDG guidelines) or safe drinking water is at least a 30 -minute walk from home, roundtrip	1/18
	Electricity	The household has no electricity.	1/18
	Housing	The household has inadequate housing: the floor is of natural materials or the roof or wall are of rudimentary materials	1/18
	Assets	The household does not own more than one of these assets: radio, TV , telephone, computer, animal cart, bicycle, motorbike, or refrigerator, and does not own a car or truck	1/18

**MPI has almost halved between 54.7% (2004-05) to 27.5% (2015-06)**

**FIGURE 1.5** Focused Efforts on Most Deprived Sections.

Redrawn, based on OPHI 2022.



**FIGURE 1.6** Making a Difference.  
Amarjeet Sinha, 2017.

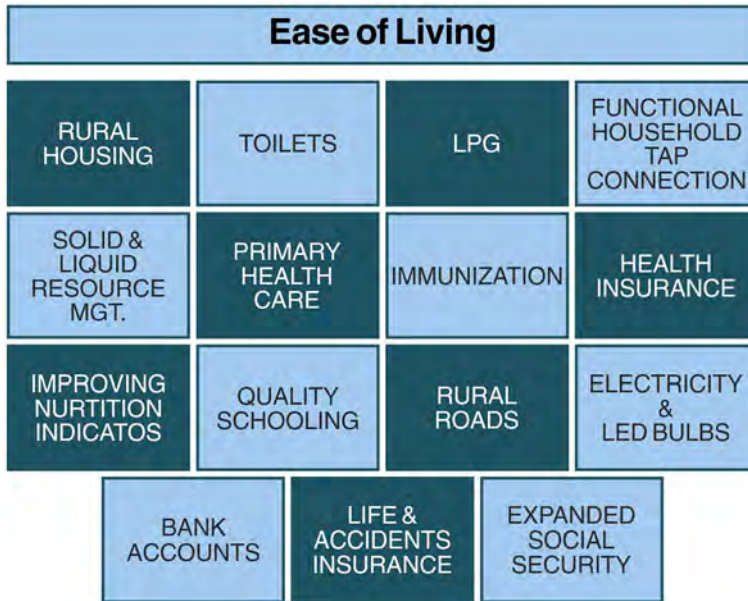
foundation for sustained economic activity that is inclusive and carries the aspirations of the poorest of the poor.<sup>11</sup> It is only through a community-led and social-capital-rich community that sustained economic progress can be achieved across sectors with a Gram Panchayat or a cluster of Gram Panchayats as the unit for transformation.

The broad framework, parameters, and programmes are in place for a truly poverty-free India with ease of living and sustained economic progress. If the gaps in Panchayats and clusters become the basis for public programmes and an accountable governance framework using IT/DBT, geo-tagging, social and internal audit, surely transformation on scale would be possible.<sup>12</sup>

The women's SHGs under DAY-NRLM have demonstrated how poor women not only borrow, but also return on time.<sup>13</sup> Over Rs. 5.29 lakh crore of loans have been made available in the last eight years and these have translated into innovative and large-scale economic activities. The success of these nano-enterprises in becoming micro and small enterprises through a process of formalization and access to the higher order credit truly holds the gateway to a poverty-free India. Diversified livelihoods that are women-led and that leverage higher order credit for higher order economic activity is the way forward to the transformation of lives and livelihoods on scale (see Figure 1.7).

Rural poverty in India has been the subject of discussion regarding 2014–2019. Low increase in prices of agricultural commodities (up to 2019:





**FIGURE 1.7** Ease of Living.

Amarjeet Sinha, 2019.

pre-Covid-19) and the slower increase in rural agricultural wages have been seen by many as signs of a crisis for the rural poor. Many others acknowledge the role of pro-poor public welfare programmes in the 2014–2019 period. Yet others have recorded sharp declines in chronic poverty as also in multi-dimensional poverty between 2005–2006 and 2015–2016. Indicators like child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, and assets determine multi-dimensional poverty. If that is the case, the performance between 2015 and 2016 to now would be even more spectacular (as shown by the MDPI 2022 report of the UNDP), considering the pro-poor public welfare thrust. Covid-19 and its consequences, however, have made a major difference to the status of the poor and the livelihoods of the marginalized. While the asset base of poor households has improved, the income poverty and unemployment rise in the Covid-19 and post-Covid-19 phase has actually challenged lives and livelihoods in remote regions of the country.

It is important to try and understand the full context of the rural sector in 2014–2019 (i.e., pre-Covid-19 years when poverty declined faster as shown by the World Bank Study) to fully appreciate the situation.

The following factual points need to be made in the beginning for 2014–2019:

- (i) First, it is true that inflation rates have been very low, and inflation on agricultural produce has been even lower since 2016.<sup>14</sup>
- (ii) Second, availability of Rs. 2 per kg wheat and Rs. 3 per kg rice has become a reality across the country under the National Food Security Act (NFSA). The NFSA was under implementation only in 11 States in 2018.<sup>15</sup>
- (iii) Third, the public subsidy for NFSA is as high as Rs. 1.76 lakh crore every year. This means that 75% of rural households who get NFSA food grains are able to buy at much below the market price. In 2019–2020, a subsidy of Rs. 33.02 per kg for rice and Rs. 23.06 per kg for wheat was being given through the NFSA. For a family of five, this would mean a total subsidy of Rs. 825.50 per month. Even if it is 100% wheat, a family of five gets a total monthly subsidy of Rs. 576.50. This needs to be factored in when understanding the lower increases in agriculture wages during this period. Add to that the free availability of food grains under the Pradhan Mantri Garib Kalyan Anna Yojana over a prolonged period during the pandemic helped many households to ward off a food-grain scarcity. While the NFSA covers those already registered, it is also true that some genuine poor households have also been left out. Given the State-wise caps on numbers, there are instances of some being left out. Some State governments have intervened to resolve these issues.
- (iv) Fourth, this has also been a period when public welfare programmes like rural housing, rural toilets, LPG connections under Ujjwala, electricity connections to households under Saubhagya, enrolment for bank accounts, accident insurance and life insurance, have all happened on a significantly larger scale. From 10–12 lakh houses a year, 40–50 lakh houses are now being constructed annually. In 2014–2019, 1.54 crore rural homes were completed. Nearly 30 million homes have been completed in rural and urban India between 2014 and 2023.
- (v) Fifth, pro-poor public welfare programmes often involve households contributing from their side. Contributions can be quite large in the case of rural housing as shown by the National Institute of Public Finance and Policy (NIPFP) 2018 study, as even poor households make aspirational homes pulling together all their savings/borrowings for it. Likewise, Swachh Bharat Mission (SBM) toilets, enrolment in Ujjwala, Saubhagya, or in accident and life insurance, also draws on the incomes/savings of households. It is bound to affect demand for goods purchased by the poor, in the short run. At a time when unemployment is high and incomes have slowed, this does put pressure on a household. Housing is a lifetime investment and many households have borrowed heavily to

make an even larger home for themselves, thereby raising indebtedness further in the absence of steady incomes.

- (vi) Sixth, this has been a period when the allocation for Rural Development Programmes have gone up considerably from Rs. 50,162 crore in 2012–2013 to Rs. 1.18 lakh crore in 2019–2020. Add to this, the State shares which have increased to 60: 40 instead of 75:25 or 100% (in the case of PMGSY) from central government for non-Himalayan States. During the Covid-19 phase, central government allocations were even higher, given the demand for work. This too was insufficient to meet the challenges of poverty and destitution. Clearly the non-farm opportunities in rural and urban areas have not kept pace with the emerging size of the workforce available to participate in these sectors.
- (vii) Seventh, this has been a period when the 14th Finance Commission's grants to Gram Panchayats have been released on an unprecedented scale. The annual releases are over three to four times of the previous Finance Commission grants. Over Rs. 2 lakh crore is to be released in five years, of which over Rs. 1.44 lakh crore has already been provided and works done under it. Over and above this, Extra Budgetary Resources (EBRs) have also been mobilized for the housing programme. While these have improved public infrastructure and asset deficits of poor households, they have, as yet, not translated into sustainable higher incomes of households.

The factual data and figures need to be understood in their full context before coming to a conclusion on rural poverty and its scale. Work under MGNREGS has continued to be in demand even though the wage rates are fixed every year on the basis of the Consumer Price Index for Agricultural Labour (CPI-AL) and has grown modestly on account of the cheap price of food grains. In 2018–2019, over 268 crore person days of work were carried out which is the second highest ever. In the three preceding years, the demand for work was about 235 crore person days every year.

Another major increase of financial resources in rural areas has been through the DAY-NRLM programme under which over Rs. 5 lakh crore have been provided as loans in the last eight years. Interestingly Non-Performing Assets (NPA) have come down from over 7% in 2013–2014 to barely 2.5% in 2021–2022, clearly establishing that DAY-NRLM SHG women borrow and return on time. Significant and diverse livelihoods and economic activity have been generated through such loans leading to higher incomes, more productive assets, and larger number of village enterprises. (See Singh (2018). *Evaluation of the DAY-NRLM*. Institute of Rural Management Anand (IRMA)).

The improvement in rural road connectivity has also been a very significant development of this period leading to 97% eligible and feasible habitations (500+ in plain areas and 250+ in hill areas), as per the 2001 census, getting all-weather-road connectivity.

Clearly, rural households do not migrate to urban areas for very low paid jobs as survival is possible with rural infrastructure, housing, and so on in rural areas better now than before. Even earning a subsistence wage contributes to survival in difficult times. This explains the continuously high demand for work under MGNREGS. This period has also witnessed a significant increase in individual beneficiary schemes like farm ponds, dug wells, animal sheds, vermi-composting under MGNREGS, which have all gone into creating durable assets and providing opportunities for higher incomes. More than 18 lakh individual farm ponds, ten lakh vermi-compost, and seven lakh animal sheds among others, have come up during this period. Over 15 million hectares of land has benefited from water conservation works during this period. Studies indicate that poor families pool their own savings as well to make productive and income generating assets under the individual beneficiary schemes of MGNREGS covering households of poor, marginal, and small farmers, especially from vulnerable social groups.

Based on the facts listed above, concluding only on the basis of lower increase in rural agriculture wages without looking at many of the other factors mentioned above would be misleading. One needs to understand the whole context. The challenges of unemployment and income have remained, especially in the Covid-19 and post-Covid-19 phases. While urban opportunities are getting restored, a higher displacement of labour outside agriculture is also happening, putting pressure on employment in non-farm sectors. A lot more will need to be done much faster to push the diversified livelihoods agenda to make a dent on rural poverty.

The labour force available for MGNREGS also reflects the unwillingness of households to go to urban areas for very low wages and a poorer quality of life in deprived urban slums.<sup>16</sup> A large number of rural households with better infrastructure in rural areas, do not go for a distress migration with very low incomes in urban areas. Many of these aspects of rural India are often by-passed in coming to a conclusion on the true state of affairs.

The stark fragility of lives in urban slums for the poor, came out strongly during the Covid-19 pandemic. The movement of migrants out of cities, the sudden loss of incomes due to closures, the low power to sustain long, inadequate access to public services, all had their impact on the difficult situation that the urban poor have faced. While there are no quick fix solutions for urban areas, the democratization of urban local bodies through a larger participation of elected representatives at below the ward level, campaigns like the Gram Swaraj Abhiyan for access to basic services to the poor in urban areas, and perhaps a needs-based availability of assured employment in periods of crisis, will go a long way in ensuring survival in difficult periods.

## The Post-Covid-19 Scenario and Recent Assessments, Post-2019

The World Bank Report states that extreme poverty in India in 2019 was 12.3 percentage points lower than in 2011 (falling from 22.5% in 2011 to 10.2% in 2019). Poverty reduction was higher in rural areas (declining from 26.3% to 11.6% between 2011 and 2019). The study also found that farmers with small landholding sizes have experienced higher income growth. The rate of poverty decline between 2015 and 2019 was faster than 2011–2015. I wrote a piece for the *Indian Express* in November 2019 titled ‘A Greater Ease of Living’ where I made the argument of significant poverty reduction because of the government’s thrust on improving ease of living in the form of Ujjwala gas connection, electricity connection, PM Awaas Yojana, Swachh Bharat Mission, Mission Indradhanush, Jandhan bank accounts, DAY-NRLM, improved coverage under NFSA across all States/UTs, larger financial resource transfers, and so on.

While debates will rage with regard to the methodology (on which the detailed World Bank Report itself provides comprehensive explanation) it is important to understand what reduced poverty in rural areas at a much faster pace. While it was a whole government, whole society and Janbhagidari based thrust on pro-poor public welfare where every Department played a major role, it will be useful to understand some key factors that contributed to the success. These were as follows:

- (i) **First**, the identification of the deprived households on the basis of the SECC 2011 across programmes like housing, gas connection, free electricity connection, and Ayushman Bharat helped in creating a constituency for pro-poor public welfare of the deprived, irrespective of caste, creed, or religion. The much-delayed SECC 2011 data was released in July 2015. It was an ideal partner in promoting Sabka Saath and Sabka Vikas. Deprivation being the basis, scheduled castes (SCs) and scheduled tribes (STs) got higher coverage and, similarly, erstwhile backward regions of the country like Bihar, Madhya Pradesh (MP), Rajasthan, Uttar Pradesh UP, Jharkhand, Odisha, Chattisgarh, Assam, Rajasthan, rural Maharashtra, West Bengal, and so on, got a larger share of the benefits as there are more poor, deprived households in these areas. This surely was a game-changer for socially and regionally balanced development.<sup>17</sup> Validation by Gram Sabha and addition of social groups to cover the poor uncovered was also done on the principle of no one should be left behind.
- (ii) **Second**, the coverage of women under the Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) and SHGs moved up from 25 million in 2014 to over 85 million women, with more than 7.5 million SHGs working very closely with over 3.1 million elected

Panchayati Raj representatives, of whom more than 40% were women. It provided for a robust framework of community connect and social capital that helped every programme, from the Rani Mistris for Swacch Bharat to community mobilization for effective implementation and accountability. The PRI-SHG partnership framework provided an opportunity for speedier poverty reduction and accountability, particularly the use of IT/DBT/Aadhaar in all payments. Using Aadhaar cleaned up the system of corruption at all levels and ensured that the funding reached those for whom it was meant. Likewise, use of technology in geo-tagging, houses under construction and for following up on Panchayat infrastructure, cleaned up delivery mechanisms in many places.

- (iii) **Third**, the finance commission transfers were large and direct to Gram Panchayats, leading to creation of basic infrastructure like pucca village roads and drains at a much faster scale in rural areas. The very high speed of road construction under PMGSY created even greater opportunities for employment in nearby larger villages/census towns/kasbas by improving connectivity for mobility. The PMGSY reduces poverty by opening opportunities.
- (iv) **Fourth**, with the social capital of SHGs, availability of credit, both directly through banks and also through micro-finance institutions, and MUDRA loans, among others, increased considerably. The DAY-NRLM prioritized livelihood diversification and carried out detailed micro credit plans for greater credit disbursement. This explains the increase in real incomes of small farmers. New businesses, both farm and non-farm livelihoods, were taken up by women's collectives on a very large scale with appropriate skill augmentation and handholding by Community Resource Persons.
- (v) **Fifth**, the Gram Swaraj Abhiyan in 2018, in two phases, where 63,974 purposively selected villages with very high population of SCs and STs were saturated with seven benefits, namely: gas connection, electricity connection, LED bulbs, accident insurance, life insurance, bank account, and immunization. Elaborate monitoring arrangement made a fundamental transformation possible in the poorest of villages where very large number of deprived households were located. Performance of line departments went up manifold due to a community-led action. The gains in gas connection, bank accounts, electricity connection and immunization can be seen in the findings of National Family Health Survey-5, 2019–2021.
- (vi) **Sixth**, the thrust on universal coverage for individual household latrines, LPG connection, homes for those in kachcha homes, electricity connection and so forth, ensured that no one was left behind. It further reinforced the constituency of the poor and created what is often referred to as Labarthi Varg. The social justice platform was well established.

- (vii) **Seventh**, this was also a period which recorded far higher transfer of public funds to rural areas, including the State's share and in some programmes through Extra Budgetary Resources (EBRs) as well.
- (viii) **Eighth**, the thrust on a people's plan campaign, 'Sabki Yojana Sabka Vikas' for preparing Gram Panchayat Development Plans and for ranking villages and Panchayats on human development, economic activity, and infrastructure from 2017 to 2018, laid the foundation for a very robust community participation and accountability involving Panchayats and SHGs effectively. This and the assessment of gaps in every village and Gram Panchayat helped to focus on where thrust was required.
- (ix) **Ninth**, through processes like social audit and concurrent audit, efforts were made to ensure that resources are fully utilized. Many changes were brought about in programmes like MGNREGS to create durable assets which were productive. A very large number of individual beneficiary schemes for livelihoods for marginal and small farmers were taken up, such as: farm ponds, irrigation wells, vermi-composting, soak pit construction, 90 days' work for house construction, and so on.<sup>18</sup> This clearly helped marginal and small farmers in improving their incomes and diversifying their livelihoods.
- (x) **Tenth**, the thrust and competition amongst States for better performance on rural development helped. Irrespective of the party in power, nearly all States and UTs focused on improving livelihood diversification in rural areas and on improving infrastructure significantly. Adoption of technology and the principles of improved financial management were mandated in the programme itself. Capacity building at every level in the States was a priority to ensure adoption of reforms and technology.

All these factors have contributed to improved ease of living of deprived households and to improving their asset base. This has clearly led to a decline in poverty. A lot has been achieved, but a lot remains to be done, especially with the adverse consequences of Covid-19 on children's learning and on adults' employment and wage-earning opportunities. Covid-19 and the Ukraine crisis do pose a serious challenge in sustaining the gains made up to 2019.

The National Family Health Survey-5 (2019–2021), when compared with NFHS-4 (2015–16), is clearly bringing out the progress of asset-based focus in the pro-poor public welfare thrust of the government. A series of well-researched articles have been published bringing out the success of the new welfarism in terms of improved access to sanitation, electricity, safe cooking gas, bank accounts, improvement in immunization and so on. The population stabilization has also been highlighted in an *Indian Express* article by Sonalde Desai and Debasis Balik<sup>19</sup> and brings out new challenges of higher dependency. Further, in the same journal, Abishek Anand and Arvind

Subramaniam's article uses child nutrition data to show how the so called less-developed States of eastern India are catching up with the western Indian States. In another article, Mita Rajivlochan has brought out the improved indicators reflecting women's empowerment.<sup>20</sup>

The basic data and its analysis are already in the public domain and, therefore, this chapter will only look at how the new welfarism has delivered results and the approach of the present government. A replacement level fertility of 2.0, 96.8% population living in households with electricity, 70.2% with improved sanitation facilities (not 100%!), 58.6% households using clean fuel for cooking, 88.6% institutional births, 76.4% children fully vaccinated, and 78.6% women with bank accounts, all bring out the rapid progress made since 2015–2016.<sup>21</sup> It clearly indicates the meticulous last-mile planning needed to address all the implementation challenges. The NSS data 69th round (2013) and 76th round (2018) have shown significant improvement in safe and pucca housing with nearly four in five households in pucca homes. The numbers will be even better now, with over 30 million homes constructed between 2014 and 2021. Similarly, access to health and family welfare services, age at marriage, and health indicators are all registering significant progress. The pace of achievement in under-nourishment and anaemia needs to substantially improve in the years to come. Many more elements of community connect, decentralization, and holistic and convergent care need to be fully operationalized in these sectors. Hon'ble PM's basic thrust has been on an integrated, decentralized, whole-government and whole-society approach with Janbhagidari, in consonance with the objective of 'Sabka Saath, Sabka Vikas, Sabka Vishwas and Sabka Prayas'.

Universal access to basic necessities and subsidized access for those who need them most but cannot afford them, has been the overarching frame. The Prime Minister has emphasized the whole-government and whole-society approach with primacy to community participation, use of technology, and convergence. The Gram Swaraj Abhiyan, with its mandate to provide saturation of access to seven public services (electricity to households, LPG connection, LED bulbs, immunization, bank account, accident insurance, and life insurance) to 63,974 purposively selected villages with over 50% population of scheduled castes and scheduled tribes, reflects the approach. The Panchayats, the Livelihood's women SHG members and other community organizations, the frontline workers, the line departments of local, state and central governments dealing with the subject, use of technology in village specific monitoring, and the deployment of central and State level monitors to ensure actual achievement on the ground were all part of the approach. This intensive and organized community connect with solutions to all challenges translated into manifold improvement and increase in the seven services in the most deprived villages.

The PM himself had been monitoring the progress in Cabinet meetings and following up with chief ministers, wherever the progress needed more attention. The Council of Ministers was sensitized to the Abhiyan to ensure



everyone's participation. An effort was made at the highest level to ensure that what was promised translated into actual outcomes. Every State government was brought on board, every ministry and corporation was active, and every local government took responsibility for ensuring time-bound delivery of the seven services.

The use of the SECC 2011 provided a unique opportunity for evidence-based identification of deprivation, free from the manipulation of locally prepared Below Poverty Line (BPL) lists. As a census outside the Census Act, using the same listing of households as the NPR and the Census 2011, the SECC, for the first time, provided household deprivation data that was caste-, creed- and religion-neutral. Deprivation was to be ascertained on the basis of easily verifiable indicators after automatically excluding those who had government jobs, three pucca rooms, a motorized vehicle, irrigated land, and so on. The application of the SECC to development initiatives for housing, LPG connection, electricity connection, and Ayushman Bharat listing, provided an opportunity to attend to the multi-dimensionality of poverty, through a range of pro-poor public welfare programmes. Identification of the poor has been one of the greatest development challenges and the use of the SECC opened a new paradigm of beneficiary selection. This also ensured that hitherto uncovered regions with very high deprivation got many more beneficiaries to be supported. It was the less developed States that got the maximum support. Pursuit of a universal thrust based on a survey, as in the case of the Swaachha Bharat Mission also had the same impact with hitherto backward regions getting the maximum support. The bridging of the interstate disparity that Surjit Bhalla discussed is the result of a design rather than by accident. The government's thrust has been to ensure that not a single poor person should get left behind. It is for this reason that additions were permitted in programmes like Ujjwala and surveys were carried out to identify kutchcha homes over and above those listed in the SECC.

While the SECC is dated and there are instances of exclusion of poor households, there are very few inclusion errors after the verification by the Gram Sabha. All programmes therefore focused on the poorest of the poor. The Economic Survey 2021, using the NSS 69th Round (2013) and 76th Round (2018) also established the gains to the poorest quintiles. With use of technology, DBT, geo-tagging of assets, and Aadhaar linked accounts, the pro-poor thrust could be made even more rigorous. The scheduled caste and scheduled tribes account for over 40% of the deprived households in rural India, far more than the numeric presence. By using deprivation as criteria, it has been possible to cover a far larger number of households of the SC/ST families. The pro-poor thrust, therefore, is also by design and not by accident. This has facilitated bridging of social gaps. The extensive road network of PMGSY has significantly improved road connectivity.

The expansion of the DAY-NRLM from 2.75 crore women in 2014 to nearly 8.50 crore rural women in its fold, has strengthened the community

connect, in partnership with the 31 lakh Panchayat elected leaders, 42% of whom are women. It is these women's participation in high school and higher education, access to credit, skills, and diversified livelihoods, that make them key change agents. The three lakh plus Community Resource Persons of the DAY-NRLM, who are women who have come out of poverty, add weight to the social development agenda of age at marriage, access to services, and so forth. Improvement in family welfare and health and nutrition indicators is also a function of the social capital of the village. The power of the collectives and their role in transforming lives and livelihoods has been reported from different parts of the country in recent times. Women's collectives under the DAY-NRLM have brought about transformational changes in the lives of the poor.<sup>22</sup> This has been possible due to the community connect, the access to credit, and handholding by the Community Resource Persons. These Community Resource Persons are women who have successfully won the war against poverty and are today transforming the lives of other poor women. From rejuvenating rivers to diversified livelihoods, from solid and liquid resource management to sustainable agriculture, these women have demonstrated their ability to come out of poverty. What started in the southern Indian States of Kerala and Tamil Nadu has now expanded to most parts of the country, with nearly 80 million women in SHGs of the DAY-NRLM. The improvement in indicators of women's empowerment, as noted by Mita Rajivlochan,<sup>23</sup> is on account of this mobilization for pro-poor public welfare.

The explanation for population stabilization and replacement level fertility rate will have to be seen not merely in the provision of family planning services. The increased participation of adolescent girls in higher secondary and higher education has a very strong correlation with a decline in fertility.<sup>24</sup> The schooling revolution for girls, thanks to Sarva Shiksha Abhiyan and Samagra Shiksha, is making a difference as much as improvement in family welfare services, courtesy of the interventions under the National Health Mission and Ayushman Bharat.

The gains are major and significant and are a tribute to the approach of new welfarism.<sup>25</sup> The last-mile challenges have been the basis for meticulous planning that has created a functional machinery for pro-poor public welfare across States. This is a major step forward in improving the asset base of the poor households. This will, over time, improve the participation of these households in higher forms of economic activity, human development, skills and livelihoods for even higher order employment and incomes.

## Notes

- 1 See M. Ravallion (2016). The Oxford Poverty and Human Development Institute, (OPHI) UK, has also looked at India using the NFHS-4 data.
- 2 See the UNDP (2022) Multi-Dimensional Poverty Index report.

- 3 See, for example, the World Bank (2022) study on the impact of Covid-19 on poverty.
- 4 See work of Amit Basola, (Azim Premji University (n.d.)) on work, employment and incomes in the Covid-19 and post-Covid-19 period.
- 5 It is a hypothesis that I began with that reduction of poverty in southern Indian States happened on account of SHGs of women and empowerment. There is evidence of similar diversification of livelihoods in many other States as well, wherever, higher education access, fertility decline, and opportunities for skills and credit have been provided.
- 6 See Niti Aayog (2020), Multi-Dimensional Poverty in India.
- 7 See, for example, Amit Basola and team's work on labour, Azim Premji University (n.d.), Bangalore.
- 8 See, for example, Mission Antyodaya (2020) <https://missionantyodaya.nic.in>.
- 9 See, for example, the website of the Ministry of Panchayati Raj (n.d.) or visit <https://missionantyodaya.nic.in> to access survey data for 2020, to see the detailed ranking of villages and Gram Panchayats on the basis of infrastructure, social development, and economic activity.
- 10 Jal Jeevan Mission for universal tap water connectivity for every household by 2024.
- 11 See for example, Rajan's (2019) historical analysis of the role of the third pillar.
- 12 The last decade has been marked by large scale introduction of technology like Aadhaar, IT/DBT, geo-tagging and so on in pro-poor public welfare programs.
- 13 See, for example, Dr Pramod Kumar Singh, (2018). *Evaluation of the DAY-NRLM*. Institute of Rural Management Anand (IRMA).
- 14 See World Bank data on Consumer Price Index and Wholesale Price Index for the 2014–2019 period.
- 15 See Ministry of Consumer Affairs, Food & Public Distribution (n.d.) for reports and discussions.
- 16 See for example data on the website of MGNREGS available at [https://nrega.nic.in/MGNREGA\\_new/Nrega\\_home.aspx](https://nrega.nic.in/MGNREGA_new/Nrega_home.aspx).
- 17 The SECC 2011 led to deprivation base selection of beneficiaries across many programmes.
- 18 Individual beneficiary schemes were encouraged on a very large scale under MGNREGS.
- 19 Desai and Barik (2021) in the *Indian Express*.
- 20 All the above-mentioned articles of Anand and Subramaniam, Desai and Barik, and Rajivlochan were published in 2021 in the *Indian Express*, after the NFHS-5 results were released.
- 21 National Family Health Survey-5, IIPS (2019–2021).
- 22 See, for example, A. Pankaj's (2022) study on the Jeevika Movement in Bihar.
- 23 Mita Rajivlochan (2021) article published in the *Indian Express*.
- 24 Studies based on the Sample Registration System of the Registrar General of India, Census, 2011 brought out clearly the direct correlation between adolescent girls' participation in high school and higher education and decline in fertility. See, for example, the author's article Development the Best Contraceptive (Sinha, 2013) in the *Business Standard*.
- 25 See, for example, the recent book of Nalin Mehta on the New Welfarism (Mehta, 2022). See also the recent book of Dr Ila Patnaik and Bhupendra Yadav (Yadav & Patnaik, 2021) on the Bhartiya Janata Party.

# 2

## THE HISTORICAL LEGACY

India's social development journey has been different across different States, even though the ancestry of the Indian civil service influenced all of them. Regulation of schools and medical services came on the agenda of the colonial masters, alongside the core responsibility of maintaining public order and revenue collection, to facilitate the workforce requirements of the empire.<sup>1</sup> Macaulay's minutes very carefully emphasize this burden of preparing the natives in the likeness of the British. This was a need for governing with small numbers. Small numbers of rulers also led to the systems of co-option of local through decentralization and local governments, municipalities and Zila Parishads, and assigning roles to them in limited government was also part of the colonial legacy.<sup>2</sup> The School Inspectorate was a powerful institution with inspectors often drawing many times the salaries of the teachers.

An administrative machinery created primarily for the needs of the colonial masters for public order and revenue was tasked with some of these quasi-development/regulatory responsibilities in health and education. The social movements across States during the course of the freedom movement shaped the content and context of decentralization and thrust areas for transformation. The erstwhile monarchs and their benevolence shaped priorities, as was so evident in the Travancore State in present day Kerala and in Bilaspur in Himachal Pradesh. The anti-Brahmin movement in Tamil Nadu and the assertion of vulnerable social groups led to a far greater thrust on the educational needs of the children, especially girls.

Over large stretches of northern India however, hierarchies of caste and creed continued to shape the destinies of the poor and their denial of education and health care.<sup>3</sup> The colonial government, the social movements, the

erstwhile progressive monarchical leadership: all contributed to the shaping of lives and livelihoods of the poor.

A primarily regulatory administration became the torch-bearer of development functions with no, or only part, preparedness in many States. The communal upheavals at the time of independence, and the thrust on Intensive Agriculture Development Programmes in selected irrigated districts to attain food self-sufficiency to avoid the spectre of the 1943 Bengal famine, became the focal points of administration. The Community Development Blocks, set up to guide and implement development, also had an agricultural focus. Education and health administration and management remained largely regulatory through the institutions of the Civil Surgeon and the District Inspector of Schools. The abysmally poor human development indicators at the time of independence were ample testimony to the exploitation of colonial rule and the legacy of deprivation left behind.

There is evidence to suggest a decline in educational institutions in Bengal during colonial rule. Kerala, because of the benevolent kings of Travancore, and the missionaries of all religions, seem to have had an early lead in education. Tamil Nadu's social movements made education a central theme of development to overcome deprivation quite early, leading to more informed public management of schools.<sup>4</sup> Over most of India, however, the colonial neglect of education and health afflicted local populations, and magistrates and collectors remained focused on maintaining public order and collecting revenues. The human development function largely remained with the local bodies.

Following India's independence, and the framing of the Indian Constitution, Directive Principles of State Policy, and not Fundamental Rights,<sup>5</sup> urged a greater thrust on health, nutrition, and education. As these were subjected to the economic capacity of the State, in most parts of India they remained neglected sectors at the time of independence and thereafter. Independent India wanted change and teachers and their economic demands led to the provincialization of teacher cadres, with far better salaries. School and colleges started receiving higher grants in aid or being taken over by provincial governments to promote the Directive Principle under Article 45. The takeover was on an "as is, where is" principle, completing negating any form of positive discrimination or reservation for scheduled castes and scheduled tribes. As a result, teacher cadres became highly politicized and schools became polling booths to take forward a nascent democracy on its cautious journey. From being accountable to school management, school teacher cadres became State-wide bureaucracies, immune to any local accountability. Decline was bound to set in. The administrative machinery remained unprepared to take this load of a large teachers' cadre. Transfers and postings became an industry and aligned with the politics of the day and region. All in all, number of schools went up, but quality became a serious challenge.<sup>6</sup>

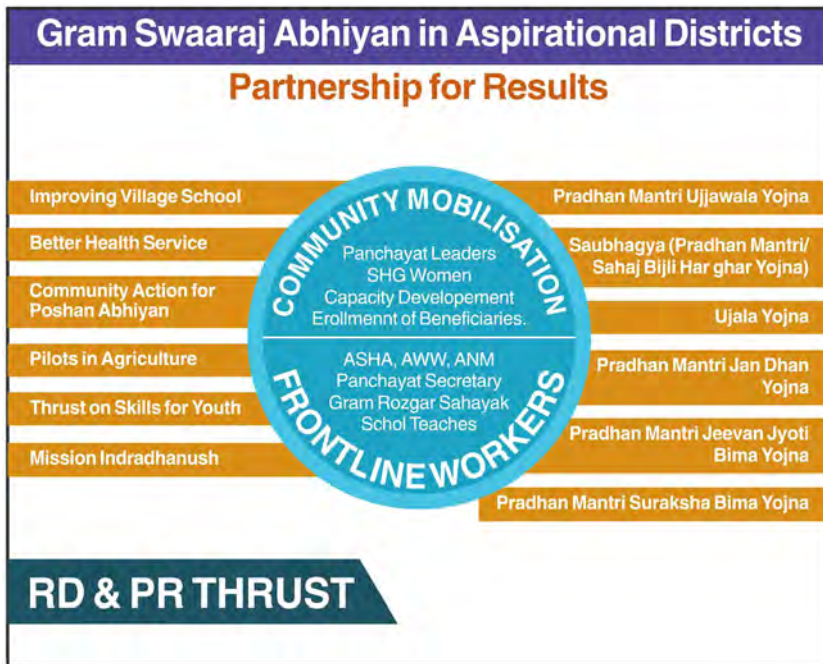
The health sector was no different, grappling with a shortage of doctors, nurses and paramedics. While National Policy for setting up Health Sub-Centres for 5,000 and Primary Health Centres for 20,000–30,000 populations was articulated, inadequate expansion of the medical, nursing, and paramedic institutions, with all the regulations to restrict the numbers, made health care unsatisfactory right from the beginning. In size, it could never grow to become an instrument for health for all. Here again, the administrative machinery for better management of health concerns did not emerge, as the regulatory civil surgeon's office, used to granting health certificates, was now tasked with taking forward a development of the health sector agenda.

The uneven developments in health and education sectors, especially in States like Tamil Nadu and Kerala have to be understood in the context of their historical legacy. The neglect of these sectors in most other States also needs to be seen in terms of the evolving politics of regions and provinces, and the adherence to the principles of equality and equal opportunity. Socially unequal societies rarely invest in human development as they are quite comfortable with the persistence of the status quo and the continuing hierarchy of castes and deprivation.

There has been an ongoing debate on the role of the community, state, and the market in democratic societies.<sup>7</sup> While many positions are ideological, many others are evidence-based. Public policy has often taken calls without looking carefully at the evidence and especially not at the last mile of delivery of services. The thrust on evidence-based learning is also weak and many a time a policy initiative is started off without sifting the field level reality and the situation. We often say that the policy was good, but the implementation was bad. My contention is that the policy was formulated without looking at the last mile challenges of delivery and timely outcomes. If (i) community connect, (ii) an evidence-based approach, (iii) application of technology, and (iv) a deeper understanding of the last mile challenges went into the making of public policies, the outcomes would be different. A large nation like India with its diversities, all the more needs a deeper understanding of the local context. The Gandhian models of Gram Swaraj and the trusteeship as a principle of business, and the artificial binary of public and private as opposed to a cooperative community action for the good of all.

It is not that the above four defining success criteria are good only for publicly funded projects; they are imperative, even in infrastructure projects or services, and manufacturing sector initiatives. Many large infrastructure projects often face the challenge of no, or low, public information and trust. If communities were taken into confidence and saw their stake in infrastructure development and the likely gains that would accrue to them, I am sure the derailments of timelines would be few and far between. Similarly, opportunities of employment in manufacturing and services need a well-articulated policy of sincere efforts to develop the hinterland. Indirect employment and

opportunities should be a planned activity with the active collaboration of the community. Tata Steel's efforts in Jamshedpur and its adjoining areas secured a labour militancy free workforce for the company leading to strides in steel making. There are, each year, many such reports on the benevolence of the business community from Gujarat, giving big gifts to their workers, a legacy of the movement of cooperation in that State. Getting local communities fully integral to the development process is the only way forward for a more shared growth. Relationships matter and especially with the local hinterland. Similarly, sectors like telecoms and the efforts to extend optic fibre to every Panchayat, were not matched by local level public information as to what outcomes citizens could expect. Such non-accountable approaches lead to wasteful expenditure with missed timelines and failed outcomes. The Gram Swaraj Abhiyan approach to reach seven public services (electricity, LPG, bank account, LED bulbs, immunization, life and accident Insurance) in 63,974 villages with large populations of deprived communities is a development paradigm that is as relevant to any other sector, whether public or private. The whole of society, whole of government, and community connect are the surest ways of a faster pace of well-being. This is illustrated in Figure 2.1:



**FIGURE 2.1** Gram Swaraj Abhiyan in Aspirational Districts.

Amarjeet Sinha, 2018.

It is a classic example of a whole-of-government, whole-of-society, community-led, technology-based and human-resource-based effective monitoring for time-bound results. It is effective for other sectors as well, as the interface of the senior executives of companies and governments with local communities makes them realize how cooperative local communities can be. Providing electricity to households required long distance cable connection and it was not unusual at all, to discover whole villages doing physical labour together to ensure services would reach distant areas. top oil company executives, bank managers, and REC engineers, realized the enormity of the task and the cooperation of communities if trust is the basis of a partnership. Irrespective of the political party in power at the State level, every State/UT extended full support as did the Panchayats and women’s collectives under the Livelihood Mission. If applied in the private sector as well, the speed of many infrastructure projects can increase manifold. We must realize that local communities are rational entities, and we need relationships of trust. Civil Society Organizations can also pitch in for effective service delivery. The Eleventh Schedule of the Indian Constitution provides for 29 sectors for oversight of the Gram Panchayats and the Twelfth Schedule provides for 18 sectors for the supervision of the urban local bodies. If these institutions are strengthened with a conscious effort to provide space for community, cooperative and women’s organizations in the partnership, all sectors will gain.

**Gram Swaraj Abhiyan (2018): An Example of Translating Policy Into Action**

The National Family Health Survey-V (2019–2021) brings out the gains in access to electricity, full immunization, bank accounts for women, access to Ujjwala LPG connection, and so forth. To understand what brought this about, it is necessary to understand the Gram Swaraj Abhiyan, carried out in two phases in 2018, to reach 63,974 purposively selected villages with seven services. These were large villages of 1,000 plus (500 plus in the north east), with over 50% population belonging to scheduled castes and scheduled

**TABLE 2.1** National Family Health Survey-5 (2019–2021)

	<i>NFHS-IV 2015–16</i>	<i>NFHS-V 2019–2021</i>
Population living in households with electricity	88.0	96.8
Children 12–23 months fully immunized	62.0	76.4
Clean fuel for cooking	43.8	58.6
Women with bank accounts	53.0	78.6

*Source:* Amarjeet Sinha.



tribes, among whom deprivation is high. In the spirit of “Sabka Saath, Sabka Vikas”, all social groups were part of the Abhiyan. Seven services, including the four listed above, were part of the campaign. Distribution of LED bulbs, accident insurance and life insurance were the other key deliverables to the eligible marginalized. This was the Prime Minister’s initiative to demonstrate the whole of government, whole of society, and *janbhagidari* as the basis for reaching the most deprived households. This was done to add a further fillip to the efforts of individual departments that managed the programmes and scaled it up. As the then Rural Development Secretary, I was tasked with coordinating this campaign, in partnership with all other department secretaries. It has been a lesson in translating policy into action through teamwork.

With guidance and support at the highest level, the entire local, state and national governments were mobilized to deliver the seven services to the eligible in a time-bound manner. All corporations were geared to solutions to challenges. Frontline workers, elected Panchayat leaders, and women from the Livelihood Mission were all part of the team that took responsibility for mobilizing at the cutting edge. Monitoring teams were sent by the central and many State governments to ensure that the services actually reached the households and to remote locations. A real-time monitoring system with village-specific data was set up for ease of follow up in the public domain. Ministers, MPs, MLAs, and Panchayat leaders were all mobilized to deliver 48.28 lakh LPG connections, 31.32 lakh electricity connections, 68.52 lakh LED bulb distribution on payment, 73.51 lakh Jandhan accounts, 50.43 lakh under Jeevan Jyoti life insurance, 84.99 lakh under Jeevan Suraksha accident insurance, and full immunization coverage for infants and pregnant women, were some of the major gains in these 63,974 villages over the course of a few months. Monthly Ujjwala LPG distribution went up from 19 lakhs to over 50 lakhs, and electricity connection from 10 lakhs to 20 lakhs during the campaign. While some may have still been left out, most could get the benefits envisaged in policy. This was the power of a campaign unleashed to translate policy into practice.<sup>8</sup>

I had occasion to travel across many States and also read the reports of the monitors sent by the central government. Village after village, solutions to problems were found, communities were mobilized carrying electricity poles on their shoulders, shortage of essential cables or cylinders were sorted out, paperwork was speeded up, and most of all, the whole of government was fully geared to deliver all that it had promised. The monitors who were Under and Deputy Secretaries in the Government of India, came back very satisfied at having actually made a difference to a set of villages. Every evening, problem-solving video calls were organized from five p.m. onwards to ensure that every problem was addressed effectively. Budgets were geared to the delivery of what was promised, and procurement challenges were resolved

in a time-bound way. From chairmen of oil companies to rural electrification, bank managers to medical officers, everyone was in the field trying to meet the expectations. Such a total unity of the people and the State delivered what appeared impossible. I would be regularly called to Cabinet meetings to report on progress and constraints if any. The Council of Ministers was briefed. Video conferences were held at the level of all ministries and departments with chief secretaries. Orientation programmes for the nodal officers were organized to ensure that everyone was on the same wavelength and fully understood what had to be monitored. The campaign got the best out of everyone. Even opposition-ruled States realized the gains that households in their State could make as the entire State machinery was geared to delivering within the assigned time frame.

The memories of excited nodal officers trying to resolve the crisis in their villages, the competition to complete tasks first, the enthusiasm of field functionaries to deliver, the village and household specific monitoring dash board, all made the whole of government approach work. The mobilization of the community and civil society through the Panchayat leaders and Livelihood Mission women's collectives, made the voice of people central to this exercise of translating policy into action. Every last mile challenge that came up had to have solutions. From a thrust for smaller sized and lighter gas cylinders, to more simplified paper work, all emerged out of the Manthan at the local level. The enthusiasm of the community made a real difference. If gains reflect in independent surveys, it only shows how addressing last mile challenges, community connect, use of technology, and an intensive monitoring system with clear timelines for deliverables is the only way forward. People never fail us; we fail them by not listening to them, not involving them and not creating their stake in their own well-being. The campaign bridged social and regional gaps and imbalances by focusing on the most deprived in most difficult regions. It throws up a model that can work in many other sectors with the community connect, decentralization, and technology use in monitoring and transparency, at its core.

### ***Building Systems for Outcomes***

Poverty is multi-dimensional and requires simultaneous intervention in many sectors to really make a difference. High rates of economic growth are required to generate the resources needed to improve the ease of living of the poor through better education, health, housing, sanitation, skills, livelihood, and a range of other infrastructure and income generating initiatives. Recent (pre-Covid-19) studies have recorded a significant decline in chronic poverty measured in terms of a per capita income of one dollar and 90 cents. The expansion of Rs. 3/- per kg rice & Rs. 2/- per kg wheat for three quarters of rural households, and up to half of the urban households, across the country

has improved the access to food for the poor. Food grain supplies, however, do not mean a transformation of hunger, stunting, wasting, and under-weight individuals. Insufficient nutrition continues to be a challenge, in spite of food grain security even in the most difficult of times. Recent studies on multi-dimensional poverty have also captured significant improvement even after taking into account indicators like nutrition, child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, and assets. However, the Oxford Poverty and Human Development Initiatives (OPHI) study for 2015–16 concluded that 8.8% of the population was in severe multi-dimensional poverty and 19.3% were still vulnerable to multi-dimensional poverty.

For India to become truly poverty free, it is important to recognize the multi-dimensionality of poverty. The only way of tackling multi-dimensional poverty is through inter-sectoral interventions and convergence to create powerful local institutions with vibrant community organizations to hold elected representatives accountable for guaranteed public services and economic opportunities. Kerala's vibrant Panchayati Raj Institutions (PRIs), along with the equally vibrant Kudumbashree women's self-help movement, at the level of neighbourhood and communities working together to transform lives and livelihoods is perhaps a way forward. Tamil Nadu's efforts to promote higher secondary education among adolescent girls, reducing fertility, providing a platform for women's Self-Help Groups (SHGs) under the Tamil Nadu State Rural Livelihood Mission (TNSRLM), opportunities for diversification of livelihoods through skill development and bank linkage for SHGs and for individuals together explain a faster decline in poverty. Andhra Pradesh, Tamil Nadu, and Karnataka have also followed a model of SHGs contributing towards social capital and developing diversified livelihoods for sustained economic activity. Gujarat has followed the cooperative route and also has some very vibrant and resilient SHGs and community organizations. There are many success stories of Panchayat leadership-led development also in many parts of the country. The leadership of the Panchayat has an important bearing on the outcomes in all development sectors.

The success in poverty reduction in many southern Indian States has been emulated by a large number of States and Union Territories (UTs) in other parts of the country. States like Bihar, Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand, West Bengal, and Assam have focused on a universal presence of SHGs as a countervailing force working with Panchayati Raj elected representatives. An effort has been made to institutionalize the partnership of 31 lakh elected Panchayat leaders at various levels with over 8.5 crore women of SHGs under Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) through a provision of joint capacity development under the newly launched Rashtriya Gram Swaraj Abhiyan (RGSA) scheme. It is through this partnership of social capital, community frontline workers,

and elected Panchayats, that faster transformation and poverty reduction is possible. Education, health, nutrition, livelihoods, and skills have to be the foremost priorities in a decentralized action framework.

The use of the Socio-Economic Census (SECC 2011) provided a unique opportunity for evidence-based identification of deprivation, free from the manipulation of locally prepared Below Poverty Line (BPL) lists. As a census outside the Census Act, using the same listing of households as the NPR and the Census 2011, SECC for the first time, provided household deprivation data that was caste-, creed- and religion-neutral. Deprivation was to be ascertained on the basis of easily verifiable indicators, after automatically excluding those who had government jobs, three pucca rooms, a motorized vehicle, irrigated land, and so on. The application of SECC to development initiatives for housing, LPG connection, electricity connection, and Ayushman Bharat listing, provided an opportunity to attend to the multi-dimensionality of poverty, through a range of pro-poor public welfare programmes. Identification of the poor has been one of the greatest development challenges and the use of SECC opened a new paradigm of beneficiary selection. Development practitioners also needed to understand the efforts at objectively ranking Gram Panchayats on the basis of infrastructure, human development, and economic activity. Such insights into the poverty of geographies and the poverty of households, opens new ways of understanding the challenges.

The broad framework, parameters, and programmes are in place for a truly poverty-free India with ease of living and sustained economic progress. If the gaps in Panchayats and clusters become the basis for public programmes and an accountable governance framework using IT/DBT, geo-tagging, and social and internal audit, surely transformation on scale would be possible.<sup>9</sup>

## Notes

- 1 The famous Macaulay minutes, studies of the school system by Professor Krishna Kumar, bring out the character of regulation and role of inspectors vis-vis teachers. (See Sinha, 2005).
- 2 The Government of India Act, 1935.
- 3 This is captured in movies like *Damul* made by Prakash Jha, and Shyam Benegal's films.
- 4 See, for example, Sen and Dreze (1999).
- 5 Constituent Assembly Debates indicate Dr B. R. Ambedkar's full confidence on "one man one vote", universal adult suffrage doing it all – political, social and economic democracy. (See Sinha, 2005)
- 6 See Sinha (1997).
- 7 See for example, Rajan (2019).
- 8 Refer to the real-time monitoring system of the Gram Swaraj Abhiyan, 2018.
- 9 Data-driven development through the Mission Antyodaya assessments will take care of social and regional disparities as well.

# 3

## THE DIVERSITY OF GEOGRAPHIES

The Global Multi-Dimensional Poverty Index 2018 brought out by the Oxford Poverty and Human Development Index (OPHI) (see Ikere, 2018) mentions India making momentous progress in reducing multi-dimensional poverty. The incidents of multi-dimensional poverty were almost halved between 2005–2006 and 2015–2016, climbing down to 27.5%. The report further goes on to state “India’s scale of multi-dimensional poverty reduction over the decade from 2005–2006 to 2015–2016 – from 765 million poor persons to 364 million – brings to mind the speedy pace of China’s poverty reduction, which occurred over more than 20 years”.<sup>1</sup> Post- Covid-19, however, the evidence is to the contrary with poverty actually rising, on account of very high unemployment and its consequences for incomes.<sup>2</sup> Even though the asset base of the poor and access to public services has improved, its impact on income poverty and unemployment is inadequate.

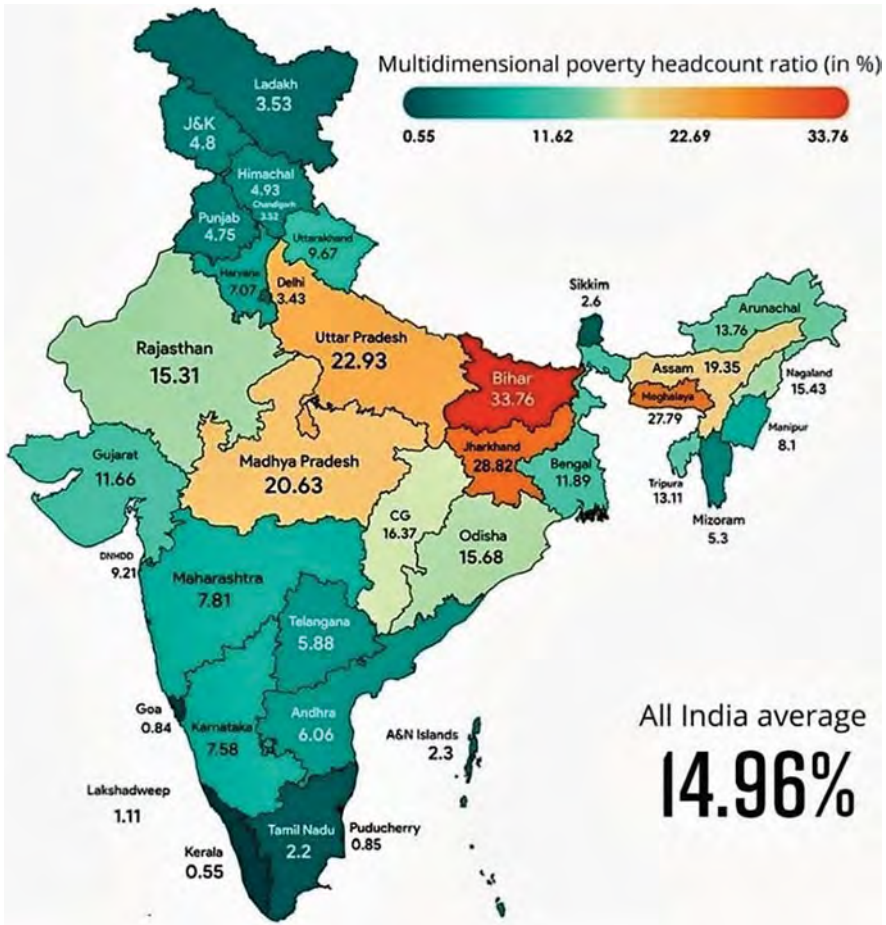
Similarly, the Brookings Institution (Kharas, 2018). published a note on a new poverty narrative which stated that poverty in India had fallen sharply and at the end of May 2018 “trajectories suggest that Nigeria had about 87 million people in extreme poverty, compared with India’s 73 million”. The United Nations Inter-Agency Group for Child Mortality Estimation 2018 (UNICEF, 2018) similarly brought out the fact that India had managed to reduce the under-five mortality rate from 126 in 1990 to 39 in 2017. Likewise, the infant mortality rate had fallen from 89 in 1990 to 32 in 2017. While steady improvement in health indicators is happening, there are signs of slowing down in some of the high burden States like UP, MP, Rajasthan, among others.

What explains these improvements? What is it that hastens the pace of poverty reduction? How can we do even better? It is always difficult to write about sectors that one has been actively associated with. In my four decades in the civil services, over three decades were spent in sectors like education, health, and rural development. I was extremely fortunate to be an integral part of the team that designed and implemented the Sarva Shiksha Abhiyan for Universal Elementary Education and the National Rural Health Mission for better health outcomes through a rejuvenation of public systems.<sup>3</sup> I have also been a part of the recent efforts at improving governance and outcomes of rural development programmes for roads, housing, employment, skills, livelihoods, and social security through use of technology (e.g., IT/DBT, Aadhaar/Geo-tagging of every asset) with full community ownership and transparent beneficiary selection using the Socio-Economic Census (SCC). With all their weaknesses, these programmes have had major consequences for a faster decline of multi-dimensional poverty.<sup>4</sup>

### **Decline in Multi-dimensional Poverty Across States – 2022 UNDP<sup>5</sup>**

I have also had the privilege of extensively travelling to over 600 districts of the country over the last two decades, looking at social development, women's empowerment, infrastructure development and economic well-being. The large clustered villages with over half of India's manufacturing and construction and over a quarter of the country's services sector, though a part of the rural economy, are today closer to urban locations on development parameters, than the remote and tiny habitations in rural India where poverty persists on a much larger scale.<sup>6</sup> The figures from the UNDP 2022 report (UNDP, 2022) confirm faster reduction in poverty in high poverty regions, confirming the targeting through SECC 2022 to be effective. It is these large clusters that continue to drive growth in automobile, fast-moving consumer goods, and so on, in spite of the agrarian distress on account of non-remunerative prices for farmers (see Figures 3.1 and Figure 3.2).

The National Sample Survey 42nd Round, conducted in 1986–1987, reported 69.23% females aged 6+ in rural India never enrolled in a school. The 71st Round NSSO Survey in 2015 reported that there was no difference in net attendance ratio of girls and boys up to elementary school level (Class 8) in rural and urban areas. The Socio-Economic Census (SECC) 2011 reported 4.21 crore households in rural India with no literate adult above age 25 years, confirming our failure on the primary education thrust in the first four decades of independence. We need to understand these numbers before finding fault with Sarva Shiksha Abhiyan, a supply side thrust for provision of elementary education within reach of every Indian child. A stronger thrust on removal of governance deficits, teacher and teacher development deficits



Source: Data from “National Multidimensional Poverty Index: A progressive review 2023” by Niti Ayog, 2023.

**FIGURE 3.1** Multi-Dimensional Poverty Less Than 10% in Half of India.

Multi-Dimensional Poverty Index 2023 Niti Aayog.

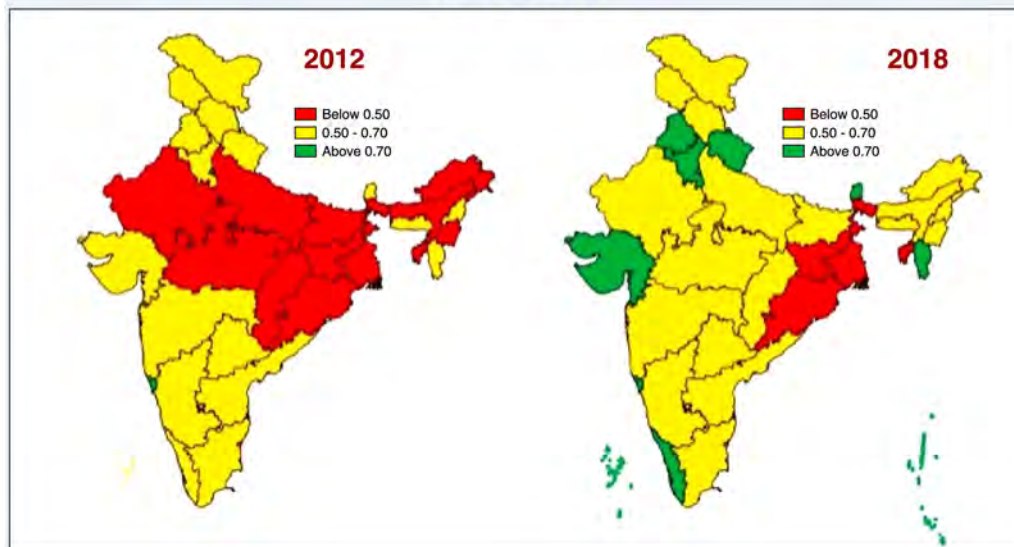
and perhaps pedagogy focused on removal of learning outcome deficits in States may have given better results; the act of school participation made possible by the creation of infrastructure, however, was equally important in breaking the cycle of deprivation and exclusion.

Likewise, in the health sector, the demand side introduction of the Accredited Social Health Activist (ASHA), while a very successful intervention, was inadequate in ensuring quality health services to the larger number who could reach health facilities. The idea of the Mission was to develop the horizontal platform of a community/primary health centre in a manner such that primary health care needs, and communicable and non-communicable

## The bare necessities: 2018 vs 2012

### An index of water, sanitation, housing micro-environment and other basic facilities

ALL INDIA



**FIGURE 3.2** The Bare Necessities: 2018 vs 2012.

Dr K. V. Subramanian, the then Chief Economic Advisor 2021 Personal Communication.



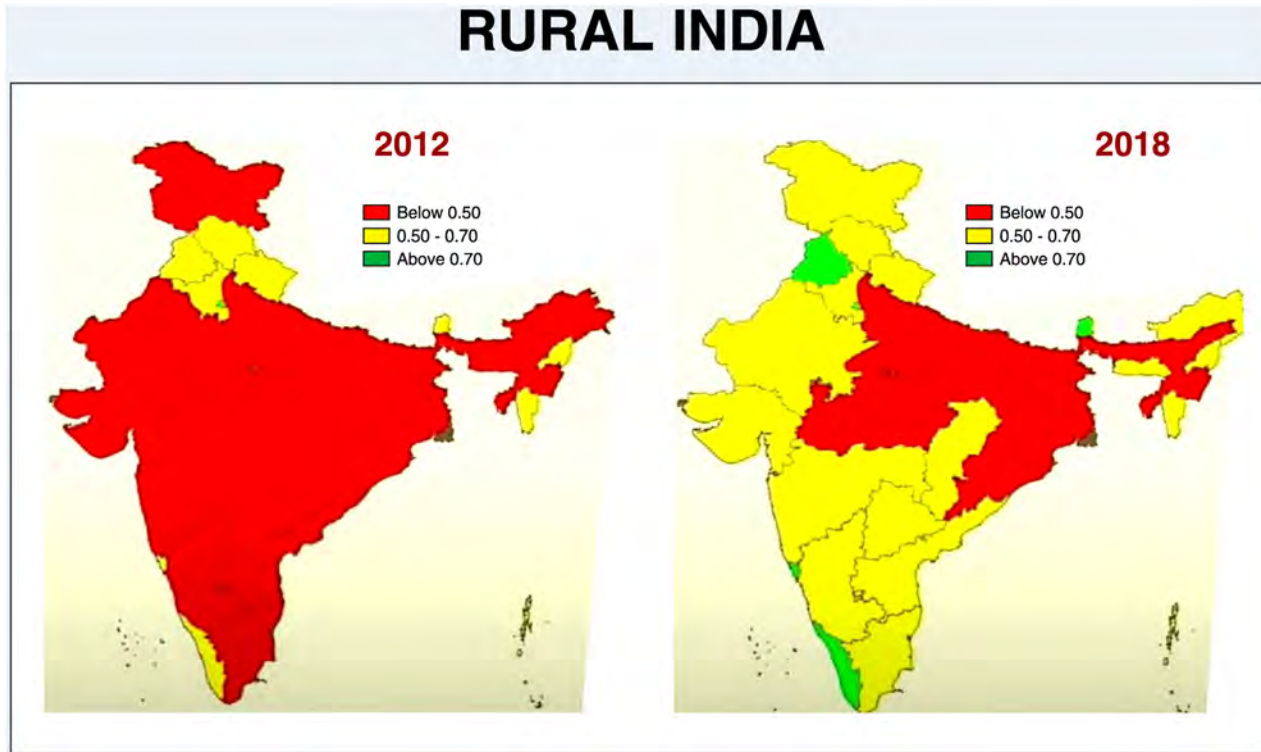
needs were better addressed. With diverse outcomes across States and with limited resources, all studies point out that a faster pace of improvement in maternal and child health indicators was made possible.

This chapter is by no means an effort to celebrate the gains. Quality of public education continues to be unsatisfactory in spite of major gains in the participation of girls in elementary education. Similarly, gains in health, while significant, are still below many countries with lower levels of economic progress. However, it is important to recognize and understand what contributes to a significant improvement in multi-dimensional poverty reduction to enable us to make correct policy choices in our development journey (see Figures 3.3–3.5).

As all of us are aware, the southern Indian States like Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana have fared much better in poverty reduction and economic well-being. If one tries to understand the factors that have contributed to these changes, especially in Kerala and Tamil Nadu, six key interventions stand out as most significant:

- (i) High rates of adolescent girls' participation in secondary and higher education on account of better educational provisioning.
- (ii) A functional public system of health care (especially in Tamil Nadu and Kerala) alongside a private sector in health care for universal health coverage of reasonable quality. A functional public system has had consequences for cost and quality of care in the private sector health care in these States.
- (iii) Very fast decline in fertility rates on account of higher participation in secondary and higher education and a functional publicly funded primary health care system.
- (iv) The act of very high secondary, higher secondary school participation by adolescent girls contributing to a group identity and the formation of women's Self-Help Groups (SHGs) on a large scale.
- (v) Women's SHGs and growing social capital through thrift and savings generating an environment for livelihood diversification through skills on a large scale.
- (vi) Access to bank loans through women's SHGs on account of enabling a Reserve Bank of India circular issued 26 years ago at the time of Dr C. Rangarajan's governorship and reiterated each year through an annual master circular.

These six key interventions contribute to the most rapid decline of multi-dimensional poverty. Social development is not only good social justice, it is also good economics. Trends similar to southern Indian States have started under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) in a large number of northern, eastern, and north-eastern



**FIGURE 3.3** Rural India.

Dr K. V. Subramanian, the then Chief Economic Advisor 2021 Personal Communication.

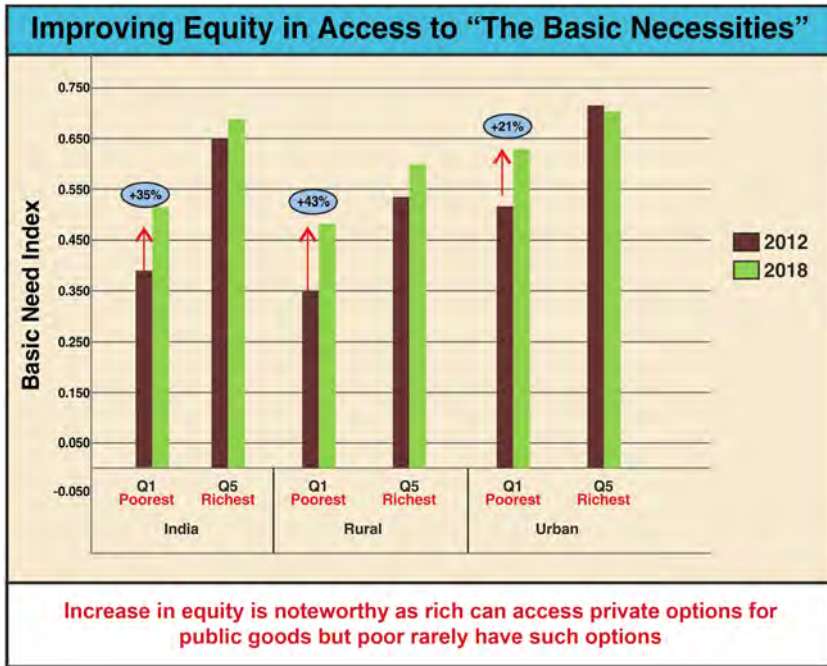
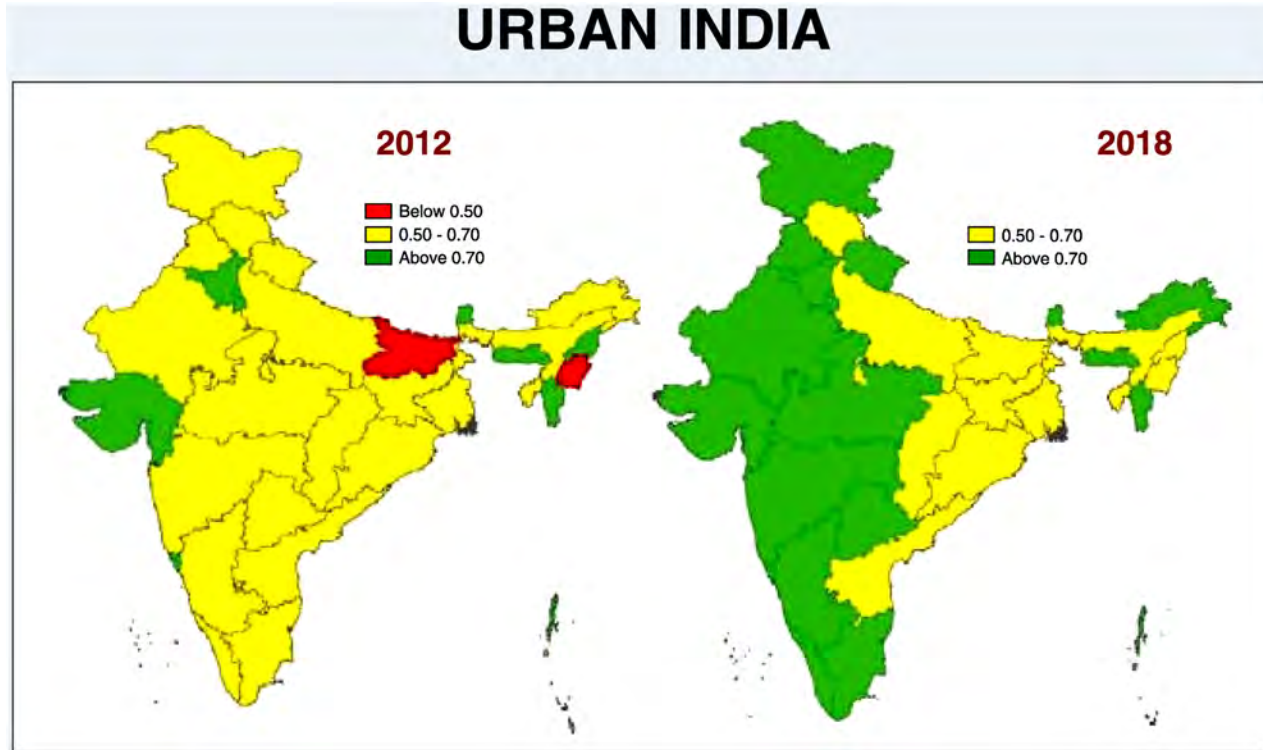


FIGURE 3.4 Improving Equity in Access to 'The Basic Necessities'.

Dr K. V. Subramanian, the then Chief Economic Advisor 2021 Personal Communication.

Indian States. The participation of adolescent girls in secondary and higher education in these States has also seen significant expansion in spite of the quality of public education being unsatisfactory. The mere participation in school education, even with limited learning, creates the identity of collectives of adolescent girls who then form women's SHGs and move on to diversified livelihoods. Clearly, an even faster rate of decline in poverty is possible through these approaches. The fact that outstanding loans with women's SHGs grew manifold to over Rs. 5.29 Lakh crores in the last eight years with non-performing assets at 2.5% for DAY-NRLM SHGs, is a tribute to the power of adolescent and young women making a difference everywhere. They are easily a bank's best customers and business propositions. Convergence of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for durable assets that increase incomes and diversify livelihoods for women's SHG members, will hasten the process of women's well-being.

The SECC 2011, allows, for the first time, effective tracking of the deprivation of households and address gaps. It is caste-neutral, creed-neutral, and religion-neutral. The application of SECC deprivation criteria explains the



**FIGURE 3.5** Urban India.

Dr K. V. Subramanian, the then Chief Economic Advisor 2021 Personal Communication.

rapid success of programmes like Ujjwala for LPG, Saubhagya for free household electricity connection, Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) for quality rural homes, National Rural Livelihood Mission (NRLM), and most recently the Pradhan Mantri Jan Arogya Yojana (PMJAY) (Ayushman Bharat) for identification of beneficiaries under health insurance. Such an approach, which improves the quality of lives and access to services of the deprived households with simultaneous provision, can make the quest for the decline of multi-dimensional poverty even more effective. The thrust on durable assets that generate incomes (farm ponds, wells, goat shed, cattle shed, housing support, etc.) through individual beneficiary schemes under the MGNREGS for the deprived households, are an effective intervention for faster poverty reduction.

With 31 lakh elected representatives of Panchayati Raj Institutions (PRIs) and over 8.5 crore women in SHGs under the DAY-NRLM, the country is witnessing a large scale social capital formation in large parts of rural regions. The success of Swachh Bharat Mission and its becoming a people's movement has to do with this unprecedented mobilization of local communities in rural areas. Campaigns like the Gram Swaraj Abhiyan (GSA) for access to seven identified public services on a saturation mode in 63,974 villages with very high deprivation, and in 117 aspirational districts further sharpen the focus for poverty decline.

The current ongoing effort of developing the Gram Panchayat Development Plan (GPDP) for the 29 transferred sectors under XI Schedule of the Constitution, under the "Sabki Yojana Sabka Vikas" campaign from October 2 to December 31, each year since 2018, has further strengthened the capacity of local communities for improved governance of programmes. Better outcomes will follow such initiatives for transformation. Gains in health, education and nutrition outcomes can be manifold more through effective interventions for wider determinants and a communitized approach to participatory development involving both PRIs and community organizations like the women's SHGs (see Figures 3.6 and 3.7).

The robust framework of accountability through the use of IT/DBT, geo-tagging, citizen-centric apps, community mobilization, social audit, internal audit, research and evaluation, and, most importantly, a concerted public information campaign for convergent action for a poverty-free India will go a long way in transforming rural India. The challenges of quality public education, quality health services, and quality drinking water and water conservation, if addressed effectively on a community-led platform, will further improve the quality of lives in rural areas. Quality homes for the deprived under the PMAY-G with basic amenities (LPG, electricity, drinking water, toilets, etc.) bridges the deprivation gap and creates an opportunity for new livelihoods.

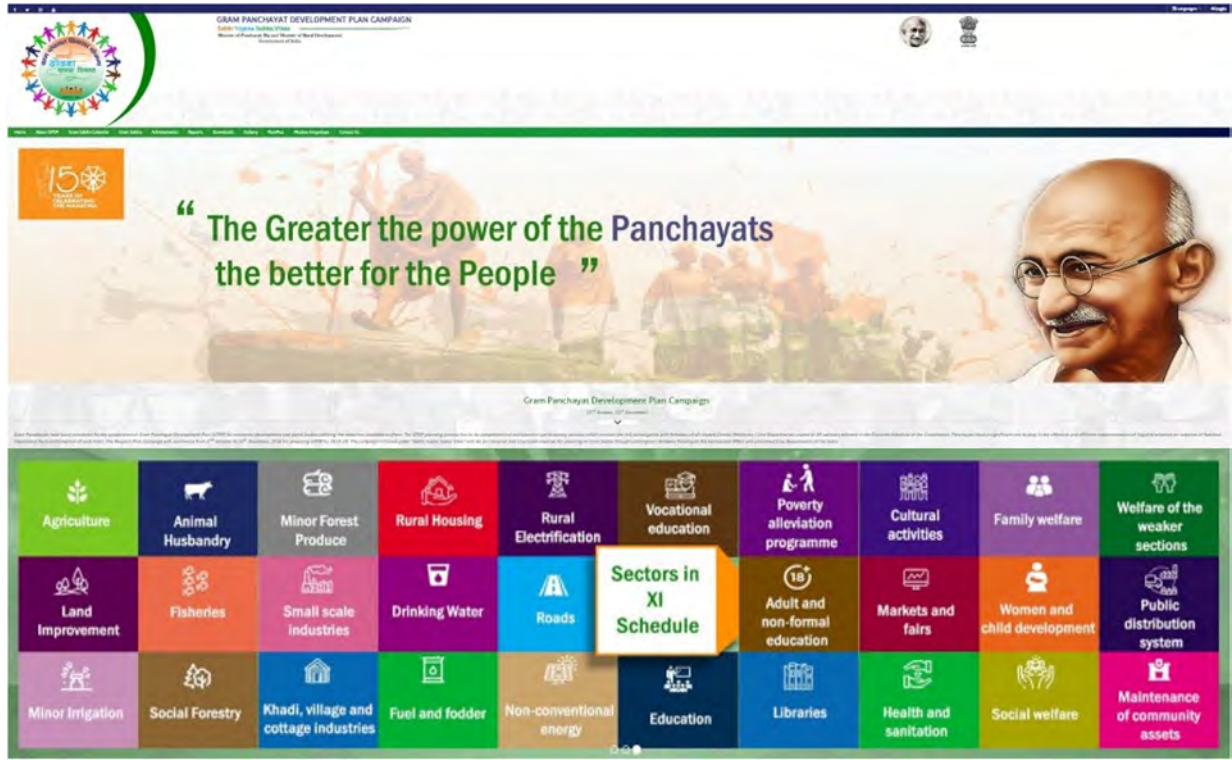


FIGURE 3.6 The Constitutional Mandate for Local Governments.

Amarjeet Sinha, 2016.



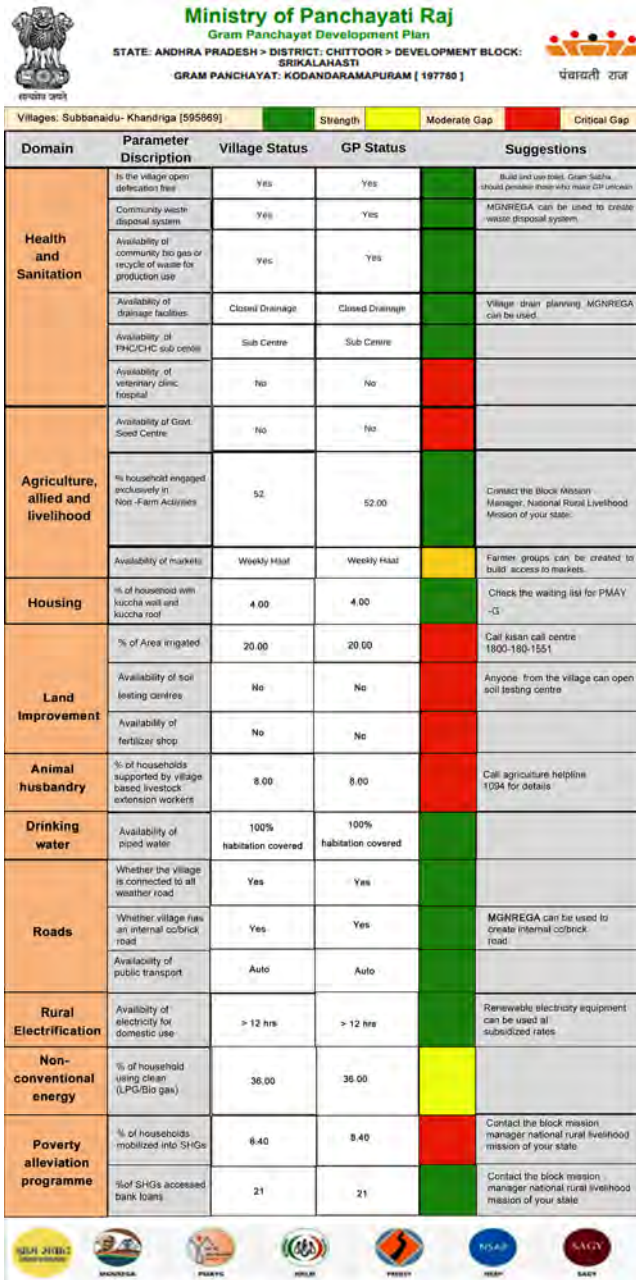


FIGURE 3.7 Critical Gap Analysis of Schemes under Mission Antyodaya.  
Amarjeet Sinha, 2018.

The access to all-weather pucca roads in all eligible habitations under the PMGSY (500+ population in plain areas and 250+ population in hilly areas) will further accelerate the pace of poverty decline with better access to services. The ranking of Gram Panchayats on a scale of 100 with a weightage of 30% to infrastructure, 30% to human development, and 40% to economic activity and following up with interventions that address Gram Panchayat specific gaps meaningfully, the pace of poverty reduction can improve manifold. Data and technology provide us today a rare opportunity to craft credible public systems that are accountable, outcome focused, and community owned. The New India 2022 resolve of a poverty-free India has been dented due to Covid-19 and its consequences. It is very much in the realm of possibility if we continue our focused interventions, to address the poverty of households and poverty of regions systematically and significantly. It is possible for India to ensure the well-being of every household and to make a real difference to the quality of lives of its people. A higher level of public investment has to be accompanied by an equally strong system of support for micro-enterprises on scale. Markets and value chains for products can diversify rural economies and bring down poverty on an even faster scale.

Saturation of poor households in underdeveloped regions under the Gram Swaraj Abhiyan (GSA) seem to suggest that such community mobilization for infrastructure, human development, and economic activity can greatly improve opportunities for the poor. The development in purposively selected Gram Panchayats with social capital under the Mission Antyodaya also indicates the power of simultaneous and convergent action with saturation thrust. The recent National Institute of Rural Development and Panchayati Raj (NIRD&PR) study on Mission Antyodaya Gram Panchayats finds active social participation as the critical success criteria in village development and poverty reduction. Leadership and decision making of elected representatives, effective functioning of Panchayati Raj functionaries and sectoral departments' functionaries, awareness of government schemes, locational advantages and better access to opportunities, and the advantages for Gram Panchayat being a single village unit have been highlighted as important success criteria. Collaborative institutional support, appropriate use of technology, access to officials and public resources, and convergence at the field level with coordinated Gram Panchayat Development Planning (GPDP) seems to make the difference in relative success of villages and poverty reduction.

The accountability framework must work on the premise of community monitoring and oversight (see Figure 3.8). The local governments have to be given the responsibility and the resources, financial and human to actually lead the transformation. The triangulation approach, reading many studies and evaluations together to understand the true ground situation with an open mind is required. False reporting or over reporting is very easily detected by community scrutiny and, therefore, the accountability framework has to be free from propaganda. It requires strength of character to listen to the ground truth.





**FIGURE 3.8** Accountability Framework.

Amarjeet Sinha, 2017.

Any accountability framework can fail if sycophancy becomes the norm and hard-earned community scrutiny the exception. The lessons of transparency clearly show the strength and value of such an approach. If we had not followed the approach, there would have been many dissenting voices. Grievance redress is also a felt need especially with technology use as, in its absence, technological dislocations can lead to miscarriage of justice for the poor. Delayed MGNREGS payments and not knowing where to go are examples of such challenges.

## Notes

- 1 Sabina Ikere (2018): *Multi-Dimensional Poverty in India*.
- 2 See, for example, the World Bank (2022) study on falling into poverty on account of Covid-19 dislocation.
- 3 See, for example, the book by Sujatha Rao (2020) on health and Dr R. V. Vaidyanatha Ayyar (2014; 2017) on policymaking in the elementary education sector. Studies in the *Economic and Political Weekly* by Javed Chowdhury (2015) also make the same points on improvements in the maternal and child health indicators with the National Rural Health Mission.
- 4 See, for example, Sudipto Mundle's (2022) article on his revisit to Palamu district in Jharkhand, 45 years after his earlier visit in 1977–1978 and the transformation he notices, in *Livemint*, November 2022.
- 5 See UNDP Multi-Dimensional Poverty Index (2022).
- 6 Comparison of the findings of the 69th Round NSSO (–2013) with the findings of the 76th Round NSSO October 2018 (see National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India, 2018), on the same 26 parameters of well-being, brings out the transformation powerfully.

# 4

## HIGH GROWTH, EASE OF DOING BUSINESS, AND WELL-BEING

That development requires growth is quite well understood; that growth falters without human development is often not so well understood.<sup>1</sup> The real test for any democracy is to get this balance right. We cannot secure well-being for the deprived households without allowing for the animal spirits, the private sector and economic progress.<sup>2</sup> Public expenditures alone are not adequate for sustainable progress, and it is only through enterprise, innovation and ease of credit availability that growing developing economies can attain high rates of growth needed for well-being. There is now enough evidence to suggest the role of the private sector in wealth creation. The distinction between promoting wealth creation and promoting cronyism is also well understood.<sup>3</sup> The ease of doing business thrust holds the key for higher economic progress and, clearly, businesses have to grow, expand, and thrive for emerging developing economies to catch up with the developed world. The comparative advantages of demography can be best harnessed if we reduce the disadvantages of the aggravations of doing business.

We live in a truly global and connected world and trade across national boundaries determines the pace and survival of businesses. In this quest for the fittest of all, Indian business needs to be provided a level playing field to capture trade. Improved infrastructure, human capital, credit availability, transport, ease of regulation, comparable tax rates, time-bound and single-window clearances, all have an important role to play. The communist bloc countries have all had to open up and embrace liberal trade and economics to grow faster. Efficient production systems work on the profit ethic, and it is foolhardy to resent the business ethos. Wealth creators have to be respected in society as the risks they often take are indeed path breaking. Businesses can fail for valid reasons and public policy should provide for such genuine

failures. Cracking down on cronyism ought not to degenerate into a regime of fear where none ventures to tread.

India's demographic dividend requires a faster pace of non-farm livelihood development and diversification. While India's services sector has shown high rates of growth, manufacturing has lagged behind for many reasons. High employment generating sectors like textiles, leather industry, and tourism need to reposition themselves in the global competition for markets. If Bangladesh can expand textile trade so swiftly, why cannot India do the same? This question needs a solution as any amount of 'Make in India' will not translate into jobs and high growth if we do not find solutions sector by sector. The important task is to delve deep into sectors to see what constraints businesses and exports suffer. The Economic Survey<sup>4</sup> rightly makes the case for 'Assemble in India' as a sub-component of 'Make in India'. India itself is a large market and with faster reduction of poverty and improvement of incomes, demand for goods and services by Indian consumers will keep on increasing. Also, geopolitically, India is well positioned to become an 'Assemble in India' hub.

Two key ingredients for faster rates of economic progress are the availability of trained human capital and the ease of availability of credit for the enterprising.<sup>5</sup> While many experiments with both have gone on for a while, there is a case for looking carefully at the evidence. India's quest to be among the first 50 nations in ease of doing business, to be sustainable, will require an equally serious thrust on moving towards the top 50 nations of the world in human development by the end of the decade, and perhaps being among the top 100 nations, like China, by 2024. During an era of industry 4.0, an era of breakneck breakthroughs in technology, an era of 3D printing in manufacturing, we require very well-trained human capital to leverage the gains in manufacturing. With India's pre-eminence in use of information technology and its applications, it is time we made an equally strong thrust in human development to match and meet the needs of a fast-changing manufacturing scenario. The opportunities have to be well understood and the comparative advantages well analysed before stepping forward. In an age of artificial intelligence, internet of things, start-ups, and venture capital, we have to evolve ways of doing business and manufacturing in keeping with the opportunities of the times. Breakthroughs in IT hub for hardware becomes very important to make the case for 'Assemble in India' more meaningfully.<sup>6</sup>

Alongside the economic growth challenges, there has been a very strong voice against growing inequalities and a need for a more shared growth, and a more inclusive society. Greater equality, it is now argued, does not conflict with sustainable economic progress; in fact it is necessary for it.<sup>7</sup> In all societies, it is those who come out of poverty through education, skills, and diversified livelihood opportunities who are the most enterprising. They have aspirations to become richer through diverse livelihoods.

Unfortunately, systems of credit for those emerging out of poverty are always a difficult challenge as most often, banks and other lending institutions are too conservative to trust those with poor asset bases. It is this challenge to provide credit and opportunities for enterprise to small and marginal farmers, and to the nano and micro enterprises of those who have barely managed to come out of poverty. Cooperatives were set up to meet this collective need for credit and inputs. While some cooperatives did well, others could not resist elite capture in the name of the community. It did lead to wealth creation for many emerging entrepreneurs. However, resort to elite capture and unfair practices, also led to the choking up of many such co-operative institutions.

Some legislative improvements to prevent elite capture has been attempted in producer companies and so far many of them have managed to retain their democratic character, participation and professional management. The women's Self-Help Groups (SHGs) formed under the Livelihood Mission have provided for outstanding social capital. The experience of lending to community institutions of the poor like SHGs under the Livelihood Mission has been very positive with very low levels of non-performing assets. The strong social capital and the collective moral force to not only borrow, but also to return on time through community cadres and community institutional arrangements, seem to work well. The time has come to move on to the next stage of formalizing such community institutions of the poor through their Goods and Services Tax (GST), Income Tax (IT), and Micro and Small and Medium Enterprises (MSME) registration to enable them to leverage higher order credit.

Experimentation in higher order credit for such nano enterprises under the Start-Up Village Entrepreneurship Programme has worked well, as the first evaluation is indicating. Family members of SHG women, even male, have been trained, supported by Community Resource Persons for Enterprise, and provided higher order credit for small businesses. By and large they seem to have done very well, clearly establishing that community connect is also a very inclusive approach to good economic activity. The preparation of a detailed micro credit plan, handholding by an Enterprise Community Resource Person, and constant oversight of the community, makes for a better utilization of credit. The community connect and formalization of community institutions of the poor like the Livelihood Mission SHGs, holds the key to a more equitable and inclusive approach to economic activity. At a time when inequality is a growing concern and more and more voices are making a case for home grown large sized micro and small enterprises, the starting point could be some of these community institutions of the poor with strong social capital and support for an evidence based micro credit plan and handholding. Individual entrepreneurs have started emerging through this process and the thrust on 'one district, one product' can build on the community connect and social capital. Social capital is not only good social justice;

it is also the best way forward for sustained economic activity and a more equal society.

### **Even Infrastructure Needs Community Connect**

Public policy has often taken calls without looking carefully at the evidence. If (i) community connect, (ii) an evidence-based approach, (iii) application of technology, and (iv) a deeper understanding of the last-mile challenges went into the making of public policies, the outcomes would be different. A large nation like India with its diversities, needs a deeper understanding of the local context.

It is not that the above four defining success criteria are good only for poor public welfare; they are imperative even in many infrastructure projects. Many large infrastructure projects often face the challenge of no or low public information and trust. Land acquisition, coordination among various departments, financial and project management systems, involvement and activeness of State and local governments, alignment of roads, and agitation of local communities, often become a cause for delays. If communities were taken into confidence and saw their stake in infrastructure development and the likely gains that will accrue to them, I am sure the derailments of timelines would reduce.

Similarly, opportunities of employment in manufacturing and services need a well-articulated policy to develop the hinterland. Indirect employment and opportunities should be a planned activity with the active collaboration of the community and its re-skilling, wherever required. Tata Steel's efforts in Jamshedpur and its adjoining areas secured a labour militancy-free workforce for the company leading to strides in steel making.<sup>8</sup> There are each year, many such reports on the benevolence of the business community from Gujarat, giving big gifts to their workers, a legacy of the movement of cooperation in that State. Making employees and local communities fully integral to the development process is the only way forward for a more shared growth.

We have examples of failures or delays and some successes in infrastructure as well which offer lessons. Earlier efforts in sectors like telecom through Bharat Sanchar Nigam Limited (BSNL) and the efforts to ensure optic fibre reaches to every Panchayat, was not matched by local public information as to what outcomes citizens could expect, when it would happen, in which Panchayat, and who would be responsible for the maintenance and provision of last-mile connectivity.<sup>9</sup> Such non-accountable approaches lead to wasteful expenditure with missed timelines and failed outcomes. These lessons ought to be learnt in further engagements.

We have examples from Indian Railways that are still implementing decade-old projects, even though the top construction companies are

vendors. Besides uncertain financial management, these projects also suffer due to the time it takes for land acquisition.<sup>10</sup>

The power distribution companies (DISCOMs) and their inability to improve performance in spite of multiple efforts at innovative financing support, points to the fundamental need for partnerships between local governments and communities, and, in addition, to make them partners in improved realization of dues for uninterrupted power supply. The failures of Ujwal Discom Assurance Yojana (UDAY) to reach benchmarks must be fully analysed and a community-connect approach needs to be attempted in future packages.<sup>11</sup> Nagaland's Village Development Boards did this well many years ago.

Local communities often do not know the purpose of better connectivity or its potential positive impacts on lives and incomes. The National Highways Authority of India (NHAI) projects have done very well in improving connectivity and logistics across the country. While the NHAI has been a new opportunity for growth and new investments, challenges in the form of litigation in land acquisition, creation of facilities for villagers' movements across highways like underpasses, toll-free movement rights, and drainage alongside highways are examples where better coordination and connect would improve the highways' quality, cost, and usage parameters, and the convenience of adjoining villages. Such interface may even help in reducing the cost of land acquisition, which is today a major challenge in NHAI, accounting for 30–40% of the cost of greenfield projects.

In the Pradhan Mantri Gram Sadak Yojana (PMGSY) programme for rural roads, the clear policy decision was that not one rupee would be paid for land acquisition and if some private land came in the alignment of the village connectivity, the person would have to willingly transfer the land for the road. A lot of explaining, alignment discussions, and transverse walks on the alignment are mandatory requirements in the PMGSY project design, creating a stake for the local community.<sup>12</sup> Critical assessment of draft detailed project reports with Geographical Information Systems (GIS) mapping by technical institutions like Indian Institutes of Technologies (IITs) and National Institutes of Technologies (NITs) across all States and projects, ensures quality at reasonable costs. Encouragement of local materials and new technologies, including waste plastic use in road construction, is part of the approval system leading to the World Bank studies projecting PMGSY as an exemplar project globally.<sup>13</sup>

The Gram Swaraj Abhiyan approach to supply seven public services (electricity, LPG, bank account, LED Bulbs, immunization, and life and accident insurance) in 63,974 villages with large populations of deprived communities is a development paradigm that is as relevant to any other sector, whether public or private. It is a classic example of a whole-government, whole-society, community-led, technology-based and human-resource-based effective monitoring for time-bound results.

Providing electricity to households required long distance cable connection and it was not unusual at all for whole villages to carry out physical labour together to ensure services reached distant areas. Top oil company executives, bank managers, and REC engineers, realized the enormity of the task and the cooperation of communities, if trust was the basis of partnership. Every State/UT extended full support as did the Panchayats and women's collectives under the Livelihood Mission. Monthly Ujjwala gas connections moved up from ten lakhs to over 50 lakhs during the campaign. Electricity connections similarly moved up from ten lakhs to 19 lakhs per month.

If applied in the infrastructure projects, implementation timelines could improve manifold. We must realize that local communities are rational entities, and we need relationships of trust. Civil society organizations can also pitch in for effective service delivery. The 11th Schedule of the Indian Constitution provides for 29 sectors for oversight of the Gram Panchayats and the 12th Schedule provides for 18 sectors for the supervision of urban local bodies. If these institutions are strengthened with a conscious effort to provide space for community, cooperative, and women's organizations in the partnership, all sectors will gain. Besides improved financial management, better technical bidding documents, technology-based planning and monitoring systems, and infrastructure projects can improve timelines of completion and quality of planning and implementation, through an organic community connect at the last mile.

## **How Corporates Can Transform Lives and Livelihoods**

### ***A Concrete Agenda for Interventions That Matter***

The greatest contribution that corporates make to lives and livelihoods is in direct and indirect job creation. If this happens with mandatory Business Responsibility and Social Reporting (BRSR), it furthers the sustainable agenda as well. Reaching credit for enterprises at reasonable rates, is another major source of economic transformation of micro and small enterprises. High rates of economic growth create surpluses for the State to invest more in creating social opportunities for human development and well-being, infrastructure commensurate with economic needs, essential public subsidies, interest repayments, and investments in other public goods like defence, social protection, and market and financial regulation.

There is business for companies in working with the poor. Meeting the unmet credit needs, lending against collaterals and against the 'Swamitva' property card in rural areas are all new emerging opportunities for business using technology. More than public expenditures alone, it is the ability to make global and national finance work for enterprises from below that holds the power to unlock unprecedented growth and well-being.

Section 135 of the Companies Act 2013 mandates profit-making corporates to undertake Corporate Social Responsibility (CSR) with at least 2% of their net profits, with preference to local areas. Many others like Shiv Nadar, Azim Premji and so on, also set aside their personal wealth for improving lives and livelihoods on scale. Legalistic CSR is not what is needed: there has to be a passion for holistic transformation.

On 22 September 2022, capital markets regulator the Securities and Exchange Board of India (SEBI), came out with a detailed framework for Social Stock Exchange (SSE), specifying minimum requirements for a Not-for-Profit Organization (NPO) for registering with the bourse and the disclosure requirements. This came after the SEBI, in July had notified rules for SSE to provide social enterprises with an additional avenue to raise funds.

At a time when the cumbersome processes of the Foreign Contribution and Regulation Act (FCRA), for reasons of security and distrust, often on very peculiar procedural grounds, has dried up resources for civil society organizations (CSOs), SSE can form a platform for a transparent, accountable and national resource of financing enterprise among the emerging social classes. A more shared growth, with enterprise from below, needs to tap this source of funds for results as well. An inclusive India needs local enterprises on scale. Businesses must be built from below.

How can corporates secure value for money with their expenditure on improving lives and livelihoods of the deprived? Following are a few key points and a concrete agenda for action:

- (i) For rural areas in India, an annual community and Panchayat-led Mission Antyodaya Survey is undertaken that provides the human resource, infrastructure and economic deficits of a Panchayat on 143 parameters. It can be seen at [missionantyodaya.nic.in](http://missionantyodaya.nic.in). The gaps are clearly identified. If the corporates in their feeder villages, were to take that ranking as the basis for holistic development of a village/Gram Panchayat for transformation, a lot of the duplication of efforts would reduce. We need to undertake a similar community-owned assessment with the urban Basti or a hamlet as a unit. We also need an elected leader below the large urban ward for better community connect at the Basti level.
- (ii) The CSR needs to be aligned to the local government and in constant dialogue with its processes of intervention, without the inertia of the mainstream slowing down the innovations of the CSR interventions. This is the real long-term transformation that India needs. There is a need to invest in local studies to understand governance challenges and widely disseminate at the local and State levels. Good micro studies, at times, help in sensitization of local governments on poor governance. Time has come to take governance challenges head on, even through CSR, as we cannot afford the insulation of an inertia-filled mainstream.



We need to adopt a women-led development that provides opportunities for improving women's work participation rates. With more Ujjwala gas connections, many women have much more time to take up diverse livelihoods. The CSR back up can actually be transformational in creating indirect job opportunities on scale at local level. The corporates can work as an evidence-based voice for decentralized community action under the umbrella of local government institutions. The voice of the corporates will improve value for money in many public expenditures. Invest in strengthening IT/DBT use, a network of women banking correspondents, among others. If corporates have to take apprentices, focus on women. Skill programmes also need women in larger numbers.

- (iii) Enterprises from below should be the most critical thrust in the CSR. With 90 million deprived women in rural and urban women's collectives, our efforts should be to see where they need handholding and support. Good professionals in rural areas and urban slums, is what we need most to set up enterprises. The learning from the Rural Livelihood Mission's work with the National Dairy Development Board Services (NDDBS) for women's producer companies for dairy in MP and Bihar's poor regions, as also the work of Buddha Fellows in organizing enterprises, shows the transformational power of the professional, even with for-profit enterprises. No public subsidies are needed. All that is needed is support for three–five years for the professionals to get the for-profit enterprise going. Sourav Mukherji's case studies on livelihoods bring out this relationship of grant and for-profit activity very clearly. The CSR provides for such a mix for success.
- (iv) Focus on human development (education, skill, livelihoods, nutrition, and health) as a priority. Studies confirm how much these contribute to human well-being. With greater thrust on reducing the basic deficits of households in terms of housing, sanitation, bank accounts, gas, electricity, roads, women's collectives, and so on, the CSR needs to focus on human development and local enterprise formation and support.
- (v) Develop civil society partnerships for social protection as the care of the pavement-dweller, the elderly needing care, the widow, the *divyang* needs the selfless service thrust that only civil society can bring; governments are not about that level of empathy. Care-givers have to be community-led and supported.

The approach outlined above is truly a win-win for all. Corporates need to count not only as money bags for the CSR, but as a part of the thought process, and contributing to the professional-led, for-profit enterprises for transformation of lives and livelihoods. That alone will sustain, as eternal and infinite subsidy-driven approaches have their limitations in both job

and wealth creation. Let the CSR improve the quality of public spend by promoting a real-time monitoring of interventions to make governments improve outcomes. The SSE provides a platform for sustaining women-led enterprises on scale. Let the transformation begin.

### **Developed India Needs Human Capital**

Celebrating 75 years of freedom, India declared its resolve to be a developed nation at 100. While it is always good to have a clear resolve and a road map, the strength of the vision lies in taking up an evidenced-based approach, learning from the world and from States within India. The Indian Constitution articulates the broad contours of human well-being in the Directive Principles of State Policy. Many of them pertain to human development. While a lot has been achieved since 1947, there is a lot more that needs to be done. We also need to take note of the global slowdown that is bound to affect our growth momentum and export ambition.

The criticism of India's development trajectory by some economists for inadequate thrust on public goods like education, health, urban infrastructure, clean water, clean air, and a fair and responsive judiciary, needs to be taken note of, to address where we need to focus. Similarly, the crisis of unemployment requires a clear thrust as that is our real challenge in reaping the demographic dividend. Compared to the 'East Asian Miracle', unsatisfactory progress in educating girls explains our lagging behind Japan, South Korea, and China. The 'broken ladder' of quality education in government schools, dampens the spirit of many an aspiring youth; it needs to be redressed as top priority.

Our successes in poverty reduction from 2005–2006 onwards shows how 415 million persons were brought out of poverty over 15 years. The remarkable success of pro-poor public welfare in terms of electricity, rural housing, individual household toilets, bank accounts, gas connections, expansion of the women's Self-Help Group movement all over India with significant credit linkage, significant contribution to durable, income-generating assets by Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) since 2013, especially through individual beneficiary and water conservation schemes. These bring out the role of community connect, technology use, convergent action and coordination of all levels of government and people. Our failures in public goods need to be addressed by the approaches adopted in areas of success. The challenges of the last mile are what make the real difference. Civil society partnerships play an important role in catalyzing communities for action. India must aim to be in the top 50 nations of the world in human development if we aspire for global leadership and human well-being.

States like Tamil Nadu, Karnataka, Gujarat, Haryana, Maharashtra, Kerala, Telengana, Andhra Pradesh, and Delhi have demonstrated the power of economic progress and rising per capita incomes over the decades. There, too, performance on girls' secondary/higher education and access to credit for women's collectives reflects in marked difference in multi-dimensional poverty, in spite of similar population size and per capita incomes (Tamil Nadu, Karnataka and Gujarat).

The investments in the core sectors after Independence combined with the post-1991 liberalization and opening up of the economy for a private sector-led growth, has helped India to register higher rates of economic progress since 1993. While good educational institutions like IITs and IIMs have given us many global CEOs, India's biggest failure has remained in the area of mass human capital. This needs redress as a priority.

The performance of Navodaya and Kendriya Vidyalayas give us the confidence that it is possible, if we focus on even better social infrastructure, governance, and human resources in our human development initiatives. Demographic dividend requires improved governance with additional financial resources as well. Human capital is what it takes to gallop globally. The world over, public systems of education at school level that have acquired the status of a community institution, have played a critical role in advancing opportunities. An inclusive India needs a social opportunities revolution for education and skills and the State has to play an important role. Focused non-governmental partnerships can improve outcomes of public systems and make them more accountable. Technology as a means can empower an average teacher to achieve learning outcomes.

While the demographic dividend is an opportunity for India, it rests on our ability to become rich before we become old. Employable human capital moving constantly up the skilling ladder is the only way forward. While continuing our thrust on infrastructure, it is equally important to develop human capability at universal scale. We need to create higher domestic demand for goods and services as well, given the projections of low growth phase globally.

Manufacturing, services, agriculture, all require higher-order technology and skill transition. Private investments go to the same set of high per capita States, as they are the ones who are able to provide human capital and a relative ease of convenience in setting up businesses. The challenge is to give comfort to private enterprise in every part of the country by providing, infrastructure, public order and human capital. Women-led development that is human capital intensive, is the real way forward, if we do not wish to leave anyone behind.

Nurturing human capital requires a simultaneous thrust on community connect and decentralized action in sectors like education, health, nutrition, skills, livelihoods, employment, and diversified income opportunities. Even

for MSMEs to grow we need a women-led thrust from below that is accountable to local communities. Creating a horizontal platform for concerted, community owned, convergent action across sectors is the only way forward. Community Resource Persons and professionals working with Gram Panchayats and urban local bodies, with use of technology as a means, will help us to achieve our outcomes in the short period of 25 years. Reforms in human resource engagement have to be central to the larger governance reform for outcomes.

We have to realize that public goods sectors like primary education, primary health, nutrition, clean environment, safe cities, and a resilient and fair legal system all require functional public systems. Even effective partnerships require robust public systems. There is no getting away from crafting credible public systems for public goods. While there can be partnerships with the private sector to achieve public outcomes, we cannot keep credible public systems in these sectors on the back burner. We should leave the business of business to the private sector, but should not abdicate the responsibility for public goods.

Building functional public systems requires insights into institutional development to ensure that all skill sets that facilitate learning outcomes in schools or provide public health protection to communities in times of need, are carefully provided for. We need to get away from a scenario where the central government is seen as a provider of capital funds for expansion of systems and States are seen as the revenue expenditure leader for recurring expenses. There has to be a unity of purpose in the institutional design for delivering outcomes in education, nutrition, health, livelihoods, skills, and employment and income diversification. Fragmented perspectives need to give way to unified, convergent actions for outcomes. Decentralized and accountable governance, therefore, is a part of the solution. Technology, too, matters.

We need to build on strengths and work on weaknesses. While growth is sustaining in India even in the post-Covid-19 world, we need to raise the incomes of many who have come out of chronic poverty but are still fragile. They can slip back into poverty unless we are able to expand the size of our economy and the productivity of our system. The increase in the share of agriculture sector workers in the recent Periodic Labour Force Survey Report, also needs to be taken note of. Creating non-farm jobs on an unprecedented scale, creating cities for organized economic activity, modernizing agriculture for higher productivity and diversity, manufacturing on scale to provide more factory jobs and exports, services to build on the early gains to become a global player on scale, given the youth bulge and the need for human resources, IT solutions and people-led processes across the world.

It is truly India's century if we do all we can to promote a shared growth that is women- and human capital-led, that builds from below, and allows opportunities for all by leveraging credit on scale where it is needed. Digital

Public Infrastructure for payments has to become a platform for credit as well, with all the safeguards to ensure that the deprived do not get hoodwinked. Hand-holding, financial literacy on scale, and community connect in the last mile, are all part of the opportunity. Peace and harmony will create the enabling environment for economic and social transformation. It will truly be an 'India for All' if we do all that is needed to match human capital for higher-order economic progress. A lower than usual global growth calls for more income and employment, more productivity and efficiency, more human capital and women-led growth. These alone will offset the global slowdown. India has to be in the top 50 global nations on human development to achieve its ambition of global leadership.

## Notes

- 1 Analysis of the G-20 nations on gross national income per capita, life expectancy, and expected and actual years of schooling based on the Human Development Report (UNDP, 2022), convincingly establishes this point.
- 2 India's experience post-1991 aptly works as evidence for this statement. Captured in detail in M. S. Ahluwalia's *Backstage* (2017).
- 3 This was dealt with in detail in the *Economic Survey of 2019–2020*. See Ministry of Finance, Government of India. (2020).
- 4 *Economic Survey of 2019–2020*. See Ministry of Finance, Government of India. (2020).
- 5 See for example: *The East Asian Miracle*, (World Bank 1993).
- 6 The scheme of Production Linked Incentives (PLIs) has been trying to do this from 2021 onwards.
- 7 See for example, the writings of Thomas Piketty (Piketty, 2014, 2022).
- 8 First-hand experience of working in the region 1985–1989 in Singhbhum district of Jharkhand.
- 9 The targets have been missed repeatedly so far.
- 10 Pragati reviews by the Prime Minister of stalled projects. 2015–2019.
- 11 Series of bail out packages for the DISCOMs do not seem to be working. New initiatives after UDAY, have again been taken recently.
- 12 The World Bank: Evaluation of the Pradhan Mantri Gram Sadak Yojana; 2018. (See Dappe et al. 2021).
- 13 World Bank Study on Pradhan Mantri Gram Sadak Yojana, (2019), 20 years of boosting opportunities in India. (See Dappe et al. 2021).

# 5

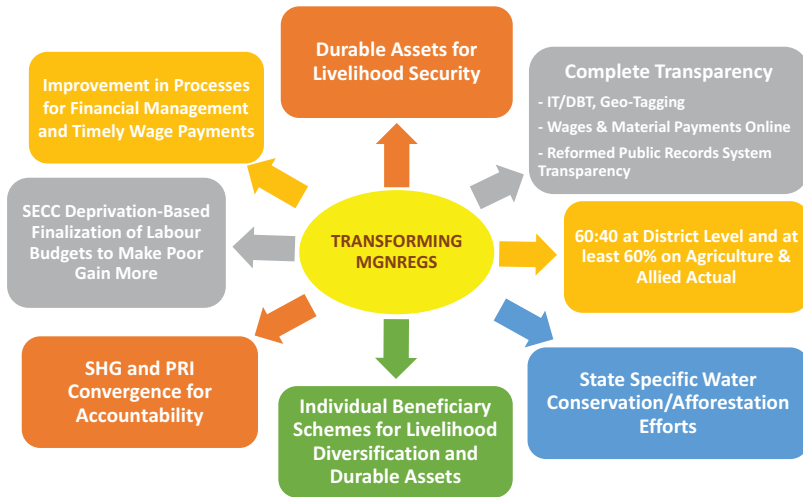
## IMPROVING EASE OF LIVING OF THE POOR

Improving the ease of living of the deprived is the objective of interventions for development and growth. Ultimately, the test of shared and inclusive growth lies in the improvement of the ease of living of the poor. The point will be illustrated through a deeper study of the MGNREGS and the Pradhan Mantri Awaas Yojana to present the reforms that really made them work in improving ease of living.

### **Reforming MGNREGS (2014–19)**

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been in the news recently. While the MGNREG Act was passed in 2005, independent studies by Niehaus and Sukthankar (Niehaus & Sukthankar, 2013) and Clement Imbert and John Papp (Imbert & Papp, 2015) found the scheme to be plagued by corruption. Nobel Laureate Dr Abhijit Banerjee recently acknowledged the plugging of leakages in MGNREGS between 2014 and 2019.<sup>1</sup> Clearly the efforts to clean up MGNREGS through use of technology have been effective. The Institute of Economic Growth, Delhi study on MGNREGS, headed by Dr Manoj Panda in 2017 (see Figure 5.3 and Institute of Economic Growth, New Delhi, 2018), found only 0.5% Natural Resource Management (NRM) assets to be unsatisfactory. This is a proxy indicating a sharp reduction in leakages. This has been possible on account of a range of reforms in the MGNREGS, some of which were acknowledged in Chapter X of the Economic Survey 2019–2020 (see Ministry of Finance, Government of India. (2020). What are these reforms that have made a difference? (See Figure 5.1).

## What transformed MGNREGS?



**FIGURE 5.1** What Transformed MGNREGS?

Amarjeet Sinha, 2019.

First, in the true spirit of the MGNREGA, it was seen as an opportunity to enhance the livelihood security of households in rural areas. There was a thrust on durable assets like farm ponds and dug wells that increased incomes. Animal sheds for marginal and small farmers were taken up, along with 90/95 day wage labour support to landless manual casual labour who were provided housing under Pradhan Mantri Awaas Yojana-Gramin (PMAY-G). Water conservation thrust for livelihood security was given a focus in a scientific way by notifying mission water conservation guidelines for the MGNREGS in 2016 and following up with adequate capacity building. It was made clear that the MGNREGS was not a pension scheme but a programme for livelihood security.

Second, individual beneficiary schemes which accounted for 21.4% of the total works in 2014–2015 now account for 67.29%. Over 18.17 lakh individual farm ponds, 10.56 lakh Vermi/Nadep pits, 4.85 lakh soak pits, 5.16 lakh wells, support for 1.54 crore rural housing beneficiaries, 1.3 lakh goat sheds, 5.56 lakh cattle sheds have been constructed over the last 5 years on account of this thrust on livelihood security. From 36.18 lakh works completed in 2015–2016, the total completed works rose to 89.86 lakh in 2018–2019 on account of better monitoring of outcomes (see Figure 5.2). Over 15 million hectares benefited from the water conservation thrust and over 40,000–50,000 villages could improve their water security in large measure through the Mission Water Conservation thrust of 2014–2019.

## MGNREGS as a Livelihood Resource

Individual Assets	Community Assets
<ul style="list-style-type: none"><li>• Farm Ponds, Dug Wells, etc.</li><li>• Vermi Compost, NADEP Pits.</li><li>• Goatshed, Dairyshed, Poultry Shed.</li><li>• 90/95 Days Work in PMAY-Gramin.</li><li>• Tree Patta Scheme Plantation.</li><li>• Land Development/Diversification.</li><li>• Animal Resource Shed with PMAY-G for the Landless.</li><li>• Skills Under LIFE – Up the Skilling Ladder.</li></ul>	<ul style="list-style-type: none"><li>• Major Water Conservation Measures.</li><li>• Grameen Haats for Producers.</li><li>• Workshop for Women SHGs.</li><li>• Solid Waste Management.</li><li>• Village Roads, Parks, Drains.</li><li>• Aanganwadi Buildings.</li><li>• Community Social Auditors/Barefoot Technicians.</li></ul>

FIGURE 5.2 The MGNREGS as a Livelihood Resource.

Amarjeet Sinha, 2019.

Third, complete transparency was given the highest priority: the Aadhaar link of accounts, nearly 100% electronic Fund Management Systems (eFMS), 100% IT/DBT and geo-tagging of assets, an improved public record system through the seven registers’ system, and, most importantly, a strengthened system of social audit to hold local government leaders accountable to the community, were strengthened. Over 97% of wage payments are now generated within 15 days and over 75% are actually credited in the workers’ account within 15 days. There have been challenges with timely payments on account of the unprecedented demand for wage employment across the States. Covid-19 and post-Covid-19 demand has further created challenges for timely payments on account of the persistently high demand for work.

Fourth, changes were brought in the programme by making 60:40 wages to material at the district level instead of at Gram Panchayat level. This ensured evidence-based selection of works. Further, 60% works were earmarked for agriculture and allied sectors and States were encouraged to come up with state-specific water conservation and afforestation efforts. By making 60:40 works at district level, it was possible to take up priority public infrastructure like Aanganwadi Buildings under the MGNREGS and 42,716 have been completed in the last five years. Each and every asset, right from the inception of the programme, can be seen on the public website.

Fifth, the Labour Budget of States was drawn up on the basis of manual casual labour and deprivation in the States to ensure that States with more manual casual labour and deprivation got more of the MGNREGS resources. The Socio-Economic Census (SECC), finalized in July 2015, provided an



opportunity to ensure that MGNREGS funds went to the poorest regions of the country. Linking 90/95 days of work with the rural housing programme which also used SECC-based deprivation, it was possible to substantially raise labour budgets in poorer regions.

Sixth, seeing the climate change impact showing up in one-fifth of the districts every year in the form of low or late rains, a provision was made to notify 150 days of work in such regions that had a natural calamity or drought. This, too, focused on work provision where it was required.<sup>2</sup>

Seven, efforts were made to continuously improve the community connect and partnership of Panchayat leaders, women's Self Help Groups (SHGs) under the Livelihood Mission and the frontline workers through a People's Plan Campaign. Each and every Gram Panchayat of the country was ranked in 2018. The same process is happening now and all rankings are in the public domain on [www.gdpd.nic.in](http://www.gdpd.nic.in). The Gram Swaraj Abhiyan for ensuring seven benefits to every deprived/eligible household in 65,000 purposively selected villages in mission mode in 2018–2019, is an excellent example of community connect.

While there is always room for improvement, a lot has been achieved through these reforms under the MGNREGS (see Figure 5.3). Even during a period when prices of agriculture commodities have not risen and wage increase has been modest, it has been possible to expand the asset base of the poor and diversify and develop livelihoods on a much larger scale. It is true that assetization and new emerging education, gas and electricity bills, and the health spend of households has altered the basket of goods and services that poor households consume, and perhaps the same needs to be better reflected in the Consumer Price Index for Agricultural Labourers. The Labour Bureau is working on it.

There have been major challenges in the MGNREGS as well. First, while generation of payment within 15 days did improve considerably, the performance on actual credit to the account of the labourer often fell behind a little on account of fund availability. It is a fact that the MGNREGS is an open-ended programme and states like Rajasthan, West Bengal, Kerala, and Andhra Pradesh have mastered the art of using the resource to the hilt. Being demand-based, the labour budgets of these States often have to be revised upwards to accommodate the demand. As the resources are finite in a, theoretically, open-ended demand-based programme, States with governance challenges and slower pace of expenditure like Bihar often lag behind. While a conscious effort to enhance the labour budgets of the States with high numbers of deprived landless labourers was made, on account of slower pace of development, a few really needy States suffered. The fact is that assurance of 100 days of work will actually require nearly three times the financial resources than the current allocations to fulfil. This compromises the governance and timely payments under the MGNREGS.

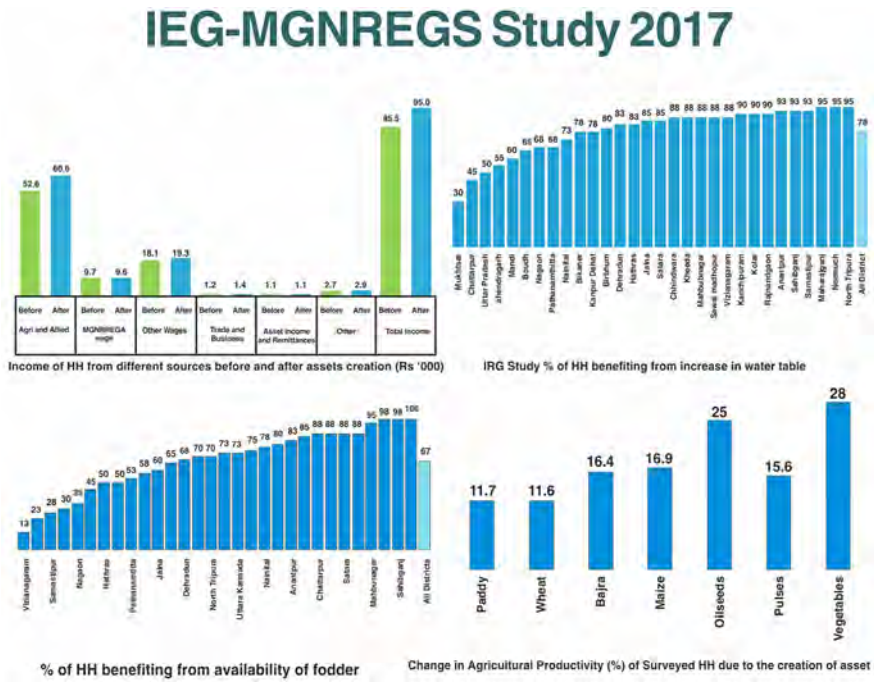


FIGURE 5.3 IEG-MGNREGS Study 2017.

Dr Manoj K. Panda Study on MGNREGS for MORD 2017–2018.

Second, while use of technology with community connect has facilitated direct bank transfers to Adhaar-linked workers’ accounts, there are often glitches in timely transfer, or to the correct account on account of procedural issues. While the incidence of such challenges has come down considerably over the years, any delay in payments with an inability to check where it is stuck, brings a lack of credibility to the programme. Systems of redressal have now been generated that can be used at the local level.

Third, the extensive expansion of individual beneficiary schemes and 90 days’ of work in construction of a beneficiary’s Pradhan Mantri Awaas Yojana is helping to make durable assets. Demand for assets like animal enclosures like a dairy shed, a poultry shed, a goat shed, or a pig shed, have all gone up, as has the demand for farm ponds. Since marginal and small farmers are also eligible for these individual beneficiary schemes, of course, in the relative grading of deprivation, there are a few instances of some very poor households missing the opportunity to work. In drought or famine years, in spite of increasing work availability, there are instances of work rationing where, naturally, the power dynamics at the village level comes into play.

Fourth, the market wages in States like Kerala, Tamil Nadu, and other developed States are much higher than the Consumer Price Index – Agricultural Labour CPI-AL-based wages in the MGNREGS. This leads to a majority of women labourers working in the State. It also reflects the feminization of labour in the MGNREGS, not because more work is available, but on account of lower than market wages. The men work for higher market wages; the women work in the MGNREGS. In Punjab, it is the old who report for work, as young able-bodied persons work for much higher market wages.

Fifth, the strengthening of social audit and record maintenance is helping detect any irregularities more effectively. It is good for the governance of the programme. In the short term, however, each time social audit reports find a place in the media, the urban wealthy start questioning whether the programme is a wasteful use of taxpayers' money.

Sixth, in practice, many pockets of the country have been reached by JCB machines, because of the road construction thrust. These are used instead of manual labour. It is time to revisit such interface between labour and machinery as such violations will always happen if the machine is a more productive way of doing the work.

Seventh, post-Covid-19, with more labour staying in the villages, rationing has become a reality of life. There, too, with new finance ministry rules regarding segregating wage payments to scheduled caste (SC) and scheduled tribe (ST) labourers, there are major procedural compliance challenges in timely payments. This is not facilitating ease of timely payments at the last mile.

Eighth, in spite of geo-tagging before, during and after work is completed, there are instances of mis-utilization, especially in community works. In individual beneficiary schemes, the beneficiary actually has an opportunity to improve his/her productive assets. There are many instances of marginal and small farmers putting in family labour or material costs to make a good farm pond or a good soak pit.

The MGNREGS did become a lifeline during the Covid-19 period. The Pradhan Mantri Garib Kalyan Rojgar Yojana for selected districts where a large part of the migrant labour force had returned, was able to provide unskilled employment. The semi-skilled and skilled had challenges in finding work, given the limitations of the MGNREGS where 60% is only for unskilled wages. Semi-skilled and skilled is actually paid from the 40% material cost. This is a provision that also calls for a revisit at some point of time.

It is time we revisited the MGNREGS<sup>3</sup> to redefine its purpose from merely doling out wages without productive assets and consider whether to actually demand productive assets in return. The thrust on water conservation and river rejuvenation has also been effective in mobilizing local communities facing a water crisis. The programme of 75,000 Amrit Sarovars is a good

focus for communities to come together to develop a memorable community asset. While States are allowed to top up wages in cases where they find the CPI-AL-tied wage rate of the MGNREGS to be low, in practice very few do that. This also compromises the quality of work output in the MGNREGS, with labourers seeing it as a dole. In some States, like Rajasthan, the programme is actively promoted as a wage distribution programme. The work done is actually an afterthought.

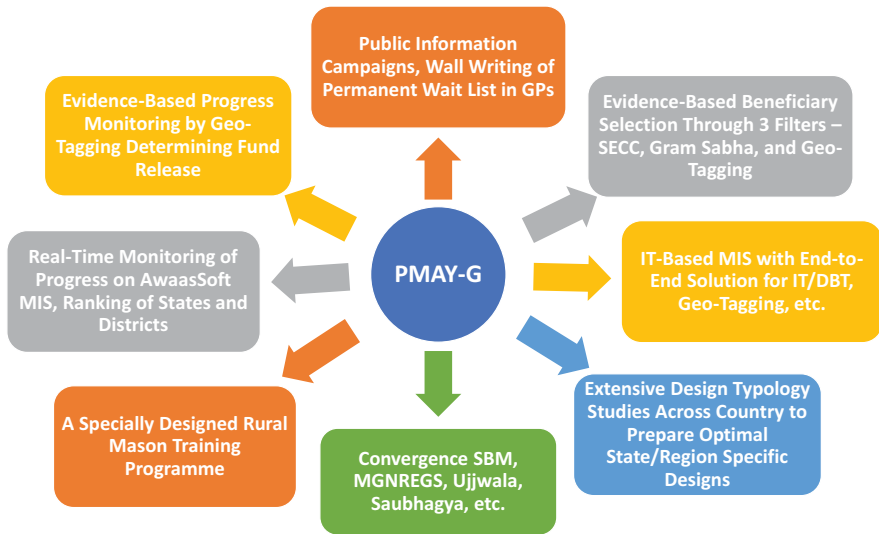
### Understanding the Success of PMAY Gramin

The National Sample Survey (NSS) 76th Round July 2018–December 2018 provides details of households living in pucca dwelling units in rural areas. Comparing this with figures available from the NSS 69th Round (2013) indicates the progress made during this period. The total number of households in rural areas has been estimated as 178 million. Only 65.8% houses were pucca in 2012. In July–December 2018, this figure had reached 76.7%. This confirms the construction of 19.4 million homes in the period January 2013–December 2018 from all sources. This completely validates the data from the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) website. A total of 16 million homes have been constructed since April 2014. The data also shows that the percentage of those living in semi-pucca houses has come down from 24.6% to 17.4% during this period. The percentage of those living in totally kachha houses has come down from 9.6% to 5.9%. This means that 10.5 million rural households living in kachha houses need a house, as well as those in semi-pucca houses which are dilapidated. With the current concerted effort, this appears likely to be achieved before 15 August 2024.

How has this pace for housing picked up with the PMAY-G? What have been the major reasons for its success? How is the seemingly impossible task of ‘Housing for All’ in remote rural areas becoming a reality? How have the so-called Backward (BIMARU) States become the champions of transformation in the movement for ‘Housing for All’? (See Figure 5.4)

**First**, the selection of beneficiary was done through a completely evidence-based and transparent approach using three filters. Those in zero, one, or two rooms, kutcha house with kutcha walls and kutcha roof were the universe of the poor for whom the programme was designed. This data was taken from the Socio-Economic Census 2011 (SECC 2011) and subjected to a validation by the Gram Sabha. Even after the validation, the geo-tagged image of the poor person’s family standing in front of their kachha home was a mandatory requirement to ensure that only the poorest got the benefit. Additions are proposed to be made for the poor who were left out, but only after intensive data analytics.

## Why is PMAY-Gramin doing well?



**FIGURE 5.4** Why Is PMAY-Gramin Doing Well?

Amarjeet Sinha, 2019.

**Second**, the programme provided for complete transparency through 100% IT/DBT payments into the verified account of the beneficiary. The entitlement to housing was evidence-based and the financial resources were made available through IT/DBT and with geo-tagging at every pre-identified stage of construction. Anyone can see any of the 16 million houses constructed since April 2014 on the public website *pmayg.nic.in*.

**Third**, before starting the programme, architects and engineers travelled across the country to identify design typologies that would be suitable for different regions to see what use could be made of local materials while ensuring that the homes were protected from earthquake, flood, wind, and so forth.

**Fourth**, there was a specially designed 45-day skilling programme for rural masons. There were elements of not only masonry skills, but also of shuttering, bar bending, plumbing, and carpentry, among others, in this rural mason training programme to allow for quality workmanship in housing.

**Fifth**, the unit cost of the house was kept at Rs 1.2 lakh in plain areas and Rs 1.3 lakh in hill areas with a provision for Rs. 12,000 for a toilet and 90/95 days of unskilled wages under the MGNREGS. The unit cost was kept respectable to allow for quality homes to be constructed. Households also contributed their savings/borrowings as homes are aspirational.

**Sixth**, innovative systems of monitoring were evolved to ensure healthy competition among blocks, districts, and States on pre-defined parameters. The average number of days for construction of a house was brought down from 314 days in 2015–2016 to 114 days in 2017–2018 (National Institute of Public Finance and Policy, 2018).<sup>4</sup>

**Seventh**, convergence ensured that these homes have a toilet, gas connection, electricity connection and so forth. Many States also provided individual beneficiary schemes like an animal shed, or land and water works along with the homes. With membership of women's SHGs and joint ownership of homes by the women of the house as well, a movement was created for diversification of livelihoods as part of the overall convergence.

**Eighth**, the housing targets of States were in accordance with the requirements of the deprived. As a consequence, poorer regions of the country have got more houses. The commitment to the differently able, the widows, and the old was total to ensure that the poorest took priority. Not a single homeless person will be left out in 'Housing for All' – the 76th Round NSSO data confirms the PMAY-G transformation.

Having listed the reasons for success, it is equally important to understand many of the challenges. First, the stream of new households that are inter-generational makes the tap of homelessness perennial. We need a policy to determine for how many generations we will provide free housing.<sup>5</sup> There must be an alternative mechanism for credit for homes beyond a few generations as 'Housing for All' will remain a dream otherwise.

Second, poor households often want the same kind of cement concrete structure as their more prosperous counterparts and are averse to new technology use and local materials for construction. Changing this viewpoint needs a lot of public information and convincing.

Third, convergence of all the pro-poor public services and programmes for removal of infrastructure deficits needs to be fully coordinated. The controller and auditor general have pointed out that in Rajasthan some homes did not have an Ujjwala LPG connection.

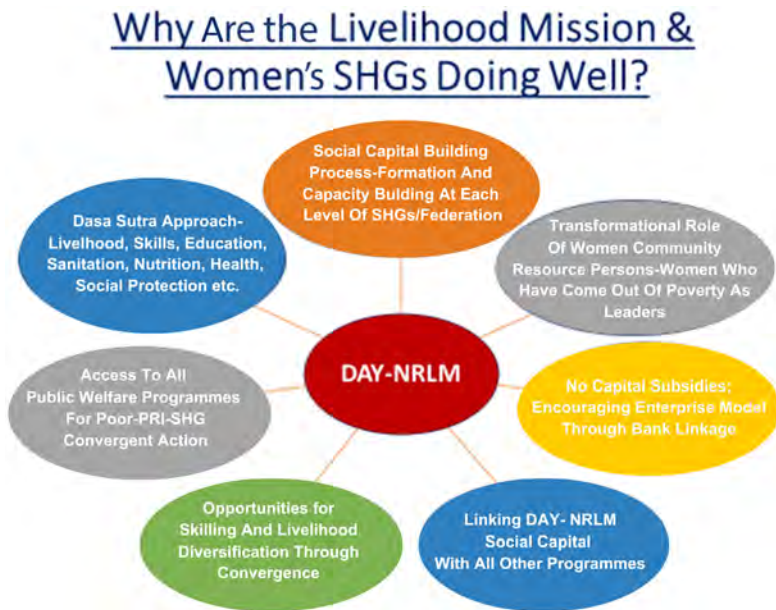
Fourth, the money given for homes is often inadequate as homes are aspirational and many households want to build somewhere larger than would be covered by the available funds. Easy systems of home loans using the Swamitva records and the rural housing ownership papers and documents, could be important areas of work for the future, especially in rural areas.

Fifth, in spite of a well-defined waiting list, there are instances of changing the order of precedence. There has to be zero tolerance for such anomalies. Land for the landless is a State responsibility and in a few States, it does not get as much attention as it should.

A detailed analysis of the Deen Dayal Antyodaya National Rural Livelihood Mission (DAY-NRLM) will be undertaken in Chapters 7 and 8 on

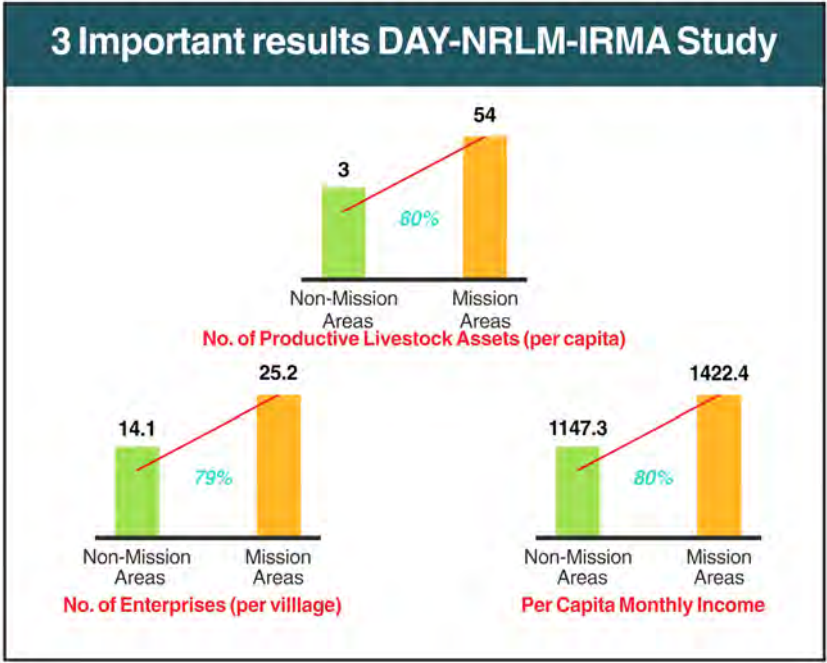
women and work. The success factors are illustrated above. As the expansion of the programme and the findings of the evaluation studies indicate, DAYNRLM is making a difference to incomes, enterprises, and productive assets on scale. The extensive use of the social capital built through community resource persons, is lending a positive energy to every other programme for diversification of livelihoods and employment (Figure 5.5). This programme improves access to public services for poor households. It also improves the governance of Gram Panchayats by providing a countervailing presence to the monopolistic and often arbitrary exercise of authority by a few Panchayats. It leads to the deepening of democracy, a lesson so clear from Kerala's journey. It also opens many new livelihood diversification opportunities for higher incomes (see Figure 5.6).

Some of the key factors that have made the Pradhan Mantri Gram Sadak Yojana an exemplar global Road construction Programme are highlighted above. It is the unique partnership of academia and programme, as well as the thrust on use of technology and capacity development that makes its successes stand out. Some analysis of the success factors are listed in other chapters as well (see Figure 5.7).



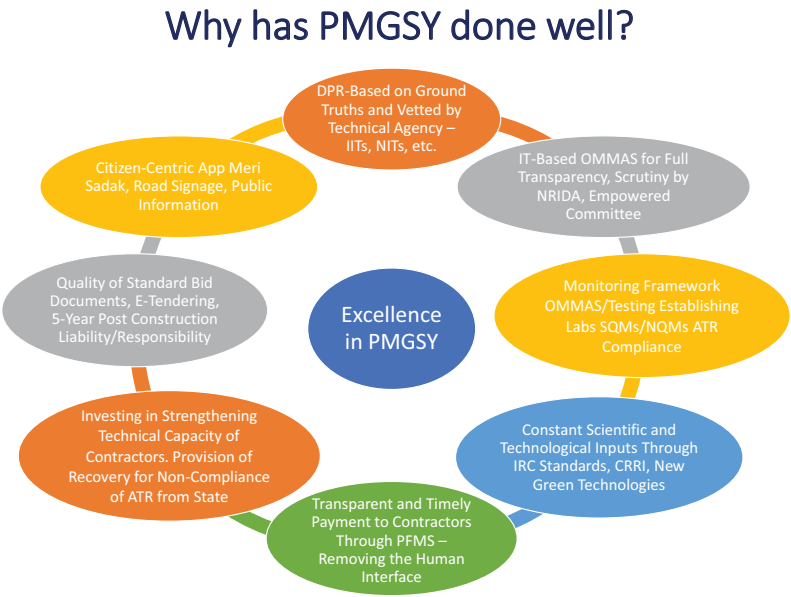
**FIGURE 5.5** Why Are the Livelihood Mission and Women's SHGs Doing Well?

Amarjeet Sinha, 2019.



**FIGURE 5.6** 3 Important Results Day – NLRM-IRMA Study.

Evaluation of Rural Livelihood Mission by Institute of Rural Management, Anand. Table Prepared by Amarjeet Sinha 2018.



**FIGURE 5.7** Why PMGSY Has Done Well.

Amarjeet Sinha 2019.



Summing up: What works:

- Community leadership and focus on outcomes
- IT systems for monitoring and measurement
- Cooperative Federalism: Community, local, state, and national government
- Partnership between the community, the state, and the market
- Working on facilitation of ease of living for every citizen
- Facilitating ease of doing business
- Identifying the poor by deprivation: Socio-Economic census (SECC)
- Governance financial management reforms – IT/DBT, Public Financial Management System (PFMS), Geo-tagging, Geographical Information System (GIS) mapping etc.

The above summary illustrations have positively contributed to success of programmes like Ujjwala, Saubhagya, Swachha Bharat Mission, Ujala, Jandhan, Jeevan Suraksha, and Jeevan Jyoti. They are facilitating a faster role out of Farmer Producer Organizations, more credit uptake, and in diversification of livelihoods through food processing and other farm and non-farm livelihoods. The community connect is the pathway to success.

## Notes

- 1 See Dr Banerjee's interview in the *Economic Times*, (ET Bureau, 2019) immediately after he received the Nobel Prize for Economics.
- 2 2017 – Institute of Economic Growth study on water-related works under the MGNREGS (Institute of Economic Growth, New Delhi, 2018).
- 3 The government of India has set up a committee under the undersigned to suggest reforms in MGNREGS, 2022.
- 4 Dr N. R. Bhanumurthy, NIPFP led study on PMAY-G (first report) 2018 (National Institute of Public Finance and Policy, 2018).
- 5 See, for example, a series of evaluation studies carried out by Dr N. R. Bhanumurthy, National Institute of Public Finance and Policy 2016–2018 (National Institute of Public Finance and Policy, 2018).

# 6

## WHY INCOMES MATTER

The relationship between incomes and human development, between electricity in households and learning, between good housing and health are often not studied in as much detail as needed. This creates the impression that human development with better educational, health, and nutritional outcomes can happen in isolation. That is not the case. In State after State, we find the linkages do matter. Better learning in schools needs disposable incomes in households. In Kerala, where economic activity was slow, subsidized public distribution system food-grains created disposable incomes in households where wages were high on account of unionized politics. Unionized politics prevented industrialists from coming to Kerala and forcing the educated work force of the State to migrate to other States and countries in search of white-collar jobs. The “Grants in Aid” schools of Kerala where public funding supports local school management institutions, required some disposable incomes in poor households for better school participation. Likewise, better healthcare and health seeking-behaviour is often an outcome of disposable incomes as free services in education and health are rarely completely free.

At independence, India had a serious crisis on hand on account of the colonial rule and drain of all economic activities. The European Industrial Revolution had made the comparative advantages of India in textiles and other sectors redundant. Poverty was at its peak across most regions of the country and institutions for public education and public health were very limited in scope, never designed for a mass system of education and healthcare. This naturally compromised the nation’s ability to move fast on growth parameter.

The lack of thrust on primary education and primary health however, further exacerbated the poverty situation. It was not that income alone would have secured human development. Appropriate policies could have made the difference. South Korea's thrust on quality education, even when poverty persisted shows what alternate trajectories might have been possible in India. Primary education for all, however, also required a more gender and socially equal and non-hierarchical pursuit of policy. While commitments on policy and the Constitution were made for all, often the resources needed to transform a hierarchical society into an equal one left a lot to be desired.

The diversification of livelihoods through women's self-help groups (SHGs) that happened in the southern Indian States is now happening across most Indian States. Bihar's Jeevika is a very good example of how social capital leads to higher forms of economic activity and livelihood diversification, if reinforced with easy credit support. The growth of credit support to SHGs in Bihar and West Bengal over the last few years has been very significant, creating a confidence in hitherto deprived households to take to enterprise and economic activity. The thirst for education among the poor has increased as every poor household and village has seen the power of transformation that educational advancement holds. Policies of positive discrimination and political mobilization of the masses, including the deprived communities, has created role models across communities for an aspirational India. Democratic deepening has led to aspirations to achieve a better life and well-being among the poorest households. Never ever, has a poor household undervalued education for children; the children participate with their bare feet and vote with their feet, for a public system of education of quality. Even for people without adequate incomes, their hopes of a better tomorrow for children bring the poor children in to government schools.

It is for this reason that an ambitious supply-side universal elementary education initiative or a universal primary healthcare initiative for rural areas under the National Rural Health Mission, improve the ability of the poor to seek public services. Quality may still be a distant dream but hope never dies in a democracy. Thus, concerted efforts to craft credible public systems for primary education and primary health ought to be a thrust for governments pursuing an inclusive policy of transformation. Along with improving the asset base of the poor through better housing, toilets, electricity, roads, credit, bank accounts, LPG connections, and so on, it is equally important to focus on quality education in government schools and guaranteed quality primary health services for the poor in public facilities. The private sector can greatly contribute to improving access to quality human development but the countervailing presence of a functional public system of human development determines both the quality and cost of the private alternative. Improving a government school where the poorest of the poor study, and primary

healthcare quality guarantees where the poorest of the poor seek healthcare, is, therefore, one of the most pro-poor steps that any government can take.

The good news in the India of 2023 is that great strides in human development are possible in a short time as chronic poverty has come down considerably and the basic supply situation of services in elementary education and, to an extent, in primary healthcare is better than it used to be 15 years ago. Sarva Shisha Abhiyan and the National Rural Health Mission have demonstrated how it is possible to extend service guarantees and remove some of the infrastructure deficits, both physical and human.<sup>1</sup> While a lot more needs to be done, a beginning has been made. Alongside this, the thrust on improving the ease of living of poor households and diversification of livelihoods of poor women through the SHG movement and growing credit availability even in the poorer regions, is opening opportunities for better learning and healthcare. The thrust on the wider determinants of healthcare like sanitation, cooking energy use, electricity, pucca homes, drinking water, fitness, and well-being, is paving the way for a faster improvement of healthcare indicators. What needs to be understood is the inter-connectedness of raising incomes and improving human development. The disruption due to Covid-19 and the subsequent challenges on account of the Ukraine war and high inflation, has thrown up major challenges of employment and incomes.

There is strong evidence to suggest the shrinkage of employment and incomes during Covid-19 times. While demand for labour has picked up, a lot of the opportunities continue to be in the fragile gig-sector at low levels and informal positions. Manufacturing Primary Manufacturing Index PMI has improved but its impact on availability of secure higher-income jobs remains limited. There are apprehensions of a jobless growth even though a decline in unemployment has been seen recently. The trends in the weekly Centre for Monitoring Indian Economy (CMIE) data, however, is still not robust. The rebound seems to be sober. While the pro-poor public welfare thrust has significantly improved the asset base of the deprived households and created a *Labharthi varga* (beneficiary class), stable livelihood and incomes remain fragile. The better-off have started spending but the lower-middle class and the lower class continue to face the vagaries of unstable incomes. This has consequences for demand for goods. High rates of inflation, though much lower than in the past in adverse years, is affecting the ability of the State to spend more public resources for demand creation. Capital expenditure on the infrastructure pipeline and thrust on *Atma Nirbharta* and exports through a concerted effort in niche areas of the supply chain under the Productivity Linked Schemes (PLIs) is expected to create opportunities. With growth not picking up in the developed world, high employment sectors like textiles, tourism, transport, the leather industry, and Micro, Small and Medium Enterprises (MSMEs) are still not back to full business and growth. Supply chain dislocations in the automobile sector is putting a limit on production

per month, even though there is high demand. While start-ups and unicorns have expanded, as has the digital financial sector, their ability to create jobs is still limited. This makes incomes and livelihoods fragile.

The Livelihood Mission's women's collectives have been diversifying livelihoods but still not at the pace that can improve the women's workforce participation rates. In fact, their fall during Covid-19, is a matter of concern. With a large youth population, urgent and immediate breakthroughs in employment and incomes are needed to prevent disaffection on scale. Young minds are getting restless, and we need to make the education skill continuum fully functional to meet the needs of an educated but unemployable youth. Improving employability of the core education streams through opportunities for need-based skills acquisition, apprenticeships for skill excellence, and access to credit for enterprise, require attention in these trying times of high inflation, unemployment, and shrinking of incomes. While India's growth rate is the highest in the world this year, it is still not good enough for a large youth population looking for opportunities.

## **Deprived Households as Partners in Growth and Well-Being**

### ***Good Schools, Employable Skills, and Dependable Health Facilities Matter***

The Morgan Stanley Report on broad macro indicators and the 7.2% economic growth in 2022–2023 has been encouraging for India in tough times. While the rich have done well, the poor are still struggling with the consequences of the K-shaped recovery. Loss of incomes and employment has had consequences for consumption of fast-moving consumer goods, automobiles, footwear, and so on that the poor and the lower-middle-class demand. Lack of needed skills interferes with non-farm opportunities, leading to a higher than usual dependence on agriculture for employment. Marked characteristically by under-employment, many of the wage opportunities in agriculture remain at subsistence level. With an improvement in the asset base of the poor by housing, toilet, electricity, roads, bank accounts, credit, gas connections, and other pro-poor public welfare measures, even with some wage incomes, households are able to subsist in rural areas. While formalizing fast, the wage opportunities in urban areas are no better for a large number at the bottom of the ladder, as guards, watchmen, and construction workers.

With stable macro indicators and economic growth, what is it that is needed to make lives and livelihoods of the deprived, better at a faster pace? Will trickle down of growth suffice or do we need to make a real effort over the next twelve months to do a few things that we are currently not doing or not doing on scale. The following appear as immediate priorities for reconnecting with deprived households as memories of Gram Swaraj Abhiyan

2018 and pro-poor public welfare fades away with the onslaught of the post covid challenge. The following seem critical –

First, recognize that the poor have really suffered loss of incomes and employment during the Covid-19 pandemic and their livelihoods continue to remain very fragile. There is an immediate need to provide more wage employment through a better-governed MGNREGS for durable assets that augment incomes of poor households. Individual beneficiary schemes on scale, for water conservation, horticulture, animal resources, and so on can go a long way towards improving the lives and livelihoods of the poor. The wage rates under MGNREGS need further increase to make them closer to market wages in poorer regions. Let the focus of MGNREGS be on poorer regions and deprived households across regions. An immediate additional allocation of Rs. 30,000 to 40,000 crores are needed in the current year and rigorous efforts made to ensure targeting of the poor and for durable assets that generate incomes. Implementing in partnership of Panchayats and with the 90 million women in collectives of Self-Help Groups of the Rural Livelihood Mission will ensure quality of outcomes, transparency, and full coverage of the genuine deprived households. A similar initiative for public works, school and health facility infrastructure improvement while providing employment, is needed in urban areas as well, to tide over tough times.

Second, let us not underestimate the importance of quality schools, dependable and cashless primary care and secondary health facilities, nutrition for the infants and pregnant mothers, and skills programme access to deprived households. The learning poverty, the disruption of health services beyond Covid-19 vaccinations, the shutdown of nutrition programmes, and dysfunctional skills initiatives during Covid-19, have all added to the woes of deprived households. Rampant private tuition for children is a reflection of the aspirations of even a poor household to overcome the broken ladder of government schools. Nothing is more inclusive than the opportunities to every Indian child to develop her/his fullest human potential.

Gram Panchayats and urban local bodies, in partnership with women's collectives or other community institutions are best suited to meet the human development aspirations of the poor with equitable access to computers/tablets in community institutions. They need funds, functions and functionaries of local governments. All current resources of the central, State, and local Governments must necessarily be spent by local governments in the 29 sectors in the 11th Schedule for rural areas and 18 sectors in the 12th Schedule for urban local bodies. A Mission Manav Vikas (Human Development Mission) needs to be developed from below, starting with institutions, local, State, and central governments. The country should have a Human Development Council at every level with flexible financial resources to achieve agreed outcomes. A societal mission and partnership, social harmony and brotherhood,

is the need of the hour. Additional funds of over Rs. 50,000 crores will be needed to meet the basic quality needs for assured human development. Let it become the focus of all – central, State, local governments, community and citizens.

Third, Digital Public Infrastructure for payments has been very successful in reaching out to the last mile. We need to develop last mile community owned, micro-credit plan based, hand-holding and financial-literacy-led, Digital Public Credit Infrastructure for a fair, timely, needs-based, access to credit. Technology is only a means to an end, and institutions and collectives of the poor give strength to fair practices and transparency at the last mile. The skills initiatives have also to be built from below as do nano-enterprises of the poor, for them to break the bondage of poverty. Enterprises from below have to come up in large numbers. Community Resource Persons to ease the pains of transformation and to handhold the transition to well-being through higher order economic activity, is clearly the way forward.

Fourth, cities and towns have to be prepared as a priority for the migrants whose numbers will further swell as non-farm opportunities emerge and engagement in agriculture comes down. Guaranteeing a basic life of dignity requires a more organic connect with community institutions at the Basti level for very basic public services. Public information, handholding, and changes in statutes to improve entitlements of the migrants, will all go a long way towards improving the comfort of a newcomer, in search of jobs. The process is inevitable with half of India likely to live in cities by 2050, if not earlier. Let the poor not be an afterthought.

Fifth, the current thrust on infrastructure is very good and does increase the growth numbers and employment. If we focused on socially relevant infrastructure of schools, health facilities, ITIs, and skill centres at the same time in a decentralized, needs-based manner, we might be able to multiply our gains from infrastructure at a faster rate. Also, infrastructure projects need to align more closely with community institutions to improve their public connect, reduce wasteful costs, and significantly improve partnerships with the poor looking for opportunities.

Sixth, savings can be effected in subsidies for food grains and fertilizers. States should be asked to identify the deprived more carefully to ensure that any wrong enrolment for food grains, farmers, pensions, is deleted without delay and made available to the genuine poor. A community led identification of the Poor is a more effective means to confirm true need. Likewise, cash transfers should be for farmers and cultivators and not for absentee landlords. Revisit a few PLIs as well to ensure that there is value for money in terms of sustainable jobs and the subsidies do not become a crutch for all times. Markets and business ought to be free as that is how they work best.

**Note**

- 1 Refer to Javed Choudhary's (Chowdhury, 2015) study on the impact of NRHM in the *Economic and Political Weekly*; Sujatha Rao's (Rao, 2020) book on India's health. On education, see R.V. Vaidyanath Ayyar's (Ayyar, 2014) book on public policy making in the education sector; NSS reports on school access and attendance, 71st Round (NSSO 2014).



# 7

## WOMEN'S WELL-BEING AND LIVELIHOODS

The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) now touches the lives of over 90 million women organized into 8 million women's Self-Help Groups (SHGs). A large number of these women have credit linkage and together they have leveraged Rs. 6.50 lakh crore loans from banks during the period from 2014 to 2022. In spite of a nearly 30% growth year-on-year, DAY-NRLM SHGs managed to bring down Non-Performing Assets (NPA) from over 7% in 2012–2013 to a little under 2%.<sup>1</sup> At a time when the corporate borrower tales of woes and deception hit the headlines often, these poor women have not only borrowed but used it effectively to improve their lives and livelihoods and return it as well. The lending happened based on a detailed micro credit plan for each household, prepared after ascertaining the asset base and resources through a participatory process. It is for this reason that NPAs have been low and gains large.

It is no longer a story of just the five southern Indian States whose SHGs accounted for over 84% of the total lending until as recently as 2013–2014. Exponential increase in lending to DAY-NRLM SHGs in States like Bihar and West Bengal indicate the growing confidence of banks in lending directly to community institutions of the poor rather than through Micro Finance Institutions (MFIs) alone. Loans through MFIs are often good for consumption but not for economic activity as they reach the borrower with interest rates anywhere between 20% and 30%. A diverse range of economic activities, from setting up 10,471 custom hiring centres, and 760 public transport systems in remote regions, to retail shops, restaurants, nano production units of farm and non-farm products, are all being undertaken by women's collectives. What explains this transformation of lives and livelihoods on an unprecedented scale through the DAY-NRLM since 2011, and more so since

2014-15? How has the movement from social capital to economic activity happened? What is the further pathway to a more shared and equitable inclusive economic growth opportunity?

**First**, the intensive processes of developing social capital under DAY-NRLM have stood the test of time. They have emerged as vibrant community institutions of the poor. They have expanded their mandate from following only the *Panchasutra* of good savings and borrowing to *Dasasutra*<sup>2</sup> that encompasses access to public services, education, health and well-being of poor households. The Rani Mistris of Simdega in Jharkhand reflect the confidence in these women's collectives to break new ground in economic activity and skills. Vibrant community institutions of the poor are ideal economic activity opportunities as well, if pursued through relentless capacity building and hand-holding.

**Second**, the biggest resource in this movement have been the Community Resource Persons (CRPs). These are women who were poor and have won the battle against poverty through hard work and toil. Over 3.5 lakh such women CRPs go round the country setting up women's collectives and making them vibrant. These foot soldiers of the livelihood movement are the best examples of national integration. Women from Kerala, AP and Bihar have spent months with women in remote corners of the north-eastern States and in Jammu and Kashmir.

**Third**, a conscious effort has been made to promote convergence of institutions and resources. The framework for partnership of elected Panchayati Raj Leaders with women Self-Help Groups (SHGs) was developed and incorporated under the new governance improvement programme of Panchayats called Rashtriya Gram Swaraj Abhiyan (RGSA). Women's SHGs and Panchayat leaders are to be trained together to find more meaningful solutions to the challenges of development. The women's SHGs were involved in Gram Sabha meetings and in developing the Gram Panchayat Development Plan (GPDP) under the Sabki Yojana Sabka Vikas effort.

**Fourth**, financial resources from all ongoing programmes in rural areas were focused on villages, with the social capital of DAY-NRLM women's SHGs as a priority. Individual Beneficiary Schemes under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for housing, animal sheds, farm ponds and wells, soak pits, and vermi-compost were all provided as a priority wherever social capital was available. Likewise, priority in implementation was given under the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) housing programme for such villages.

**Fifth**, opportunities for skilling and diversification of livelihoods were provided on scale through the skills programmes of the Ministry of Rural Development (Deen Dayal Upadhyay Grameen Kaushal Yojana (DDUGKY),

Rural Self Employment Training Institutes (RSETIs) as well as community training institutions and Krishi Vigyan Kendras (KVKs), among others, directly under DAY-NRLM. Both farm and non-farm livelihoods are encouraged to enable a more diverse livelihood framework.

**Sixth**, credit linkage for these women's SHGs was given priority and a series of confidence-building measures undertaken to give banks the reassurance that these women will not only borrow but also return on time. The setting up of the Community-based Recovery Mechanism (CBRM), positioning Community Resource Persons (CRPs) called *Bank Sakhis* to act as a bridge between the community and the bank, and *Bank Mitras* from women's SHGs as banking correspondents' agents helped in generating confidence for the DAY-NRLM system. The training of bank managers and efforts at improving financial literacy and skills also helped. After settling debt and meeting consumption spending, many SHG women now borrow for economic activity, education, and health needs. The Start-Up Village Entrepreneurship Programme (SVEP) in 100-plus selected intensive DAY-NRLM blocks with higher-order lending to families of the SHGs, including youth and men, has also facilitated higher-order economic activity. The unique cadre of Community Resource Persons for Enterprise, developed by the Entrepreneurship Development Institute (EDI) Ahmedabad and the Kudumsree, Kerala, along with support for market intelligence and a feasibility study of enterprises, ensures a very high success rate in the over one lakh such SVEP cases already financed.

**Seventh**, the pro-poor public welfare programmes for improving ease of living of poor households required active involvement of women's SHGs and Panchayati Raj Institutions (PRIs). This improved the asset base of many women's SHGs on account of support for rural housing, toilets, gas connection, electricity connection, bank account, health insurance, accident and life insurance and so forth. The DAY-NRLM women played a very important role in building a movement for better public services at the local level. This was seen most remarkably during the Gram Swaraj Abhiyan in 65,000 villages to guarantee seven very basic services for the deprived.

**Eighth**, the efforts at promoting innovative interventions in farm and non-farm livelihoods broke new ground in leveraging the social capital of SHGs for sustained economic activity. The setting up of 10,471 Custom Hiring Centres and 760 rural transport systems managed by SHGs is an indication of the diversity of livelihood development and opportunities. Many groups make money through organic manure, managing restaurants, better market for products through *Saras Melas*, and e-marketing opportunities, among others.<sup>3</sup>

Impoverished women have come out of extreme chronic poverty and are now poised for higher-order credit support to improve the thrust for enterprise

and sustainable economic activity. Nano enterprises of SHG women have to be formalized to develop them into micro and small enterprises with proper value-chain development and by leveraging markets for them. (See Figure 7.1.) Holistic credit guarantee systems for even higher levels of credit where social capital exists is required to translate the potential of social capital into sustained rates of higher economic activity. Credit for those who have come out of poverty to move faster and further up the well-being ladder is the biggest challenge of development today. It holds the key to a more shared and inclusive growth with less inequality. The DAY-NRLM and its women have the social capital and the ability to make transformational changes in lives and livelihoods. Social capital is not only good social justice; it is also the best foundation for a shared sustained economic progress.

There are many challenges in developing the credit linkage for higher-order economic activities. The first challenge is that when women borrow from the SHG account, the mapping of the SHG account to the beneficiary account is often not there. As a consequence, the credit history of the individual is not created and Credit Information Bureau (India) Limited (CIBIL) scores are low. This reduces credit worthiness and the confidence of banks to lend higher amounts. Painstaking<sup>4</sup> work to get every member's bank account Adhaar linked with mapping with the SHG account has been done in most of the States. This is improving the CIBIL scores of women wanting to come out of deprivation and poverty.

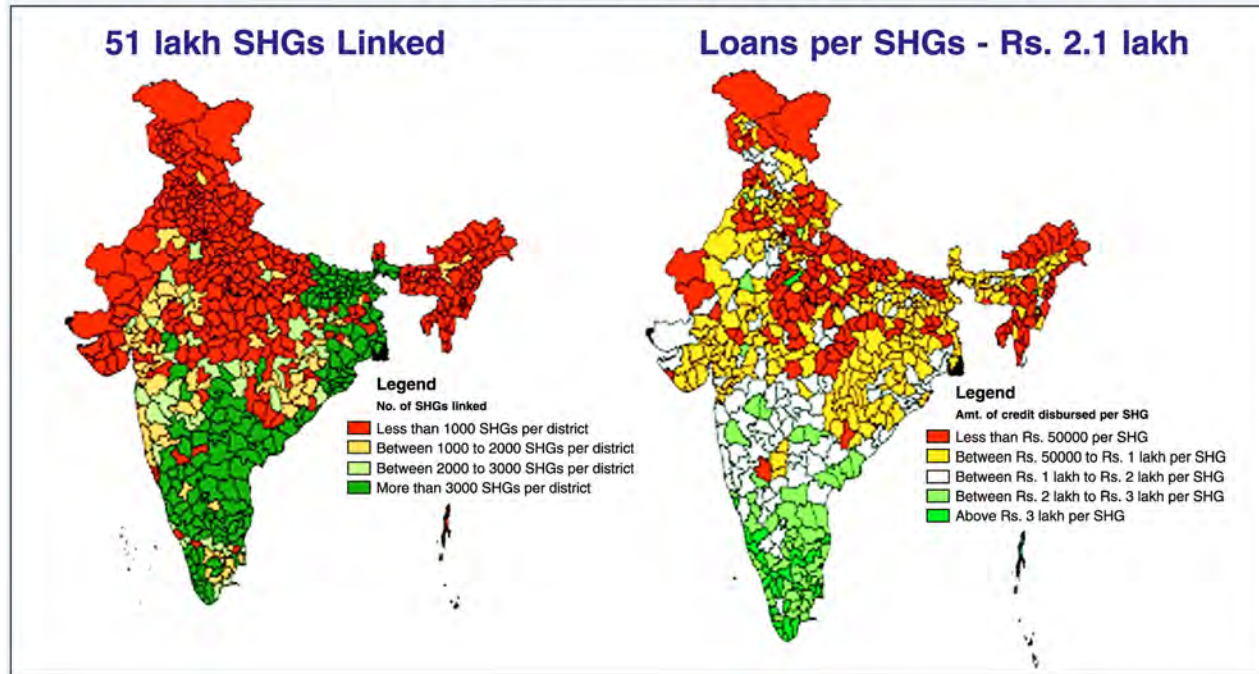
The second challenge is with regard to working capital as many larger production arrangements need purchase of raw materials according to the seasons and over a short period of time. Without formalization through an income tax registration, the MSME Adhaar registration, and the mapping of the individual to the SHG account, banks cannot extend working capital. This too is being resolved.

The third challenge is that housing and dwelling units in many States do not have revenue records and agricultural land cannot be offered as a collateral or mortgage, limiting the options for mobilizing formal bank credit. The Swamitva initiative for giving revenue cards for dwelling and housing units of the Ministry of Panchayati Raj, with the use of drone-based surveys, Panchayat-based resolution of disputes through the Gram Sabha, and the issue of revenue cards is facilitating access to formal bank credit that requires collaterals.

The fourth challenge is that, without collateral, lending to an SHG was limited to Rs.10 lakhs only by the Reserve Bank of India. In 2020, it was enhanced to Rs. 20 lakhs by providing for a credit guarantee fund on the lines of the MSME loans for SHGs.<sup>5</sup>

The fifth challenge in going to scale is not subsidies but human resources. Scaling up of businesses and setting up of producer companies, require quality professional technical and finance managers. The biggest scarcity in rural

# Credit Linkage by Geography



**FIGURE 7.1** Credit Linkage by Geography.

Ministry of Rural Development, 2019.

areas is the difficulty in getting good professional managers to work with women's collectives to develop a sound system of production and marketing. On an experimental basis, we extended support to the Milk Producer Companies that we set up in a few districts of Madhya Pradesh and Bihar, through the National Dairy Development Board Services (NDDB Services) on a clear understanding with the producer company that HR support from the Livelihood Mission would be for three to five years, by which time, the scale of operations of the producer company should be such that the salaries of the professional managers can come from the incomes of the producer company. A few have already broken even and will not need further support from the Mission.<sup>6</sup> It is easier to do this in dairy which lends itself to easier collectivization and a discipline of daily milk pouring and payments. The Farmer Producer Organizations supported by the Agriculture Ministry have also provided professional support for a few years. It is important to understand that it is not subsidies but professional support and market linkages that make the difference.

The sixth challenge is of marketing after processing. The Food Processing Ministry decided to work with the DAY-NRLM SHG collectives with good social capital under the Prime Minister's Formalization of Micro Enterprises. Efforts to onboard production units on the Government e-Market (GEM) portal on a large scale as also other e-marketing portals like Amazon, Flipkart, Big Basket, etc. has also facilitated the linkages. Under the Start-Up Village Enterprises Programme (SVEP) of the DAY-NRLM, over a lakh units have already been extended higher concessional loan from the Cluster Level Funds and bank linkage. They also provide for Community Resource Persons of Enterprise (CRP-Enterprise) who are local people with business practices, costing, marketing, pricing, and supply chain professionalism. They have been intensively trained by the EDI Gandhinagar and Kudumsree Kerala across the country. The first evaluation of SVEP clearly indicates the success of the initiative in promoting local-level enterprise for businesses.

Many of these challenges find a place in the case studies in Sourav Mukherji's (2021) *Study on Inclusive Business Models – Transforming Lives and Creating Livelihoods*. The Dungarpur Solar Light Production Unit and the assembly units of solar lamps in a large number of States by SHG women shows how prime movers like Professor Chetan Solanki, with the support of Ministry of Non-Conventional Renewable Energy (MNRE), and the social capital of SHGs, could take the solar lamp provision to scale. More power to such prime movers. Mukherji's case studies bring out the challenges of leadership and professional management to take the scale enterprises to scale.

It is clear from the challenges listed above that none of them are insurmountable. Enterprises need careful scientific planning, assessment of resources and market potential. Furthermore, Farmer Producer Organizations (FPOs) have challenges in scaling up for similar reasons. State intervention in

buying products is not a solution. Far from it. Public subsidies are not the way forward. Professional support for well-trained technical, finance, and marketing managers is the critical missing piece especially with the compliance requirements for Producer Companies being very high in the Companies Act. Demystifying governance and audit processes and facilitating the credit linkages will unleash the power of women's collectives. The challenge of improving female work participation rates hinges on our ability to quickly scale up opportunities for livelihood diversification for the 83.6 million members in rural areas and over 6 million in the urban Livelihood Mission. The social capital is waiting to be harnessed for multiple livelihoods as the pathway to higher incomes. While it is true that collectives of women take three–five years to mature, it is also true that a large number of collectives are waiting to leverage the credit from formal institutions to diversify livelihoods on scale. With Non-Performing Assets of barely 1.8%, we have to move from distrust to trust. *Bank Sakhis* and banking correspondents from the SHGs are building relationships with formal financial institutions. Through processes like the Community-Based Recovery Mechanism (CBRM), branch managers in West Bengal and Bihar have significantly scaled up lending directly to SHGs instead of lending through Micro Finance Institutions (MFIs). While MFIs meet an important consumption loan need of poor households, the rate at which that credit is accessed is not good for economic activity. It is difficult to compete in the market with MFI credit at anywhere between 20% and 30% if other units are accessing credit at 11–14%. Banks find it convenient and safe to lend through MFIs as monitoring return at the last mile becomes easier. However, for businesses to grow, we need direct funding. It is interesting to look at Streenidhi in erstwhile Andhra Pradesh, playing the role of an on-lending institution, registered as a cooperative institution of the SHG State Apex Body. Banks have trust in on-lending as recoveries are timely with few over dues. With use of technology and digitization, Streenidhi is able to sanction consumption loans in 24 hours; an important factor behind its success. Efforts to replicate the on-lending institution is being attempted in other States as well. The Girish Chaturvedi Committee<sup>7</sup> that examined the issue, recommended an on-lending institution under the Cooperative Act. Odisha has a Memorandum of Understanding (MoU) with the State Bank of India with a state guarantee to accept the State Rural Livelihood Mission as an on-lending institution. In Tamil Nadu, banks are comfortable in lending directly to cluster-level SHG federations. In Kerala a large number of Joint Liability Groups (JLGs) have been formed of Kudumbshree women as, although SHGs are not legal entities for formal credit lending by banks, JLGs are.

The women's collective movement under the Livelihood Mission is an opportunity that will determine the trajectory, speed, and quality of inclusive growth in India. The faster growth of women's work participation rates is the

greatest challenge before the country today. The lesson from across the developed world and the journeys of East Asian nations and China, indicate the positive consequences of higher women’s work participation rates on the growth of GDP. The five-trillion-dollar dream will be fulfilled through the facilitation of such an inclusive pathway to progress.

The tables shown in Figures 7.2 and 7.3 bring out the recent concentration of SHG lending in the southern States. This, in fact, explains the decline of poverty in those States at a much faster pace as this happens along with other changes like decline in fertility, higher participation in higher education, and skill diversification, among others. The loan to the six southern States comprised 86% of the total lending to SHGs up until 2013–2014. Thereafter, with a thrust on removing the asset deficits of the poor and formation of SHGs in hitherto poorer regions across the country, the profile of lending substantially altered in 2022, as captured in Figures 7.2 and 7.3. This increase in lending to SHGs in eastern and other less-developed regions is reason for hope that there too, the transformation out of poverty will be very quick. Recent studies on poverty reduction need to take into note of this relationship between the decline of poverty and linkages with lending to SHGs.

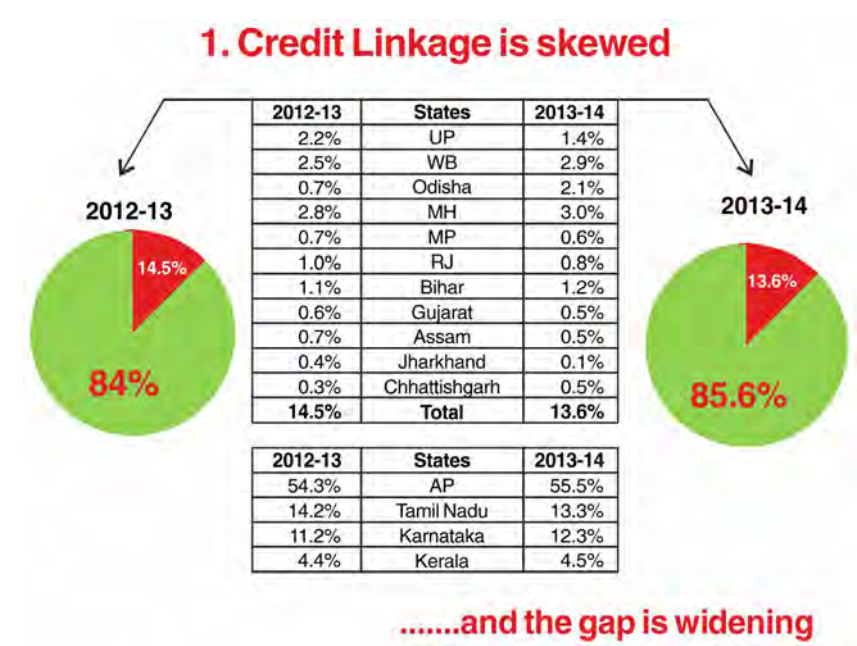


FIGURE 7.2 Credit Linkage Is Skewed.

Ministry of Rural Development 2019.



### Credit Growth Profile - Grains in Poorer States

State	Credit in Crores in 2017-18	Credit in Crores 2021-22	Percentage growth
ASSAM	Rs. 156.56 Cr.	Rs. 1870.22 Cr.	1023%
BIHAR	Rs. 2743.32 Cr.	Rs. 5946.68Cr.	117%
ODISHA	Rs. 1312.71 Cr.	Rs. 5318.39 Cr.	305%
WEST BENGAL	Rs. 3839.9 Cr.	Rs. 13124 Cr.	242%
TELENGANA	Rs. 5738.68 Cr.	Rs. 13389.28 Cr.	133%
TAMIL NADU	Rs. 4452.92 Cr.	Rs. 7338.00 Cr.	65%

**FIGURE 7.3** Credit Growth Profile – Gains in Poorer States.

Ministry of Rural Development 2022. Put together by Amarjeet Sinha.

There is indeed a strong case for further fillip to the direct lending to SHGs instead of merely managing the micro financing institutions. Poverty reduction happens with direct SHG lending and that is the reason for hope.

#### Notes

- 1 The Reserve Bank of India's Annual Reports if seen only for the period since NRLM was launched in 2011–2012.
- 2 *Panchasutra* means five guiding principles. In the case of the National Rural Livelihood Mission, this was limited to recordkeeping, saving, lending, regularity of meeting, and so on. *Dasasutra* became the ten guiding principles that covered education, health, nutrition, livelihoods, and access to public services as well.
- 3 2018 Detailed district-wise analysis of credit linkage in DAY-NRLM; MoRD.
- 4 See for example, Sourav Mukherji (2021).
- 5 This was done during Covid-19 special package, based on the recommendations of the UK Sinha Committee on SMEs and SHGs financing, 2020.
- 6 Internal Report of the National Rural Livelihood Mission.
- 7 2019: Report under the Chairmanship of Girish Chandra Chaturvedi on improving credit linkage for Self-Help Groups of the NRLM.

# 8

## WOMEN, WORK, AND WELL-BEING

The Global Gender Gap Index, on which India ranks low, assigns weightage to economic participation and opportunity, educational attainment, health and survival, and political empowerment. With high unpaid and unrecognized work by women, our women's work participation rate in 2019 at 20.3% is well below the global average of 47%. We need to ensure that women's work is counted and recognized, with men doing more of the household chores as well.

A poor Santhal tribal woman from a remote village of Odisha, becomes India's first citizen! There cannot be a more fitting tribute to the power of democracy and its ability to nurture the dreams and aspirations of the poorest households. India takes justifiable pride in this journey as the best of democracies in the world have not seen this miraculous transformation. Women in local government is a reality; empowering them to lead is the way forward.

Our president's journey of transformation begins with access to school and higher education. Educating the girl child is the finest investment that a nation can make to develop an inclusive society and to sustain high rates of economic progress with the assured well-being of the poorest households.<sup>1</sup>

That such a pathway to national development is possible is best illustrated by the work of the women's collectives under the Livelihood Mission. Along with the elected local governments, where women account for over 40% of those elected, India has a real opportunity to use its 90 million women already in the Self-Help Group (SHG) movement (rural plus urban), to show the way to a shared and inclusive society.

The decline in poverty in southern Indian States was on account of a women-led development that focused on higher and earlier adolescent girls'

participation in high schools and higher education, decline in fertility, formation of women's collectives of SHGs with high social capital, improved health care through a credible public system of health, access to skill and other employable courses, and the availability of up to Rs.10 lakh loans without collateral to SHGs. Women-led development is a social and economic imperative.

The efforts in the southern Indian States are being replicated in other parts of India, with similar results in poverty reduction. As studies have indicated, there is still a long way to go in these women's collectives maturing into agents of transformation, but a very vibrant and purposeful beginning has been made. There is reason for hope.

The Rural Livelihood Mission has expanded to nearly all the districts of the country.<sup>2</sup> A large number of SHGs, after detailed micro credit plans, have borrowed over Rs.5.20 lakh crores between 2014 and 2019 with a Non-Performing Asset of barely 2.5% since 2013–2014. From 86% lending only to the southern Indian States till as recently as 2013–2014, there has been an exponential increase in credit in hitherto uncovered States like Bihar, West Bengal, Odisha, Assam, and Uttar Pradesh, among others. After retiring debts and consumption needs, over two-thirds of the loans are now being used for economic activities; a sign of optimism for the future.

Livelihood diversification is taking place on a very large scale with over 20% increase in incomes reported in some studies. Women today run 24,520 custom hiring centres providing agricultural implements and pump sets on rent. Over two lakh Start-Up Village Enterprises have been supported with Community Resource Persons for Enterprise providing hand-holding support for formalization, access to markets, and e-platforms, pricing, and so on. The gains are significant.

Over 1.74 crore SHG women farmers have been supported for undertaking sustainable agriculture with use of bio-fertilizers and bio-pesticides locally manufactured through the assistance of Community Resource Persons for agriculture. From running 2,165 transport services in remote erstwhile Naxalite affected regions to 93,959 *Bank Sakhis* working as banking correspondents and 43,998 as *Bank Sakhis*, to bio-fertilizer units, shops and markets, horticulture to animal rearing, women are undertaking diversification of livelihoods on an unprecedented scale. 600 SHG products are on Amazon and Flipkart and 1,080 products on the Government e-Market (GeM) Portal. Credit without collaterals has been raised to Rs.20 lakhs for SHGs. Clearly, times are changing, and this is where hope lies.

Impoverished women have come out of extreme chronic poverty and are now poised for higher-order credit support to improve the thrust for enterprise and sustainable economic activity. Nano enterprises of SHG women have to be formalized to develop them into micro and small enterprises with proper value chain development and leveraging markets for them. Holistic

credit guarantee systems for even higher level of credit where social capital exists is required to translate the potential of social capital into sustained rates of higher economic activity. Credit for those who have come out of poverty to move faster and further up the well-being ladder is the biggest challenge of development today.

The social capital of the Livelihood Mission has the ability to make transformational changes in human well-being. Social capital is not only good social justice; it is also the best foundation for a shared sustained economic progress. While small beginnings have been made in urban areas, the entire thrust there needs revamping to make women's voices heard and credit matter.

For improving women's participation in work, we will have to change gender relations so that women's work does not remain unpaid and unrecognized. Women's education up to high school and even in higher education with opportunities for skilling and employable courses has to be a focus.

Women's work in agriculture was unrecognized till very recently, in spite of their contribution to over one-third of the farming work. Women and women's collectives are leasing in a 'land of their own' for intensive vegetable cultivation. The feminization of labour is happening in southern India under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) which pays lower than market wages. Cooking gas has freed up women's time, but it is male participation in household chores that is needed on a large scale. Bringing up children and cooking cannot remain a women's responsibility; men have to share for women to move up.

Universal well-endowed creches will greatly facilitate women's work participation. They need confidence that their infants will not be neglected while they work. Women as teachers, healthcare givers, nurses, crèche workers, and police workforce members will all transform women's work participation rates and enhance thrust for human capital and care. Local governments, health, nutrition, and day-care centres have large opportunities for women's work. Prioritize recruitment in them without delay.

Likewise, women and child health indicators need urgent attention; even though there has been faster improvement since 2005–2006 on some of them, we are still far behind the developed world. Nutrition requires a multi-faceted approach with diversity of food intake. Infants and pregnant women have to be a priority in our nutrition thrust to make a difference. The attention to wider social determinants in our pro-poor welfare thrust, is an opportunity to make a real difference.

Like nutrition, women-led development is not rocket science. If more women than men cast votes in recent elections, why should women's work participation rates lag behind? Building capacities and working with conviction that change is possible, is the way to go. Real-time monitoring of women in the workforce is needed.

While individual stories of struggle and efforts to break the bondage of 'social reproduction' are part of India's development journey, the time has come to make it a mass reality for all households. The decline in poverty in southern Indian States was on account of higher and earlier adolescent girls' participation in high schools and higher education, decline in fertility, formation of women's collectives of SHGs with high social capital, improved health care through a credible public system of health, access to skill and other employable courses, and the availability of up to Rs. ten lakh loans without collateral to SHGs. The same efforts have been replicated in all of India's States over the last decade with 83 million women in rural areas and 7 million in urban areas joining the Livelihood movement. Jeevika in Bihar, Mission Shakti in Odisha, SHGs in Jharkhand, MP, Chhatisgarh, UP, Rajasthan, Assam, and other aspiring States, have demonstrated the power of the women's collectives in many ways. There is still a long way to go but a very vibrant and purposeful beginning has been made.

The thrust on pro-poor welfare and ease of living to ensure dignity to every household 2014 onwards, has also removed asset deficits of poor households in a big way. While these efforts have been in place since 2005-06, the pace of removing asset deficits of the poor was speeded up. Access to pucca housing, individual household latrines, LPG for cooking, bank accounts for women, electricity connections to nearly every household, food grain security through the Aadhaar linked public distribution system. IT/DBT payments (SHG women as *Bank Sakhis* and *Bank Mitras*) to the account of households on an unprecedented scale, access to roads and markets, have all provided opportunities for transformation. The Gram Swaraj Abhiyan in 63,974 purposively selected large villages of deprived and vulnerable communities for seven basic facilities, the organic integration of elected Panchayat leaders and women SHGs in preparing the Gram Panchayat Development Plan and in the ranking of villages, have all contributed to a greater partnership for faster development. The Swamitva programme for dwelling unit revenue records in rural areas easing borrowing from banks and the thrust of tap water to every household, will further strengthen women in India.

President Draupadi Murmu has shown the way. Swami Vivekananda fully recognized the transformational role of education in the well-being of the poor. It requires a women-led development for transformation and education is the stepping stone to that change. From merely 41% of 15 to 49-year-old women completing ten years of schooling, women need to move to a universal access to education for adolescent girls at the high school and higher education levels, with better health and nutrition for women and infants. That is the only route to a transformed India during *Amrit Kaal*. Let us learn from the life of our President.

## Gas Price and Liquor Ban

### *Turning gender Budgeting Upside Down*

Sometime ago, the *Economist* defined gender budgeting as:

a way for governments to promote equality through fiscal policy. It involves analysing a budget's differing impacts on men and women and allocating money accordingly, as well as setting targets – such as equal enrolment for girls – and directing funds to meet them. While feminist advocates have tended to concentrate on laws and social policy, gender budgeting focuses on the national purse-strings.<sup>3</sup>

With the impending budget and learning from recent field visits in Uttar Pradesh and Bihar (substantiated by decades of interaction with women's collectives all over the country), post-Ujjwala pro-poor access to Liquefied Petroleum Gas (LPG) and prohibition in a couple of States, women's collectives are articulating their priority needs differently. Budgeting and social policy have come closer together than ever before as vulnerable social groups access pro-poor welfare on scale.

Pucca housing and that, too, in women's names as well in two-thirds of the cases, toilets, and electricity access, women's collectives under the Livelihood Mission, Jandhan bank accounts, life and accident insurance, better immunization, and maternal and child health, have all nurtured the constituency of women effectively. Their higher participation than men in elections reflects this transformation. Higher access to high schools and colleges, a decline in fertility, opportunities for skills and vocational training, better maternal and child health indicators, access to collateral free credit for SHGs, equal participation and attendance in elementary education, urban or rural, is giving new wings to women. Natural farming and use of biofertilizers and biopesticides, more animal resources and scientific rearing of them for profits, large-scale presence of a community cadre of local women professionals –Accredited Social Health Activists (ASHAs), banking correspondent *Sakhi*, *Bank Sakhi*, *Krishi Sakhi*, *Pashu Sakhi*, Community Resource Persons for mobilization and enterprise, and Rani Mistris, have all led to a transformation of women in society.

Of the 43% of women elected as Panchayat leaders, many have removed the chair of the 'Sarpanch-pati' and others are in the process of doing so. This unprecedented mobilization of women in the affairs of local governments and pro-poor public welfare programmes has given confidence to women's collectives to effectively make their points. The Jeevika didis of Bihar actually put pressure on Nitish Kumarjee to roll out prohibition in Bihar. Naveen Patnaikjee has built a constituency of Mission Shakti women as micro entrepreneurs, Hemant Biswas Sharmajee in Assam and Mamta Banerjee in West

Bengal are nurturing women's collectives with interest-free loans and other benefits. Yogi Adityanathjee's Uttar Pradesh supports women's collectives for one district/one product and other initiatives for additional diversified farm and non-farm livelihoods. The southern Indian States were the pioneers in the mobilization of women's collectives and access of credit to them for economic activities. It is today a pan-Indian priority with 90 million women in the Livelihood Mission.

In the Mirzapur and Bhabhua districts of Uttar Pradesh and Bihar, the women's collectives strongly pitch for cheaper cooking gas and prohibition almost universally. They also demand higher wages under the MGNREGA as the wage differential makes the feminization of MGNREGA wage labour perceptible even in the northern Indian States. Already 94% in Kerala and 86% unskilled wage labourers under MGNREGA in Tamil Nadu are women, as men move to cities and census towns for higher wages.

The voice calling for a liquor ban is very strong as it has a direct association with gender violence. Every village has a tale of domestic violence triggered by inebriation. Similarly, the gas cylinder transformed rural lives and livelihoods as women had ample free time to do diversified livelihoods. The burden of collecting firewood and cooking on it was cumbersome, time-consuming drudgery; Ujjwala and cooking on gas is transformational. The rise in LPG prices have caused a massive reaction among women who are back to cooking on firewood in many poorer homes. They want a cost-effective solution. A gas cylinder at Rs. 500, smaller in size is also welcome. To pay Rs. 1000 plus for gas at one go is backbreaking.

Market-led energy pricing was adopted for good reasons to reduce the burden on the State exchequer and keep its fiscal deficit in check. Energy sustainability calls for revisiting 'small is beautiful' for biogas generation, like in the National Dairy Development Board's Zakariapura experiment in the Anand district of Gujarat. Banas and the Sustainable Alternative Towards Affordable Transportation (SATAT) like large Compressed Biogas (CBG) models seems to work well where adequate biomass is assured. It is time to actually learn from the experiments so far to come up with a sustainable and reasonable cost solution for compressed biogas. We need to insulate cooking gas prices from the vagaries of the global gas prices. Waste to wealth is the right focus but feasibility and size matters to ensure full success. It may well be the era for 'small is beautiful' as far as energy security is concerned. Let us give it the scientific thrust it deserves.

With improvement in the asset base of the deprived households through pro-poor public welfare initiatives that are pro-women, we have generated higher-order demands like affordable gas and distant liquor vends, if not a total prohibition. Women's collectives raise these issues in every forum.

On the liquor policy, 'hooch deaths' spark debates on the prohibition policy. Again, an evidenced-based approach would be to ensure that most

households do not have easy and low-price access to liquor, given its very strong linkage with domestic violence across the country. Total prohibition runs the risk of a parallel bootlegging or liquor-supply industry, patronized often by the police and local politicians as well. Recently, in Kerala's Munnar and Thekaddy, I found the access points for liquor had been considerably reduced and every visit to the government-run liquor shop makes you feel like an under-trial prisoner, who has to enter a narrow wire-meshed gate, to buy liquor and move out sheepishly before an observant crowd! Perhaps reconsideration of excise, not only from a revenue perspective but also for what brings the greatest good to the greatest numbers is needed. Clearly, prohibition, or at least distant and often inaccessible liquor vend appears to be a pro-women measure with positive consequences for the health and well-being of the family and for a better social position for women.

Women need to be in better health and so do the infants. Nutrition, education, skills, credit, health, and diversified livelihoods are women's priorities where budgets would do well to put their money. Extremely high food and fertilizer subsidies need phased withdrawal to free up resources for education, health, nutrition, skills, and livelihoods. This would also promote natural farming that is largely women-led. Subsidies for the rich in the name of promoting industry and business also need clear calibration and assessment as often ease of doing business comes from the absence of an 'inspector raj' rather than the presence of a 'subsidy raj'. A well-performing stockmarket, continued higher profits for large industrial houses, and no decline in the incomes of the wealthiest due to Covid-19, provide a strong message to let markets be. Global trade is a perform or perish for all; it does not run on public crutches for long if not viable otherwise. It is a gender-sensitive demand as well. Gender budgeting needs to be turned upside down to see social policy and advocacy as a part of the fiscal effort for equalization of opportunities.

## Notes

- 1 See graph on p.13 of Ashoka Mody's book (2022), comparing Japan, South Korea, China, India and Bangladesh with regard to when they achieved universal primary education for girls. The economic progress of nations is very strongly correlated to the thrust for educating girls.
- 2 The National Rural Livelihood Mission was launched in 2011, based on the experiences of the Poverty Reduction programme in Andhra Pradesh under the Velugu Project of creating social capital through women's collectives. It was renamed Deendayal Antyodaya Yojana – National Rural Livelihood Mission in 2015–2016. The expansion of DAY-NRLM happened very rapidly in all parts of the country.
- 3 See the *Economist* article (E.W., 2017).



# 9

## VULNERABLE SOCIAL GROUPS, INCLUSIVE POLICIES AND PROGRAMMES

The Global Multi-Dimensional Poverty Index 2018 brought out by the Oxford Poverty and Human Development Index (OPHI, 2018) mentions India making momentous progress in reducing multi-dimensional poverty. It says, “India’s scale of multi-dimensional poverty reduction over the decade from 2005–2006 to 2015–2016 – from 765 million poor persons to 364 million – brings to mind the speedy pace of China’s poverty reduction, which occurred over more than 20 years”.

This chapter is an effort to understand how programmes for vulnerable groups, and inclusive policies have been delivered in practice. It assesses the impact of the interventions using the data from the 78th Round National Sample Survey (NSSO, 2018) and the National Family Health Survey (NFHS)-5, (2019–2021). The assessment identifies where the approaches worked and where they did not. It also brings out areas that require more work in the future.

Rural development holds the key to sustainable economic growth and human development. The reduction in poverty is fastest when rural economies are resurgent, providing opportunities for diversification of livelihoods in farm and non-farm sectors. India’s emergence as a global power depends on its ability to tackle the challenge of rural poverty and development effectively. It is for this reason that the government accords the highest priority to transforming lives in rural areas through livelihoods and to improving infrastructure to improve the well-being of households. It is only through an inclusive rural development agenda that sustainable human progress is possible.

Rural poverty has many dimensions. Therefore, a need is felt to simultaneously address all the dimensions of poverty effectively. A household can be poor if they are homeless; they can be poor because they are uneducated and

without skills; they can be poor because they are assetless; they can be poor because of ill health. There can be a variety of reasons and multiplicity of dimensions that affect the ability of an individual to develop their fullest human potential. The real challenge of rural development is to afford an opportunity to every rural household to develop their fullest human potential through an access to services for human development and economic growth.

## **Achieving Sustainable Development Goals (SDGs)**

### ***Need for Evidence-Based Mid-Course Corrections***

Dr S.V. Subramanian of the Harvard Centre for Population and Development Studies and the Harvard T. H. Chan School of Public Health, et al. (2023), have published a quantitative mid-line assessment of India's progress on Sustainable Development Goal (SDG) indicators in 707 districts, using the data from the National Family Health Surveys, 2016 and 2021. The assessment is based on 33 indicators that cover 9 of the 17 SDGs. As per their assessment, India is not on target for 19 of the 33 SDG indicators. These are in critical sectors like access to basic services, wasting and overweight children, anaemia, child marriage, partner violence, tobacco use, and modern contraceptive use. While India did very well in its pro-poor public welfare programmes and facilitated the coming out of multi-dimensional poverty for 415 million persons between 2005–2006 and 2019, it is a case of the glass being half full. The study points to a need for mid-course corrections.

The performance of the Aspirational Districts Programme (ADP) was also assessed based on independent data and it does not appear that the aspirational districts on average, are performing any better in meeting the SDG targets than other districts on majority of the indicators. The study finds no pattern to suggest that Aspirational Districts are more likely to meet the SDGs targets than other districts. There is no marked difference between an Aspirational and any other district in the annual absolute change. The study also points out that the risk of not meeting the SDG targets appears concentrated in Madhya Pradesh, Chhatisgarh, Jharkhand, Bihar, Odisha, and many districts of Maharashtra and West Bengal.

For those, like us, who have tracked the ranking of villages and Gram Panchayats through the annual, community-vetted, participatory, Mission Antyodaya Surveys from 2017 onwards, the findings come as no surprise. A higher percentage of southern Indian Gram Panchayats have higher scores in the 2017 and 2019 Gram Panchayat Ranking Surveys on the 48 indicators covering infrastructure, human development, and economic activity. Field visits confirm the serious learning poverty challenges in schools that have opened after two years. The Covid-19 impact on primary health and nutrition also needs to be factored in our journey to 2030.

While good progress has been registered in many sectors, there is a need to revisit many initiatives in the light of the evidence. While doing so, it is important to learn from sectors where we have done well and understand the reasons for the success. Electricity connection, rural roads, rural housing, rural sanitation, Jandhan bank accounts for women, Ujjwala LPG connections for deprived households, and immunization under Mission Indradhanush have all registered major gains in recent years, as they form the core of the pro-poor public welfare. Many of these programmes were a part of the Gram Swaraj Abhiyan in 63,974 purposively selected villages in two phases in 2018. The local government, women's collectives, frontline workers, line departments, corporations, State and central government functionaries, and deprived households were mobilized with a real-time technology-enabled monitoring system for every village. The whole-of-government and whole-of-society approach fully informed this thrust. The success of the Covid-19 vaccination programme was for the same reason: where local to national efforts were all working for the same outcomes.

Our approach, even in new initiatives like the Poshan Abhiyan, the Health and Wellness Centres and the Nipun Bharat Mission, remains vertically aligned with departments rather than horizontally owned by the Panchayats, women's collectives, and frontline workers. Education, health, nutrition, skills, livelihoods, food security and diversity, incomes and employment, do not allow us the luxury of narrow departmentalism; outcomes elude us by such an approach. The programmes of these sectors must be Local Government led with use of technology for effective real time monitoring of outcomes, village wise. It is not good enough to collect data without using it effectively at the local level. Gadgets for distance learning will not fall like manna from heaven'. If we want to promote blended learning, we will have to sort out the last mile of resources, both human and financial.

Everyone speaks of convergence but does not realize it happens best through decentralized, facility-specific enablement. The five approaches of: 'community connect', flexible untied financing, monitoring progress against agreed outcomes/standards, innovations in human resource engagement, and improved management capacity through professional support are the approaches that make convergence work. It involves surrendering power at higher levels in favour of local community institutions. In the sectors that we have challenges, we need to sit down with an open mind to see the extent of a whole of government and society approach that has been mainstreamed in the initiative. Our thrust must be on the strengthening of whatever that delivers on the last mile. Human resources at Panchayat level matter to outcomes. These mid-course changes will make the real difference.

Nutrition, learning outcomes, improved health outcomes, higher incomes, and diversified livelihoods, require professionals willing to work in remote rural areas. The Deendayal Antyodaya Yojana National Rural Livelihood

Mission (DAY-NRLM) has demonstrated the power of professionals and a home-grown cadre of Community Resource Persons (CRPs), who are usually women who have fought poverty successfully and are now the leaders of social transformation in new clusters and regions. Our approach to incrementally developing human resources for social development needs a thrust to enable us to find teachers, health workers, and other frontline social development workers who are diligent and dedicated to make transformational change.

Professional support for capacity building requires civil society partnerships and evidence-based approaches. Scientifically established benchmarks for reducing anaemia look at both food availability, its diversity, loss of blood due to frequent infections and diseases, and quality of care of women and girls. Absence of timeliness of interventions for minor ailments of an infant, often lead to increased wasting and stunting. The time to act is now. Change must be seen at household level and not merely in the media headlines.

The need to identify Panchayat-specific social development gaps and intervene to make a difference is required across sectors. The latest round of the Mission Antyodaya Survey 2023, undertaken by the Ministry of Panchayati Raj, has a total of 216 indicators that have localized the SDGs, right down to a Gram Panchayat level. Identifying the gap and having the flexibility to make a difference in a short period is what a seven-year Human Development Mission (Mission Manav Vikas – 2023 to 2030 the SDG target year) can achieve. The day a Panchayat leader to India's Prime Minister starts monitoring the same set of 20 to 30 indicators of SDG outcomes, with the flexibility to remove the obstacles to transformation, there is no reason why we will not succeed. We must realize that a community-owned, technology-driven, decentralized, outcome-focused system is our only hope; it will be incorrect to say that it will not need additional resources. We must make it available if we do not want to become old before we become rich. Around 18% of the 0–14 aged world population is in India. We must turn it into a dividend fully to be a Developed India in 2047.

## **78th Round National Sample Survey (NSS 2021) and Sustainable Development Goals (SDGs)**

### ***Lessons for Outcomes***

The 78th Round National Sample Survey 2021 monitored progress on the National Indicator Framework (NIF) of Sustainable Development Goals (SDGs). This 2.76 lakh Sample Household Survey, while confirming many achievements, also raises some concerns. The challenge to livelihoods and employment due to Covid-19, has dented incomes. The fall in sales of Paradise

Hawaii chappals and sale of two wheelers confirm the fall in incomes of the poor. It is a real opportunity to make the mid-course corrections needed for effectiveness of SDG outcomes.

The success in providing electricity as a source of lighting is confirmed yet again, with over 99% of households confirming use of clean energy for lighting. It shows the effectiveness of the *Sowbhagya* programme for electricity connection for deprived rural households.

The use of LPG for cooking has increased but only 49.8% of households in rural India report its usage as the primary source of energy for cooking. Chhatisgarh, Jharkhand, Madhya Pradesh, and Odisha report less than one in four using LPG for cooking. Voices in UP, Rajasthan, Assam, Meghalaya, in the course of field visits, indicated a similar situation as incomes have shrunk. Besides the cost of refill of cylinders, perhaps smaller-sized cylinders would make it more affordable.

A slightly unexpected (though consistent with NSS 76th Round (NSSO, 2018) and NFHS-V, 2019–2021) finding in 2021 was the coverage under the Swachha Bharat Mission for Individual Household Latrines (IHHLs). Only 68.8% rural households have access to an exclusive latrine. Odisha, Jharkhand, Bihar report below 60% coverage. MP, UP, West Bengal report coverage between 60 and 70%. Kerala, Manipur, Meghalaya, Mizoram, Sikkim, Nagaland, Ladakh report over 90% coverage. There is a need to understand the inadequate coverage in some States. Defunct toilets not repaired, misutilization of funds by Panchayats, and non-inclusion of some households in the survey, may well be reasons that need to be redressed. Acknowledging the challenge is a first step.

India's outstanding performance on financial inclusion is confirmed yet again with 89.3% of persons aged 18+, even in rural areas, having an individual or a joint account in any bank/other financial institution/mobile money service provider. Rural Meghalaya is the only region reporting less than 70% coverage.

Another major accomplishment that is confirmed is 92.5% rural households reporting availability of all-weather roads within 2 km of the place of residence. This is a tribute to the success of the Pradhana Mantri Gram Sadak Yojana (PMGSY) and a range of State initiatives often in partnership with MGNREGS. Except rural Maghalaya and Uttarakhand, every other State is above 80% on this parameter. The PMGSY made evidence-based selection of roads with very well-developed quality and cost parameters. It had outstanding monitoring systems that ensured quality control at all stages.

The impact of the Pradhan Mantri Awaas Yojana Gramin also shows with 11.2% households in rural India reporting purchase/construction of house/flat after 30 March 2014, as compared to 7.2% in urban areas. IN addition 47.5% reported it was the first time ever that they had constructed a house. A large percentage of new houses/flats have been provided for vulnerable

social groups. It confirms the evidence-based approach using SECC data and Gram Sabha validation in beneficiary selection.

The report also highlights the challenges of migration. Around 26.8% rural and 34.6% urban persons report their current place of residence as different from the last usual place of residence. For migrants, cities have to become friendlier in terms of bare necessities – home, water, gas, bank accounts, electricity, sanitation, and education and health services.

On achievement in digital literacy, we clearly have a very, very long way to go. The use of the mobile phone has increased significantly to over 65%, even in rural areas. However, ICT skills are grossly deficient with only one in three 15- to 24-year-olds in rural India, able to copy or move a file or folder. This reflects the failure of the school education system and its complete dislocation during the covid phase. The learning poverty and human capital challenges are our foremost challenges, as captured by the poor ICT skills. Basic ICT skills can only be built on a foundation of basic literacy and numeracy.

The above analysis clearly brings out the successes and the need for reworking programmes on the basis of evidence to enable achievement of SDG outcomes. Independent data is a programme's best guide. The NSS has been a source of high-quality data and we should listen to it rather than deride it. It will help India achieve the SDGs by 2030. Read with the findings of the National Family Health Survey-5 (2019–2021), it is possible to adopt evidence based mid-course changes to achieve the outcomes. Programmes have to become more flexible in responding to independent findings.

The Gram Swaraj Abhiyan in 63,974 villages for reaching electricity, cooking gas, bank accounts, life and accident insurance, immunization, and LED bulbs was one such convergent, concerted effort. The 78th Round NSS (2021) confirms the maximum gains in programmes that were part of the Gram Swaraj Abhiyan, or that were planned to the last mile.

# 10

## POLICY AND PROGRAMME FORMULATION IN BASIC EDUCATION

To those outside the government, and even to the armchair critics who are within governments, an eternal question is why India is doing so poorly in human development. Their superficial analysis makes them believe that we make good policy but implement terribly. It is surprising that many of them, in spite of having worked in government for decades, do not realize that very often policies are statements of good intent, not followed either by a programme, or added financial resources. They attribute poor performance without even getting into the details of what resources were assigned for implementing policy. Public systems are condemned and a case is made for private efficient systems to rescue them, with little awareness that they are all very high-cost solutions, especially in health, and in education. The effort to craft credible public systems to implement the priorities of policy is not debated as the public systems have already been condemned.

It is unfortunate that many analyses are often very ahistorical when it comes to human development indicators. Until very recently, around the turn of the century, we continued to neglect primary education and primary health and the disastrous consequences of this neglect are often little understood, even by so-called researchers. After all, why were 69.23% females aged six-plus never even enrolled in primary education in rural India till as recently as 1986–1987, the 42nd Round NSS survey and also the year of the National Policy of Education 1986? The National Policy of Education 1968, the famous Kothari Commission, said the right things on education and its transformational role in society. It espoused the cause of higher allocations to education. It articulated a roadmap for 6% public expenditure on education at a time when education was still very much a State subject. It came in the concurrent list only in 1976, in the famous 42nd amendment to the Constitution of India.

Here was a classic case of a policy declaration not followed up with financial resources or a programme of action. With human development conveniently relegated to the Directive Principles of State Policy, it was easy for governments to hide behind the economic capacity argument. Any number of equalizing measures like centrally sponsored schemes during the period, were not able to make the impact that the Kothari Commission would have liked us to. It is such policy intentions, announced with a lot of fanfare and never backed by financial resources, that have caused the condemnation of public systems without even looking at them. There are many failings, inefficiencies, lack of outcomes in public systems. But then, have we planned the last mile of delivery before announcing policies? Have we looked at the diversity that is India? Have we genuinely attempted universal elementary education and universal primary health care, backed by adequate resources, policies, and programmes?

## **Education Reforms to Transform India**

### ***Creating Opportunities for Youth to Reap the Demographic Dividend***

A young nation cannot afford to neglect education. The new National Education Policy (2020) brings a lot of hope. It says the right things and implementation in its true spirit could be transformational. It needs to create opportunities for its youth to develop their fullest human potential. A democratic nation values inclusion and there is no better way of breaking the “bondage of social reproduction” other than education. Given global mobility and demographic profiles of the developed nations, countries like India have to provide not only for their own workforce needs but also for the world at large, left with an ageing population and low proportion of working hands. Education reforms have the potential to transform India and translate its numbers into a demographic dividend. This requires a clear vision, a plan of action, and an implementation arrangement that has a clear time frame. The new National Education Policy has made excellent priorities for inclusive quality education that is child-centric, allowing children to grow and develop as per their interests and core skills. Many of the points made in the new policy are covered below and have been advocated for a long time.

First and foremost, India needs to plan for all its children, living in diverse locations, speaking different dialects, engaging in a diverse livelihood situation. While enrolment is near universal in elementary education, quality is still a distant dream. Removal of governance deficits, opportunities for teacher development through quality institutions that have teachers and teacher educators, provision for remedial learning in schools, emphasis on reading skills, language learning, and basic mathematical skills, integration of sports and other co-curricular activities into the school curriculum, and



seeking non-governmental professional assistance to transform classrooms, can all make a fundamental difference to the classroom processes.<sup>1</sup> Removal of under-nutrition deficits in the 0–3 age group to ensure that there is no permanently debilitating learning impairment of children is needed. There is a need to subject teachers in elementary schools to competence testing with well-defined policies for termination of service if they are found to be incompetent. The nation cannot afford mediocrity in schools. Higher emoluments must be incremental and follow an assessment process, as was done in the Shiksha Karmi Project of Rajasthan over a decade ago. Engagement of local youth in remote regions and incrementally facilitating their development into outstanding teachers through intensive capacity development support will go a long way in meeting learning needs in remote regions.

Second, higher secondary completion is equally important in reaping the demographic dividend. Education of girls at this level, in particular, has relevance in improving the age at marriage, women's empowerment, better adolescent health and hygiene, increased women's participation in skilled workforce, and in bringing down fertility rates. Universal higher secondary education with a wider set of vocational and skill development options will facilitate promotion of education for life and relevant education. Vocational and skill development will have to be thought through innovatively as these will have to be accessed through partnerships with professional organizations, industry, non-governmental sectors, other departments and universities, and, of course, a range of new faculty positions. Establishment of functional laboratories for experimentation, computer rooms for literacy and aided learning, sports and meditation facilities, and linkages with universities for teacher development and occasional school level interaction is necessary. The inter-science system was passed on to schools under the 10+2+3 with inadequate preparation, leading to the demise of learning by doing, experimentation, and innovation in many States. We need to restore it. Navodaya and Kendriya Vidyalayas should be organically linked to State government schools of the region and play a pace-setting role in teacher development, student interaction, innovation, and scientific experimentation, among others.

Third, benchmarking of schools and colleges requires robust systems of accreditation and standard setting. This needs the involvement of third-party institutions or specially crafted public institutions that provide for non-governmental partnerships in management in a transparent manner. Accreditation and standard setting is today the biggest need for public and private institutions in India and we will have to evolve simple systems of assessment that set a time-bound compliance agenda for every institution. It is only through a robust accreditation system that grant in aid support for non-governmental institutions can be evolved, based on standards. There is a need to fund such good institutions as the need is far greater than the resources

available for expansion. Even with an assurance of 6% GDP public expenditure on education, there would still be a need for funding benchmarked and accredited non-governmental institutions to enable them to take care of poor students at public cost.

Fourth, regulation is a difficult area even though needed for order and standards to prevail. Regulation will have to be revisited from a standards perspective and from a standpoint of public and private sector involvement in the management of regulatory bodies. These bodies mandatorily should only involve accredited institutions and individuals of proven excellence to decide on their governing body membership. Ideally, nominations to these bodies should be made by directors/vice chancellors of institutions that have stood the test of excellence in independent studies and evaluations. The National Health System Resource Centre, set up under the Ministry of Health and Family Welfare, provides for nomination of public health and management experts on the governing board from names suggested by the Director of All India Institute of Medical Sciences (AIIMS), Public Health Foundation of India (PHFI), Indian Institute of Management (IIM) Ahmedabad and Tata (Institute of Social Sciences (TISS) Mumbai. This ensures screening of nominees who are made part of the governance system. The IIT management structure has also withstood the test of time and one needs to build those principles of regulation and management. The National Law Schools have also thrown up a useful model for emulation where public funding is envisaged only for a few years. The University Grants Commission (UGC), Medical Council of India now called the National Medical Commission (MCI/ NMC), All India Council of Technical Education (AICTE), National Accreditation and Assessment Council (NAAC), and all other regulatory and standard-setting bodies need a complete transformation with regard to their membership, transparency, role, and functions.

Fifth, the debate about public and private should transcend the ideological debate and be evidence-based. The challenge is to provide every individual in society with the opportunity to fully develop their human potential and for achieving this, whatever works ought to be encouraged. The quantum of investments required for quality education for a national transformation makes it imperative to engage with the private sector more positively in the expansion of educational opportunities, without forgetting the ideal of expansion with excellence and equity. This is where robust rating, assessment and accreditation systems, and standard-setting regulations will facilitate quality partnerships. Financial transfers to States by the central government could take into account both norm-based and per capita-based funding needs of States, as the proportion of young population varies across States.

Sixth, public investments must also go up as there are a large number of public institutions with excellence whose replication, setting up of new

campuses, and demand-based expansion in States and abroad, will go a long way in taking the excellence issue forward. Just as we facilitate the setting up of private universities, we ought to find ways of encouraging institutions like the Shri Ram College of Commerce, Lady Shri Ram College, St. Stephen's College, Tata Institute of Social Sciences, All India Institute of Medical Sciences (AIIMS), Indian Institutes of Technology (IITs), National Institutes of Technology (NITs), and Indian Institutes of Management (IIMs) to set up branches in many States. Similarly, public investments to remove gaps in physical infrastructure, faculty, and governance deficits ought to be attempted in reviving public universities in the State sector. There is no getting away from a zero-tolerance approach to corruption in the selection of educational leaders like vice chancellors and principals through a search committee system that is transparent and competent. Leaders will make a difference if their excellence, integrity and academic contribution are widely acknowledged. Individuals do matter. Financing of State universities must necessarily be accompanied by the much-needed removal of governance deficits. An organic relationship should be developed between central universities and institutions (IITs, AIIMS, etc.) and State universities and institutions. Central institutions must play a pace-setting role and should be organically linked to State universities and institutions. State universities have land as a resource and it is indeed a big resource. Adequate investments in infrastructure, human resources, equipment, and management can transform them into thriving learning centres of excellence, if accompanied by institutional governance reforms.

Seventh, while simplifying the processes of setting up private universities and institutions, we need to broad base the management structure of educational institutions from mandatorily being not-for-profit registered societies to also being institutions registered under the Companies Act, with provision for ploughing back profits into the education sector. This would require new law to answer issues decided in the Unnikrishnan case. Schools and colleges are being bought and sold at high premium, but unfortunately, they are all not-for-profit registered societies generating surpluses but not making profits. This leads to fudging of accounts. Also, banks do not lend money for setting up educational institutions as they are set up on a not-for-profit framework. This leads to philanthropists/investors in education bringing in either their own/company's surpluses or arranging funds through donations. It also leads to underhand capitation money, and undesirable forms of wealth generation getting involved in setting up of educational institutions, as educational expansion is not bank funded. Encouraging educational entrepreneurs requires a shift to permitting educational institutions under the Companies Act so that they can actually make a profit and the enterprise can become financially viable in the eyes of banking institutions. We need many more educationist entrepreneurs who can create institutions of excellence.

Let us make it possible for a group of distinguished Indian academics, in India or abroad, to come together in a company-like structure to set up world class institutions with bank loans and contributions. This will ensure independent academic leadership for the enterprise. Let us learn from the National Law School movement where capital assets and land come from government to a professional group but, thereafter, sustenance of the institution is with its own resources.

Eighth, developing skills, school-finishing life skills, and competencies are indeed our biggest challenge, given the large youth population that is unemployed, under-employed, or employed with lower order skills and competence. This requires a societal effort to provide opportunities as flexibly as possible, in the private or the public system, to acquire skills that can be tested and certified and that industry or the service sector recognizes for purposes of employability. A framework of well-crafted autonomous institutions on the same principles as outlined above will need to be set up for accreditation of vocational training providers, setting up of curriculum, testing acquisition of skills and competencies, interfacing with industry and trade, engaging in workforce planning and forecasting, and multi-skilling, and so on.

Ninth, good national educational institutions should be encouraged to developing twining arrangements and partnerships with provincial educational institutions, to hand-hold and support, to build capacities, and for professionalism. Similarly, partnerships with foreign universities ought to be within an evidence-based framework with a strong nucleus of national institution and faculty, engaging with a globally renowned institution. There must be a thrust on getting good faculty time as well from these institutions as otherwise, partnerships will have limited value. The architecture of regulation of universities ought to be reformed to allow greater evidence-based innovations that promote expansion with excellence and equity.

Tenth, it is time that we thought through ways of retaining good human resources in the teaching profession. We need to see the evidence and develop frameworks that encourage the best minds to go back to teaching. Flexibility in eligibility conditions for teachers without compromising quality, can enable an interchange from industry to teaching and vice versa. Tamil Nadu does that with its public health cadre very effectively. Besides, higher emoluments, housing, an enabling environment, and research support will all encourage individuals to go for a “reverse sabbatical” to educational institutions. Practitioner insights in educational institutions are of immense value. There is also an urgent need to weed out the incompetent, who got in through connections and takeovers, and not merit. There is a need for a policy of assessing the competence of teachers and rewarding (and punishing) appropriately. Many educational institutions have faculty whose invincibility, in spite of non-performance, comes from a sense of over-confidence that it is

more difficult to throw them out from public system than it is to select them! Public systems need this major reform in public recruitment and service conditions to enable a weeding out of deadwood. This will require new laws as, otherwise, they will attract the provisions of security of service enshrined in case laws. It is time we revisited the right of individuals to survive with non-performance at the cost of the public exchequer. Society gets adversely affected if we let it be. If we want educational reforms to transform India, let us not put governance deficits on the back-burner. They are at the core of public systems, their perceived inefficiency and their development failure. We need to craft credible public systems and for this, we must go by the evidence to reform public recruitments and public management.

Education reforms are the most sustainable way to transform India and to translate the large young population into a demographic dividend. With a commitment to raise public expenditure to 6% GDP and by facilitating large scale private sector investments in expansion with excellence and equity, India can overtake China's rates of educational expansion over a ten-year time frame. It is the best opportunity for a young India, an India that can provide the largest workforce to the world. High rates of sustainable economic growth and human well-being hinge on our ability to use education as the vehicle of national transformation. It is the only route to an inclusive India.

### ***Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM) – An Insider's Perspective***

Thanks to governments cutting across party lines, I have had the rare privilege as a civil servant, of being part of the team that designed Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM). I have also implemented the programmes at the State level. I worked on the Sarva Shiksha Abhiyan's framework for implementation when a National Democratic Alliance (NDA) government was in power at the Centre, and on the Framework for Implementation of the National Rural Health Mission when United Progressive Alliance (UPA) was in power. Thereafter, I had the privilege of being associated in their implementation under an NDA and later a Janata Dal United (JD(U)) government in the State of Bihar. I have also had the privilege of seeing the implementation of these programmes in over 572 out of 643 old districts of India, spread over all the States and UTs over a 15-year period.

It is difficult to be truly objective about these programmes as I have always owned them, both to receive bouquets and to face brickbats. The SSA and NRHM and their design are matters of faith for me and are experiments in the crafting of credible public systems. Being an avid student of human development I have tried to understand these two programmes in as dispassionate

way as possible, to see what worked and what needed improvement. There are many who have been writing and commenting on these programmes in a very scholarly way and with good evidence. I still felt the need of sharing an insider's perspective.

Both SSA and NRHM were developed in very evidence-based way and with very wide consultation with States, experts, academics, educational administrators, and teachers. Both took note of what had been done before, what had worked, what had not worked, and what was the best way forward. As a civil servant dabbling in research and writing on human development, it was my responsibility to understand the evidence in designing the SSA and NRHM. Clearly, the two programmes were universal programmes without guidelines; they had a framework for implementation, to indicate that programmes cannot be cast in stone given the diversity of India. In retrospect, it does appear that the SSA framework did become a little rigid, though NRHM allowed the flexibility to States in larger measure, within the resource envelope allocated to the State.

While both SSA and NRHM had supply side thrust and aimed at providing the basic infrastructure, physical and human, to meet primary education and primary health needs, it is also true that both programmes had very well-developed thrust on reforms as well. Though education is a concurrent subject and health a State subject, the management of primary education and primary health is really the realm of State/local governments. By encouraging decentralized planning and building a team of professionals and managers at district and block levels, both programmes had a focus on capacity building. Both had a thrust on improving the mainstream and removing its inertia. In doing so, both crafted programme management structures that had to be ultimately accountable to the mainstream.

It is important to see where the journey began. According to the 42nd Round NSSO (1986), only 50% children were enrolled in (not necessarily attending!) elementary schools in rural areas. When SSA began, anywhere between 60 million to 100 million children were outside the school system in terms of enrolment and regular attendance. Learning was a very far cry from what was intended. In primary health, the infant mortality rate (IMR) was stagnating at around 60, Total Fertility Rate (TFR) was at 2.7, maternal mortality ratio at 300 plus, the death rate was 8 plus and life expectancy stagnating in the early 60s. Clearly, India had defaulted on its performance in primary education and primary health in its first few decades of planned growth and development. The SSA and NRHM could not have created miracles overnight. They could at best have set the pace towards universal thrust and improvement in indicators.

Let us see where we have reached. By all evidence, over 97% children are enrolled in elementary schools with over 75% attending regularly. The physical infrastructure of schools, human resource of teachers, essential

requirements of books, support for uniforms, and hot cooked meals and so on appears to have reached most corners of the country. There are regions with teacher shortages and inadequate infrastructure. However, in spite of more schools and more facilities, the classroom processes appear to have remained unchanged, leading to unsatisfactory learning, captured by the Annual School Education Report ASER and other reports. One has to see the learning achievement comparison of public and private more carefully as the ASER survey is a household survey and even children who do not go to school regularly are reported as failures of the government school system.

On the health front, I remember being laughed at when, as an optimist who believed in what we were doing, I had written that Millennium Development Goals (MDGs) are achievable in health. It had appeared a big joke in 2005. In 2015, however, on under-five mortality (U5MR), and maternal mortality (MMR), we appeared quite close to the 2015 goal. The 2015 performance reports indicated we were very close to the finishing line, in spite of the fact that the promised 2.5% GDP on public expenditure has remained an unfulfilled dream. The NRHM years have seen a rise in public expenditure from a little below 1% to a little above it. Even with this minor increase, the rates of decline of IMR, U5MR, MMR, and Total Fertility Rates (TFR), have shown a significantly faster trend compared to what was happening earlier. It will be foolhardy to claim that we have arrived, as our performance remains unsatisfactory on health. But NRHM has shown results, misadventures like Uttar Pradesh notwithstanding.

What has not worked? Where have the failures been? Clearly, governance deficit needs the utmost attention. We cannot have unsatisfactory teachers recruited and posted through unethical practices. We cannot have corruption in procurement in the health sector. We cannot have transfers and postings by whims and fancies. We need transparency. We need system building. The SSA and NRHM provided for a 6% management cost to bring in the finest professional skills of programme managers, data managers, finance managers, and planners, among others. If public systems have to work effectively, they need more managers, not magistrates. They need long continuity of tenure of the finest leaders and administrators at all levels. They need new skills such as public health managers, teacher educators, finance managers, planners, and pedagogy experts. We need to subject teachers to competency tests and dispense with those who do not have the basic ability to facilitate learning. We cannot let certificate holders masquerade as teachers. We have to be ruthless in developing a performance-based system of respectable remuneration for teachers.

Besides governance deficit, the other deficit is the human development deficit – the teacher development deficit and the public health deficit. Teacher development needs vibrant institutions of excellence at all levels. Unfair appointment of Block Resource Centre (BRC) and Cluster Resource Centre

(CRC) coordinators completely beats the objective of peer-group supervision and support for quality education. If teacher education and public health education deficits, paramedical skill deficits, and teacher educator deficits are given the fullest attention, along with removal of governance deficits, there is no better way for elementary education and primary health than public systems. It is possible. The SSA and NRHM have not failed. They have given meaningful results that will become even better if governance deficits and human resource development deficits are prioritized.

The challenge of the SSA is to transform the classroom process. The challenge of the NRHM is to improve skills to ensure positive outcomes of interface with the health system in the lives of citizens. The SSA needs to address the learning needs of children who follow a no-detention policy and reach Classes III and IV without learning. Remedial learning support has to be part of the school just as reading has to be seen as a very critical building block in language learning. Measuring outcomes in a non-threatening way, a demystified way, a positive way, a community-owned way, is the way forward. It is public systems that will deliver universal elementary education and universal primary health. The SSA and NRHM have not failed. Governance has. Teacher development has. Skills have. Human resources have. Removal of these deficits is the way forward.

## **Nipun Bharat Mission**

### ***The Elusive Goal of all Children in School and All Children Learning***

1986–1987 was the year of the National Policy of Education, and the year of the 42nd round National Sample Survey (1986). The damning NSSO indictment found that 69.23% females aged six plus in rural areas never enrolled in schools in rural India and that the drop-out rate for SC girls in Bihar and ST girls in Andhra Pradesh at primary education level in rural areas was 100%! Clearly, the first four decades of independent India seem to have failed miserably in improving school participation, and more so in rural areas and among girls.

2014 was the year of the NSSO 71st round (NSSO, 2015). It also marked a decade and a half of implementation of the Sarva Shiksha Abhiyan for Universal Elementary Education. It showed that there was no difference in the net attendance ratio of girls and boys up to elementary school level (Class-VIII) in rural and urban areas; 99% children enrolled in schools at primary schools within two kilometres of 99% households, and upper primary schools within two kilometres for 86% households in rural or urban areas. Universal school participation has become a reality. The challenge of quality learning remains daunting as a large number of those who enrol and attend schools are not able to attain learning and writing competencies



commensurate with their schooling years. We need to understand how all children in school will also lead to all children learning. Nipun Bharat Mission becomes critical in this journey.

Ever since the 1990 Education for All: Global Declaration at the Jomtien Conference, a series of concerted efforts have been made to bring all children to schools and to ensure that all learn. India did not encourage externally aided projects in primary education as a matter of policy. Operation Blackboard, Non-Formal Education, and the ambitious (but without testing the field realities) District Institute of Education and Training (DIET) Central Scheme were the key budgetary interventions.

The Shiksha Karmi Project in Rajasthan in schools where regular teachers were absent, especially in the 13 tribal districts, was the first externally aided project in primary education. With civil society partners and innovations in building capacity among local men and women through residential learning opportunities for the Shiksha Karmis, it was followed by intensive 40 days' residential capacity-building programmes, where every textbook lesson was thoroughly practised. The opportunities for assessment and self-growth to Shiksha Karmis with increased emoluments, created excellence in local youth. Many went on to become regular teachers after acquiring all the qualifications and competencies. It was a resource-heavy local teacher development initiative and not a low-cost substitute for teaching. The intensive support for teacher capacity with a premise that the local youth knew little and, therefore, focus on the very basics of teaching through practice, made all the difference. Unfortunately, this lesson of beginning from scratch is given up when we work with regular teachers on the assumption that they already know! That is our first fallacy.

Andhra Pradesh (AP) had a pre-Jomtien, AP Primary Education Project (APPEP) that focused on infrastructure, teacher development, and educational management as well. A large number of educational administrators and teacher educators went to UK to good universities to develop new skill sets in educational planning.

From the pre-Jomtien Shiksha Karmi and APPEP, we move to the flagship: UNICEF supported the Bihar Education Project (BEP). Bihar did not have a single District Institutes of Education and Training (DIETs), and erstwhile primary teacher training institutions were in a state of decay. Through the BEP, an effort was made in Ranchi District by getting an outstanding faculty of retired Netarhat (residential school of excellence that inspired the Navodaya school idea) school teachers to manage Bihar's first DIET at Ratu. Through national talent scouting efforts, some outstanding faculty from all over were roped in to make the teacher-training centre a vibrant institution.

In the absence of teacher educators and DIETs, the BEP developed a teacher-led capacity development module called the "Ujala" module. It was lively and teachers could associate with it very easily. The pedagogy was built on

the excellence of decades ago that marked government schools in Bihar. It contributed to effective mathematics teaching in government schools. The decayed and dysfunctional systems, however, eventually overwhelmed the spark that Ujala had lit. It was difficult to transform understaffed and dilapidated schools that communities only saw as election booths. While poor households voted with their feet for learning, it was the State that was failing them.

Thereafter came the Lok Jumbish in Rajasthan, with its thrust on innovations and civil society partnership. Uttar Pradesh's "Education for All" project focused much more on the basic school infrastructure and some innovative teaching learning materials. Lok Jumbish demonstrated successes with its out-of-the-box innovations, especially in the tribal districts. However, the mainstream did not internalize the innovations of the project. The inertia of the mainstream continued to reign supreme, in spite of some positive experimentation.

Then came the first major national World Bank assisted district primary education project. Districts and selected States were selected for transformation of the primary education system up to Class V. New paradigms for district planning, infrastructure design and development, pedagogy, learning support for Divyang, innovations in teaching learning processes and materials, and extensive use of IT in monitoring through the District Information System of Education (DISE) began.

Every district team underwent a five-day comprehensive training at the Lal Bahadur Shastri National Academy of Administration in Mussoorie. The National Institute of Educational Planning and Administration (NIEPA) and National Council of Educational Research and Training (NCERT) were energized to perform for the project and its success. Review missions started descending on States and districts. Resources other than teacher salaries started reaching schools and some creative innovations made a difference. The size of the problem was recognized and Central-State-District partnerships started becoming stronger.

Then came the 1992 Unnikrishnan judgement and the follow up after the Satyapal Anand case, with education up to the age of 14 declared as a fundamental right. The Muhiram Saikia Committee of Education Ministers and, thereafter, the Tapas Majumdar Committee were tasked to work out the additional resource needs to make universal elementary education (Classes I-VIII) a fundamental right. The Constitution was amended, and another group of ministers tweaked to reduce the normative additional resource needs projected by the Tapas Majumdar Committee. The Sarva Shiksha Abhiyan, India's first Universal Elementary Education Programme was born at the turn of the century through these efforts. It was a comprehensive effort at addressing the deficits. It had a supply side thrust as it was the result of judicial compliance.

The Samagra Shiksha Abhiyan and now the new National Education Policy (2020) have highlighted some innovative approaches. Foundational literacy and numeracy have been identified as urgent and necessary prerequisites for learning.

The new National Education Policy (Ministry of Education, Government of India, 2020) states:

The ability to read and write, and perform basic operations with numbers, is a necessary foundation and an indispensable prerequisite for all future schooling and lifelong learning. However, various governmental, as well as non-governmental surveys, indicate that we are currently in a learning : a large proportion of students currently in elementary school – estimated to be over 5 Crore in number – have not attained foundational literacy and numeracy, i.e., the ability to read and comprehend basic text and the ability to carry out basic addition and subtraction with Indian numerals.

To this end, a National Mission on Foundational Literacy and Numeracy will be set up by the Ministry of Human Resource Development (MHRD) on priority. Accordingly, all State/UT governments will immediately prepare an implementation plan for attaining universal foundational literacy and numeracy in all primary schools, identifying state-wise targets and goals to be achieved by 2025, and closely tracking and monitoring progress of the same.

The Nipun Bharat Mission has been launched in fulfilment of this policy commitment. As efforts so far indicate, we have still not found a systemic solution to the issues of how to recruit a very good teacher and how to develop teacher development institutions. As a consequence, many face-to-face or digital teacher development initiatives, like “Nishtha” have limited success. Pratham’s “Read India” campaigns and the Azim Premji Foundation’s large-scale efforts to improve government schools by providing district/block level support to schools and teachers, have also had limited success on account of many in-school and outside-school factors.

There are many innovations in the civil society space, but many are not mass education improvement initiatives. They depend on the instrumentality of a really good teacher and that is the real challenge in public systems. “Gyanshala” has thrown up useful lessons in faster learning and new pedagogical approaches. “Room to Read”, “Akshara”, “Lend a Hand”, “Saksham”, and Central Square Foundation-supported initiatives, all have many good aspects. Under the circumstances, there is an urgent need to answer some of the challenges of teacher development through effective supplementary learning support in audio and audio-visual modes for children and, equally importantly, for teachers. Assessment is necessary but how to make it a system of self-improvement

rather than a threatening evaluation of performance? How can children articulate better and how can technology help and facilitate that process?

The work of the Sampark Foundation provides some answers to these challenges. They work in over one lakh schools across seven States under a frugal innovation initiative. They have used technology to reach out to teachers with the role model of a “Sampark didi” for teacher development. To audio battery-operated sound boxes and innovative teaching and learning materials, they have added the Sampark TV with micro competency-based learning materials based on State-specific, school-certificate (SCERT) textbooks, teachers’ lesson plans, videos, self-improvement assessment systems through a Kaun Banega Crorepati kind of interesting participatory model. While it is too early to comment on its success, with strong community connect through women’s collectives and Panchayats and parental involvement, the approach indicates the pathway to take. Many other civil society initiatives, such as the Diksha platform, are all about the hybrid learning model. The challenge is to develop it as a teacher-capacity enhancement model that improves learning facilitation and assesses without stress.

How can we achieve the objectives of Nipun Bharat and make the teacher a facilitator for children’s learning? How can we make the lesson-plan-based micro competencies the focus of learning outcomes? Many other initiatives also provide innovative lessons, and we need to learn from all of them. The Sampark Foundation example is only to illustrate the pathway to learning outcomes. Let a thousand approaches bloom, as long as learning happens!

While many efforts have been made, we still need to work on the community connect and parental involvement. Panchayats and community collectives with very high social capital like the women’s Self-Help Groups (SHGs) of the Livelihood Mission can make local households own the initiative. Panchayats can leverage resources and play a role in multi-media digital and face-to-face learning. Communities can both enable and discipline teachers if funds, functions and functionaries are their responsibility.

We need hybrid-learning models that facilitate teacher capacity building and improved learning outcomes. If you add the on-site support given to schools by the Azim Premji Foundation on a very large scale and the reading campaigns of Pratham and its volunteers, and many other civil society organizations, we may well be able to break the burden of non-comprehension. The ministries of Panchayati Raj, Rural and Urban Development can work on the community connect and make learning outcomes a responsibility of local governments.

The continuum of pre-school up to Class III can be transformational. It is time for all, from the Panchayat to the Prime Minister to focus on “all children in school and all children learning” by 2025. Foundational literacy and numeracy are necessities to prepare a generation of learners who will secure

for India the human capital and the demographic dividend that will drive sustainable, high rates of economic progress and human well-being. The India miracle can outpace the East Asian one, only if we act now. It is already getting late as ageing has begun.

### ***Making Basic Education for All a Reality***

Adolescent girls cycling to secondary schools in collectives is one of the most beautiful images in my mind as I recall my footloose travels across over 90% of the districts of India over the last three decades. It was not like this over most parts of northern and eastern India till very recently. Kerala and Tamil Nadu were ahead of the rest of India in girls' participation in schooling and this informs a large number of their development indicators even today.

Today, we take girls' participation in schools for granted, forgetting that even in 1986 at the time of the 42nd Round NSSO (1986) survey, 69.3% of females aged six-plus in rural India were never enrolled in schools. This is a truly damning condemnation of our development failure. It is only by the 71st Round NSSO (2015) that the attendance ratio of boys' and girls' was the same, rural or urban up to elementary education level. Certainly, the Sarva Shiksha Abhiyan and the Constitutional amendment to make elementary education a fundamental right had made a difference to schooling. Learning continues to be a serious challenge but a "schooling revolution" seems to have happened.

The poor never had any doubt about liberation through education. From tribals taking cement bags on headloads to construct a school in the "back of beyond" Rengolda village deep inside Kolhan in Jharkhand, to the pride in the assertion of Ram Chander Bhuiyan, a landless labourer in Jehanabad, Bihar, that "even his child goes to school" had made it clear in my mind for all time that poor households want education. The Sarva Shiksha Abhiyan tried to remove the supply side constraints to girls' and vulnerable groups' school participation. That this alone made the poor kids vote with their feet is a tribute to education as liberation in a hierarchical society notorious for social reproduction.

While quality and learning outcomes are the ultimate goal of elementary education, let us not forget the other gains of schooling like the emerging collectives of women as SHGs under the National Rural Livelihood Mission. Improvement in health indicators have a very strong correlation with participation of adolescent girls in secondary and higher secondary education. Basic education also opens pathways for diversified skills and livelihoods.

I have often wondered what more would guarantee learning as well as really open the pathways to higher-order skilled employment and well-being for the deprived. Improving the ease of living of the poor through quality

housing, electricity, gas connections, toilets, bank accounts, immunization services, life and accident insurance and access to credit through the SHG movement, improves the ability of the deprived to participate more effectively in schooling. In spite of elementary education as a fundamental right and public provisioning for it, some disposable income with poor households does facilitate better schooling and learning. We must remember that publicly funded basic education matters most to the deprived and to girls as their numbers in government schools are far higher than their population; improving government schools is the most pro-poor public intervention for an inclusive society, where every child is able to develop their fullest human potential.

Hierarchies of society are reflected in life in villages and Dr Ambedkar's critique was based on this reality. However, with the ascendancy of hitherto deprived communities in politics, due to positive discrimination, universal adult suffrage, and community organizations, Panchayats have become the institutional framework for Governance and development. Community institutions of poor women like SHGs act as a countervailing force to prevent any arbitrary exercise of authority by Panchayats. Reservation for women is transforming participation at the local level. Schools also need to come under the purview of Panchayats with community institutions of the poor, like SHGs, to enable greater community connect, accountability of teachers and school administrators, and to leverage financial resources for convergence of learning opportunity. The headteacher of a primary/elementary school is a critical human resource for transformation. We ought to be investing in the development of leadership capabilities of the headteacher after careful selection, as he/she makes or mars a school.

There is a strong pedagogical case for pre-school to be a part of the school as it has very strong implications for foundational language learning and mathematics. Incorporating the Gandhian basic schools pedagogy of learning by doing and integration of physical and mental work, will greatly facilitate learning and preparedness for skills. Getting the right teachers is the biggest challenge as public recruitment has been fraught with political interference and mediocrity. Innovations like the Teacher Eligibility Test (TET) to distil better teachers, needs to be encouraged along with a role for the Panchayat-headed school management committee/headteacher, to ensure zero teacher vacancies through a policy of ad hoc appointment of a TET-qualified person till a regular teacher is appointed. Such a policy in Kendriya Vidyalayas completely changed the quality of results. Poor children especially girls, flock to public education and we cannot let down these aspirational children seeking liberation from deprivation.

The challenges of teacher development and teacher support for learning guaranteed by all, continue to elude us. The cluster and block resource centres and DIETs and SCERTs are playing an inadequate role so far. There is a strong case for involving civil society in the management of these institutions

for teacher development and support. The industry of teacher education without competence must go. We cannot have certified teachers spreading ignorance. The National Council of Teacher Education (NCTE) needs to think through the challenges of governance and capability development of teachers. Integration of skills into the curriculum will greatly benefit educational reforms for sustainable economic progress.

There is also a case for incrementally developing local community youths as teachers. Difficult locations need out-of-the-box thinking. The experiments across the country with locally recruited community teachers has been mixed. In a project like Shiksha Karmi in Rajasthan, where the selection of the “local” was through professional assessment and where civil society took responsibility for teacher development and support, the results were encouraging. There was a pathway to progress for Shiksha Karmis both in terms of academic qualifications and emoluments, with excellent systems of assessment. The teacher development programmes worked on the principle “practice makes a teacher perfect”. Life-changing residential programmes for local tribal youth were transformational. Clearly, the local teacher demands intensive investments in teacher development and support. It is by no means a low-cost alternative; it is truly about incremental teacher development.

Educational administration across most States has been fraught with notorious demands for transfers. It is time that teachers are appointed/provided for a school and continue there to the periodic satisfaction assessment by the School Management Committee. Teaching needs community connect, and it is a profession different from any other. Parents from poor households need to be involved in their children’s progress through parent-teacher meetings. The teacher really has to work very hard to mitigate many of the out-of-school factors that compromise a child’s ability to learn. Educational administration needs to recognize that “provincialized” schools now need to be “communitized” within the institutional framework of Panchayati Raj and school management committees. A non-accountable State-wide cadre of teachers has to give way to a “community”-led teacher supervision and partnership. A teacher must continue on the basis of community satisfaction and school performance. We cannot abdicate a governance reform responsibility of weeding out non-performing teachers who became teachers because of connections rather than competence and commitment. At most, this would be less than 20% of the teacher cadre. Give them an opportunity to improve but do not let them make public education dysfunctional.

Pre-school and the first three years of foundational learning, especially in language and mathematics, determines the learning ability of children in higher classes. The “burden of non-comprehension” needs to be tackled through an intensive thrust on foundational learning through reading and writing skills and fluency. Every possible effort and every possible medium and technology need to be put to use to ensure that foundational learning,

seen in terms of fluent reading with comprehension, is acquired by every child. If this were to happen, learning would become far easier in senior classes and dropouts would become far fewer. A mass campaign for foundational learning holds the key to a “learning revolution” in publicly funded schools. Every innovation should be encouraged to make this happen. Special initiatives for the slow learner and remedial learning through peer-group support should all be a part of the process.

Schools are great socialization opportunities for breaking hierarchies on the basis of “accident of birth”. Sports and other co-curricular activities facilitate the discovery of talent among children, and this improves self-esteem. A child may be good in sports, or creative cultural activities. It is diverse opportunities for recognition of excellence that create an enabling learning environment through enhanced self-esteem. Untied grants to schools for sports and cultural activities and learning tours, among others, must be increased. Communities and companies should be encouraged to donate to schools and participate in its functions. The connect should not stop with infrastructure support; engaging with learning is the need.

At a time when India has successfully addressed the challenges of chronic poverty substantially, it is time to push governance reforms in schools that improve the pace of reduction of multi-dimensional poverty. Kerala, Tamil Nadu, and Himachal Pradesh, have all established the primacy of basic education in transforming lives and livelihoods. For India to be in the top 50 countries of the world in human development by 2030, it is quality basic education that will have positive consequences for all other multi-dimensional indicators of poverty reduction and enhanced well-being. Along with the pro-poor public welfare programmes and universal health care, improved quality of public education will build an inclusive society, cutting across narrow compartments of caste, creed, and religion. The use of the Socio-Economic Census 2011 (which is caste-, creed-, and religion-neutral) in pro-poor public welfare programmes for rural housing, electricity, LPG connection, Ayushman Bharat over the last five years have shown the power of an evidence-based approach to tackle deprivation. Education is the pathway to liberation from the bondage of poverty and destitution. India must strive to be in the top 100 nations on human development by 2024, and within the top 50 by 2030; this is the pathway to a five trillion dollars economy. Ease of Living and Ease of Doing Business will both gain from a human development thrust for an under 50 ranking by the turn of this new decade.

### ***Post-Covid-19 Learning Challenges***

Covid-19 restrictions and school closure have been a traumatizing experience for children. School, sports and other students are what their daily lives are



about. To have to live without these familiar things for a prolonged period affects not only their joy and well-being; it distorts their learning as well. Pratham's Annual Survey of Education Report (*ASER*) (Pratham Foundation, 2021), the National Achievement Survey (NAS) (Department of School Education and Literacy, 2021b), the Department of School Education's (DoSE) compilation of innovative digital learning experiments across States 2021 (Department of School Education and Literacy, 2021a), and Azim Premji University's (Basole et al., 2021) Field Studies in Education, have covered not only the innovations but the challenges during and after the pandemic as well. Journalists also carried out detailed school visits after their re-opening to share the challenges of teachers in coming to terms with the learning poverty of children, exacerbated by the pandemic. Based on these studies and reports, the following appear to be the state of learning challenges now that schools have re-opened, although fears of another round is always at the back of everyone's mind:

- (i) First, in spite of two-thirds of households reporting having a smartphone in the family, barely half of the children had access to it sometimes, and only a quarter had access all the time. While online learning was attempted on a large scale, the coverage had limitations of access and quality. Paradoxically, States with low learning achievements are also the ones with low access to smartphones. Three-quarters found learning at home burdensome, and four out of five said they learn better in school with peers' help.
- (ii) Second, half the students reported teachers making contact at the household level by visit or phone call. There was an increase in tuition to two in five, an increase in enrolment in government schools during the pandemic, and an improvement in the availability of textbooks was also reported.
- (iii) Third, children have completely missed out on the regular in-person interaction that is critical for learning, particularly at the primary stage. Even teachers who have interacted with students through different modes during school closure feel that the curriculum of the academic year 2020–2021 has not been sufficiently covered, and there has been loss of previous learning, including foundational abilities, such as describing a picture, reading with understanding, writing simple sentences based on a picture and the ability to perform basic mathematical operations. The NAS (2021) also confirms decline in achievement scores across subjects, classes and regions.

Clearly the challenges of re-learning with understanding calls for a mission-mode approach that recognizes the ground situation. Hope hinges on schools remaining functional in the months to come, with the success of

the vaccination campaign. However, fundamental shifts in learning are taking place and the system has to plan for such contingencies and change. The following key interventions have the potential to address the learning poverty:

- (i) First, while the physical infrastructure of schools has improved over the years, affording an opportunity for a hybrid online and classroom learning, untied grants to Panchayats and schools for need-based access to smart phones, tablets, and so forth, with capacity building of teachers for digital learning facilitation, is needed. Panchayats can mobilize need-based resources to ensure equitable access to digital learning opportunities. Audio and visual materials through low-cost access to gadgets like a sound box or large television screen playing school-text-related lessons through a simple-pen drive (as being trialled by the Sampark Foundation in many States), can greatly improve reading with understanding.
- (ii) Second, outside the classroom learning using public buildings, parks, professionals, and learning by doing, needs to be encouraged and supported. Besides teachers, co-opting qualified teacher volunteers and youth for learning gains with a token honorarium, needs a community-led movement. Funds, functions, and functionaries with community organizations, school management committees and Panchayats can facilitate local resource needs. It will also instil a sense of responsibility in the local management. No teacher position ought to be vacant. Provide either by rationalizing current strength or recruiting candidates who have passed the Teacher Eligibility Test ad hoc till a regular appointment is made.
- (iii) Third, improve the quality of online learning materials and improve ease-of-access to materials without time-consuming searches. Learn from many successful education start-ups who have succeeded in improving learning outcomes.
- (iv) Fourth, expand the pool of teacher development professionals, going beyond the cluster, block and district level training institutions. Let civil society organizations, education start-ups, and private sector learning professionals also engage at school level for measurable gains in learning.
- (v) Fifth, measuring learning gains is critical to making the difference. There is an urgent need to develop robust capacity for assessments at all levels and for all areas of learning outcomes. It is equally important to share the pupil's performance with parents and engage them in the development of the child. With nearly 36% women and 47% men aged 15–49 years reporting ten or more years of schooling (as per National Family Health Survey-5, 2019–2021, International Institute for Population

Sciences (IIPS) and ICF, 2021), assessments and home support for learning needs facilitation. With uncertain school opening and closing due to Covid-19 waves, wherever possible, parents have to step in. Teachers also need to map homes of non-literate parents and to see who could provide learning support from the community for those households.

- (vi) Sixth, teaching has to be informed by the learning levels of each child in the class and not the regular curriculum. Given the extent of loss of learning, assessment of foundational abilities – as against class-specific abilities – across all classes is necessary. This will require a change in curriculum, with a reduction in curricular load to align with foundational abilities, along with a conscious, meticulously planned focus on foundational literacy and numeracy. Socio-emotional issues of children will also need attention. Diversity of learning materials are needed, and teachers should be given enough time to work on recovering learning loss in their respective classrooms.

The challenges are formidable. The solutions require greater autonomy in school management, and needs-based resources, both human and financial. Partnerships with civil society and a school as a community institution, free from the binary of public-private, is the need of the hour. Children from the poorest households have voted with their feet for quality education. We cannot destroy their hopes and aspirations. We cannot let them down. The children are ready; the school has to put its act together!

## Note

- 1 See Public Report of Basic Education (PROBE) Report; Dreze et al., 1999.

# 11

## REVISITING SKILLS FOR FULL EMPLOYMENT

That over five crore households and over seven crore persons each year, demand and carry out unskilled wage labour under the Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREGS), is a clear indictment of our development efforts. Generations continue to do hard and arduous manual labour that greatly limits their working life and compromises their health and well-being. Farming is adopting machines and agricultural equipment and some early signs of displacement of unskilled wage labour out of agriculture have become visible. The manufacturing sector is not able to fully provide opportunities for decent employment to a large number, with informal, low-wage opportunities being the norm. While services have grown, there are challenges on capacity development for higher-order skills.

It is true that over four crore households did not have a single literate person above the age of 25 in the Socio-Economic Census of 2011. They are also the unskilled. Rampant under-employment with limited opportunities for diversification and development of multiple livelihoods poses challenges to an inclusive society.

Over the last two decades, thrust on elementary education through the Sarva Shiksha Abhiyan, has created a large young school going population. The gender gap has been significantly bridged up to elementary level and secondary school participation is also fast catching up. Quality is a distant dream, but participation is a reality, offering opportunities for making youth move up the skills ladder.

With the thrust on pro-poor public welfare programmes, the asset base of deprived households in terms of housing, toilets, LPG gas, electricity connection, bank accounts, accident and life insurance, and small credit through

microfinance and direct lending by banks to Self-Help Groups (SHGs) under the Livelihood Mission, has considerably grown during the last few years. All this, along with Pradhan Mantri Gram Sadak Yojana (PMGSY) Road and Finance Commission-funded basic services improvements like intra-village roads, street lighting, and so on are making life in rural areas much easier for the poor. Chronic poverty has significantly come down and rice at Rs. 3 per kg and wheat at Rs. 2 per kg are a reality for three-quarters of the rural and half of the urban population. Since the labour force has grown because of displacement out of agriculture and lower migration to urban, low-paid jobs, there is a very large labour force in villages. While half of the manufacturing and construction sectors and one-fifth of the services sector have already become a part of the rural economy, meaningful skilling for enterprise and jobs has to be done on scale. The production possibility curve of our economy will only expand through a concerted effort at diversification and development of livelihoods through effective skilling at all levels. No developed country can have five crore households reporting for unskilled wage labour.

It is important to understand the education and skills continuum. Skills must necessarily be seen as a part of the education system that undertakes certification. Streaming for vocational skills has not worked anywhere. Besides, in India's case, a large number of opportunities are in the services sector, where the linkage with formal education is even stronger. The equivalence framework for credits for academic and skills courses has to be made fully operational to enable preparedness of mainstream education for skills courses, from Class-VIII onwards. The community colleges and bachelor degree courses in vocational education are an opportunity for vertical mobility of skills course students, so that they are not disadvantaged in any manner. The dual degree or dual graduation-cum-professional certificate programmes through the university system, provide useful placement-based opportunities in higher education.

What is the way forward? How do we revisit skills from a perspective of universal full employment/enterprise for higher incomes?

First, while short term efforts like MGNREGS will have to be in place, thrust must be on higher productive labour that creates durable assets and higher incomes. The thrust over the last five years on individual beneficiary schemes for irrigation, animal resource sheds, solid and liquid resource management (soak pits, vermi-compost, etc.) and support for housing, has yielded good results. The new initiative for skilling MGNREGS workers by even providing for wage loss during the skills programme, will go a long way towards improving incomes and livelihood opportunities for the poor.

Second, reserving tasks for manual unskilled wage labour, even when it is inefficient compared to machine-driven work, needs to be revisited, especially in areas where manual labour is very arduous. Opportunities for driving JCB machines for the poor is a better income-generating initiative

compared to leaving the poor to only do arduous unskilled work, generation after generation.

Third, the Gram Panchayat and community organizations like women's SHGs and youth groups should be fully involved in the skilling plan for a Gram Panchayat. A register of all men and women seeking employment or enterprise support needs to be drawn up for each and every Gram Panchayat. Based on a detailed skill needs assessment, opportunities for each and every one ought to be developed. The Livelihood Mission has shown how diversification of livelihoods is possible on scale if community connect and social capital is strong. Credit availability can greatly improve when banks develop trust in community collectives. The detailed micro credit plan for each and every household developed after assessing the asset base of a poor household is important.

Fourth, skills and credit have to go hand-in-hand. Innovative technology enabled financing, in time, through community collectives after adequate skilling opportunities, will go a long way towards developing enterprises of the poor. The Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) has demonstrated how a community cadre of *Bank Sakhis* and *Bank Mitras* and a community-based recovery mechanism in partnership with banks, help in reducing Non-Performing Assets (NPAs) and ensuring timely credit where it is needed. An all-encompassing credit guarantee fund that provides loans for economic activity to women and youth collectives after adequate community connect and social capital and with well worked out micro credit plans, needs promotion and support. Enterprises will have to be built from below. Nano enterprises can only become small or micro enterprises if provided with adequate credit support on a level playing field. Micro-finance institutions can take care of consumption loans and debt settlements; their interest rates are too high for competitive economic activity. It is for this reason that an architecture for extending cheap credit and skills to aspiring youth and women for enterprise and economic activity is well developed.

Fifth, employers ought to have a larger role in the placement-based wage employment efforts. Either apprenticeship programmes or skills programmes, managed by potential employers, ought to be encouraged, to enable a more needs-based development of skills. Every skilling programme must necessarily have a life skills component, including basic IT skills, as these really make a difference. Efforts under Deen Dayal Upadhyay Grameen Kaushal Yojana DDUGKY in Odisha and Telengana have shown how large-scale placement opportunities can be successfully linked to skills through migration or otherwise. The cost parameters of such partnerships with industry need to be revisited for a more evidence-based, mutually beneficial partnership.

Sixth, the Rural Self-Employment Training Institutes (RSETIs) ought to emerge as the enterprise hub for their respective districts. Job fairs, short-term

farm and non-farm skills for diversification of livelihoods, and credit mobilization for skilled candidates are all functions that should leverage the unique bank, State government, national government partnership for outcomes. Agricultural practices and related courses in partnership with Krishi Vigyan Kendras that have become centres of excellence, can meet the skill deficits in mechanization and modernization of agriculture and allied activities. SHGs, farmers' producer organizations, joint liability groups of women and youth, and primary agricultural cooperative societies, should all work closely with RSETIs for skills and credit linkage.

Seventh, for a large-scale impact of skills, credit, enterprise, and employment, secondary, higher secondary and higher education graduate and diploma courses, should evolve appropriate certificated courses for professional development. These could be in accordance with the needs. There is a very large demand for good health workers, paramedics and teachers, both within and outside the country. A concerted effort at developing qualified healthcare givers and teachers should be focus areas, especially in States like Jharkhand, Manipur, and so on where women have demonstrated excellent care-giving and nursing skills.

Eighth, the certification and assessment arrangements should be in accordance with the systems for higher education as equivalence of academic and skill courses needs mainstreaming. Good work has happened on developing norms for skilling. Further refinement should be taken up in the light of the experiences so far. The linkage with higher education, however, needs to be established. Revisiting skills for full employment should even be open to the idea of merging the Skills Ministry with human resource development as that is where we can leverage partnerships for a higher-order economic activity requiring higher-order skill sets.

## **The Employment-Income Crisis**

### ***Education – Skill Continuum for an Indian Miracle***

While India is the fastest-growing economy for the year, it has to overcome many challenges to secure economic eminence and citizen's well-being. Our rankings in human development, global hunger (nutrition not food grains), gender equality, and environment index are still causes of concern. The Ukraine war, high inflation (though lower than many developed nations), changing education and skill needs in demand for new, emerging job opportunities in the post-Covid-19 world, all call for a transformational education-skill continuum. It is time to repeat the East Asian Miracle and address the global challenges through an employment-oriented thrust in our education and skill system. The new National Education Policy is an opportunity to move on this pathway of reform with resources.

The significant improvement in the Ease of Living of the poor through a pro-poor public welfare thrust over the last many years on electricity, sanitation, housing, gas connections for cooking, bank accounts for women, over 90 million women in SHG collectives, and access to credit, have all improved the asset base of the poor and their ability to access public services. With 50.2% of men and 41% of women with ten or more years of schooling in the 15–49 age group, there is an opportunity to make the education-skill continuum the greatest weapon in the Indian Miracle, by reaching out to each of these youth who only need to attend finishing schools for employability!

The Skills Ministry was set up in 2014 with a strong thrust to standardize norms as per global and local demand for jobs. Sector Skills Councils were set up in 2009–2010 and competency frameworks prepared for short and long duration skills programmes. Industrial Training Institutes (ITIs), polytechnics and other skills-oriented institutions were brought on a common platform with an increase in opportunities for placement based and self-employed skill sets. Apprenticeships increased, over one lakh institutions came forward to work with over five and a half crore youth for employment. International benchmarking and global mobility were factored in and efforts made. Attempts to develop equivalence frameworks with the formal education system were also made, though not very successfully or on scale as yet. Implementation of skills programmes centrally is now rightly giving way to greater roles for the States and districts with commonly agreed norms and accreditation standards. Incentivized thrust for employment is also leading to some gaming, as pointed out by the Comptroller and Auditor General of India (CAG).<sup>1</sup> There is a need for a revisit. New beginnings are being attempted through skills hubs linking schools to ITIs/polytechnics, apprenticeship/internship embedded courses, credit equivalence frameworks, and so on.

Universities, colleges and high schools had some apprenticeship and vocational opportunities but not on a transformational scale. The challenge of unemployed and unemployable graduates or secondary school dropouts remains the biggest employment/income crisis. Disaffection in youth and low female work participation rates are matters of concern, affecting the quality of our growth and well-being.

What will help us to fight the challenges outlined above through a reform of the education- skill continuum on a universal mission mode? Specific areas of work are summarised as follows:

- (i) First, over five crore households each year, demand and do unskilled wage labour under the MGNREGS. It is a clear indictment of our development efforts. While farming is getting mechanised, non-farm opportunities or diversified livelihoods are inadequate to absorb the work force. Nearly four crore households in the Socio-Economic and



Caste Census (SECC) 2011 had no literate 25+ aged adult, making skilling that much more challenging. While half of the manufacturing and construction and one-fifth of the services sector have already become a part of the rural economy, meaningful skilling for enterprise and jobs remains to be integrated with the hinterland. New production units with infrastructure in new areas is an opportunity for an organic growth of an area. High-value agriculture and animal husbandry, horticulture and its processing and packaging thrust can also create employment on a large scale, especially for women. Waste-to-wealth can also generate jobs on scale.

Universal access to unskilled wage labour for upgradation of demand-based skills is urgently needed. The production possibility curve of our economy will only expand through an upward movement on the skilling ladder. Tamil Nadu's opportunities for skilling for all, and Madhya Pradesh's pilot in some villages for full employment through the Livelihood Mission are worth emulating. Every skilling programme must necessarily have life-skills components, including basic IT and communication skills, as these really make a difference.

- (ii) Second, it is important to understand the education and skills continuum. Skills must necessarily be seen as a part of the education system that undertakes certification. Streaming for vocational courses has not worked anywhere in the world. In India's case, a large number of opportunities are in the services sector, where the linkage with formal education is even stronger. The equivalence framework for credits for academic and skill courses has to be made fully operational to enable preparedness of mainstream education for skills courses, from Class-VIII onwards.

The community colleges, bachelor degree courses in vocational education, certificate and diploma courses in the final year of graduation that have high employability (such as counselling, tourist guides, accountancy, IT skills, etc.) are an opportunity for making BA/BSc/BCom course graduates employable on a large scale with even modest investments. Employability has to be made a responsibility of institutions that produce graduates. Such an education-skills-employment continuum will work to transform in challenging times. Institutional autonomy with quality certification and assessments will be needed. Mumbai's Ruia and St Xavier's College, and many others have vocational certificate/diploma options for employment. Tamil Nadu and Maharashtra's low pupil-teacher ratio in higher education with a large number of technical- and service-oriented institutions and courses, explains higher women's work participation as well.

- (iii) Third, a similar re-orientation of ITIs and polytechnics to reshape for employability based on skills is needed. This requires flexibility

in curriculum development and course offerings at local level. Apprenticeships and on-the-job offerings need to be integral to such efforts. Governance and regulation for apprenticeships have to become facilitative.

Teacher development and healthcare givers are also major sectors for which there is a large domestic and even larger international demand in an ageing world. These are also sectors which improve women's labour force participation rates. Emerging digital economies and digital banks will need their own set of professionals where ten years of schooling is a starting point.

- (iv) Fourth, local government and community organizations like women's SHGs and youth groups should be fully involved in the skilling plan for a local area. A register of all men and women seeking employment or enterprise support needs to be drawn up for each and every local body, rural or urban. The Livelihood Mission has shown how diversification of livelihoods is possible on scale if community connect and social capital is strong. Credit availability can greatly improve when banks develop trust in community collectives. The detailed micro credit plan for each and every household developed after assessing the asset base of a poor household is important. This calls for decentralization and community connect with a rigorous listing of all youth demanding jobs.
- (v) Fifth, skills and credit have to go hand-in-hand. Innovative technology enabled financing in time through community collectives after adequate skilling opportunities, will go a long way in developing enterprises of the poor. The DAY-NRLM has demonstrated how a community cadre of *Bank Sakhis* and *Bank Mitras* and a community-based recovery mechanism in partnership with banks, go a long way in reducing NPAs and in ensuring timely credit where it is needed. An all - encompassing credit guarantee fund that provides loans for economic activity to women and youth collectives will facilitate.
- (vi) Sixth, employers ought to have a larger role in the placement-based wage employment efforts. Apprenticeship or skill programmes managed by potential employers ought to be encouraged, to enable a more needs-based development of skills. This has been a practice across industries. The cost parameters of such partnerships with industry need to be revisited for a more evidence-based, mutually beneficial partnership.
- (vii) Seventh, the Rural Self Employment Training Institutes (RSETIs) ought to emerge as the enterprise hub for their respective districts. Job fairs, short-term farm and non-farm skills for diversification of livelihoods, credit mobilization for skilled candidates, are all functions that should leverage the unique bank, State government, and national government partnership for outcomes. Agricultural practices and related courses in

partnership with Krishi Vigyan Kendras that have become centres of excellence, can meet the skill deficits in mechanization and modernization of agriculture and allied activities. The SHGs, farmers producer organizations, joint liability group of women and youth, primary agricultural cooperative societies, should all work closely with RSETIs for skill and credit linkage.

- (viii) Eighth, the certification and assessment arrangements should be in accordance with the systems for higher education as equivalence of academic and skill courses needs mainstreaming. Good work has happened on developing norms for skilling. Further refinement should be taken up in the light of the experiences so far. The linkage with higher education, however, needs to be established.

Revisiting skills for full employment should even be open to the idea of merging the Skills Ministry with the Ministry of Education as that is where we can leverage partnerships for a higher order economic activity requiring higher order skill sets. It is time for an Indian Miracle that rides on an education-skilling continuum to pave the pathway to a higher order economic activity with universal well-being. This alone will tackle the employment-income crisis.

## **Digital Public Infrastructure**

### ***Access to Credit with Community Connect as the Way Forward***

India's Digital Public Infrastructure (DPI) and its role in making direct benefit transfers and other payments possible, into Aadhaar-linked, verified bank accounts, is rightly a global exemplar. It has taken transparency and accountability to a new level in access to public funds. It has improved the ease of money transfer in the remotest regions of the country. The unprecedented success of the Jandhan accounts for women has opened limitless possibilities for a women-led growth. From DPI being a payment-system success, the time has come for it to evolve into a credit-access-for-enterprise platform, with local level accountability, financial literacy and fair interface for deprived women's collectives with formal credit access.

The expansion of women's collectives with social capital under the Rural Livelihood Mission has been unprecedented, especially over the last ten years. Their success in southern Indian States in poverty reduction is well understood and as recently as 2013–2014, the majority of the 25 million women in rural Self Help Groups (SHGs) came from southern Indian States. In that year 86% of all collateral-free lending to SHGs went to the southern Indian States. We decided to emulate this success on scale in the poorest regions of the country with large scale deprived households.

In 2022–2023, over 90 million rural women were part of the Rural Livelihood Mission-led SHGs from all over the country. The coverage is reaching saturation with annual loans increasing manifold even in States like Assam, Bihar, Odisha, West Bengal and so on. Over Rs. 650,000 crores have been accessed as credit by these women over the last ten years with a Non-Performing Asset (NPA) level of less than 2%. Formal Banks need to revisit their surety norms as poor women, the world over, have a history of non-defaulting, if organized through process-intensive efforts. Women's collectives are facilitated by over 45,000 *Bank Sakhis* and nearly a 100,000 *Banking Correspondent Sakhis* (BC Sakhi) from among them. They are a part of the over 400,000 women Community Resource Persons (CRPs) team that drives the transformation. The CRPs are all women who have come out of extreme poverty and are now helping other women to do so through diversified livelihoods, access to credit, better provision of public services, and thrust on women's well-being. Women's collectives have demonstrated their abilities across multiple sectors and many sell on e-market platforms on scale. The DPI can further facilitate such exponential growth.

The DPI needs to harness the social capital of these 90 million women to ensure that nano-enterprises of women do not suffer for want of access to credit. The micro-finance credit is useful for consumption expenditure, housing, debt redemption, and so forth, but does not offer competitive rates of interest for economic activity. It is for this reason that we need to increase the volume of direct funding to women's collectives at reasonable and competitive rates for economic activity and enterprise. For the banks, these are very 'bankable propositions' as NPAs are negligible.

In an unequal world, interface with women's collectives protects individual members from usurious rates or bondage through mystifying loan agreements. For the DPI to become a platform for access to credit, financial literacy, community connect, and comfort of women's collectives, it is very necessary to build capacities among communities for credit access that is fair, micro-credit plan based, and transparent in terms of interest rates, cyber security, and other liabilities and promotes sound recordkeeping. Handholding alongside the digital platform with public information, a role for Gram Sabhas, and greater interface with formal institutions like banks, facilitate sustainable financing. The success of the Community Based Recovery Mechanism (CBRM) at bank branch level in Bihar and West Bengal indicates the power of community connect for sustainable progress.

The challenge in capturing the digital footprint is technological as well. Paradoxically, the bulk of the SHG financial transactions are in cash, as the SHG account is operated by two persons: the president and the secretary. While efforts to make dual authentication work in fingerprint/iris readers have been made, few banks are using it and it is too limited to 'on us' transactions within the same bank. Technology provides a rare opportunity to do

dual authentication at scale across banks and this will itself bring in thousands of crores of savings for women into the formal banking stream. Most of the 90 million women in the Rural Livelihood Mission have Adhaar-linked, verified bank accounts but unfortunately, the mapping of SHG account to the individual account has been achieved for barely 40% of the accounts so far. The Mission is in the process of developing a very comprehensive database named LokOS, which will record all transactions by collectives. If the digital footprint captures the mapping to individual accounts, the CIBIL score of deprived women will go up substantially. With formalization, like registration on the MSME portal, and with the acquisition of a PAN Card for taxes, GST registration and so on, many of the nano enterprises of women, can get access to the much-in-demand working capital at reasonable rates. TheDPI and women's collectives will both have to take a few steps to make this possible.

Even for quickly expanding capacity building for financial literacy, civil society organizations can work with women's collectives to guide and save them from any credit misadventures. It is important to demystify business processes if we wish to make credible enterprises. The access to professionals to collectives like primary agriculture and dairy cooperatives, producer groups, farmers producer companies, joint liability groups, and cluster level federations, among others, can go a long way towards building businesses from below. The digital trailblazing has miles to go to achieve its fullest potential.

The experience of 'Streenidhi' on lending institution under the Cooperative Act in Telengana, Andhra Pradesh also shows the power of an exclusive, all-digital, on-lending institution in promoting timely credit for those who need it most. Through effective micro credit plans, community connect, and timely sanction of loans through digital on lending, Streenidhi has stood the test of time. There are other examples like banks in Tamil Nadu lending to Cluster Level Federations (CLFs) of SHGs directly and of SBI using the State Rural Livelihood Mission in Odisha as an on-lending institution. The DPI can learn from some of the experiments so far to actually take credit to a new level. The criticism that Mudra loans are mostly the standard Rs. 50,000 Shishu loans can be handled by community connect and a micro credit plan for each disbursement to ascertain the real credit need for the enterprise proposed. The human interface at the last mile improves the power of the technological innovation and the DPI.

The credit being made available to women's collectives is generic in nature. Similar is the case for Mudra or other loans. The reason is lack of scales of credit for several livelihood activities, appropriate documentation, and disbursement and collection processes. There is a need for updating or formulating scales of credit appropriate for the livelihood, including interest rates, margin, schedule of payment, staffing for monitoring, handholding and so on.

Fortunately, much of it can be drawn from the DAY-NRLM experience and appropriately meshed to form a good enterprise credit mechanism.

The Reserve Bank Innovation Hub is working on some of these challenges. The Reserve Bank of India (RBI) was the trailblazer for collateral free lending to SHGs, started 30 years ago by Dr C. Rangarajan as governor. The time has come for the RBI to move to a new level of formalization and credit for larger businesses. The DPI provides an opportunity if meshed with community collectives of women and end-to-end capture of the digital trail. Women-led development with Digital Public Infrastructure, with strong community connect and the social capital of women's collectives is the way forward. It is time to junk traditional ways of creditworthiness and trust the deprived households with adequate credit based on a rigorous micro credit plan. The women rarely default; it is time we trust them. The DPI offers a technology-led opportunity.

### **Note**

- 1 See CAG Report on Odisha (2020).

# 12

## HIGHER EDUCATION

### Meeting the Challenge

Gross enrolment in higher education is a function of secondary-higher secondary completion. It is also an aspiration of households struggling to get out of poverty. Democracy raises aspirations of the poorest households as access to learning is not barred by accidents of birth – at least in theory! Gross enrolment in higher education captures the gaps of gender and social inequalities in India. Participation of women, tribals, and Dalits in higher education continues to lag behind the other more privileged sections, in spite of all the initiatives for positive discrimination and affirmative action for the under-privileged.

The question of quality is the single most difficult challenge of higher education as the phenomenon of ‘educated but not employable’ is beginning to question the growing rates of gross enrolment in higher education. The very significant expansion of the private sector over the last few decades has increased the opportunities for access, especially for those who could afford it. However, challenges of quality, equity, and employability remain as relevant for these institutions as for the publicly funded institutions.

As India enters the phase of ‘massification’ of higher education, with the Gross Enrolment Ratio (GER) crossing 20%, clarity on a few policy issues is necessary. First, there is a need to understand the higher education-skills-employment linkage better as further expansion and improvement must address the skills issue. The massification phase across the world has focused more on the skills challenge. This calls for a well-defined credit framework for skills as part of the higher education system. Second, higher education will have to address the challenge of choices for students. This calls for a teacher-led movement for choice-based credit framework. Teacher-led so that the concerns of academics are discussed and deliberated at the institutional

level, faculty found to meet the emerging needs, and flexibility accepted as a principle of engagement with students over an agreed framework. A choice-based credit framework has to be driven by the academic world and it cannot be a prescription for unity where diversity will actually be the strength. Third, expansion must factor in the fact that there is a sense of elitism about higher education and it may be easier and preferable to strengthen many existing public institutions rather than try to start new ones. An institution takes decades to flourish. China's Project 985 where 39 universities were given the funds and flexibility to become world class, is an example to emulate.

The quality of leadership makes or mars a higher education institution. There is no getting away from a rigorous search-cum-selection process for leaders of higher education institutions, without interference from any quarter. Along with responsible autonomy, professional and academic-led selection of university leaders holds the key to excellence with equity.

The challenge of quality requires a framework based on a continuum of accreditation, quality assurance and regulation. A 'standalone' system of regulation becomes arbitrary and unpredictable unless the regulation is backed with the evidence of quality and excellence, captured through a well-defined process of accreditation. The same parameters ought to apply to public and private institutions when it comes to setting minimum standards. Minimum setting of standards based on objective accreditation processes is the finest way to clear the crisis of fair regulation.

Higher education requires academic freedom to experiment and innovate. Universities must have the freedom to frame what they teach and how they plan for their curriculum and courses. Conformism must be skeletal, with academics having the freedom to add meat to the courses. Duration of courses may also be a function of flexibility as long as minimum standards are prescribed. Regulatory bodies like the University Grants Commission and the All India Council of Teacher Education need to respect academic and institutional freedom in curricular matters. There is a case for these regulators to learn from the best practices across the world.

Mainstreaming skills requires engagement with the school system and setting up of community colleges that provide a bridge for vertical mobility of those with skills. Graduate and postgraduate courses in skills are a way of encouraging the emergence of PhD plumbers and carpenters. India needs them to respect skills and to develop the notion of learning beyond just the white-collar thrust. The faculty profile of Tamil Nadu is a very interesting insight to its development. It is the only State where a range of vocational skills-providing institutions (teacher education, paramedics, polytechnics, medicine, nursing, etc.) have replaced the sole pursuit of general BA, BCom, BSc courses. This is needed in our central Indian region where skills-based expansion with excellence holds the key to reaping the demographic dividend. Skills in the higher education space are not only about 'Make in India'.



It is equally about the needs of the services sector, the teachers, the health workers, and the nurses, among others.

## **The Real Higher Education Reform**

### ***Expanding Quality, Easing Participation***

Youth in India want quality higher education that leads to decent employment. The Gross Enrolment Rate is nearly one-third and likely to touch 50% by 2030, including the distance mode. The dream of education in foreign universities remains strong in spite of the falling rupee. There is a dearth of institutions and courses that offer employable, quality opportunities for larger numbers.

The new National Education Policy (Ministry of Education, Government of India, 2020) lays down a pathway for flexibility, no hard separations between arts and sciences, extensive use of technology, multilingualism, life skills, full equity and inclusion, multi-disciplinarity and a holistic education, and a light but tight regulatory framework for higher education. Policy is good only if the impact in institutions is immediate through decentralized mandates and management. Action must begin with untied funds and improved focus.

Any ranking of higher education still finds that the lead positions mostly go to the Indian Institutes of Technology (IITs), the Indian Institutes of Management (IIMs), the All India Institute of Medical Sciences (AIIMS), the National Law Schools, and many other institutions set up by the State or in its association. Good private institutions have also come up during the last couple of decades but quality, both of public and private universities remains an area of concern.

The most critical challenge is that the best academics do not have the money to set up a 'not-for-profit' educational institution (Unnikrishnan judgement does not permit for profit institutions) as they cannot get bank loans. They can only do so by joining a private partner whose commitment to excellence may be weak. How does one make private funds build quality institutions with the academics insulated from the market pressures? How does one guarantee good academics in privately funded institutions?

- (i) First and foremost, we need to permit higher education universities and colleges to be set up under the Companies Act as for-profit institutions. The new policy is also quiet on the subject. This becomes important as institutional finance is not available to good academics to set up quality institutions. There could always be conditions like ploughing the profits back into the education sector.
- (ii) Second, many State governments can develop partnerships like the land grant system in USA or our own National Law Schools that are a

unique partnership for excellence. With the Chief Justice of the State as the chairperson of its board, States are happy to provide land and even funds for construction. Capital investments from government and private donors and recurring costs from its own generation make the law schools retain their academic autonomy and excellence. Even the private sector can be given concessional land if they guarantee a specific commitment to academic standards and transparency in recruitment and running of the institution.

- (iii) Third, brick and mortar do not alone ensure excellence. It is the human resource which actually makes the difference. The policy of a mentoring institution followed in the case of setting up new IITs and IIMs and permitting a ten-year lien to IIT faculty to go to new IITs and provide it with leadership and excellence has worked well. The IIT Act 1961 and the well-defined process of selection of directors, has largely insulated these institutions from mediocrity. The AIIMS in States should follow the same institutional architecture. The IIT Act should become the basis for a similar management ethos for central and State institutions, both public and private. Flexibility in curriculum design and transparency in selection of teachers is the only way forward. Private universities will also gain.
- (iv) Fourth, if leadership of an educational institution is the key to transformation, we cannot compromise the process of selection. While there are search-cum-selection committees, other considerations often triumph. Excellence cannot be ensured only with funds; an outstanding principal/director makes all the difference. Pursuit of evidence-based research and knowledge requires debates and dissent. Let a hundred flowers bloom!
- (v) Fifth, the student is looking for courses that lead to employability. We cannot afford to continue with the BA, BSc, BCom fixation without simultaneously offering certificated vocational programme or internship/apprenticeship wherever viable. Mainstream courses have to become employable. A career development office is needed in each institution for internships, and for academia-industry interface.
- (vi) Sixth, skill thrust and its equivalence with formal courses is immediately needed. Let two worlds not exist in isolation. ITIs, polytechnics, colleges, and universities have all to learn from each other and stay updated in what they offer. Apprenticeships with industry could pave the way for higher-order employment and incomes.
- (vii) Seventh, teachers and health workers are needed nationally and globally. There are regions like Jharkhand with an outstanding tradition of caregivers. More nursing institutions will improve the lives and livelihoods of people. Allied health professionals and teacher development has to be a focus.

- (viii) Eighth, ensuring National Eligibility Test (NET)-qualified employment in colleges has to be enforced in central, State, and private sector colleges, as we cannot afford mediocrity. There is also a need to bring in professors of practice who can bring in valuable workplace sector knowledge.
- (ix) Ninth, regulation is important but should not obstruct excellence. Technology provides for a light but tight approach. We must encourage autonomy with responsibility. Laissez-faire is not the best approach. Simplify the processes and needs, make them transparent, but do not give up quality regulation. Autonomous quality and standard-setting bodies are needed with transparent compliances.
- (x) Tenth, piecemeal solutions will take us nowhere if we do not address the core challenges as a priority. Technology is a means but not an end in itself. While we need to expand technology-enabled learning, it should not be at the cost of the teacher. Technology is an enabler and facilitator especially in a situation where good teachers are difficult to come by. Technology for enhancing teacher capability has to be integral to the approach.

The vulnerable social groups and women still lag behind in access to higher education. All efforts that improve their participation must be strengthened. Employment and education are linked and have to be at the centre of reforms. The ease of twining arrangements with foreign universities with national institutions, is perhaps the best way to offer options of excellence and exposure.

# 13

## POLICY AND PROGRAMME FORMULATION IN HEALTH

This chapter is an attempt to assess the impact of the National Rural Health Mission (NRHM). Launched in 2005, the NRHM attempted to strengthen the public system of healthcare at all levels. It had envisaged significant increase in public expenditure on health. Unfortunately, the increase has been very modest, with public expenditure on health improving from a little below 1% GDP before NRHM, to a little over 1% GDP after NRHM. There was a slowing down on increases in allocation for NRHM in 2011–2014, given the constraints of budgetary support on account of high fiscal deficit. Any new mission takes a few years to come into force and it will be safe to assume that nationwide presence of NRHM interventions can be safely said to have been in place from 2007 onwards. The foremost presence has been in the form of the Accredited Social Health Activist (ASHA) linking households to health facilities. Being a framework for implementation (and not a guideline cast in stone) NRHM has permitted flexibility to States in deciding their course of action and priorities to achieve the stated goals of the Mission. Changes in health indicators take time, even after adequate resource provision, and it is for this reason that the initial plan was to craft NRHM as a ten-year programme instead of a seven-year effort (2005–2012). Therefore, the NRHM has been extended as the National Health Mission (including urban health mission, for which only a token provision has been made in the budget of 2013–2014) in the Twelfth Five-Year Plan (2012–2017).

While assessing and evaluating the contribution of the NRHM, it is necessary to bear in mind the challenges in public health, and how many other developing and developed nations have tackled them. The NRHM was clearly an effort to take healthcare from a narrow “medicalized” perspective

to a wider public health approach; from mere discourses on antibiotics, to clean water and sanitation. The shift in approach was influenced by a systematic assessment of the current health scenario in India. The thrust on public hygiene, clean water, and sanitation as central to the public health approach has been seen in continental Europe and also in many developing economies, such as China, Brazil, Malaysia, Thailand, Mexico, Iran, and Sri Lanka. The NRHM was clearly pursuing a paradigm shift in the perspective on public health, and this required a consensus with other ministries and departments. Similarly, the efforts on fighting under-nutrition are central to public health as under-nutrition alone makes a 20–40% difference in the indicators of health and well-being. Clearly, success in the battle against under-nutrition, is integral to the public health approach. The NRHM clearly advocated building credible public systems as it was felt that, given the information asymmetry, health needs public systems and cannot be left to the private sector and markets alone. There was a clear policy articulation of strengthening public systems. This is contentious in India post-1991, where successes in economic growth through a liberalized private sector participation has given a confidence that even social development can be attained by a private-sector-led effort. This is clearly a misplaced notion as the challenges of public health are different from merely setting up secondary and tertiary care medical facilities. It is only the public system that can take care of primary health and the countervailing presence of a functional public system has consequences for the cost and quality of care in the private sector.

There is a tendency in some documents to criticize the National Rural Health Mission (NRHM) for not reaching over-ambitious targets that were never backed with adequate financial resources. This needs to be protested on the basis of evidence. Mismanagement of NRHM funds for a few years (not the entire Mission period) in Uttar Pradesh cannot be used to gloss over the success of the Mission in almost every State, even though the Mission was not provided the proposed amount of financial resources. Many States also needed a longer time to build capacities to spend. The NRHM was launched in 2005, at a time when the infant mortality rate (IMR) had plateaued around 60 for a few years (2003–2005). Any mission takes a few years to be fully functional and it is safe to assume that by 2007 the Mission took roots in the field. The NRHM's foot soldiers, the ASHAs, started connecting households to health facilities and this process naturally took a couple of years of basic training and support.

Table 13.1 clearly brings out the remarkable rate of reduction in IMR and Maternal Mortality Ratio (MMR) during the period of the National Rural Health Mission. While faster reduction is still needed to compete with the developed world, Tamil Nadu and Kerala are nearly there. This has been possible with a minor increase in allocation of resources from a little below to a little above one percent GDP public expenditure.

**TABLE 13.1** Change in IMR and MMR during NRHM/NHM period

	<i>IMR 2005</i>	<i>IMR 2020</i>	<i>MMR 2007–09</i>	<i>MMR 2017–19</i>
INDIA	58	28	212	103
KERALA	14	6	81	30
TAMIL NADU	37	13	97	58
ASSAM	68	36	390	205
ODISHA	75	36	258	136
UTTAR PRADESH	73	38	359	167

*Source:* Author.

The increase in institutional deliveries in public facilities in Tamil Nadu, shows the power of well-functioning public systems to attract the people. Every State has made efforts to improve human resources, physical infrastructure, and general functioning of government hospitals. Large numbers of managers have been brought into the system to ensure improved compliance to protocols. For the first time, government facilities have been subjected to the National Accreditation Board for Hospitals and Indian Standards Organization certification. For once, crafting credible public systems is the focus. Thrust on generic drugs through Tamil Nadu Medical Services Corporation (TNMSC)-like arrangements has also started in a few States. While a lot remains to be done, a meaningful beginning has been made in crafting credible public systems.

The public health challenges are many and only a beginning has been made with the NRHM. There is a need to deepen these reforms and continue to focus on crafting credible public systems. The public health challenges of clean water, sanitation, and under-nutrition have all to be attended to on a wider platform of community-led human development. Purchasing hospitalized care through an insurance company does not answer the public health needs. Dengue, encephalitis, and chikanguniya, all require community-led responses by a public system. Even hospitalized surgical care requires the countervailing presence of a functional public system to regulate the cost and quality of the private sector. The gate-keeping role of the public system is required in any insurance-based scheme to ensure that unnecessary surgeries are not being resorted to. Mass-scale hysterectomies have been reported in many insurance schemes in many States.

There is room for partnerships with the non-governmental sector to meet the needs of hospitalized care. Here again, a trust model like Karnataka's Yeshasvini, without insurance companies and with the State providing reinsurance, is better, as in this model all monies are spent on healthcare. The vagaries of claims ratios unnecessarily push up the cost of healthcare in the insurance

company model. A country struggling to reach even a modest 2% GDP public expenditure on health, cannot afford the high cost of care models. All partnerships require a strengthened public system with the capacity to get into partnerships. There is evidence under NRHM of Public Private Partnerships (PPPs) working well in provision of diagnostics and in management of ambulance systems. A cautious and careful approach is required in partnerships as the health sector does not easily lend itself to market principles.

The clear evidence from the States is that public systems need to be strengthened. Accountability frameworks need to be further strengthened so that flexibility in programme implementation (which is required for results) is not converted into a licence for misadventures. Greater community and Panchayat links with a wider human development approach and a common institutional framework for health, education, water, sanitation, nutrition, women's empowerment, and for the development of marginalized social groups is established from the habitation to the State level. It is high time that the ASHA worker, the Aanganwadi worker, the school teacher, the habitation level and elected Panchayat leaders, the women's groups, and the youth groups all work together for human development. The health sector needs public systems. Let us continue the NRHM thrust to make them credible.

The Registrar General of India brought out the Sample Registration System (SRS) Statistical Report 2010 (see Ministry Of Home Affairs, Government Of India, 2010). The good news was that the Total Fertility Rate (TFR), that had stood at 2.9 in 2005, was down to 2.5 in 2010, with ten States attaining replacement level fertility. As per 2011 SRS data, it went further down to 2.4. The better news is that decline in fertility has been significant even in States with hitherto unsatisfactory health indicators, referred to as Backward (BIMARU) States at some point of time. Though still 3-plus in most of these States, the decline is faster than the decline in the national average. The good news in 2022 is that most States are at replacement level of fertility. Bihar and Uttar Pradesh will have to make more efforts to reach this. There were a few hard core "family planning types" who thought that sterilization, and sterilization alone, was the way to population stabilization. They actually considered the demand-side incentive for institutional deliveries under the Janani Suraksha Yojana as retrograde, as it would lead to more child births. They argued that the compensation for loss of wages for vasectomy and tubectomy is lower than the Janani Suraksha Yojana dole of Rs.1,400 in rural areas and that this was sending a wrong signal. The evidence, I am afraid, is completely to the contrary. Population stabilization is much more a development issue, reflected best in the replacement level fertility rates in all States, be it Bihar or Kerala, when it comes to Total Fertility Rate (TFR) among women who are Class X or Class XII pass. The strong correlation of secondary education completion among women and low fertility is conclusive proof of the population as development issue.

This does not mean that the family planning programme does not need attention. It needs priority as survey after survey has highlighted the very high unmet need, both for temporary and permanent family planning methods. Male participation is still very, very low and States like Tamil Nadu also needs to celebrate their low Total Fertility Rate with caution – they have made family planning completely the responsibility of the woman of the house. That is not how it ought to be. We need to encourage male participation more effectively, just as we need to encourage reversible methods more widely. There are a range of skills and service quality issues. The demand is so high that even when quality is compromised there are a large number who want to avail themselves of the services. Poor women have voted with their feet for small families. We need to provide quality and guaranteed services. We also need to promote counselling and popularization of reversible methods and other forms of contraception more effectively. The Accredited Social Health Activists (ASHAs), the foot-soldiers of the National Rural Health Mission, have been ably connecting households to health facilities. The ASHAs as depot holders for condoms and oral contraception pills, more thrust on training of nurses and auxiliary nurse midwives' for intra-uterine contraceptive device insertion, a strong post-partum intra-uterine contraceptive device programme, counselling for family planning, birth spacing, a strong information/education campaign, increased thrust on no-scalpel vasectomy, fixed-day guaranteed quality family planning services, and accreditation of quality private providers who follow the protocol, are all important components of an appropriate strategy for family planning.

Women's health has to be seen in a wider frame of women's well-being. It is a gender empowerment issue as well. Increasing age at marriage, opportunities for participation in secondary and higher secondary education, provision of basic necessities to take care of life-cycle change in adolescence, organization of forums for adolescent girls and women, sensitization of men to women's rights and care needs, recognition of pregnancy as a period of care in a woman's life, survival of children, availability of basic primary care and free referral transport arrangements are all factors that contribute to well-being. Under-nutrition, too, has a gendered history and in societies where gender equality is organic to social relationships, the gaps are narrower. India needs to recognize gender and social equity and entitlement of the poor, the vulnerable, and women as inalienable, for the country to make rapid progress on human development indicators. Hierarchies of access to services and selective participation in human development opportunities are not the way to improved well-being. Entitlements have to be universal, and quality has to be guaranteed.

The SRS has also brought out the need for better care of the 6- to 36-month-old children. While India's infant and neonatal mortality rate has been declining significantly in the last few years, there is still a need for a faster pace of



decline in the under-5 mortality rate. The healthcare deficits of all boys in the 0–14 age group and of girls in the 0–18 age group need to be removed through guaranteed healthcare programmes for them. With one-third of India's population in this age group, India needs to ensure that the emerging young population does not suffer from physical and mental disability in childhood, compromising the human development potential itself. The war against under-nutrition is necessary for population and development as it is only through better survival and removal of irreversible debilitating impact of under nutrition in the 6- to 36-month-old children that the country will be able to move towards the cherished goal of population stabilization. The battle of sex ratio will have to be fought through gender empowerment and well-being. Male participation in health at the family level has to be considerably increased to challenge the stereotype of women alone grappling with health and population issues.

It is interesting that declines in infant and maternal mortality, crude death and birth rates, and TFR are all taking place simultaneously, highlighting the inter-connectedness of all these health indicators. The efforts by the States with NRHM resources and State-led leadership over the last seven years are beginning to show results. An increase in government spending from a little below 1% GDP to a little over 1% GDP has also started showing results. Surely, if 3% GDP public expenditure is made on health, as has long been promised, and if under-nutrition issues are addressed in a wider human development framework and not through narrow departmentalism, population stabilization also will become easier and faster. Population is really a development issue and just narrow family-planning efforts are not the answer to the challenges of gender empowerment, women's rights, and entitlements of the poor. Human development needs internalization of equity and destruction of hierarchies of access and services. Gender empowerment, social equality, and provision of basic healthcare services of good quality across the million hamlets, villages and towns for over a billion people, is the answer to population stabilization.<sup>1</sup>

## **Learning from Delhi's Dengue: 2014**

### ***Crafting a Credible Public System is the Answer***

There has been outrage on account of deaths due to dengue in Delhi. Suddenly everyone seems to have woken up to the dangers of public health emergencies. Inadequate beds and facilities in public hospitals are a subject of attention in the media and public debate. A realization that the private sector is neither designed for, nor responsible for meeting public health challenges is setting in. It is a time for reflection. It is a time for making the right public policy choices.

First, we must realize that health is a sector where markets fail on account of information asymmetry. Therefore, a market approach to public health is not desirable, more so in a country with very weak regulatory framework. Across the world, in Canada, in UK, in Brazil, in Mexico, in China of late, and in Thailand, the realization that public health needs public systems has been accepted after a lot of policy debate. The engagement of the private sector in these countries is also within a framework of a single-payer system with fixed costs and services, met from public expenditure. Public-system-backed healthcare has required over 4% of GDP public expenditure in countries like Brazil to nearly 7–8% GDP public expenditure in the UK. The USA does not follow the public systems route and its insurance thrust ends up in over 9% GDP public expenditure and nearly 17% GDP total expenditure on healthcare, likely to go up to beyond 20% in the next few years. Clearly, it is not a very efficient way of allocating scarce public resources. Compared to these high levels of expenditure, we in India spend a little over 1% GDP public expenditure on health. Surely, as a country, our public policy should follow a lower public expenditure model that is more efficient and effective?<sup>2</sup>

Second, there is no getting away from fixing the public system of healthcare. There is no other way of meeting public health emergencies when they arise. Adequate provision of hospital beds with attendant paramedic, nursing, and medical professionals are required to face up to the demand for emergency services during such public health emergencies. While the Swachha Bharat Mission thrust is a very appropriate one, our preparedness for communicable and non-communicable diseases must be commensurate with the emerging challenges. Clean water and sanitation will contribute significantly to the decline of the burden of disease in the long run, but till such returns begin we have to have public capacity to meet the challenge of such emergencies. Governance deficits of public systems have to be tackled as a priority. Local-level health institutions have to have control over funds, functions, and functionaries for services to be guaranteed to citizens. Effective systems of community monitoring and accreditation to assess outcomes, is needed in public systems. We also need a dedicated public health cadre like Tamil Nadu. Doctors are not oriented for public health responsibilities, even when they handle administrative leadership tasks.

Third, the thrust in building public capacity for healthcare has to be on creating functional horizontal platforms like health and wellness centres, health sub-centres, primary health centres, community health centres, and sub-district and district hospital and medical colleges. The National Rural Health Mission made a serious effort to build these horizontal capacities for primary healthcare. More innovations in retaining human resources for health, more thrust on accreditation of facilities, and greater follow up on standard treatment protocols and availability of generic drugs, following the Tamil Nadu Medical Services Corporation's IT enabled system of

procurement and drug distribution through district warehouses, is needed. Guaranteed services of doctors, drugs, and diagnostics make poor people vote with their feet for public systems. These are also the major causes of high out-of-pocket expenditure. It is time we tagged every household to a health facility as a first point-of-call, as in the UK's National Health Service (NHS).

Fourth, provision for enlistment of the private sector at fixed costs and standard of services is needed in as transparent a manner as possible. As the High-Level Expert Group on Universal Health Coverage had recommended, the countervailing presence of functional public systems of healthcare in secondary and tertiary sector (as in Tamil Nadu and Kerala) has positive consequences for the quality and cost of care in the private sector. Engagement with the private sector is needed as a part of a single-payer system and as per the priorities of the public system for universal health coverage. Given India's comparative advantages in cost of drugs and diagnostics, and given India's innovative and large private sector, it is possible to negotiate quality secondary and tertiary healthcare at reasonable costs. Perhaps the trust model, like Devi Shetty's Yesaswini initiative of fixed-cost surgical services at accredited hospitals, is a good model to emulate. The insurance company model in a weak regulatory framework and with no gatekeeping role for access to needs-based surgical services is indeed a difficult implementation model.

Fifth, greater thrust on preventive and promotive health and systems of early screening for illness, will go a long way towards containing costs. Universal coverage of vulnerable groups like children up to the age of 18, early detection of disabilities, adolescent girl thrust, women's health, screening of population aged 40+ for early detection, palliative care, and geriatric care, all need special focus. Occupational health, especially related to respiratory infections, needs attention as much as the thrust on tuberculosis. An intensive system of electronic health records of children, adolescent girls, and women, will help in ensuring timely intervention for good health. Tagging of households to health facilities through an entitlement card will put pressure on the public system. The ASHA (Accredited Social Health Activist) under the National Health Mission is a very good example of generating demand from households to make public systems deliver better services.

Sixth, medical and paramedical education, and nursing education, requires the highest priority. Health is a human resource intensive sector, and no amount of IT and machines is a substitute for the healthcare giver. Indian health workers will have even greater global demand given the ageing population of the world. India has the comparative advantage in provision of young health workers for the world. Reforms in the regulation of medical, paramedical, and nursing education are required to make the quality thrust strong and a focus on protocol-based and needs-based provision for

courses possible. We can increase the pool of health workers considerably by tweaking our regulations and using modern technologies, skill labs., and mannequins, on a larger scale for attaining higher levels of skills.

Seventh, financing of health through the public system must move towards 2–3% GDP public expenditure as soon as possible if we really wish to achieve a double-digit rate of growth. Health has consequences for the productivity of the work force. As more and more children, both boys and girls, complete eight years of elementary schooling and enter secondary completion, there is an opportunity for India to truly reap the demographic dividend. Good health is one of the best ways to do so. Even for attracting foreign investments in manufacturing and in urban investments for tourism, services, and others, we will have to have cleaner cities with better preparedness for meeting public health emergencies. Good health is actually good economics, like good education and good skills.

Eighth, let us go by the evidence on public systems. The efforts of the National Health Mission and also the growing participation of girls in schooling and better rural connectivity through the Pradhan Mantri Gram Sadak Yojana, have had positive consequences for India's health indicators. The IMR was down from 60 in 2004 to 40 in 2013. The TFR was down from 2.9 in 2005 to 2.3 in 2013. The MMR was down from 301 in 2001–2003 to nearer 150 now. Life expectancy has risen by over five years since 2013. All this has been possible with only a minor increase in public expenditure on health from a little below 1% GDP to a little over 1% under the National Health Mission. The best way to engage with the private sector in health is to improve the quality of services in the public system so that a countervailing presence makes the cost and quality of care in the private sector more citizen-friendly. The lesson of Delhi's dengue is clearly that crafting credible public systems in healthcare is the answer; the private sector can at best supplement public expenditure efforts.

## **Universal Health Coverage**

### ***Addressing a Few Key Missing Gaps***

The World Health Organization defines good health as not only absence of disease but also presence of well-being. Given the very large number of wider determinants of health, every minister in a Cabinet is also a health minister – water, sanitation, housing, environment, petroleum, nutrition, women's empowerment, agriculture, horticulture, urban, power, transport, education, skills, livelihoods, roads, railways, education, industry, and science and technology all have consequences for a person's health. India has done well to focus on pro-poor welfare and ease of living in the period from 2014 onwards in particular, addressing many health challenges.

Ten crore toilets under the Swachcha Bharat Mission, six crore household tap water connections so far under the Jal Jeevan Mission, electrification for over 99% of households under Saubhagya, green initiatives and moves towards zero-carbon emissions, over nine crore LPG connections under Ujjwala, over three crore pucca homes under the Pradhan Mantri Awaas Yojana, Jandhan, over eight crore empowered women through diversified livelihoods under the Deen Dayal Antyodaya Yojana – National Rural Livelihood Mission, and the efforts of Poshan Abhiyan so far have all helped in addressing the wider determinants of health and will have consequences for life expectancy.

The National Health Policy of 2017 laid out a roadmap for the health sector. The proposed one and a half lakh holistic Health and Wellness Centres (HWCs), of which over half are already functional, health insurance for ten crore households and nearly fifty crore persons for secondary and tertiary care (both in public and empanelled private hospitals) and hospitalization needs under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY), the launch of the National Digital Health Mission (NDHM) to improve ease of accessing healthcare for the citizen, the expansion of tele-medicine, cheaper generic drugs through the Pradhan Mantri Bhartiya Janaushadhi Pariyojana, the Pradhan Mantri Ayushman Bharat Health infrastructure Mission (PMABHIM) for creating capacity at all levels, including urban, to strengthen primary care, create hospitalized facilities for communicable disease at block and district levels, setting up quality laboratories, promoting research, and others, the programme for converting good district hospitals into medical colleges, opening of new exemplar AIIMS in uncovered States, reforms in the medical education sector through the National Medical Commission (NMC), development of AYUSH holistically, and promotion of Yoga and Khelo India, are all praiseworthy initiatives to extend healthcare to the poor households.

While a lot has been done, there are a few key gaps that need to be addressed:

- (i) First, it is imperative to connect households to point of first care with doctor, drugs and diagnostics (like the General Practitioners under the UK's NHS). The NDHM is an opportunity but this will need community connect, a role for Panchayats/urban local bodies, a spatial attachment to first point of care, handholding, and so on. The household, the elected local government functionary, the women's Self-Help Groups, the ASHA, ANM, and Aanganwadi workers must have the phone number of the first provider with health records available in the NDHM. If house-to-house community connect was attempted effectively, the hospitalization in Pradhan Mantri Jan Arogya Yojana (PMJAY) would have been much higher than the present three and half

crores in four years. Deprived households do not know their entitlement in many places yet. Public information, community connect, handholding, and use of technology as different means, will help in making the first point of primary care (HWCs/PHCs/CHCs with a medical officer) play the gatekeeping role for even secondary and tertiary referrals.

- (ii) Second, assessments of out-of-pocket expenditures clearly bring out how, in spite of support for secondary and tertiary care, two-thirds of the expenditure is on account of doctors, drugs, and diagnostics for primary non-hospitalized care. It is lowest in Tamil Nadu as they have a robust system of generic drug supply through the Tamil Nadu Medical Services Corporation (TNMSC) with its digitized databases linked to every district warehouse from where primary units and hospitals can indent and collect medicines through their passbook. There are no stock outs, and quality generic drugs (and medical equipment) are available to the facility. Sincere efforts to set up TNMSC-like corporations was made in every State through the Health Mission under the leadership of Shri R. Poornalingam, a retired civil servant, who set up the TNMSC. While 22 States/UTs have set up an independent corporation or society for the procurement of drugs, the automation efforts have been inadequate in many, as yet. The full digitized operations are still works-in-progress in many, defeating the purpose of TNMSC-like reforms. While funds for drugs have been provided under the National Health Mission and lists of medicines and diagnostics at different levels of the health-care system have been notified, stock outs are a common occurrence on account of non-digitization of district warehouses and absence of the pass book system at facilities. The TNMSC public management practice must be made a non-negotiable for States seeking central funds, as drugs and diagnostics are key out-of-pocket expenditures.
- (iii) Third, human resource practices and numbers need immediate attention as shortfalls, especially in rural areas, can affect outcomes at all levels. The frontline teams and the paramedics have already demonstrated their worth during the Covid-19 period. We must accept that public health needs crafting of credible systems for health. The countervailing presence of public institutions is needed to address market failures on account of information asymmetry, even for secondary and tertiary care, while using the private sector capacity fully for publicly funded partnerships. Tamil Nadu also shows the way in its exclusive public health cadre, that other States have now been asked to emulate. Tamil Nadu's posting of trained nurses in medical college for three years to enable them to acquire mastery over their responsibilities and then sending them to PHCs, is also an outstanding practice worth emulation. Nursing Skills Labs set up in Bihar under the Bill and

Melinda Gates Foundation support as an innovation, is now happening from NHM funds. It is also a good model where trained nurses from advanced States or facilities helped the weaker State nurses at facilities (with mannequins) and actual deliveries, to develop skills among local nurses. A skill continuum of ASHAs to ANMs to GNMs, to staff nurses ought to be promoted as also the multi-skilling and standardization of allied paramedical skills, so critical to management of facilities. We also need to mainstream position of hospital and health managers in our system to make quality truly achievable. With an ageing population, palliative and geriatric care will also require community workers like the ASHAs.

- (iv) Fourth, promotion of holistic care through promotion of the AYUSH does make a difference. The AYUSH is already subjecting itself to research scrutiny and mainstreaming efforts need to be encouraged. Chronic diseases respond well to AYUSH and Yoga and the have a large global market as well. It is an opportunity for India.
- (v) Fifth, in medical education, NMC must come up with a six to nine months programme for postgraduate government doctors, to certify them as teachers. That is the biggest pool of specialists doing specialist duties as general duty medical officers. It will address shortages of teachers in large measure. The other big reform in NMC should be to put thrust on family medicine as a discipline for HWC/PHC/CHC doctors. A family medicine distance education course run by CMC Vellore addresses the needs of a PHC doctor attending to varied health needs of people. It was started in the Health Mission and PHC doctors treating snake bites to maternal deliveries, had gained from it. Promotion of 16- to 24-week courses for Emergency Obstetric Care (EmOC) and for Life-Saving Anaesthesia Skills (LSAS) for GDMOs should be encouraged without compromising quality, after learning from earlier initiatives in this regard.
- (vi) Sixth, it is time that we factored in the needs of the middle classes as well, as seeking healthcare is equally difficult for them. Their participation on payment as per incomes in PMJAY will actually serve the cause of health insurance, as it will enlarge the risk pool and generate resources through subscriptions. It can also provide primary care to the middle class as an additional package in the product.
- (vii) Seventh, India has a chance to provide Universal Health Coverage at much lower than the 8% public expenditure on health provided in the UK, Brazil, and Canada, among others, on account of the holistic care through AYUSH and also the availability of quality private sector secondary and tertiary care at rates much below the global charges. The cost of secondary and tertiary care of quality in India is globally competitive through innovations in procedures and costs. Even a 2.5%

GDP public expenditure on health suggested by the National Health Policy 2017, would go a long way towards improving well-being. We will need the public funds in spite of the private participation.

The National Health Mission, started in 2005, demonstrated how even the small increase, from a little below to a little above 1% of GDP public expenditure, brought down IMR from 60 to 28, and MMR from 406 to 103. For us to reach the levels of the developed world, centre and States need to provide that additional financial support to make a real difference to morbidity and loss of Disease Adjusted Life Years (DALYs). With a large, young population and with simultaneous efforts in many wider determinants, we must find the money to make India the true leader in the Amrit Kaal period. Explore financing sources (e.g., tax on tobacco, junk food, and luxury goods) for universal health coverage, but do not neglect well-being as it is the pathway to the demographic dividend and sustainable economic progress in a post-Covid-19 world.

## Notes

- 1 This chapter draws on the work done by the author as part of the High-Level Expert Group on Universal Health Coverage in India (2011), chaired by Dr K. Srinath Reddy.
- 2 High Level Expert Group on Universal Health Coverage (2011), chaired by Dr K. Srinath Reddy; 2011–2012.



## MAKING QUALITY HEALTH FOR ALL A REALITY

Good health is the foundation of a happy and prosperous society where individuals are able to develop their fullest human potential, without the infirmity of ill-health compromising the quest. Universal Health Coverage for citizens is a measure of a nation's movement towards inclusion and well-being. It is critical to a sound and robust system of social security. It is for this reason that developed countries across ideological beliefs and political systems, have prioritized quality healthcare at reasonable cost as a very important imperative in their quest for growth and well-being. While India has made considerable progress since its abysmal health indicators at independence, it still has a very long way to reach the level of developed and even of many developing nations. For its level of economic activity, India is seen as lagging behind on health indicators, the significant gains made since 2005 on account of the National Rural Health Mission notwithstanding. There are large inter-State variations with Kerala competing with the best in the world and some States still far behind.

It is very difficult to define good health within the boundaries of the Health Ministry. The wider determinants of health like housing, drinking water, and sanitation, education especially girls' education, environmental pollution, occupational health issues, and income transcend narrow departmentalism. The first and foremost requirement therefore is to make every minister in a Cabinet, a health minister as well, pursuing the same common goal of not only absence of disease, but presence of well-being. The Gram Panchayat Development Plan encompassing all the 29 sectors listed in the Eleventh Schedule of the Indian Constitution, therefore, becomes the best way forward. The primary health system has to be accountable to the community and community institutions/Panchayati Raj Institutions (PRIs). In the absence

of a multi-dimensional approach, the gains will always be limited. Panchayats and women's Self-Help Groups (SHGs) can greatly ensure the community connect needed for early detection and guaranteed services of doctors, drugs, and diagnostics.

The second requirement is to build the public system of healthcare as the health sector is notorious for market failure on account of information asymmetry. It is for this reason that efficient and reasonable cost health systems are either fully publicly funded (e.g., UK, Brazil, China) or have insurance arrangements that are strongly regulated (e.g., Germany, Japan). The USA is the wrong example to follow as it is one of most inefficient (in terms of value for money) and expensive systems of healthcare. While Kerala and Tamil Nadu in India have equally large public and private systems of healthcare, the presence of a functional public system of care, determines the cost and quality of care in the private sector. Even through private insurance, more than half of the claims for secondary and tertiary care and procedures, go to the public hospitals in these States. While we need to buy services from the private sector especially for secondary and tertiary care, we must get the balance right, like Kerala and Tamil Nadu, for the partnership to be mutually beneficial.

Third, it is time we realized the entitlement of a household to an identified point of first contact. Like the NHS in the UK, every citizen in India needs to be attached to a fully functional Health and Wellness Centre for primary and preventive care, with its paramedic-led sub-centre formation, including the ASHA Worker. Doctors, drugs, and diagnostics, alongside health promotion and prevention through Yoga, sports, no smoking and no drinking campaigns, among others, need to go together. Wherever public systems are under-staffed, systems of contracting in civil-society-led teams for full guaranteed services ought to be in place. This must be publicly funded. In case of fund crunch, those who can afford it should be made to pay some contribution to the kitty. Paramedics are as important as a doctor and we need to ensure a fully integrated system that builds on the best of AYUSH as well. Public recruitment should give way to primary unit specific recruitment in the future and satisfaction of the client ought to be the most important consideration. Tamil Nadu's Tamil Nadu Medical Services Corporation (TNMSC) has demonstrated successful public procurement of drugs and equipment at reasonable prices and the same ought to be emulated everywhere. Flexibility in ad hoc recruitment by a facility, without compromising the basic standards, ought to be introduced to tackle HR challenges. The norm-based and Indian Public Health Standard-based provision for equipment and services need to be enforced to ensure a guarantee of doctors, drugs, and diagnostics everywhere. A similar guarantee for maternal and child health services and also horizontal well-developed platforms of health and wellness care to tackle the burden of communicable and non-communicable diseases, ought to be the thrust.

Fourth, public health challenges require a wider determinants approach. Not all medical practitioners are trained for it. For effective tackling of public health emergencies, it is important to develop a public health cadre, as in Tamil Nadu. It is the only cadre where teaching and administrative responsibilities are interchangeable. Managers in hospitals and public health officers as team leaders in districts and blocks, is a requirement today and we need to really push this. Likewise, ANMs and well-trained community health workers doing basic medicine dispensing needs to be promoted with adequate training and support. The use of Gentamycin by well-trained community workers in Abhay Bang's Gadchiroli work in bringing down neo-natal mortality, is emulated by other countries in the neighbourhood. In India, the paediatricians still oppose this. The Life-Saving Anaesthesia Course and the Emergency Obstetric Care Course for MBBS doctors under the NRHM, were successful and we need to systematically promote these to meet the shortage of doctors.

Fifth, the last five years' thrust on Ease of Living for poor deprived households with provision for toilets and sanitation, housing, LPG gas, electricity, bank accounts, life and accident insurance, and Poshan Abhiyan, is a great opportunity for maximizing the gains from the health system. A very large part of the wider determinants has been tackled and with the new commitment to clean drinking water for every household by 2024, it is possible to significantly speed up the improvements in health indicators. Thrust must be given to crafting credible public systems of healthcare at all levels and a move away from "provincialization" of cadres to "communitization" of cadres at all levels. The community connect and community cadre of workers will greatly improve the outreach of access to Ayushman Bharat like services for hospitalized care. There must be a decentralization of health services within the umbrella of Panchayati Raj Institutions and community institutions of the poor like SHGs to make Ayushman Bharat deliver as per the vision of Universal Health Coverage and sharp decline in out-of-pocket expenses and prevention of destitution. Social audit to see how programmes are doing at the community level, with a very powerful technology-based system of grievance redressal will go a long way towards improving the quality of health services and reduction of out-of-pocket expenses.

Sixth, the communitized thrust on nutrition ought to be institutionalized within the framework of Panchayati Raj Institutions. Crafting credible systems is always a challenge in the actual availability of quality services. Weighing of children has to become a community activity for it to become regular. The 0–3 age group need special support and nutrition initiatives must ensure a deficit-free first 1,000 days. Availability of drugs locally, clean water, timely and appropriate supplementary feeding after six months of exclusive breast-feeding, increase in age at marriage, beautiful infrastructure for Aanganwadi Centres and their emergence as a day care centre for children aged 0–3 and pregnant and lactating mothers, is needed. There is a need

for a far higher number of community health workers in these day care centres as demonstrated in the work of Jan Swasthya Sahyog in Ganiyari, Bilaspur, and Chhattisgarh.

Seventh, crafting public systems and Standard Operating Protocol (SOP)-based working arrangements need flexible financing and decentralization for HR needs. Making public systems deliver quality services requires good use of technology, timely provision for procurement, and HR as per need. The model is about crafting through plumbing, with adequate resources. We will need more managers to deliver health services through functional and SOP-based health facilities.

Eighth, health for all will need more public resources, even if secondary and tertiary healthcare services are purchased. There is a need for an integrated health system that takes into account all resources in health.

Ninth, major reforms in medical and paramedical education need to be speeded up. The objective of regulation ought to be the production of appropriately qualified and trained medical and paramedical personnel in line with their needs. Artificial scarcity by misreading regulations and not using new pedagogical and technology-based learning materials, would be unfortunate. Regulation is needed and it has been one of our weakest areas of governance. While quality should never be compromised, out-of-the-box thinking to find solutions to our HR challenges in health is equally important.

In conclusion, the five main approaches that NRHM championed, namely: (1) communitize, (2) flexible financing, (3) monitor progress against standards, (4) improved management through capacity, and (5) innovations in human resource management seem to hold good even today. It is all about crafting credible public systems and simultaneously seeking partnerships with the non-governmental sector. Better partnerships with the non-governmental sector also requires the countervailing presence of functional public systems, as so well evidenced in Kerala and Tamil Nadu.

## **Vaccination Success and Frontline Teams**

### ***Understanding the Role of HR and the Public System in Health***

Administration of 185 crore plus vaccination at an unprecedented pace is India's story of celebration.<sup>1</sup> The vaccine-manufacturing capability with a well-oiled vaccination team with cold chain and frontline teams for administering the doses, is indeed a remarkable success for the public system of healthcare in India, notorious for its low public expenditure. It also brings out the role of HR with a good technology for IT like COWIN. A deeper analysis throws up many points for action in building up public health capacity. The active participation of chief ministers in periodic interaction of the Hon'ble Prime Minister, has thrown up a good partnership for results.

First, the ASHA worker, the only activist in a public system, has made a difference.<sup>2</sup> She is not the last rung of a government employee. She is a local, of the community, who receives performance-based payments and has been provided outstanding capacity development support through a series of ASHA development programs. From a community worker to a basic community health worker is a journey that many of the ASHAs have been through and it is a success of the National Health System Resource Centre, in partnership with States. The National Rural Health Mission framework for implementation made a passionate plea for strengthening public system of delivery and providing human resources with flexible financing and decentralized management of services. It provided for part-sharing of salaries/honorarium of new HR positions in a partnership of the central and the State governments, over a declining basis in a sustainable manner. While expanding infrastructure, we have to bear in mind a simultaneous thrust on HR to make the buildings work to full capacity. A Centre-State partnership on HR on a declining scale over a long period, becomes extremely important. The primacy of HR and the public system has to be recognized while making investments in the sector. Public Health Emergency Funds were released to States as a priority to meet the emergent needs of Covid-19 management. The Health and Wellness Centres, with their thrust on holistic health, provide a perfect platform for an integrated approach.

Second, frontline teams are able to work with local Panchayats and community organizations like the SHGs. With 43% of the elected 31 lakh Panchayat leaders being women and over eight crore women in SHGs under the Deendayal Antyodaya Yojana National Rural Livelihood Mission, an all-women frontline leadership has emerged for connecting to households. The ASHA, the ANM, and the Aanganwadi workers form a formidable team and adequate cold chain and session planning can take the system to high levels of coverage. This success was reflected in Mission Indradhanush and the NFHS-5 2019–2021 (Ministry of Health and Family Welfare, Government of India. (2021) captures many of these gains. Institutionalizing the Panchayat partnership will reap rich dividends.

Third, the National Health Mission and Mission Indradhanush made substantial investments in building a functional logistics and cold chain based on meticulous planning. With improved availability of electricity and physical infrastructure in health facilities in rural areas, and with thrust on sustainable maintenance of stocks and systems through use of effective IT systems and technology, we have in place an effective delivery system in remote regions. Vaccination requires provision of services in a dispersed manner, and it was only possible through such an effort.

Fourth, the urban primary healthcare system does not match the rural one as far as primary healthcare services are concerned, in most States.

It is good that the Ayushman Atma Nirbhar public health infrastructure Mission is focusing on urban primary healthcare systems as well. This is needed, along with human resources to provide the extension services. An equally active urban local leadership at Bastis and Ward levels are required to make the frontline connect with households more effectively in urban areas.

Fifth, India's production capacity in internationally benchmarked vaccine manufacture and State support for research and product development, have made innovation possible in a short period. Expansion of labs and research has served India well in developing a range of vaccines that have great global demand. India has been a major source of supply of vaccines to the Global Alliance for Vaccines and Immunization. International benchmarking makes access to markets easy. New players and new vaccines that have potential require State support and India has demonstrated that in large measure, with the Prime Minister himself visiting production units. Repurposing production lines made ramping up of production faster without losing out on basic standards.

Sixth, ramping up of testing facilities and the remarkable COWIN platform and ease of getting vaccinated, really made the difference. Meticulous planning and identifying weak areas for supplementation, has been the hall mark of this effort of not leaving anyone behind. What gets monitored gets done. When a whole-of-government, whole-of-society approach is adopted, the movement is even faster. Everyone geared to a common purpose, from the Prime Minister to the common citizen, speaks volumes for people's movement. The private sector was also engaged wherever needed, aligned with a public purpose as outlined in the National Health Policy 2017 (Ministry of Health and Family Welfare, Government of India, 2017).

Seventh, improved road connectivity, safety and security, electricity and drinking water, mobility and transport, and cell phone penetration make it easier to reach out in remote areas. Use of technology like drones for delivery and sustaining the motivation of the remote health worker by recognizing the efforts in difficult areas through a communication strategy, all added to a spirit of public service.

Eighth, while the private sector can supplement, public health is largely a public funding sector. It needs the pro-active State to build public health capacity at all levels with equally strong and well-equipped critical care systems where required. Given the information asymmetry, a functional system of public healthcare has great relevance as a countervailing presence for the cost and quality of care of the private sector. We need to invest in crafting credible public systems in partnership with States with a focus on needs-based human resources for health. A system of upgrading, multi-skilling, reskilling, and upskilling frontline health workers to meet the challenges of changing public health needs is our best guarantee for the safe health of

citizens. With investment in the social determinants of health like water, housing, electricity, gas for cooking, toilets, community mobilization, women's empowerment, and so forth, crafting credible public systems become easier. The health sector needs a continuum of health workers who can move up the ladder with skills. An ASHA today, could become an ANM, a General Nurse Midwife (GNM), a public health nurse and so on, with appropriate opportunities for capacity augmentation for skills. A strategy of incrementally developing local persons as frontline health workers has great advantages in community connect.

Ninth, the thrust of the Finance Commission recommendations on decentralized management of primary healthcare augurs well for a people's health in people's hands approach. Technology is a great enabler, a means to connect communities, and to connect households to health facilities. Technology is not an end in itself, and the digital mission must focus on this last-mile community connect and facilitation with adequate handholding and community oversight. The Panchayats can leverage a great thrust on working together across the 29 sectors assigned to Gram Panchayats and the 18 sectors assigned to the urban local bodies, as listed in the Eleventh and the Twelfth Schedules. To make every minister a health minister we need to make the local government truly a Gram Panchayat-led convergence across the identified sectors. The results will be remarkable. A PRI-SHG partnership pushed meticulously over the last five years and the Sabki Yojana, Sabka Vikas Gram Panchayat Development Plan thrust over the last five years, have highlighted what the coming together of functions and functionaries at the local government level in a meaningful manner bring about.

### **ASHA – Hope for Health**

The World Health Organization has recognized and rewarded the contribution of the million ASHAs in reaching every household during the Covid-19 pandemic. It is acknowledged that they facilitate linking households to health facilities and play a pivotal role in house-to-house surveys, vaccination, public health, and reproductive and child health measures. Accredited Social Health Activists (ASHAs) are often discussed for their contribution as community workers in health. In many States they are also doing national health programmes and a range of communicable and non-communicable diseases. A case is made for them in terms of the performance-based payments that they get. They do not get a fixed salary like a government servant. Many have argued for an employee status for them and there have been agitations for it. The idea of performance-based payment was never to pay a paltry sum. The compensation was expected to be substantial.

As someone associated with the crafting and evolution of the ASHA worker, one must see the genesis. The ASHA programme based itself on the

successful Mitani programme of Chhattisgarh, where a community worker looks after 50 households. The ASHA was to be a local resident, looking after 200 households. The capacity-building thrust of the ASHA programme was very robust, allowing for a stage-wise development of capacity in selected areas of public health. The modules developed by the National Health System Resource Centre provide for skills as well and made learning by doing essential to the effort. Besides others, Dr T. Sundaraman, and Rajani Ved, in particular, provided lot of support to this process. Many States tried to incrementally develop the ASHA from a community worker to a community health worker and even to an ANM/GNM or a public health nurse.

Many important public policy and public management lessons emerge out of this successful experiment with community workers, who are not the last rung of the government system; they are part of the community and are paid for the services they render. The idea was to make them a part of the village community rather than government employees, not fully accountable to the people they served. Over 98% ASHAs belong to the village where they reside and know every household at a family level. Their selection involved the community and key resource persons. Educational qualification was a consideration. With newly acquired skills in healthcare and ability to connect households to health facilities, they are able to secure benefits for households. They are like demand-side functionaries, helping patients reach facilities, and providing health services nearer home.

It is a programme that has done well across the country. In Rajasthan, an effort was made to use the additional worker as an ASHA but that had challenges in the initial years. As skill sets improved, the recognition and respect for the ASHA went up. In a manner it became a programme for incrementally developing a local woman as a skilled health worker. Mobility needed in taking patients, especially for institutional delivery to facilities, created new challenges for ASHAs. Where to stay in a hospital? ASHA Ghars started coming up in States like Odisha. How to manage mobility? How to tackle safety issues? These led to a partnership among frontline workers, Panchayat functionaries, and community workers. This entire process, along with the strengthening of public infrastructure for health with flexible financing and innovations in human resource provision under the Health Mission and Health and Wellness Centres, led to a strengthening of facilities and increased footfall in government facilities. It started making public systems more accountable. If the facility did not extend quality services, there would be protests.

A community worker added value to this dialogue. Incentives for institutional deliveries and the setting up of emergency ambulance services like 108, 102 across most States also created a pressure on public institutions



and improved the mobility of ASHAs. All in all, it created a new cadre of a performance-based payment based, incrementally skilled local workers. The ASHAs were respected as they secured health services for the households and provided basic health services at doorstep. Home visits added more value to this process of building relationships.

Challenges have arisen with regard to the performance-based compensation. In many States, the total payout is low and often delayed by many months. The original idea was never to deny the ASHA a compensation that could be even better than salaries. The only intent was to prevent a “governmentalization” and promote “communitization” by making them accountable to the people they served. There were serious debates in the Mission Steering Group and I recall late Raghuvansh Prasad Singhjee making a very passionate plea for fixed honorarium to ASHAs. Dr Abhay Bang and others wanted the community character to remain and made an equally strong plea for skill and capacity development of a community worker. Some States even provided an incentive to ASHAs to move up the human resource/skilling ladder by becoming ANMs/GNMs and even staff nurses after preferential admission to such courses.

The important public policy lessons are the need for incrementally developing a local worker, keeping the accountability with the community, making performance-based payments, providing demand side push with a simultaneous augmentation of services in public systems. The system can only sustain and grow if the compensation is adequate, and the ASHA continues to enjoy the confidence of the community. It raises the debate on regular government employees and performance-based workers. Rationally, there is an equally strong argument to grant permanence to some of these positions with a reasonable compensation as sustaining motivation with such a system has many challenges. The incremental development of a local resident is the other important lesson that human resource engagement in these community linked sectors ought to bear in mind. It should apply to other field functionaries like ANMs, GNMs, and public health nurses as well. It is equally important to ensure that the compensation for performance is timely and adequate. Ideally, an ASHA should be able to make more than the salary of a government employee. The linkages with Panchayat leadership and Livelihood Mission women’s SHGs are other community formations whose linkages make for a change and transformation of health systems. While appreciating the efforts of ASHAs, we must bear in mind the need to compensate adequately and timely for motivation to sustain. Opportunities for moving up the skill ladder in the formal primary healthcare system as an ANM, or a GNM or a public health nurse. Upgrading skill sets and easy access to credit and finance will ensure a sustainable opportunity to earn a respectable living while serving the community. Strengthening access to health insurance,

credit for consumption and livelihood needs at reasonable rates, coverage under pro-poor public welfare programmes, will all contribute to ASHAs emerging as even stronger agents of change.

### **Notes**

- 1 See Yadav (2022), India's Vaccine Growth Story – From Cowpox to Vaccine.
- 2 See Sinha (2013), *An India for Everyone*.

# 15

## POSHAN, PEOPLE, AND PANCHAYATS

India has been embarrassed by high levels of stunting, wasting and underweight children. While successive governments have emphasized a need for a breakthrough, substantive success still eludes us. Science is certain that persistence of under-nutrition creates irreversible changes in the learning abilities of many infants, besides susceptibility to disease as they grow. The first thousand days are the key to reversing changes and ensuring proper nutritional development of every infant and mother. The Fifth National Family Health Survey (NFHS-5) 2019–2021 (Ministry of Health and Family Welfare, Government of India, 2021). reports 35.5% of children under five are stunted, 19.3% wasted, and 32.1% underweight. These are unacceptable levels for the present and for our future generations, it irreversibly compromises the learning abilities of such children and their adult health.

The challenge of under-nutrition is not rocket science. It can be tackled effectively over a short period if the thrust is correct. The recently released NFHS-5 brings out the unfinished agenda and the slow rate of decline in under-nutrition. It also brings out how Sikkim, UP and Bihar did better than some other States in reducing stunting in children and under-weight children during this period. (See Figures 15.3, 15.4 and 15.5) The women's collectives have already shown their impact in the southern States. Punjab and Haryana suggest how food and prosperity alone without gender equality is inadequate. The role of the community in Sikkim, the Jeevika SHG women in Bihar, well trained ASHAs and their role in UP, an improved community understanding of behaviour change, does make a difference. Nutrition as a subject does not lend itself to narrow departmentalism. It actually calls for a whole of government and whole of society approach. Technology can at best be a means and monitoring too has to become local and community led. Panchayats and

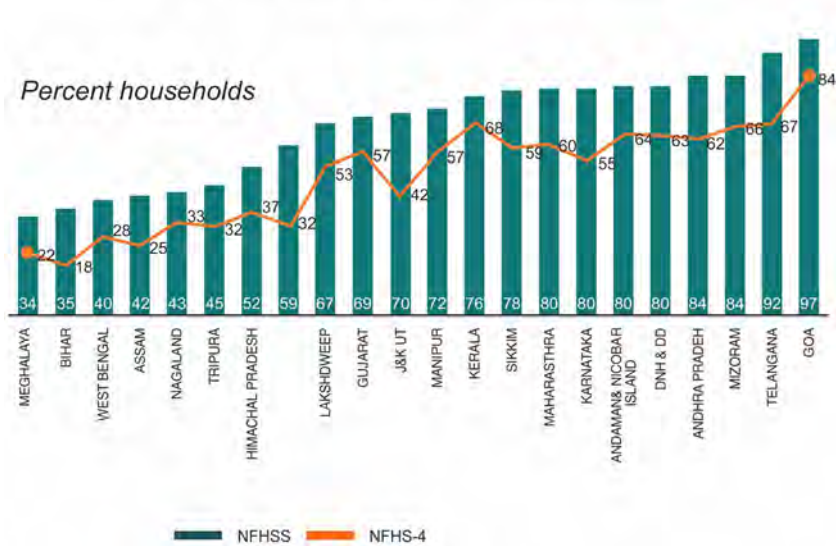
Community organizations are the best way forward. The nutrition challenge is also a women's empowerment challenge. It is an important behaviour change challenge in favour of exclusive breast feeding, natural foods instead of junk food, clean water, sanitation, and food diversity.

Technology use was rightly emphasized in Poshan-I. A large number of phones were procured to make a vibrant and responsive feedback loop. The aggregation of data and its sharing was however happening a few levels higher than where it is collected. This defeats the purpose of timely and effective monitoring. This has been rectified now. While dashboards can be useful for policy makers at the State level, it is the lower formations that need evidence-based feedback to make a difference. The National Rural Health Mission pushed the community activity of Village Health, Sanitation, Nutrition and Health Days (VHSND). This thrust translated into an improvement in nutrition indicators. Community interface and oversight of nutrition initiatives is an imperative as it actually does not follow Departmental boundaries. If we want to make a difference, many sectors, especially health, has to be fully engaged simultaneously. Decentralization through PRIs and Urban Local bodies with funds, functions and functionaries becomes imperative to be able to make need-based choices and meet resource needs.

Everyone wants to use the word 'janbhagidari' without understanding the nuances of a community-led action. Every process has to be well defined, and every performance measure has to be quantified and institutionally followed up for 'janbhagidari' to be effective. Otherwise what passes as community action is often only a one-time gathering of people. Communities need attractive and periodic activities with a role in the monitoring of their children's progress. If more people in a village, including Panchayat leaders, women SHGs and cooperative institution representatives, can weigh and measure infants, timely interventions to tackle under-nutrition is possible. Timely availability of basic medicines often reduce the incidence of wasting caused by seasonal illnesses drastically. It is time every infant and pregnant mother is monitored by a frontline worker or a community volunteer, and local governments have the responsibility and resources to seek redress of deficits.

There is a very strong case for wider determinants of health priority considering the impact of clean water on water borne diseases, sanitation on vector borne diseases, and improved housing, and safe cooking (see Figure 15.1) on the physical and environmental health of the poor households. With a thrust on these sectors as part of the pro-poor public welfare and improving Ease of Living, it is a good time to make quantum gains in nutrition. A lot of work is happening to secure clean and safe piped drinking water. Sanitation has improved and utilization of household toilets has also considerably gone up. Housing has improved as has access to LPG for cooking, electricity, Bank accounts, and so on. These wider determinants have the potential to improve the ability of poor households in fighting

## Use of Clean Fuel for Cooking



**FIGURE 15.1** Use of Clean Fuel for Cooking.

National Family Health Survey-5 (2019–2021).

under-nutrition. Much more work is needed on waste to wealth and a behaviour change for hygiene and cleanliness.

While food grains contribute to food security, it does not alone address the challenge of chronic hunger and under-nutrition. Infants in their growing age and pregnant women need a range of vitamins, minerals and proteins that are not there in food grains alone. They need a balanced and diverse meal where fruits and green vegetables, milk, eggs, pulses, oil, paneer, are all integral part of the food. Diversity of food in adequate quantity and of appropriate quality is the way forward.

If we want to improve our position on the Global Hunger Index, we will have to address under-nutrition as a societal mission where the women SHGs, the Panchayat leaders, the frontline workers, the households, all have well-defined responsibilities. Every process needs to be measured and monitored with sufficient flexibility in the system for needs-based interventions. Flexibility and mid-course changes at the cutting edge to respond to felt need, is a must in any system of public management. Same size fit all is a recipe for disaster and flexibility calls for enormous public accountability.

We need to develop the institutions of accountability through community monitoring and action, social audit and community led planning and

implementation. The Gram Panchayat Development planning process has to give primacy to nutrition as most of the 29 transferred sectors with Panchayats have a direct role in improving nutrition. Alongside Community organizations like the Livelihood Mission SHGs or strong Primary Agricultural Cooperative Societies, Panchayats can play a pivotal role in transforming the nutrition of infants. Some very poor villages or hamlets may well need day care centres and other support and the programme has to be flexible enough to provide for needs-based interventions at the local level.

The importance of complimentary and supplementary feeding at six months, the need to ensure immediate and timely support in case of diarrhoea, dysentery, fever, skin infections, and so on, to prevent repeated loss of appetite and dehydration is critical as often infants get undernourished on account of a few of these episodes going unattended. It makes the infant weak for further infections.

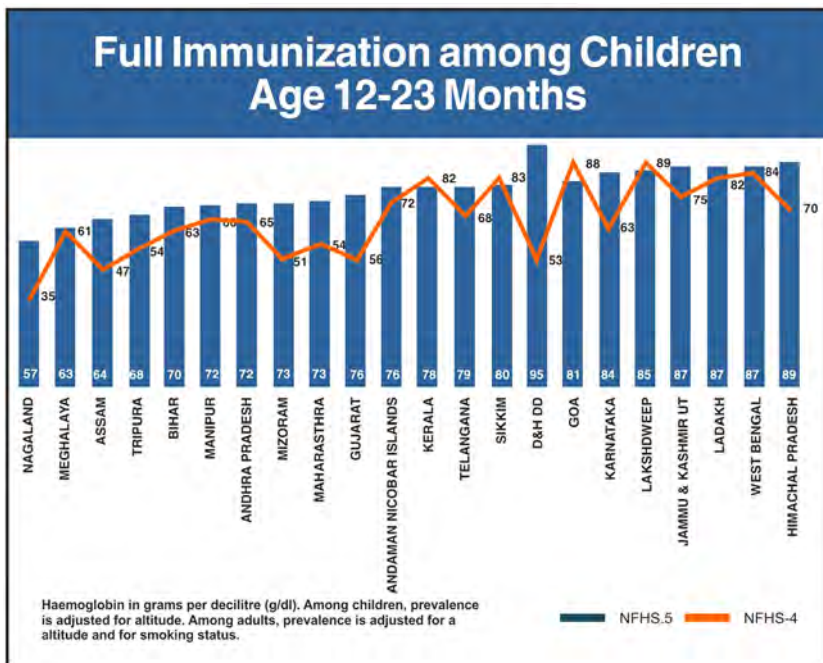
Measurement holds the key as it will facilitate a focus on those who need immediate attention. There may even be a need for care and support at a facility if infants have already fallen into severe under-nutrition. One has to be careful about the most optimal supplementary support and there are very few (if any) substitutes for natural food diversity. It is for this reason, the efforts at local nutrition kitchen gardens and fruits and vegetables being grown in School premises and on other public lands, will create a societal impact on under-nutrition. Food diversity and in appropriate quantities is critical for child survival. The Gadchiroli experiment bears this out.

Under-nutrition also calls for an appreciation of the need for mature age at marriage and at first delivery as under-age mothers give birth to a larger number of underweight infants. While the age at marriage has been increasing over the years, we still need to give it further primacy. Social movements for women's rights and care during adolescence and during pregnancy need a strong thrust. (See Figure 15.6) Gender relations influence our hunger situation and we do need to make a difference there. With more women in Panchayats and with a very large presence of women's SHGs under the Livelihood Mission in rural areas, there is really an opportunity to make a difference in gender relations.

The National Education Policy 2020 has emphasized the continuum of learning and views pre-school learning as integral to primary learning. This is a desired step and will improve not only the learning among children, but also their levels of nutrition. Schools are a social/public institution with well earmarked space and function. Aanganwadis, on the other hand, continue to struggle with space of their own in many States and are more informal. This often leads to poorer monitoring and governance in these centres as people are not aware about what infants and children ought to get by way of support.

The assignment of responsibilities for grains and cooking to SHGs has helped where such community organizations are vibrant. However, in many other places, this is not the case. It is hoped that the partnership with schools will improve access to food for children aged three to six years old. The duplication will lead to savings that should be used more effectively.

The use of technology for monitoring is an excellent initiative as then the focus on children most in need becomes possible. Interventions have to be tailored to the monitoring feedback and efforts to make use of monitoring data at the local level for immediate rectification ought to be the focus. The support for immunization and health services and periodic health assessments by trained local community frontline workers, is helpful. (See Figure 15.2) Guidance to parents is needed on a regular basis and the greater the interaction of the frontline worker with households, the greater the likelihood of timely interventions. Let us address the curse of under-nutrition with a complete involvement of State, local governments, civil society, community organizations, industry, business, and all of society and government.



**FIGURE 15.2** Full Immunization Among Children Aged 12–23 Months. National Family Health Survey-5 (2019–2021).

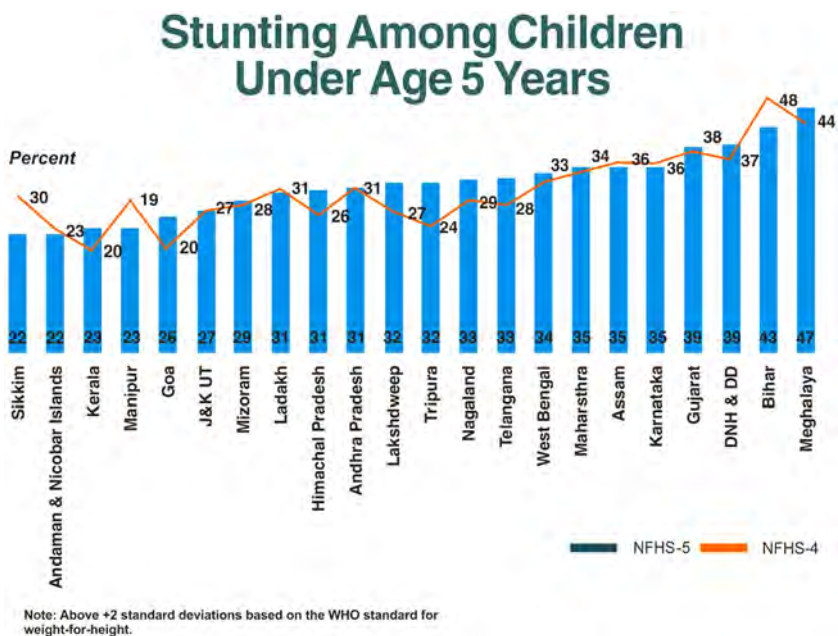


FIGURE 15.3 Stunting Among Children Under Age 5 Years.  
National Family Health Survey-5 (2019–2021).

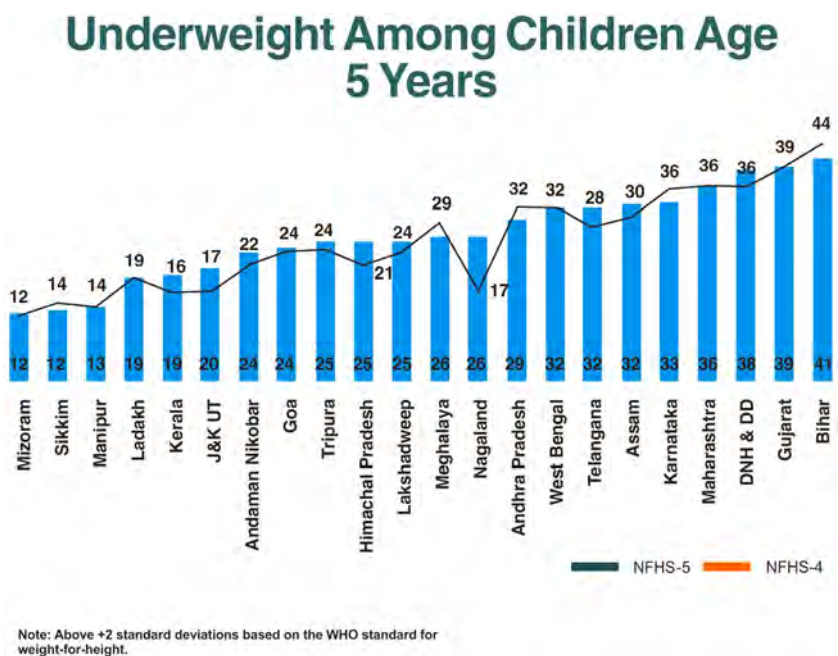
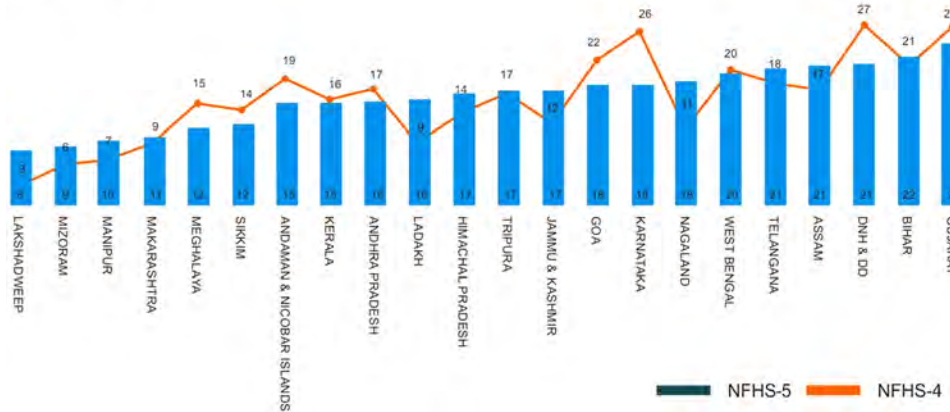


FIGURE 15.4 Underweight Children Under Age 5 Years.  
National Family Health Survey-5 (2019–2021).



## Children Under 5 Years Who Are Wasted

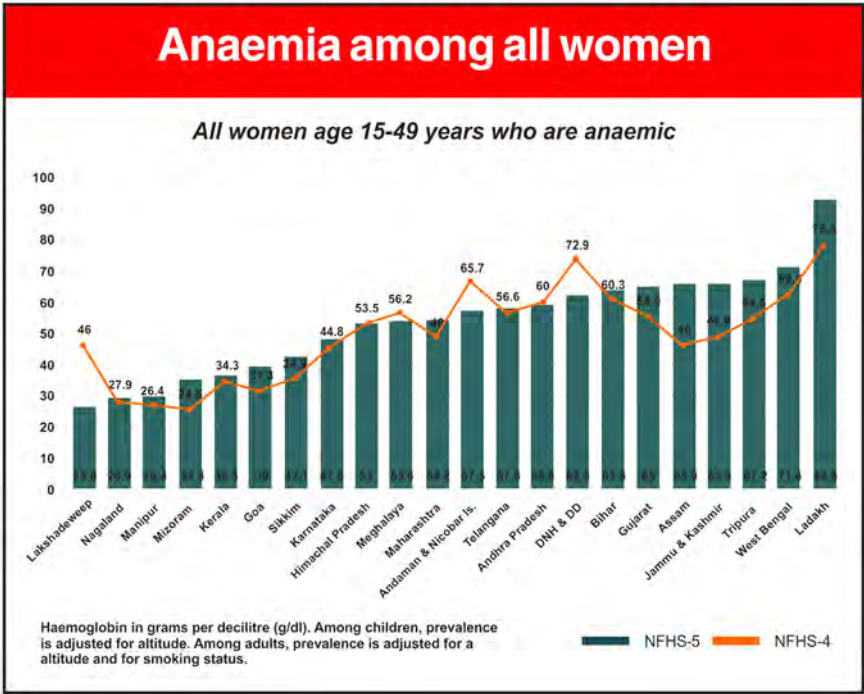
Percent



Note: Above +2 standard deviations based on the WHO standard for weight-for-height.

FIGURE 15.5 Children Under Age 5 Years Who Are Wasted.

National Family Health Survey-5 (2019–2021).



**FIGURE 15.6** Anaemia Among All Women.  
National Family Health Survey-5 (2019–2021).

**Hits and Misses in Health and Nutrition**

***Lessons to Learn for Immediate Action***

The Registrar General of India confirms India’s Maternal Mortality Ratio (MMR) as 97 for the 2018–2020 period. It was 301 in 2001–2003. The Infant Mortality Rate (IMR) was 58 in 2005. It was 27 in 2021. We have reasons to be less unhappy; we still have a long way to go. The pace of decline, however, has picked up momentum, post-2005. The National Rural Health Mission (NRHM) was launched in 2005 with the aim of providing accessible, affordable, acceptable, and accountable healthcare through a functional public system of primary healthcare and countervailing presence of quality secondary and tertiary care services in public systems to ensure engagement with the private capacity for good quality and at effective rates.

It was designed to galvanize the various components of primary health system, like preventive, promotive, and curative care, human resource management, disease management and surveillance, and data management systems, and so on for improved service delivery. The NRHM adopted the five

approaches of: (1) ‘communitization’, (2) improved management through capacity, (3) flexible financing, (4) monitoring progress against standards, and (5) innovations in human resource management. Crafting credible public systems was an unambiguous thrust of the NRHM.

Unfortunately, allocation for the NRHM did not keep with the projections and the public expenditure on health only went up from a little below 1% to a little above it. Even this had positive consequences, notwithstanding the corruption by a handful of officers/ministers in Uttar Pradesh and Jharkhand. The NRHM seems to have had a positive consequence for many indicators. Health facilities started looking better. With untied funds, doctors, drugs, and diagnostics became a reality, institutional deliveries jumped, foot soldier vacancies of ANMs and nurses started getting filled up, and the community’s ASHA workers started putting pressure on public systems to perform by getting patients there.

### ***What Explains These Gains?***

First, the NRHM had a clear thrust on crafting credible public systems in primary health. Community connect and human resource capacity mattered and flexible financial resources were available at all levels for effective interventions for outcomes.

Second, the central, State, local government partnership with civil society and with the full involvement of frontline workers was a thrust. Planning had to begin from below. Community monitoring was civil society led.

Third, the approach was pragmatic and provided for a diversity of State-specific interventions. The decentralized planning process, where the States came up with their annual plan on the basis of district health action plans, became the norm. The appraisal and approval process, the regular sharing of State innovations for replication, innovative approaches like the 18 to 24-week Life-Saving Anaesthetic Skills, and Emergency Obstetric Care Courses for MBBS doctors, were all designed to meet needs. The strengthening of Tamil Nadu Services Corporation (TNMSC) including drug and equipment procurement systems, the distance and contact hybrid family medicine course of the Christian Medical College (CMC) Vellore and the public health course of the National Institute of Health and Family Welfare (NIHFW) were all designed and adopted to push pragmatic capacity building for better outcomes. Not permitting well-trained ANMs and Nurses to do intra-muscular Gentamycin injection (as in Abhay Bang’s Garhchiroli experiment followed in other countries) has slowed the pace of decline of neo-natal mortality. Formal approvals have many roadblocks in India.

Fourth, institution building was facilitated in work with Panchayats and facility-specific Rogi Kalyan Samitis or hospital management committees. Civil society was engaged in community action through the Population Foundation of India. The 108/102/104 Emergency Ambulance Services were

started in nearly all the States/UTs. Hospital managers, health managers, accounts and planning professionals were brought into the mainstream system to improve the efficiency of processes. Over 60% of funds were to be spent at district and below district level and large-scale untied grants were made available to every level of health institution.

Unfortunately, nutrition has not seen these kind of initiatives as yet. The levels of children under five who are stunted, wasted or underweight revealed by the NFHS-5 report are unacceptable for present and for future generations: these conditions irreversibly compromise the learning abilities of such children and their adult health. The Poshan Abhiyan, though innovative, is still not addressing the institutional decentralized public action challenge yet.

In our initiatives for nutrition, unfortunately, we have remained compartmentalized and fragmented. The Integrated Child development Services (ICDS) is seen as the nutrition initiative but the institutional role for local Panchayats and communities with untied financial resources is still lagging behind. Nutrition does not lend itself to narrow departmentalism and such non-institutional wider partnerships are destined to fail.

The multi-dimensionality of under-nutrition makes it imperative that ICDS is revamped to converge integrally with health, education, water, sanitation, and food security at all levels, under the local government umbrella. Given the diversity of the ground level situation, it is equally important to allow for context-specific and needs-based prioritization at each and every Aanganwadi Centre by allowing flexibility through decentralized local action, made possible by accountable decentralized financing.

The twelve reorganization principles for nutrition success, should be as follows:

- (1) Let the Gram Panchayat, Gram Sabha, women's collectives of the Livelihood Mission and other community organizations together be responsible for education, health, nutrition, skills, and diversified livelihoods.
- (2) Panchayat-led committees of the concerned wider determinant departments are needed at the block and district Zila Parishad levels as well.
- (3) Operationalize village-specific planning processes with decentralized financial resources.
- (4) Allow simultaneous interventions for all wider determinants of nutrition.
- (5) Assess for additional care-givers with full capacity development to ensure household visits and intensity of monitoring needed for outcomes in nutrition.
- (6) Encourage diversity of local food including millet, served hot.
- (7) Ensure availability of basic drugs and equipment for health care and growth monitoring in each village.

- (8) Intensify behaviour-change communication.
- (9) Institutionalize monthly health days at every Aanganwadi Centre with community connect and parental involvement.
- (10) Create platform for adolescent girls in every village for empowerment and for diversified livelihoods through skills.
- (11) Decentralized district plans based on village plans should be the basis for interventions to ensure Aanganwadis face no deficits like no buildings or no untied resources.
- (12) Move to a “leaving no one behind”, rights-based approach to ensure universal coverage of the under six, adolescent girls, and pregnant women for full coverage of all needs.

MGNREGS convergence has shown how one lakh Aanganwadi buildings could be constructed over the last few years. Women’s collectives have made a difference in States like Sikkim and Bihar.

The nutrition challenge is also a women’s empowerment challenge. It is an important behaviour change challenge in favour of exclusive breast feeding, natural foods instead of junk food, clean water, sanitation, and food diversity.

What comes out very clearly in examining hits and misses is that success requires a team effort right down to every Panchayat, ASHA/Aanganwadi workers, a partnership of the local, State and central government, partnerships with civil society and frontline workers, a leaving-no-one-behind strategy with a diversity of interventions including day care centres if needed, and so on. We should never give up efforts at crafting a credible public system in health and nutrition with accountable and decentralized financial resources. Let us begin re-crafting our nutrition initiative, learning from the hits and misses. We do not wish to be embarrassed each time a global report is published.

## IMPROVING GOVERNANCE OF PROGRAMMES

### **Twelve Transformational Initiatives in Rural Development (2014–2019)**

Diversification and development of livelihoods and improvement of infrastructure holds the key to poverty reduction and improved well-being of households. The Department of Rural Development has taken twelve transformational initiatives over the last 28 months to make a real difference to the lives of the rural poor. The SBI group's chief economic adviser, Soumya Kanti Ghosh's analysis in March 2017 (based on estimates by Bombay Stock Exchange (BSE) and Centre for Monitoring Indian Economy (CMIE) from data collected regarding the employment/unemployment status of all members of 15 years or more of a sample of randomly selected households) of the reduction in unemployment and the key role played by the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the thrust on water conservation have already highlighted how thrust on productive durable assets can raise incomes and provide employment. 'We believe this decline is primarily due to Government's efforts in providing new employment opportunities in rural areas,' noted Dr Soumya Kanti Ghosh of State Bank of India Research (Ghosh, 2017).

The more recent HSBC study pointing out that 70% rural households who own up to one hectare of land or are landless do not seem to have faced the rural distress unlike the top 30%, seen in terms of increasing wages and reducing rural unemployment, also confirm that initiatives for the rural poor have worked even during a difficult period of drought and falling prices for agricultural commodities. This needs further analysis and understanding of the trends and interventions during this period. The Department of Rural

Development being a major source of public programmes (employment, skills, social security, livelihood diversification, road construction, water conservation, solid and liquid resource management, and others) it will be useful to analyse twelve of the most transformational initiatives in rural development from April 2015 to July 2017. Besides the steep stepping up of resources for rural development programmes by central and State governments (as State share), large scale direct and indirect transfers especially under National Food Security Act (NFSA) (making Rs. 3 per kg of rice and Rs. 2 per kg of wheat possible for 75% rural households), and 14th Finance Commission funds for infrastructure to Gram Panchayats also appear to have reduced the distress for the poor.

If one looks at the Department of Rural Development's 12 transformational interventions, the following stand out:

- (i) **Completing and using the results of the Socio-Economic Census (SECC 2011) in identifying the poor households for more focused interventions** – SECC 2011 is the first census that provides the details of households with their names. The automatically included 16 lakh households of the poorest of the poor and nearly 8.70 crore households with any of the seven deprivations give us the universe of the poor. By using different deprivation parameters for generating a list of beneficiaries and subjecting it to community validation through the Gram Sabha, it is possible to generate a list without inclusion errors. By providing for appeal for exclusion errors, it is possible to rectify mistakes, if any, at a later time. Use of space technology especially for geo-tagging the old kutchcha house with kutchcha roof provides a visual confirmation of deprivation. Likewise, by using the percentage of deprived households and percentage of landless manual casual labour as a proportion of the total such households in the country, it is possible to scientifically examine the labour budgets proposed by States under MGNREGS. Under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) and MGNREGS, by using the deprivation filter, it can be ensured that each of these households get wage employment and are members of women's Self-Help Groups (SHGs). The Sumit Bose Committee provided a road map for effective use of SECC in rural development programmes and this has been a real game-changer for rural development programmes. Along with other forms of validation and updating, it provides a real opportunity to capture the universe of the poor seen in terms of the multi-dimensionality of poverty. This universe of the poor cuts across the identities of caste, group of castes, religion, and creed, and judges a household's entitlement purely from the perspective of deprivation and multi-dimensional poverty. It is a game-changer as it allows monitoring over time of the status of households

on parameters of deprivation. The Pradhan Mantri Ujwala programme for LPG connection could be rolled out so effectively in a short time as beneficiary selection was based on SECC deprivation. There is a strong case for developing a system of updating the socio-economic status periodically and the Department of Rural Development is currently engaged in developing appropriate modalities for doing so, along with other Ministries and Departments.

- (ii) **Intervening on Scale** – Rural India has a very large number of rural households spread over a million habitations and villages. Clearly the interventions have to be to scale. There has been a very significant increase in the central government's allocations and actual spend under the Department of Rural Development. With an allocation of Rs. 1.05 lakh crores in 2017–2018, there is a doubling of allocation compared to 2012–2013. Add to it the State shares (60–40 in non-Himalayan and 90–10 in Himalayan and NE States). Annual transfers under the 14th Finance Commission to Gram Panchayats were also in the range of Rs. 25,000 crores to Rs. 35,000 crores during this period. Over Rs. 70,000 Crores has been leveraged as bank loans by women's SHGs in the 2015–2017 period; a manifold increase compared to the previous years. The thrust on placement skills and self-employment skills have also facilitated larger economic activity in rural areas. The convergence for animal husbandry and livelihood diversification has also added additional incomes for households. The NFSA's annual subsidy of nearly Rs. 70,000 crores to make rice and wheat available at cheap prices further adds to the food security of poor households. The resources, if used in convergence, and in a saturation mode and with minimum leakages, have the power to transform the lives of rural households. Some of the independent household data on unemployment and wage rates capture the impact of intervening on scale. The dream of one crore beautiful homes for the poor under the Pradhan Mantri Awaas Yojana Gramin, connectivity for all eligible rural habitation with all-weather pucca roads by March 2019, leveraging over Rs. 60,000 crores annually as bank loan for women's SHGs (three times the loan in 2014–2015) by 2018–2019, is possible as resources are available to back the vision.
- (iii) **Unprecedented thrust on water conservation and livelihood security** – The hallmark of a prosperous village that has managed to ensure the well-being of the households is effective water conservation. This is the lesson from Hivre Bazaar to Piplantri. It is for this reason that MGNREGS decided to ensure at least 60% of the expenditure under the programme is on agriculture and allied activities. With the Hon'ble Prime Minister holding meetings with 13 chief ministers of drought affected States in May 2015 and urging the chief ministers to focus on



water conservation, the stage was set for a State-led thrust. The Mukhyamantri Jal Swavalamban Abhiyan in Rajasthan, Neeru-Chettu in Andhra Pradesh, Mission Kakatiya in Telengana, Jalyukta Shivar and water conservation in initiatives in Maharashtra, 'Dobha' farm pond construction in Jharkhand, and a range of State-specific water conservation programmes across many States, the MGNREGS provided the highest wage employment of more than 235 crore person days both in 2015–2016 and 2016–2017. This was the highest number for the previous five years. The total expenditure, too, in these years was the highest ever since the inception of the MGNREGS. Thrust on individual beneficiary schemes for goat sheds, poultry sheds, dairy sheds, individual household latrines (IHHL), 90/95 days' wage labour for housing, 9.70 lakh completed farm ponds, all provided an unprecedented opportunity for augmenting incomes and improving the quality of life. The new Mission Water Conservation Guidelines in partnership with Ministry of Water Resources and Department of Land Resources, with a thrust on 2,264 water-distressed blocks and with a focus on developing technologically sound and scientifically vetted water conservation plans along with capacity building of frontline workers and engineers, is going a long way in improving the quality of intervention and its impact.

- (iv) **Citizen's engagement with programmes to improve accountability** – The department focused on citizen centric approach to improve accountability. Special efforts were made through cluster and Panchayat facilitation teams in identified backward blocks. The planning exercise under the Intensive Participatory Planning Exercise in 2,569 backward blocks using SECC deprivation data and knocking on the doors of every deprived household and planning for its well-being, also strengthened the partnership with the poorest households. The use of citizen-centric apps like the Meri Sadak app to get feedback on roads and the awaasoft app for uploading pictures of Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) houses, also helped in connecting with households. To further the public information campaign, the department organized a Gram Samridhi and Swachhata fortnight 1–15 October 2017 at every Gram Panchayat. During this period, the Gram Panchayat office building displayed for public scrutiny, all available records of programmes, beneficiaries, and so on. A cell-phone-based Janata information system is also being launched whereby every programme in the village concerned can be seen by any villager to improve his/her scrutiny of the programme. Similarly, a cadre of social auditors is being developed from among the women's SHGs after proper training and certification on the social auditing standards that have been notified in consultation with the office of the CAG. A community cadre

of well trained and certified social auditors will be the best bet for a vibrant accountability framework.

- (v) **Transparency through IT/DBT and use of Aadhaar** – The department has been a leader in use of transaction-based MIS for IT/DBT transfers straight into bank/post office accounts. 98% wages under the MGNREGS and 100% payments under PMAY-G are on the IT/DBT platform. Aadhaar seeding with consent has also progressed very effectively and over 5.5 crore of MGNREGS labourers already have an Aadhaar-linked bank account, with their consent. We are trying our best to speed up the process in all our programme to ensure that genuine beneficiaries are the recipients of public programmes for employment, skills, livelihood, social security pensions, and housing. We have also promoted digital payments through our over five lakh frontline workers, Community Resource Persons (CRPs) and other functionaries. The availability of the banking correspondent or post office outlet with micro-ATMs at fixed village locations on pre-determined dates, will unlock the power of easy digital transactions on a large scale. It will also ease the hardships for labourers, and pensioners, among others. The women's SHG CRPs have offered to become banking correspondents or *Bank Sakhis* and the experience so far is encouraging.
- (vi) **Transparency and effective monitoring through use of space technology** – The power of space technology in promoting transparency can be seen in the relentless efforts made to geo-tag over 1.6 crore assets created under the MGNREGS. An even more powerful use is in the final selection of beneficiaries under PMAY-G after 100% geo-tagging of beneficiaries before their old dwelling and for reporting progress of construction, with latitude/longitude details. All these geo-tagged assets are available in the public domain for anyone to see. This really facilitates transparency. In PMGSY, space technology has been used for monitoring the alignment of roads, the actual road construction distance, and its success in connecting habitation. It is also being used to check the success of road side plantations through MGNREGS on PMGSY roads. Our challenge is to now universalize this application on roads and to do a 'before, during and after' geo tagging of all MGNREGS assets.
- (vii) **Leveraging Bank loans for SHG women for development and diversification of livelihoods** – While the Deen Dayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) had demonstrated enormous social capital through community mobilization and group formation, the economic activity development and livelihood diversification needed a thrust. The main thrust over the last 28 months have been on diversification of livelihoods through convergence of resources of all on – going Rural Development programmes. Thrust has also been given to a detailed monitoring of Bank linkage as ultimately, any

poverty reduction effort will require access to institutional credit at reasonable rates for diversified economic activity. Innovative on-lending institutional arrangement have been made in States like Andhra Pradesh and Telangana for on-lending to SHGs. Other States are trying out replication and alternate models to expand the outreach of direct bank funding to SHGs through an on-lending institutional set up. This is necessary as economic activity requires credit at reasonable rates. Micro finance institutions lend at 20–30% which may be good for consumption but is not appropriate for competing through economic activity. Having already reached an annual Bank linkage of over Rs. 40,000 Crores, we are confident of crossing Rs. 60000 Crore lending by 2018–2019. An effort is being made to provide at least one lakh rupee loan in multiple doses to a household to enable it to come out of poverty. By linking skill development integrally to SHGs, preparedness of households to utilize Bank credit effectively is also being augmented.

- (viii) **Speeding up pace of construction of Pradhan Mantri Gram Sadak Yojana ( PMGSY) roads and large-scale use of green and innovative technologies** – Road connectivity is transformational in offering new livelihood opportunities to a rural village. Besides easing the access to markets, it also encourages mobility for wage labour. Therefore, a sincere effort was made to speed up the PMGSY road construction from 70 km per day in 2011–2014 period to 130 km per day in 2016–2017. In 2017–2018, this is being further raised to 155 km per day to enable all weather connectivity to all eligible habitations under PMGSY. The use of green and innovative technologies like use of waste plastic, fly ash, geo-textiles, cell-filled concrete, cold mix, and others is also being significantly scaled up to ensure an environmentally appropriate strategy for roads. The successful maintenance system of Madhya Pradesh and the community maintenance experiment of Uttarakhand are also to be emulated in other States. The Meri Sadak app is already improving citizen feedback. Efforts to bring all roads on GIS maps is also being made. 100% geo-tagging of roads is being attempted over the next two years, with systems of monitoring road side plantations and roads.
- (ix) **Needs-based skill upgradation like barefoot technicians, rural masons, custom hiring centres, rural transport schemes, other Deen Dayal Upadhtyay Grameen Kaushal Yojana (DDUGKY) and Rural Self Employment Training Institutes (RSETI) initiatives** – Skills for placement and self-employment are needed to tackle large scale under-employment in rural areas. A large number of new rural enterprises in the form of retail business, farmer producer organizations, custom hiring centres, rural transport systems, handicrafts and handlooms, and crafts,

among others are possible through a planned system of support and convergence. The Rural Development Department has been trying to leverage the core strengths and programmes of concerned departments like agriculture, animal husbandry, Micro, Small and Medium Enterprises (MSME), Khadi and Village Industries Corporation (KVIC), textiles, and so on to provide scalable opportunities for farm and non-farm employment. Special training programmes for barefoot technicians and rural masons is to reduce over time, the pool of unskilled wage-earning households in the country from the current over five crore. All these programmes are formally vetted by the Sector Skill Councils and provide for assessments and certification. The Department of Rural Development has brought all its placement-based and self-employment skills programmes on to the common norms of the Ministry of Skills, to enable basic standards and protocols. The DDUGKY and RSETIs programmes are being further improved to acquire excellence and even higher placement/settlement rates.

- (x) **Promoting innovations for transformation** – The Department of Rural Development has been very innovative in addressing the priorities of local communities and States. The solid resource management programme in over 80% of villages in Tamil Nadu, the liquid resource management programme in Maharashtra, Andhra Pradesh, and Telengana and now to Bihar and Chhatisgarh through MGNREGS and DAY-NRLM convergence, are all examples of innovation. The Aajeevika Grameen Express rural transport scheme, Mission Water Conservation and Rural Road Guidelines, housing typology studies to develop region-specific appropriate technologies and designs for rural housing, the Livelihood in Full Employment initiative under the MGNREGS to promote skill development among the MGNREGS workers, are all examples of large-scale innovations that have been attempted during this period.
- (xi) **Evidence-based monitoring, and expert inputs for key themes for evidence-based mid-course corrections** – Large-scale programmes require a systemic approach to monitoring and evaluation for effectiveness. Besides very strong and transparent transaction-based Management Information Systems (MISs), use of geo-tagging to ascertain quality of assets, visit to 600 districts each year by institutional monitoring institutions to look at specific programme implementation, and a common review mission to eight States twice a year to look at the quality of implementation, are some of the efforts improving monitoring. Besides these, national level evaluation of programmes like the Institute of Rural Management Anand (IRMA) study of DAY-NRLM recently published, and other insightful commissioned studies to understand how a programme is doing are other efforts to evaluate interventions.

The use of a trained and certified cadre of social auditors from among the women's SHG members has been recently initiated to provide a firm basis to social audit. Given the diversity of knowledge needs and cutting-edge technologies, the department has set up high level expert groups on human resources for results, information technology use and challenges, internal audit, market linkage and value chain, engaging the finest minds from within and outside government, to steer the Rural Development (RD) programmes effectively. An evidence-based approach is the best safeguard against mediocrity and the department is relentlessly pursuing a zero-tolerance agenda on corruption or misuse of public resources. Studies to track governance improvements are also being initiated to ascertain the level of leakages, if any, in public programmes.

- (xii) **Implementation in convergence mode** – It is important to analyse the context of households and their well-being, within the larger macro-picture of what transformations are possible within the current policy framework. That poverty needs to be seen in a framework larger than mere income is getting wider acceptance. Poverty-freedom is seen as enabling social opportunities for deprived households to come out of their destitution. Poverty-freedom, therefore, connotes an ability to develop one's fullest human potential through education, health, skills, sanitation, clean drinking water, nutrition, food security, livelihood, housing, gender, and social equality and empowerment, connectivity, electricity, enterprises, systems of sustainable resource use, and waste management. In a way, the challenge of poverty-free Gram Panchayats is about exploring the potential for rural transformation by simultaneous interventions to address the multi-dimensionality of poverty. It is this convergent approach that is seen as Mission Antyodaya, a mission to address the multi-dimensionality of poverty simultaneously for the households with deprivation.

What makes a poverty-free Gram Panchayat approach relevant? Is it really possible to move in that direction? The provisional data from the SECC 2011 offers an opportunity to understand the socio-economic condition of a household from the perspective of multi-dimensional deprivation. A family could be deprived due to asset deficit, no wage/work opportunities, lack of education, skills, or health care, gender and social inequality, absence of sustainable livelihoods, lack of proper housing, sanitation, and clean water, among others. Disability or absence of male earning members in women-headed households or households with no adult members, could throw up specific challenges to becoming poverty-free.

The SECC offers an opportunity to plan interventions on the basis of the objective situation of the households. Based on the National Population

Register and Census 2011 enumeration, SECC offers the universe of households and their socio-economic status. There may well be households that are not included or where the data entry has been flawed. The way out is to set up a social registry and a transparent system of updating of household data through a well-defined process of inviting objections and redressing grievances. A community scrutinized household database, widely publicized by display at the Gram Panchayat building (over 70% GPs have their own building) and a mandatory reading out of names of the deprived households at every Gram Sabha will further help in cleaning up the data.

# 17

## COMMUNITY CONNECT, GPDPS, AND RANKINGS

### Promoting Convergence for Better Outcomes

The Ministry of Panchayati Raj and Ministry of Rural Development are separate ministries at the national level. In most of the States, Panchayati Raj and Rural Development is one department. There are major advantages in Panchayati Raj and Rural Development being together. They are as follows:

- (i) The Gram Panchayat Development Plan (GPDP) can be operationalized using funds under rural development programmes and also other departments in the 29 transferred sectors which are the responsibility of Panchayats as per the 11th Schedule of the Indian Constitution.
- (ii) It allows an opportunity for joint capacity development of elected Panchayat leaders and community organizations like women's Self-Help Groups (SHGs) under the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM). The Rashtriya Gram Swaraj Abhiyan (RGSA) launched by the Hon'ble Prime Minister last year provides for this.
- (iii) Human resource planning at Gram Panchayat level can be more outcome focused. The Sumit Bose Committee on Human Resources in Panchayats has already made recommendations for better HR Management at Panchayat level.
- (iv) With ranking of Gram Panchayats on the basis of infrastructure, human development, and economic activity on a scale of hundred, it is possible to bridge the identified gaps systematically. This requires the leadership of Gram Panchayats and community organizations.

- (v) The planning process will become much more effective if all concerned departments disaggregate their budgets at the Panchayat level.
- (vi) The thrust on aspirational districts will be much more effective if that exercise is also a part of the Ministry of Panchayati Raj and the rural development planning process starting from bottom-upwards.
- (vii) Funds are available under rural development programmes and Panchayati Raj Ministry only has funds for capacity development of Panchayats. By bringing the two together, it is possible to have synergies of convergence and far better use of the finance commission's resources with greater public information, accountability, and improved financial management.

A convergent approach for better outcomes was adopted in the Gram Swaraj Abhiyan (GSA) that covers 63,974 villages in aspirational districts and large villages with very high levels of deprivation. The broad community strategy under GSA was as follows.

As is evident, saturation of seven schemes was attempted in a time-bound manner using the community mobilization of DAY-NRLM women's SHGs and elected Panchayat leaders. Partnership with frontline workers was also a very important part in this time-bound exercise. This could be possible as Panchayati Raj and Rural Development Ministries worked together as a team for its delivery. It was a true example of cooperative federalism where the central, State, and local governments connected with community organizations to deliver time-bound outcomes. The Gram Swaraj Abhiyan offers a very good model for achieving outcomes under New India 2022.

Economists and political leaders have been debating poverty reduction and coming up with their own solutions. It is important to evaluate these perspectives in the context of public policy and public management to see what works and what does not. As is always the case, debates in India are often more ideological rather than evidence-based. As a practising public servant who has engaged with the lives of poor and programmes for them for over three and a half decades, I aim in this piece to take an evidence-based view on interventions.

Economists have long debated the role of infrastructure and human development for poverty reduction. There have been liberal economists who thought that infrastructure and markets would make all the difference in the lives of the poor. There were others who thought that without human development no transformation of poverty could happen. Some saw poverty from a limited prism of income, while others recognized its multi-dimensionality. Some economists recognized the poverty of households, and others commented on the poverty of regions.

Clearly, poverty is multi-dimensional, and its reduction is the net outcome of effective access to education, health, sanitation, skills, connectivity, markets,



and credit linkage among others. It is also true that improved infrastructure improves the quality of public services in remote regions especially for education and health services. Improved incomes of poor households also lead to disposable incomes which are required by poor households to support their children in schools. It is, therefore, clear from evidence that the multi-dimensionality of poverty has to be recognized if we want to make a real difference.

The southern Indian States which have successfully reduced poverty, especially Kerala and Tamil Nadu, point to five factors which really make a difference to poverty. They are:

- (i) Adolescent girls' participation in higher secondary/higher education.
- (ii) Decline in fertility.
- (iii) Formation of women's SHGs.
- (iv) Livelihood diversification through skills.
- (v) Bank linkage for SHGs.

A well-functioning public system of healthcare especially in Tamil Nadu and Kerala, alongside a thriving private sector in health created a thrust on public health issues in these States. This had positive consequences for maternal and child health as well. The countervailing presence of a functional government health system has ensured reasonable cost and high quality in the private sector of health care as well. The thrust on education of girls in these States also added to a faster reduction of poverty in subsequent decades.

Our failure on primary education in the first five decades of independence especially with regard to girls' education compromised our ability to beat poverty faster. 69.23% of girls aged 6+ were not enrolled in schools in rural India as late as 1986. The 42nd Round National Sample Survey (NSS) (National Sample Survey Office. (1986) is a severe indictment of our failure on this count. The 71st Round NSS (National Sample Survey Office, 2015) for the first time recognized that the gross attendance rate of boys or girls, rural or urban is almost the same up to Class-VIII. While quality of public education remains unsatisfactory, there is clearly a participation revolution especially of adolescent girls in elementary and higher secondary schooling. The bicycle for adolescent girls' programmes are a reality over a lot of northern and eastern Indian States today and what happened in southern Indian States is now happening in these regions including the formation of women's SHGs, decline in fertility, and bank linkage for SHGs. Clearly, poverty reduction has to be a women-led and social capital driven initiative. Social capital is not only a means of social justice; it is also the finest starting point for sustainable economic activity.

The debate regarding Universal Basic Income (UBI) is disturbing in a country with huge education, health, and infrastructure deficits. The pressures of

democracy limits withdrawal of subsidies in many sectors. Under such a scenario, a UBI will only reduce public resources for the essential education, health, and infrastructure provision. However, UBI for the old, for widows, and for differently abled on a much higher scale is the need of the hour. Given the fact that 42 million households, even in the SECC, in rural India had no literate person above the age of 25, it is likely that we have to live with a generation of non-literate and unskilled adults, and a 60+ population who need a generous State with strong social security network. By all means, we must further increase allocations and coverage for a truly universal social security for those who are not able to work and are already aged 60+.

However, for the working-age population, grant of “dole” by whatever name is highly unsatisfactory in a country with huge deficits in infrastructure both human and physical. The working-age population must earn a living rather than living on dole in the name of basic income. By all means, let every household earn much more than a basic income but for such initiatives to be sustainable, these income transfers must lead to creation of durable assets that increase incomes and diversify livelihoods.

It is in this light that recent reforms in the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) are very relevant for durable assets and income generation. The MGNREGS undertook major governance reforms like electronic fund management, IT/DBT payments for wages and materials, geo-tagging of assets, and others. The 60:40 labour to material ratio instead of being enforced at Gram Panchayat level was made a district level requirement, thereby, facilitating the construction of durable assets as per need. The thrust on water conservation has provided protective irrigation to over one crore hectares of land. Farm ponds, dug wells, vermi-composting, and solid and liquid waste management have all generated a new perspective in developing villages. Added to this, Individual Beneficiary Schemes (IBSs) like dairy sheds, goat sheds, poultry sheds, farm ponds, wells, and 90 days of labour support for housing construction for marginal and small farmers have generated incomes and sustainable livelihoods for a large number of poor households.

A developed country has very few unskilled workers. It provides opportunities of skilling for the unskilled to enable them to diversify their livelihoods and earn higher incomes. The MGNREGS provides for at least 60% payment of wages exclusively for unskilled wage labour. Nearly, five crore households participate in the MGNREGS every year. For India to improve the well-being of the poor, there is a need to move unskilled wage earners onto the skilling ladder effectively. An initiative called Livelihood in Full Employment (LIFE), was initiated a couple of years ago for providing skill opportunities for MGNREGS workers. There is a need to amend the MGNREG Act to provide for booking of semi-skilled wage payments for those households which have worked as unskilled wage labour and improved their skill

sets. Currently, a semi-skilled wage has to be booked under materials. The skilling opportunities for MGNREGS workers also have to focus on wage loss. Opportunities while doing wage labour for skilling also need to be explored. The other important decision required in MGNREGS is the indexing of wage rates with Consumer Price Index for Rural Areas (CPI-RA) rather than Consumer Price Index for Agricultural Labour (CPI-AL). This is being suggested as CPI(RA) is a more recent index where weightage for non-food expenditures is also adequate. Data is also available periodically for CPI-RA for all States unlike CPI-AL which is calculated on the basis of a very old index and that, too, for 20 States.

By providing support for housing for the poorest, Individual Beneficiary Schemes (IBSs) are not promoting inequity as is often charged. Even in extending this benefit, the deprivation criteria of SECC could make such initiatives more equitable. The task of moving unskilled wage labour up the skilling ladder has also been attempted through programmes like livelihood in full employment, barefoot technicians, rural masons, and other skill sets. In fact, there is a very strong case for moving 50 million unskilled households up the skilling ladder if India has to become an inclusive developed nation. Living with 50 million households having to depend on unskilled wage labour year after year after year is surely not an India for everyone, as even the poor need to move up the earning and skilling ladder.

The simultaneous expansion of the Livelihood Mission to nearly 60 million women across the country joining the women's SHGs has also generated social capital on an unprecedented scale. The Institute of Rural Management Anand (IRMA) study on Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) clearly establishes how social capital contributes to higher forms of economic activity. Over Rs. 2 lakh crore have been given as loans to women's SHGs in recent years and the non-performing assets have actually come down from over 7% to a little over 2%. Clearly, social capital is also the right foundation for credit-based enterprises and economic activity that is sustainable in the long run. It is easily one of the finest bankable propositions. The major gain has been in high lending in many eastern and northern Indian States, reminiscent of what happened in the southern Indian States earlier. Clearly, the way out of poverty is through collectives of women and its universalization across the country.

The Panchayati Raj system is very critical in providing a framework for the Gram Panchayat Development Plan (GPDP) where all 29 transferred sectors in the 11th Schedule of the Constitution are planned for by elected Panchayats through a community process. The new Rashtriya Gram Swaraj Abhiyan (RGSA) scheme for capacity development of elected representatives of Panchayats mandates a simultaneous capacity development of women's SHGs as well. It is only through a partnership of elected Panchayat leaders and community organizations like women's SHGs that a real community-led

movement for poverty reduction can take place. Convergent use of MGNREGS resources for members of SHGs in livelihood diversification and income generation and also access to bank credit for impoverished women, are the best ways to generate a sustainable enterprise model of poverty reduction. Public doles are not a sustainable solution to the challenge of poverty.

It goes without saying that good roads, electricity, good housing, LPG connection, toilets in every household, internet connectivity, and bank correspondent facilities, all contribute towards a better access to markets and a more equal relationship with the larger economic system. When a poor household simultaneously receives support on multi-dimensions of poverty, it leads to a different level of aspiration, enterprise, and ability to fight poverty. Clearly, the fight against poverty has to be multi-dimensional (see Figure 17.1).

Similarly, for making a difference to poverty of households and poverty of geographies the following become necessary: (1) the improvement of schools and health facilities and access to markets open up new opportunities for those vulnerable groups who have missed it over generations; (2) for vulnerable



FIGURE 17.1 Poverty-Free Rural Cluster.

Amarjeet Sinha, 2019.

groups to interface as an equal with a larger world, it is very important to build social capital and community assertion as the basis for transformation; (3) elected Panchayats play a pivotal role, but their ability and outcomes increase manifold if the social capital of women's SHGs is also a part of the transformation; (4) the poor are the best allies of the poor and over three lakh Community Resource Persons (CRPs) in the Livelihood Mission are the finest examples of how poor women got out of poverty. They are the real change-makers.

It is certain that access to schools is not equal to quality learning, just as access to health facilities without a sustainable system of drugs, doctors, and diagnostics is no guarantee of health for all. There is no getting away from public systems of education and health at the primary level and a lot more needs to be done to craft credible public systems that deliver quality services. The discipline of public management and outcome-focused public programmes needs to be strengthened through finer systems of human resources that are outcome focused and financial management that is performance driven. It is a pity that the top economists and political persons often want to suggest new interventions but rarely pay attention to the need for a robust public management of those initiatives. The discipline of public administration in India is unfortunately rarely studied in an evidence-based manner. This leads to a perpetuation of programmes and new ideas often in a system that is moth-eaten. Programmes that have done well have fundamentally reformed the systems of delivery through use of technology, better capacity development, and end-to-end saturation to human resource needs. Nothing happens by itself; it must be made to happen. While debating poverty, the top minds often don't engage with the scale of implementation and the challenges of public management. Systems of delivery are more important than ideas of development, and the earlier we realize this, the better it will be.

As a nation we are still struggling to find solutions to develop the finest teachers who can achieve for us learning outcomes among children commensurate with their age. Our cadre of paramedics, health workers, and doctors are still not able to give us the satisfaction of quality universal health coverage at the remotest location. Our compartmentalized ways of working dampen outcomes in the nutrition sector as it does not lend itself to narrow departmentalism. The time has come for a holistic convergent approach that values the GPDP and works for its effective community-led planning and implementation. Poverty needs a convergent approach addressing its multidimensionality. Elected Panchayats and community organizations like women's SHGs provide an opportunity for concerted community processes.

The poverty debate must now move beyond sharing ideas and moving on. It is time to get into the nitty-gritty of what delivers best. The Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) and the processes that it evolved using

technology and the SECC, training masons, and involvement of beneficiaries, is the way forward. Let us look at end-to-end saturation rather than piecemeal incomplete announcements where the pathways to outcomes have remained vague or non-existent. The Pradhan Mantri Gram Sadak Yojana (PMGSY) and its immaculate systems to develop quality roads, needs to be learnt from. Development is about doing, not about mere announcements.

# 18

## HUMAN RESOURCE REFORMS

The biggest challenge in public systems for social development is to get the human resource skill sets right. Regulatory administrative systems were not designed to deliver social development. They did not have all the merging skill sets needed for achieving desired outcomes. It is for this reason that a range of interventions like Sarva Shiksha Abhiyan, the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM), the National Rural Health Mission (NRHM), the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), and the Pradhan Mantri Awaas Yojana-Gramin (PMAY-Gramin) have all gone in for a certain percentage of management costs to hire professionals who are ordinarily not available through the government channels of formal employment. IT systems, financial management, decentralized planning, pedagogy, public health, facility management, health managers, and a range of other managerial skills are needed by programmes to achieve outcomes. The standard practice was to hire on contract through management cost provision. Some were more evolved with a well-defined HR manual to ensure continuance and renewal of professionals who met the basic standards. Others were much more ad hoc. At best, such arrangements were temporary and often unsustainable. The greater challenge has been to mainstream these skill sets into formal government positions so that professionals could be hired by public service commissions, as required by the Constitution. There is a clearly a very strong case for recruiting more managers than magistrates to make public systems deliver social development. This remains the greatest challenge in our battle against poverty and deprivation.

The complacency that comes with permanent employment does not mean that all positions are ad hoc for the lifetime of a professional. A time has come when we look at skill sets needed and positions as permanent. The professional appointed against the position, accountable to local communities who stand to gain by the outcomes, will determine continuance in a place or position. Recruitment has to be professionally done and cannot be left to community groups to make the final selection. While the accountability can be to local communities, selection has to be thoroughly professional.

The Ministry of Rural Development set up the Sumit Bose Committee on Human Resource Reforms. It has made some outstanding recommendations.<sup>1</sup>

### Human Resources in Panchayati Raj Institutions

Rural India has seen higher allocations year after year in recent times. These allocations cover infrastructure development as also individual beneficiary support. Many of these programmes are managed through the Gram Panchayats and record-keeping is taken up at that level. Table 18.1 shows the increasing allocations for rural areas.

As is evident from the table, Gram Panchayats are now called upon to carry out the range of agency functions in programmes like the MGN-REGS, the PMAY-G, the National Social Assistance Programme (NSAP), the DAY-NRLM, and the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) among others. In most programmes, there is also a large State share ranging from 40% in non-Himalayan areas to 10% in Himalayan and north-eastern States. Besides this, Extra Budgetary Resources (EBRs) have also been mobilized in recent years making the overall financial provision for Gram Panchayats much higher. The 14th Finance Commission's transfers have also been very large, based as they are on the principle of Rs. 488 per capita. It is for these reasons that the human resource strengthening at Panchayat level becomes a very important challenge for better management of programmes in rural areas.

**TABLE 18.1** Increasing allocations for rural areas [*Rupees in crore*]

<i>Year</i>	<i>Central Allocation for RD Programmes</i>	<i>14th Finance Commission's transfers</i>
2015–2016	77321	21624
2016–2017	95099	33871
2017–2018	105448	39041
2018–2019	112403	45070
2019–20	117647	60687

*Source:* Author.



### *The Issue of Core and Agency Functions*

Panchayati Raj Institutions (PRIs) in India, especially at the Gram Panchayat (GP) level carry out a large number of functions. These functions can be broadly categorized as:

- (i) Core functions.
- (ii) Agency functions.

The GP is a local government as per the Constitution of India. The State governments are to devolve specific functions on the GP, preferably through legislation. The Panchayat Acts of the States assign certain functions to the GPs, though the nature and extent of the same varies widely across States. The core of such assigned functions is carrying out basic civic services, which no other tiers of government generally provide. Core functions of the GP include, inter alia, functions related to basic public sanitation, drinking water, internal connectivity, street lighting, maintenance of playgrounds, parks, and other commons, local taxation, and generating own sources of revenue. The accountability of the GP towards the citizen is very clear in such cases. The responsibility for staffing the GP for carrying out these core functions lies with the respective State governments.

The other broad category of activities of the GPs emanate from policies and programmes of the Union and the State governments, which ultimately remain responsible, although the GPs remain engaged in implementation of the programmes at the local level. In such cases, the GPs are asked to carry out certain functions with little autonomy and ownership, as an agent of the higher tier of government. The accountability towards the people or the higher tier of government in most such cases is quite diffused.

No regular staff are provided to the GP for carrying out various activities related to the agency functions. The underlined presumption seems to be that just providing extra funds in the form of administrative expenses will take care of the human resources needed at the GP level. Also Panchayat being a State subject, creation of regular positions in the GP is thought to be the responsibility of the State government. The State governments have also not come forward to make adequate provision of human resources since the programmes are controlled by the Union government with no assurance of fund support in the long run. However, the fact is that, over time, the GPs are spending substantially larger amounts as an agent of the higher government with meagre or no staff support in most cases. In practice, the GPs pay more attention to the agency functions, which are large programmes and well-funded, than in carrying out their own functions. This leads to neglect of the GP as an institution of local governance.

Given that the GP will continue to perform many agency functions in future, the GP has to be strengthened as an institution. Without strengthening the core capacity of the GP, its performance in carrying out agency function will not improve. Therefore, the solution lies in providing essential staffing on a regular basis, so that they continue to work and are incentivized to acquire additional skills, to carry out both core and agency functions efficiently.

### ***The Sumit Bose Committee***

The Ministry of Rural Development set up this committee on Performance-Based Payments for Better Outcomes in Rural Development Programmes in December 2016 under Shri Sumit Bose (Ministry of Rural Development, Government of India, 2018). The mandate of the committee was to look into the human resources available at the Gram Panchayat (GP), Intermediate Panchayat (IP), and District Panchayat (DP) and suggest means by which these resources could be augmented and organized for better delivery of programmes.

The deliberations of the committee focused on the core functions at the GP level and on the human resources available with these Panchayats to carry out these tasks as mandated by State Panchayati Raj Acts. This is in keeping with the recommendations of the 14th Finance Commission (FFC) which emphasized that local bodies should concentrate on improving the quality of basic services and that the grants provided to them should be used only on such services. The Committee concluded that unless Panchayats, as local bodies, are better enabled to fulfil their core functions, their ability to deliver as agencies of centrally sponsored programmes are severely restricted. The recommendations of the committee flow from this central premise.

### ***Administrative and Technical Support under the 14th Finance Commission***

The 14th Finance Commission provided 10% of the total grants for strengthening administrative and technical support. This included the following services:

- (i) Hiring of services
- (ii) Purchase of computers, accessories and annual maintenance contracts
- (iii) One time internet connectivity and recurring charges
- (iv) One time cost for purchase of essential furniture
- (v) Payment of street light/water supply charges
- (vi) One time up-dation of accounts; cost of social audit
- (vii) Data entry cost; hiring charges for vehicles in emergent cases

- (viii) Capacity building of functionaries if funds are not under any centrally sponsored or State-sector scheme
- (ix) Cost of preparation of technical plan
- (x) Electrification of GP including provision of solar lights

### **Utilization of 10% Funds**

As per the State-wise data of utilization on PRIA Soft, the actual utilization for payment of wages is as shown in Table 18.2.

As the table clearly indicates, the utilization of funds for administrative and technical support as reported on PRIA Soft is lower than was provided. In States with very small Gram Panchayats, the total resource available is low and, therefore, hiring of services or regular filling up of vacancies for core function does not happen with this resource.

### **A Few Recommendations of the Sumit Bose Committee**

Considering the importance of the core functions and the need to integrate agency functions at the Gram Panchayat level, a rationalization of human resources was recommended by the Sumit Bose Committee. It made the following recommendations:

- (i) Every GP should have a full-time secretary who is a regular employee. The roles and responsibilities of the secretary may vary depending upon the size of population. For larger Panchayats having a population of 10,000 or more, a Panchayat development officer belonging to Group-B/C services is recommended.
- (ii) Every GP should have a technical assistant. The existing Gram Rural Supervisor should be formally trained as bare foot technicians to carry out essential engineering functions, including those related to water supply and sanitation. They should also support the Secretary

**TABLE 18.2** Utilization of 10% funds [*Rupees in crore*]

<i>Year</i>	<i>Release to States</i>	<i>10% for Administrative &amp; Technical Support</i>	<i>Actual Utilization</i>
2015–2016	21624	2162	217.29
2016–2017	33871	3387	1608.66
2017–2018	39041	3904	2979.00
2018–2019	45070	4507	2229.00
2019–2020	60687	6068	--

Source: Author.

- in development administration and should be supervised by a qualified technical person. This arrangement is recommended for Panchayats with population less than 20,000 and for those more than 20,000 a qualified employee with diploma or degree may be required.
- (iii) Regarding support staff for IT and accounting, for smaller panchayats (population less than 10,000), outsourcing to Common Service Centres (CSCs) or trained Community Resource Persons (CRPs) from Self-Help Group (SHG) networks is advocated. For larger Panchayats there may be regular staff or more formal outsourcing, giving preference to trained CRPs.
  - (iv) All employees should mandatorily possess knowledge of using computers for their work and existing employees should be enabled to acquire the required proficiency within a fixed period with the help of support from the State.
  - (v) Clustering of Panchayats is very critical in States having Panchayats of small size and population. In Panchayats having population of less than 10,000, positions may be created for permanent staff at a cluster level with adequate qualifications, particularly in respect of engineering, accounting and IT. If this is not feasible, these positions could be created at the GP exclusively for providing service to the GPs with clear norms relating to the kind of service, frequency of visits, certification of performance, accountability etc. In Panchayats (Extension to Scheduled Areas) Act 1996 (PESA) and hill areas depending on the geographical size, lower population thresholds could be worked out by the States.
  - (vi) The minimum qualification for fresh recruitment of secretaries should be graduation with proficiency in computers. The selected candidates should undergo an induction training of at least 16 weeks including four weeks of field training. The Ministry of Rural Development and The Ministry of Panchayati Raj may facilitate States to develop a comprehensive competency framework for all existing staff at different positions.
  - (vii) The career path of the permanent recruits should be clearly defined with possibilities of them being absorbed in the appropriate State cadres.
  - (viii) Even for contract employees, minimum qualifications and rigorous selection procedures are recommended. There should be incentives for good performance by earmarking a certain percentage of permanent posts in Panchayats for such employees who complete a determined period of contractual service and possess minimum qualifications.
  - (ix) There should also be qualifications and experience criteria in the case of outsourcing.

The Sumit Bose Committee made an assessment that the positions it was recommending could be covered if the principles of coordinated human

resource planning between core and agency functions were put into practice. It had, however, visualized additionality of nearly Rs.1000/- in a year for provision of technical personnel at the cluster level. The Ministry of Rural Development in its memorandum to the Finance Commission had requested Rs. 5000 crore financial support for strengthening of human resources in Gram Panchayats and clusters on the basis of this assessment.

### ***Recommendations of the 15th Finance Commission***

Based on the recommendations of this committee, the 15th Finance Commission would like to suggest the following:

- (i) State governments should give topmost priority to fill up vacancies for core functions in the manner suggested and integrate agency functions wherever possible.
- (ii) The Finance Commission will support the engagement of core staff to carry out core functions.
- (iii) 10% administrative and technical expenses need to be separated between staffing costs and other administrative costs.
- (iv) Wherever vacancies exist, the Finance Commission's 10% grants could be used to create posts and fill up. For States where the posts have already been created, the Finance Commission's grants could be used for salary support.

A system of monitoring human resource rationalization and filling up of core staff positions to carry out core functions could be undertaken by the Ministry of Panchayati Raj/Ministry of Rural Development periodically. Conditionalities specific to the State could be worked out based on the assessment by the ministry. This will enable more effective use of these grants in strengthening the human resources at Gram Panchayats. This is critical for better outcomes.

The Ministry of Panchayati Raj and the Ministry of Rural Development have put in place a system of State plans which are placed before an empowered committee. There is an appraisal process for these plans in the month of December to March each year where in a dialogue with States happens systematically. The benchmarks for human resources could be finalized through this consultative process which is already being carried out by the Ministry of Panchayati Raj and the Ministry of Rural Development. Besides this, there is also a system of national level monitoring institutions within the districts: social audit, internal audit, and an annual common review mission. These systems of accountability could also be used as monitoring tools for human resources in Panchayati Raj Institutions.

### **Breathing Life into Local Governments and Communities: Learning from Successes, Failures, and Changing Local Contexts**

There has been a lot of change and continuity in local power relations from the days of Mahatma Gandhi and Dr B. R. Ambedkar. Their differences about local governments were on account of the character of Panchayats and hierarchies of social and economic well-being. Universal adult suffrage, positive discrimination towards hitherto vulnerable social groups, women's collectives, and a growing democratization of power relations in a dynamic democracy, have all contributed towards the change.

In spite of the changing social relations, debates around Gram Panchayats and urban local bodies remained ideological and polarized. Those for a larger role for elected local governments would argue for transfer of funds, functions, and functionaries to local governments. Paradoxically, the 73rd and the 74th Constitutional Amendments for a greater role for local governments still provided for State legislatures to take a call on true devolution. As a consequence, the 29 sectors for rural Panchayats in the 11th Schedule and the 18 sectors for the urban local bodies in the 12th Schedule, remained a statement of intent, with very few powers for local governments in most States. Kerala remained the only State for celebration of local governments on scale, with the deepening of the People's Planning Campaign.

Those opposed to strong local governments could mention the Bolero cars purchased by local representatives as the volume of funds became large. Local elected leaders were seen mostly as exercising arbitrary authority and embroiled in large-scale local-level corruption, with few exceptions. They were also seen as reinforcing unequal social and economic relations, in spite of the ascendancy of one person-one vote and periodic change of governments.

It is time for an evidence-based assessment of what has happened and what needs to happen. There is a need to learn from successes, failures, and the changing social contexts.

First, with reservation for scheduled castes and tribes, and women, the character of elected representatives have significantly changed since 1950. Now, 43% of the elected 31 lakh representatives are women and over time, many of the '*Sarpanch Patis*' are losing their chairs in the Panchayat office. Geographical representation of various hamlets that constitute a Gram Panchayat has also improved with direct ward level elections in many States. This, too, addresses social inequalities.

Second, Kerala's success was a success of an accountable local government as the notion of Neighbourhood Household Groups (NHGs) and subsequently the women's collectives of Kudumsree have been integral to the functioning of Panchayats, especially in accountability to the citizens. Kerala's decentralization is a success of elected representatives being held responsible for public

services. It is for this reason that 84% of Gram Panchayats in Kerala scored over 60% in the Mission Antyodaya assessments 2020 (Mission Antyodaya, 2020) on the basis of human development, infrastructure, economic activities, and public services. The national average is only 31.2%. Today Kerala's local governments provide 200 services online to its citizens, wherever they may be! Accountable local governments do have good outcomes.

Third, the rise of women's collectives has played a critical role in the reduction of poverty in the southern Indian States. These Rural Livelihood Self-Help Groups lead to reduction of fertility, access to high school and higher education for adolescent girls, diversification of livelihoods, access to credit, and improved access to public services. Over time, they are also able to democratize the functioning of elected governments by working as a countervailing force for accountability. Today we have over 90 million women in urban and rural areas in SHGs of the Livelihood Missions.

Fourth, an urban ward, the lowest level of elected representatives in urban areas, covers a very large population in the bigger cities and metropolitan cities. This renders community connect impossible and gives rise to "might is right" and muscle power agents for access to basic public services in urban slums. Direct elections at Basti level in urban areas is urgently needed and has been an issue since the earlier urban initiatives before Smart cities. The Constitution does not come in the way, and this alone will ensure a thrust beyond just cement and concrete in urban areas. Choked drains, last-mile health and education services, access to housing, sanitation, electricity, and gas connection, all require a larger role for elected representatives at the Basti level. The Livelihood Mission that is nearing universal coverage of the deprived in rural areas needs speeding up in the urban areas with greater credit linkage potential. It is necessary to prepare cities for growing urbanization. Human resources in urban local bodies becomes important for quality services. The paradox of those with responsibilities (corporations/municipalities, notified area committees, town Panchayats) not having the resources and those with resources (urban development authorities) not having the responsibilities needs to be resolved in the light of post-goods and services tax opportunities for local governments.

Fifth, our successes in education, nutrition, health, skills, and livelihoods has been modest as the level of community connect, convergence, and local-level capacity development is often missing. These are sectors that do not lend themselves to narrow departmentalism. The performance of none of these sectors is based only on the department concerned. Convergence and integrated interventions are the only way forward, as outcomes will remain elusive in their absence. Technology offers many opportunities for faster progress, but to do so, we need to work under the umbrella of the local government to enable equity in provision and citizen centric accountability. Convergence is a mandatory need for outcomes. An undernourished child's

learning is irreversibly compromised; schools and skills do not speak to each other; diversified livelihoods needs skills and credit access; access to public services works best when community connect is strong.

Sixth, technology as a means has been transformational in the ability of public systems to deliver more accountable services. Use of information technology for direct benefit transfer, Aadhaar as a common identifier, geo-tagging of assets, real-time monitoring of programmes and disbursement of funds, and use of the Socio-Economic Census (SECC 2011) as the basis for evidence-based identification of the deprived households irrespective of caste, creed, or religion, have all been game-changers in recent years. Technology as a means, facilitated by local common service centres, bank correspondent *Sakhis* of the Livelihood Mission, ASHA workers, Aanganwadi workers, teachers, Panchayat leaders, and women's collectives have all contributed to successes in improved electricity connects, gas connections, toilet construction and use, housing progress, bank accounts, life and accident insurance, use of LED bulbs, and so on. The success of the Gram Swaraj Abhiyan needs to be replicated in urban and rural areas in the sectors of education, health, nutrition, livelihoods, and skills. The yearly Sabki Yojana, Sabka Vikas People's Planning Campaign for Gram Sabhas preparing GP Development Plans, ranking GPs and ensuring presence of 29 sector representatives to share plans with Gram Sabha, has become a regular annual feature from 2 October to 31 December, since 2017.

Seventh, global warming needs community-led action. Lifestyles and community action to meet needs but not greed would call for a very decentralized consensus on the way forward across sectors. From promoting renewable energy, sustainable agriculture, waste to wealth, water recycling, maintaining the water cycle and balance, regenerating natural forests and planting saplings to reduce the carbon footprint, will all call for local action. Economic activity and work places would also need a decentralized and small emerging cities approach rather than ever-growing metropolitan cities, from a perspective of sustainability. Living in harmony with nature is about a shared community collective perspective. It is about solidarities for sustainable progress in local contexts.

Eighth, devolution of financial resources to local governments have increased since the 13th Finance Commission period and this has helped in bridging many infrastructure and services gaps. Panchayats have improved their governance by coming on to the public financial management system and timely preparation of double entry book keeping accounts using the Panchayat's software. Geo-tagging of assets, on line services have all gained in recent years. The Sumit Bose Committee's normative provision of human resources and professionals in Panchayats to carry on their core and agency functions effectively need to be adapted and adopted by States for professional outcomes.



From the evidence presented above, it is clearly time to strengthen decentralization under the elected local governments with the countervailing presence of community organizations like the Livelihood Mission SHGs, dairy and agriculture primary cooperatives and so on. Funds, functions and functionaries must be with local governments along with some of the reforms suggested above. Breathing life into local governments and communities on the basis of evidence, is our best hope for shared growth and well-being. Education, nutrition, health, skills, and livelihood outcomes will gain if local governments and communities triumph.

**Note**

- 1 Sumit Bose Committee Report on Human Resource Reforms; MoRD (See Ministry of Rural Development, Government of India, 2018).

# 19

## POVERTY-FREE GRAM PANCHAYATS

Angus Deaton's Nobel Prize for Economics has helped to focus the debate on poverty and development in India. As the Nobel Prize Committee (2015) wrote:

In the 1980s, research in economic development was mostly theoretical and, where it was empirical, it was based on aggregate data from national accounts. This has now changed. Development Economics is a flourishing empirical research field based upon the advanced analysis of detailed data from individual household. Deaton's research has been a driving force in this transformation.

Deaton's work has two clear policy implications as to how we should approach the task of making Panchayats poverty-free. First, how should we map the poor and disadvantaged and their evolving status of nutrition and health? Second, it is through strong government intervention that people can be brought out of poverty.

Poverty-free Panchayats can be seen as enabling economic and social opportunities for households facing deprivation to help them come out of poverty. This connotes an ability to develop one's fullest human potential through education, health, skills, sanitation, provision of clean drinking water, nutrition, food security, livelihoods opportunities, housing, connectivity, electricity, systems of sustainable resource use, waste management and gender and social equality. Thus, tackling the challenge of poverty-free Gram Panchayats is about exploring the potential for rural transformation by simultaneous interventions of the related programmes in a convergent mode to address the multi-dimensionality of poverty.

The provisional data from the Socio-Economic and Caste Census (SECC) 2011 (Ministry of Rural Development, Government of India. (2011) offer an opportunity to understand the socio-economic condition of a household from the perspective of multi-dimensional deprivation. A household could be deprived due to lack of assets, inadequate income, lack of education, skills, or health care, gender and social inequality, absence of sustainable livelihoods, lack of proper housing, sanitation and clean water, among others. Disability or absence of earning members in women-headed households or households with no adult members could throw specific challenges for making such households poverty-free.

Participatory and convergent planning process would be crucial for achieving the objective of poverty-free Panchayat. The Department of Rural Development conducted Mission Antyodaya, the Intensive Participatory Planning Exercise-II on 2 October 2015 in 2570 backward blocks of the country towards this end. The process began by using SECC data to ensure that all households reporting deprivation had access to the benefits provided under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MHNREGS), the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM), the Pradhan Mantri Awaas Yojana Gramin (PMAY), National Social Assistance Programme (NSAP) and Deen Dayal Upadhyay Grameen Kaushal Yojana (DDUGKY). Similarly, the resources of Sarva Shiksha Abhiyan, the Integrated Child Development Scheme, the National Health Mission, the Swachcha Bharat Mission, the Deendayal Upadhyay Gram Jyoti Yojana, programmes for renewable energy, and the National Food Security Act among others may be used to implement in a convergent mode to address different dimensions of rural poverty. The 14th Finance Commission award has also provided an opportunity for responsive local governance of the Gram Panchayat.

Participatory and convergent planning process targeting multi-dimensional poverty would require a team of dedicated human resources. The implementing agencies of all programmes have extensive human resources, having familiarity with rural development issues and challenges. Converging these human resources and motivating them to work together for poverty-free Panchayats would be crucial. All human resources engaged at or below the GP level should be part of such a team. In addition, pooling of human resources such as a selected ward representative, members of Village Organizations (VOs) and Cluster Level Federations (CLFs) under Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM), Auxiliary Nurse and Midwives (ANMs) under the Integrated Child Development Services (ICDS), ASHA workers under National Health Mission (NHM), Cluster Resource Centre (CRC) coordinators and headteachers of schools under SSA, MGNREGS Rozgar Sewaks, and so on would help in faster and better outcomes under PFP.

At the national level, the Intensive Participatory Planning Exercise for implementation of programmes, targeting different dimensions of deprivations simultaneously, would begin with the understanding of the convergent approach of implementation of programmes. Further, this would require an understanding of various aspects of deprivation and their intensity. Translating the convergent approach into action would require a team at the block and Gram Panchayat level. Capacity building of Self-Help Groups (SHGs) and elected representatives at GP level would be crucial for attaining the objective of poverty-free Panchayats. Assessing the need of households facing deprivation based on reliable data would precede the planning exercise for poverty-free Panchayats. Every ministry's/department's programmes need to be reflected as part of the overall GP Plan.

Self-Help Groups (SHGs) and their federations promoted under the DAY-NRLM would be instrumental in achieving the objective of poverty-free Panchayats. The SHGs provide close and long-term handholding support to each of their members and enable them to access financial services from banks, to diversify and stabilize their livelihoods, and to effectively access their entitlements. These institutions of the poor are expected to enable the community to come out of the vicious cycle of poverty by adopting the Dasasutri model, which addresses the multi-dimensionality of poverty. The model encourages these federations to go beyond *Panchsutras* (regular meeting, regular savings, regular internal lending, regular repayment and updated books of accounts) and adopt active involvements of SHGs in PRIs (Gram Sabha, Mahila Sabha and Village Wardsabha), accessing rights and entitlements under different schemes, sustainable livelihoods (strengthening existing livelihoods sources, non-farm employment/skills), better health and sanitation habits, and education.

Planning for poverty-free Panchayats is an effort to address the multi-dimensionality of poverty in a more effective manner. It would cover interventions for guaranteed wage employment, skills, housing, sanitation, SHG formation and credit linkage, elementary education, primary health, nutrition, clean water, farm and non-farm livelihoods, etc. This would be done by using existing resources under various government programmes like DAY-NRLM, PMAY, MGNREGS, DDUGKY, SSA, NHM, ICDS, SBM, among others. The PFP is therefore an effort at convergent planning with a Gram Panchayat as a unit of planning. It will follow a saturation approach and therefore GPs may be taken up in sequence. It proposes to converge all resources together- financial and human that addresses the poverty of households. It will work on poverty reduction within the larger frame of poverty going beyond income poverty. In the first instance, PFP would target 50,000 Gram Panchayats and one crore households with deprivation out of poverty by 2019.

The good governance framework, which includes being responsive to locally felt needs would be key to achieving the goal of poverty-free Panchayats.

The good governance framework would include the following approaches:

1. **Identity** through Aadhar
2. **Eligibility** through SECC followed by validation in Gram Sabha and SHGs
3. **Accountability** through a three-pronged strategy:
  - **Use of Information Technology (IT)** – just in time-fund flow
  - **Use of remote sensing** – planning and monitoring of roads, geo-tagging of assets
  - **Social Audit** – potentially, this creates unprecedented accountability of performance, especially towards immediate stakeholders.

The progress made on various parameters that are part of the poverty-free Panchayat framework would be monitored through identified indicators. Progress reports would be put out by GPs every quarter via an IT platform developed for the purpose. Based on GP's self-reporting as per the PFP framework, if a Panchayat attained minimum benchmarks fixed for all the indicators, it would be declared poverty free. However, it would be prudent to conduct a third-party verification before declaring a GP poverty free.

Corporate Social Responsibility (CSR) is now a statutory requirement for companies which can facilitate better outcomes from the investments being made by the ministry. Technical assistance in the form of technical professionals to plan, implement, and monitor programme funds better, and use of technologies and innovations through CSR, can greatly improve the outcomes from the programmes and schemes. CSR Technical interventions may include:

- (i) Facilitating use of ground water and aquifer data, remote sensing-based rainwater runoff data, and ridge to valley planning of watersheds in a scientific manner under MGNREGS.
- (ii) Value-chain development and marketing products produced by women SHGs.
- (iii) Technological innovation support towards solid and liquid waste management.
- (iv) Utilization of CSR funds under Saansad Adarsh Gram Yojana (SAGY) for geographical saturation and targeting to demonstrate the success of inclusive development in rural areas.

## Community Assessment for Local Action

### *Mission Antyodaya as a Pathway to an Inclusive India*

I was very pleasantly surprised to find an article on the Mission Antyodaya Project in the 29 August 2022 issue of *Economic and Political Weekly* written by Dr M. A. Oommen. He considered the project to be a powerful tool to rejig decentralization and horizontal equity. At a time when global and

national data and what they claim are contested domains, it was interesting to read consensus through community assessment and action.

Mission Antyodaya is a participatory framework to assess and plan for every Gram Panchayat each year, on the basis of its deficits. The local government elected leaders, the women's collectives of the Livelihood Mission, the Gram Sabha, the frontline workers of the 29 sectors in the 11th Schedule, are capable of transcending the boundaries of wrong claims and contestations on global hunger, human development index, open defecation-free status and many other claimed achievements. Read with the independent National Family Health Surveys, the Sample Registration System Data from the Census of India, and the periodic National Sample Survey Rounds, these provide a reasonable triangulation of the ground reality.

The annual ranking of Gram Panchayats on their progress on human development, economic activity and infrastructure is captured each year as part of the People's Plan campaign called '*Sabki Yojana, Sabka Vikas*', organized by the Ministry of Panchayati Raj, in partnership with all the States, districts, blocks, Gram Panchayats and villages of India, from 2 October to 31 December. The States have owned the initiative and find it useful. However, the actual use of the village/Panchayat level data is still low in planning.

The Gram Panchayat Development Plans (GPDP) website displays the calendar of Gram Sabha meetings, and any citizen of India can choose to go on a surprise visit to a village holding its Gram Sabha. Every meeting has a facilitator/rapporteur, drawn from the SHGs under the Livelihood Mission. This person reports truthfully about the presence of the community and frontline workers at the Gram Sabha. Each of the 29 sectors where Gram Panchayats have a role, were requested to send their frontline worker to the meeting. It began with limited success in 2017, but over the years, it has gained a little momentum and 6–9 frontline workers now attend the Gram Sabha. The performance of each department is reported to the Gram Sabha, progress displayed on flex boards, photographs of the meeting uploaded onto public websites, male, female and vulnerable group presence is monitored, and most importantly, the ranking of the village/Gram Panchayat is prepared and vetted by the Gram Sabha after deliberation. The Gram Sabha also prepares the GPDP and uploads it onto their site for public scrutiny.

These meetings have become an annual feature and attendance is increasing in the Gram Sabha. The Mission Antyodaya data was collected on 48 parameters in 2017. In 2019 and 2020, data is available on 143 parameters that reflect the multi dimensionality of well-being, covering access to public services, infrastructure, human development, economic activity and social protection. Since the Socio-Economic Census 2011 (SECC 2011) has given us the details of deprived households, special efforts to provide pre-populated data of deprived households through an app has been made for the data

collectors, who are local frontline workers, SHG women, elected Panchayat leaders, and the Gram Sabha volunteers.

As is to be expected, there are huge variations in scores across the Gram Panchayats. Of the 2.67 lakh GPs surveyed in 2020, only 31.27% secured more than 60% in the ranking, based on the 143 indicators. There are large regional variations, with 83.31% Panchayats securing over 60% in Kerala compared to only 13.75% in Bihar and 18.86% in UP. Southern and western region GPs generally have better scores. There can be no better community-owned data; its use will need funds, functions and functionaries with local governments.

On the [missionantyodaya.nic.in](http://missionantyodaya.nic.in) website, detailed ranking and gaps of each village and GP is available for 2017, 2019, and 2020. Gaps are shown in red and parameters on which the village/GP has done well, is shown in green. Middling performance is shown in amber. It actually provides an opportunity for a Panchayat to see where they are in red and what can be done to make it better.

Once validated by the Gram Sabha, the detailed ranking data is uploaded and available for all GPs in the public domain. It has been kept in the public domain so that truth prevails, and false reporting is checked. We have had instances where a VIP GP was declared Open Defecation-Free (ODF) but the Gram Sabha refused to validate it. We held our ground as we were certain that community-based validation of data is the real test of outcomes. Likewise, this data also confirmed the success in the electricity connection and availability with the scores in line with what has been reported in the NFHS-5 (2019–2021). Likewise, data of the 76th Round NSSO October 2018, validated the rural housing claim.

Besides accountability, the data also helps in looking at the gaps in social protection and human development. It brings out the potential of the village and what activities are likely to improve the economic well-being of households.

With every GP having an Aadhaar in the form of the Local Government Directory (LGD) code, it is actually possible to collect LGD-compliant data village institution-wise and through Application Programming Interface (API) sharing, ensure a full profile of the village and its performance. Household validation of pro-poor public welfare is possible through this process, even though Aadhaar as a single identifier has restrictions on its use at the back end, for privacy and confidentiality reasons. As a substitute, the SECC Household Temporary Identification Number (TIN) could be the identifier for deprived households. The DISHA platform with exclusive access to members of parliament attempts to provide real-time analysis on over 50 programmes through Maps, Funnel View and so on. Time has come to make DISHA data public for greater accountability at the local level. Technology also makes it possible to merge deprivation data household and village wise with DISHA for more effective social action.

Various government studies helped us to understand the success factors in villages/GPs doing well. In many such GPs, leadership of SHGs, Panchayats, and ex-service personnel mattered. In many others, problems of drinking water or a dilapidated temple had brought communities together. Clearly, leadership mattered, and this is what was communicated to Panchayat leaders and women's collectives. Transformation was possible if the village came together for collective and collaborative action. The decline of poverty on account of more adolescent girls in higher education, decline in fertility, improvement in health services, formation of SHGs, access to skills and vocational courses, and bank loans to SHGs without collateral, explains the better poverty reduction in the southern Indian States. The same factors create oases of development in all other States even when deprivation reigns supreme in adjoining Panchayats and districts.

With deprivation household data available from SECC-2011, many States undertook focussed action on households with more than three deprivations. Yet others decided to work with every women-led household with no male earner. Some worked on *divyang* households with no other bread winner. Mission Antyodaya allowed for a truly inclusive approach to well-being, household wise, when SECC-2011 deprivation data is used in conjunction. The moment of true decentralized planning has arrived; it is an imperative for local action without constraints of finance and human resources.

To some extent, the ground work for effective decentralization of funds, functions, and functionaries for the 29 sectors listed in the 11th Schedule of the Constitution has been prepared. Women's collectives of the Livelihood Mission are improving the countervailing community action for ensuring that elected Panchayat leaders do not become arbitrary in their exercise of authority. With Panchayats geo-tagging all assets and reporting on the Public Financial Management System (PFMS) with double book-keeping, it has also helped in cleaning up the financial mess.

The time has come to make a real difference in moving to move towards a poverty-free Gram Panchayat with greater decentralized action. Human resources support to Panchayats, as envisaged by the Sumit Bose Committee, needs to be operationalized in States for effectiveness and efficiency at the local level. The moment for action to improve schools and skills, health facilities and Aanganwadis, and diversified livelihoods is knocking on our doors with the Mission Antyodaya and updated SECC-2011 data; poverty-free GPs are no longer a distant dream if we act now in an evidence-based and data-driven manner.



# 20

## IMPROVING WELL-BEING OF URBAN POOR

For making rapid economic progress, India needs to improve the well-being of the work force that migrates to cities in the hope of better lives. While a large number of those who had returned to their villages have now come back to the cities in search of work, many have chosen to stay back. Registration of informal workers for social protection has increased but the nature of opportunities continues to be informal and insecure. Wages left completely to market forces, given the large supply and limited opportunities, tends to be lower than what would sustain a basic level of well-being. With greater displacement out of agriculture owing to mechanization, the trail of migrants in search of livelihoods and opportunities is going to increase. Half of India is expected to urbanize by 2030 and at least half of these are going to be deprived households, whose well-being has to be specially secured.

The lives of the urban poor have been most affected by the Covid-19 pandemic. Loss of jobs and incomes has driven many households to either move back to their villages or withdraw their children from private schools. Health-care costs have gone up and cost of commodities other than free food grains, has also gone up. Cost of cooking gas is high, urban transport is becoming more expensive, and housing rentals are also beginning to rise again. What is it that can make the lives of the urban poor better in the short to the medium term?

First, there is a very strong case for elected leadership in urban local bodies at the Basti or slum cluster level. The size of an urban ward varies from 1,500–6,000 in smaller towns to 30,000 to 200,000 people in the larger metropolitan cities. This size is not amenable to community connect and leads to muscle power and local lords determining access to public services

for the poor. Article 243S (5) of the Indian Constitution states ‘Nothing in this article shall be deemed to prevent the Legislature of a State from making any provision for the Constitution of Committees in addition to the Ward Committees.’ The Constitution does not come in the way of this much-needed reform.

Second, identity and access to public services is the biggest challenge for migrants. Nearly half the urban population has access to cheap food grains under the National Food Security Act (NFSA). With portability of names and cards, access to grains has further improved. There is a need to establish identity on the basis of the NFSA list along with recording of new deprived households without access. Through a participatory identification of the poor by a community connect process, it should be possible to delete a few non-entitled beneficiaries of NFSA as well.

Third, once the identity and the universe of the deprived households is well-established, special Gram Swaraj Abhiyan, such as: community connect campaigns to ensure access to LPG connection, bank accounts, life and accident insurance, the Employees Provident Fund Organization (EPFO) and Employees State Insurance (ESI) facilities, Ayushman Bharat and Pradhan Mantri Jan Arogya Yojana (PMJAY) enrolment and care, employment opportunities for those in distress, pensions for the old, widows and the *divyang*, access to clean drinking water, credit, sanitation, electricity, education, health, nutrition, and skilling needs.

Fourth, nearly 70 lakh women in seven lakh Self-Help Groups (SHGs) are already under the National Urban Livelihood Mission. Universal coverage of the deprived households in SHGs should be attempted in a mission mode. This process should be accompanied by access to credit for all groups for diversification of livelihoods. Basti-level formation of women’s collectives will address a large number of challenges of living together. Loans for street vendors under the Svanidhi scheme is a very good step in that direction.

Fifth, the arrival of migrants in cities in search of work has to be made less traumatic and for this we need to establish Migration Support Centres that facilitate ease of settling down. Expansion of rental housing and property titles to the settlers who fulfil the basic requirements will ease the access to credit and ease of urban migration. Housing and formal registration as street vendors enables easier settlement in an alien social environment. Support for the destitute and the homeless needs priority care. We must be a sensitive society who are disturbed by daily encounters with extreme deprivation at every red traffic light.

Sixth, skilling, upskilling, re-skilling opportunities have to be readily available for the poor households in a flexible manner so that they could combine work with skill up gradation. Apprenticeships to the eligible will also help.

Seventh, for a focus and thrust on the urban poor, urban local bodies need to establish designated teams for the purpose. The existing staffing will

require a revisit. Municipal bodies have lost revenue after Goods and Services Tax (GST) as entry tax and Octroi is no longer with them. While increase in property tax is an option, but this alone will not suffice. Municipal local governments have all the responsibilities but not the resources; stamp duty is a big revenue source in urban areas but not directly available to local bodies. This needs change for governance reforms in urban areas. Financing of local bodies and needs-specific skill sets with professionals managing local bodies, is a need whose time has come. Tier 2 and Tier 3 towns also have potential for expansion and investments. They can attract larger investments with some infrastructure and connectivity improvement.

Eighth, census towns (rural Gram Panchayat but urban in character) and many rural growth clusters have been identified by the Ministry of Rural Development as part of the Rurban Mission and some meaningful work has happened both on infrastructure and livelihoods in 300 clusters across the country. Some are tourism clusters, some specific economic activity clusters, and yet others as farm and non-farm clusters. We need to work for their emergence as strong growth centres with large scale non-farm economic activities.

Ninth, improvement of schools, health facility expansion, and Aanganwadis will go a long way in connecting deprived households to basic human development. Connecting households to schools and health facilities for doctors, drugs and diagnostics with entitlement under PMJAY for secondary and tertiary care, will go a long way in easing the lives of urban poor. The Atma-Nirbhar Health Infrastructure Yojana has prioritized strengthening urban health centres and creation of frontline health teams.

Tenth, the time has come to enforce minimum wage. Let us begin with urban areas. Contractual labour has the problem of labour contractors claiming in their contracts on the basis of minimum wage but actually disbursing lower than minimum wage. Employment extended to women and payment of minimum wage needs to be enforced in urban areas. Domestic helps need support for wages as over-supply leads to distress wages. Investment in a multi-purpose skilled cook, care-giver, and a driver, has great demand as the population ages and life expectancy increases.

Eleventh, contrary to Dr B. R. Ambedkar's hope that urbanization would break hierarchies of caste due to cosmopolitanism, the evidence from Bengaluru, Chennai, Delhi, Kolkata, and Mumbai is to the contrary. The largest cities are some of the most segregated. Twenty-year Master Plans of cities have to factor in the labour class more prominently, in spatial distribution of housing sites, public facilities, and so on. The urban poor and their well-being cannot be an afterthought; they have to be integral to the planning process. Smaller urban clusters have to be explored as alternatives to further urban concentration in a few metropolitan cities. It may well be the greener and more sustainable option.

It is important to continue the development of urban clusters from rural areas. The Shyama Prasad Mukherjee Rural-Urban Mission was an excellent initiative. The evaluation carried out by the Development Monitoring and Evaluation Office of the Niti Aayog was also very positive on what the Rurban Mission had been able to achieve. For the first time standards for planning had been developed holistically and the top institutions of the country were engaged in planning the transformation. Convergence had been effective and the linkages with community collectives had facilitated good economic activity and livelihood linkages alongside the infrastructure thrust. It is a pity that the programme has been discontinued. The evaluation study did not suggest such a need. The Mission was very well planned and carefully thought through with new regulations, new ways of planning and new ways of coordinated urban spaces being created.

## **A More Human Urban**

### ***The Time to Act is Now***

That over half of India will be urban very soon is known to all. The Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched in December 2005 as an over Rs 1 lakh crore, seven-year Mission (2005–2012) with the objective of reforms-driven fast track development of cities across the country, with focus on efficiency in urban infrastructure, service delivery mechanism, community participation and accountability of Urban Local Bodies (ULBs) and parastatal agencies towards citizens. The Comptroller and Accountant General of India (CAG) conducted a performance audit of the programme to find that only 40% of the planned funds had been released up to 2011–2012. Only 8.3% of projects approved up to 31 March 2011 were completed by 31 March 2011. Even Project Management Units had not been established in nine States or Project Implementation Units in ten States at the time of audit, seven years after launch! The performance in States was uneven, and the impact of the mission lukewarm. Management capacity to plan and implement was missing in many States. Planning from below had not happened and constructing drains (infrastructure) but not how to keep them clean (community and social engagement) was the focus. People-centric action was absent.

The Smart Cities Mission (SCM) was launched on 15 June 2015, to be completed by 2019–2020. One hundred cities and towns in different States and UTs of India were selected under the SCM. Covering one-third of India's population, the Mission of SCM was 'to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology that leads to smart outcomes' and to ensure that these cities are 'livable, inclusive, sustainable, (and) have thriving economies that offer

multiple opportunities to people to pursue their diverse interests' (Smart Cities Mission (nd). The Observer Research Foundations's special report in August 2021 notes 'The slow progress in implementing the Smart Cities Mission (like JNNURM) is a matter of concern. Overall, less than 50% of the Projects had been completed at the end of the Mission's six-year period.' (Aijaz, 2021). The project continues to focus on Sewerage Treatment Plans (STPs) and other capital and technology related works with very little thrust on community partnership and people-centric capacity building. As expected, progress is uneven. Tamil Nadu, Gujarat and Madhya Pradesh have done well. The performances of Delhi, Haryana, Chhattisgarh and West Bengal are in the average category. The rest are lagging behind. Lack of management capacity and timely mobilization of funds are again the reason for slow progress.

Madhya Pradesh, Gujarat, Maharashtra, Andhra Pradesh, Karnataka, Delhi and Chhattisgarh find a place in the top cities ranked on cleanliness in 2022. The same States have built some capacities in urban governance. This lesson of absence of capacity has been known for many decades but we still keep trying more of the same, assuming that financial resources and management capacity will happen on their own. This is not the time to be non-evidence based in our approach to urban challenges. Data shows how slums have started growing again and that a housing shortage of over 30% continues in urban areas in spite of the PMAY Urban. There are the challenges of land and rights for housing for the poor in urban areas. We cannot wish the problems away; they need engagement and solutions. Housing and needs like electricity, water, and gas are very bare necessities. Identity validation of new city dwellers or changing addresses of older residents, need to be done with ease. Urban local governments must know who their people are!

It is time we started planning from below. Look at the nervous and challenged faces of those heading to urban areas in the hope of better lives. Could we make their entry smoother and less painful through migration centres that provide a temporary roof for a few days? Is it possible to make employers contribute to the development of rental housing? The migrants need a vote in cities for them to matter to the elected local governments. There is a case for habitation-level elected Basti leaders as part of the local government. We need to strengthen women's collectives and provision for skills and credit. More schools and health facilities are needed with the diversity to meet the differential needs of poor families migrating to cities in the hope of better lives. Immediate identification of all households with Aadhaar to enable access to public services without further questions, is the way to go. This needs Basti-based community action with ease of updating registration.

The need for management capacity and restructuring of municipal revenues is clear, given the fact that in India it is barely 1% of the GDP, whereas in Finland it is 22.4% of the GDP. Certainly, there is something wrong with

our assignment of tax jurisdiction for effective compliance and revenues. Likewise, greater thrust is needed on bare necessities for the urban poor. Smaller town Panchayats to notified area committees, municipalities and municipal corporations are all struggling for financial resources as many States provide only a small amount of the State duties as grants. The multiplicity of urban authorities further complicates holistic and convergent planning. Leadership development for municipal administration also needs high priority. Many Gram Panchayats come together to form a Town Panchayat and that is when the tussle sets in, in the absence of a leadership planning for urban clusters.

Unfortunately, a very good initiative of developing 300 urban clusters has been discontinued, in spite of the evaluation indicating its efficacy. A convergence-based effort with some critical gap funding, the cluster planning with the best institutions as per standards developed by Central Environmental Planning and Training (CEPT) and the School of Planning and Architecture (SPA), is the way to go. We need to begin by assuring a guarantee of public services for every citizen across basic necessities. In fact, the thrust on Census towns and emerging growth points to develop medium sized cities of 25,000 to 50,000 population is likely to give even better results. Post-Covid-19, the expectation is that the Tier 2 and 3 cities may well be the harbingers of larger economic activity.

The problems of the poor in urban areas are well known. Problems will not disappear on their own. There has to be greater thrust on evidence-based approaches rather than continuing with top-down solutions. We need to understand the problem before we come up with a solution. When asked, each of the top ten city commissioners confirmed that community participation is what transformed their cities. Why does this, then, not become integral to urban planning? Make people matter. Engage with them. The problems are there: so are the solutions.

## WHY WE NEED THE PM'S HUMAN DEVELOPMENT COUNCIL

### Leave No One Behind with Sustainable Growth and Well-Being

Life expectancy, per capita income, and completed and expected year of schooling are used for determining a country's human development. Multi-dimensional poverty captures many other indicators from housing, sanitation, electricity, cooking gas, and so on. The Prime Minister declared on Independence Day that no deprived household should be left behind and that India must remain the fastest-growing economy in the world to enable the well-being of all.

There is a strong case for a PM's Human Development Council with all the chief ministers represented, for the following reasons:

- (i) First, opportunities to every citizen of India to develop their fullest human potential is not only good for inclusive development; it is necessary for sustaining high rates of economic progress. Evidence from across the world substantiates this.
- (ii) Second, outcomes in indicators of health, education, nutrition, clean water, sanitation, livelihood diversification, and pro-poor public welfare are all inter-related and depend on a simultaneous improvement in all related sectors with a Gram Panchayat or an urban local body, as a unit.
- (iii) Third, unfortunately, we in India neglected human development for decades even though a few IITs and IIMs provided global class human capital for leadership. SSA and NRHM improved the pace of improvement but not good enough to change India's 130 rank in the Human

Development Report (HDR). The New National Education Policy 2020 and the National Health Policy 2017, and programmes thereunder, are trying to make a difference.

- (iv) Fourth, the thrust on removing the asset deficits of deprived households, in the form of housing, toilets, electricity, cooking gas, roads, bank accounts, women's collectives, and immunization thrust, among others provides an opportunity for better outcomes in human development.
- (v) Fifth, the role of the Prime Minister in providing leadership to the chief ministers of all the States in the fight against Covid-19 and in Gram Swaraj Abhiyan to reach seven services to every eligible household of 63,974 purposively selected villages with vulnerable groups, shows how the partnership of central, State, and local governments with community organizations like SHGs and frontline workers, can achieve outcomes.
- (vi) Sixth, community connect with use of technology as a means has the power to make infrastructure roll-out faster, for higher growth.
- (vii) Seventh, there is no getting away from the federal partnerships with States and local governments for needs-based implementation. Funds, functions, and functionaries need to be transferred to local governments with community accountability.

India's goal should be to be in the top 50 nations of the world by 2047 in human development and a ranking at least below 100 by 2030. These need a PM -ed Human Development Council under the Niti Aayog. The governing council/National Development Council itself can be that body with exclusive meetings on human development at least twice a year. All chief ministers, concerned union ministers, and a few experts from these sectors will be part of this council. From the Gram Panchayat and urban local bodies (ULBs) to the Prime Minister's council, the same indicators need to be monitored for outcomes, Panchayat/ULB-wise with ranking of performance.

An illustrative list of 12 key indicators is given below:

- (i) First, monitor stunting among infants. The Fifth National Family Health Survey (NFHS-5) 2019–2021 (International Institute for Population Sciences (IIPS) and ICF, 2021) reports 35.5% children aged under five are stunted, 19.3% wasted, and 32.1% underweight. Put simply, stunting (children too short for age) reflects chronic under-nutrition during the most critical periods of growth and development in early life. It highlights the need for diverse food and timely health needs.
- (ii) Second, monitor wasting among infants. Wasting (low weight for height) indicates recent and severe weight loss. It happens due to inadequate quantity and quality of food or frequent or prolonged illnesses.



These irreversibly affect the learning abilities of a child. Education suffers and illnesses begin.

- (iii) Third, monitor cases of anaemia among women and children, which are often very high. Anaemia reflects poor food diversity, besides prevalence of diseases. Iron folic acid tablets alone are inadequate without addressing the gender challenge. It also reflects lack of timely access to primary health care.
- (iv) Fourth, monitor foundational literacy and numeracy among all children under the Nipun Bharat. The New Education Policy 2020 has made a passionate plea for innovation. Getting the right teacher is the biggest challenge. The challenge of teacher development is equally important. The involvement of civil society organizations in teacher development is worth innovating. Digital learning providers could also link to teachers and students for learning outcomes at a mass level. These require flexibility of resources with Panchayats. Schools are great socialization opportunities for breaking hierarchies. Provision of sports and co-curricular activities bring out the best among children. It is the diverse opportunities for recognition of excellence that creates self-esteem.
- (v) Fifth, monitor the status of youth in schools and skills programme. The management of skill programmes has to be decentralized to districts. Periodic Rozgar Melas and opportunities for diversification of livelihoods with credit access and digital linkages will make investment more purposive.
- (vi) Sixth, monitor the linking of households to health facilities for holistic primary, secondary, and tertiary care with the Ayushman Digital Health Mission as a means. While we need more providers of services in need-based health care, linking households to health facilities will substantially raise the demand for health services. It will also bring down out of pocket expenses if doctors, drugs and diagnostics are available to all.
- (vii) Seventh, monitor the female work participation rate. We need to monitor in every Panchayat. Women need opportunities for paid work.
- (viii) Eighth, the percentage of girls from deprived households in high schools and higher education needs constant monitoring.
- (ix) Ninth, monitor funds, functions, and functionaries with Panchayats and urban local bodies with active involvement of social capital of community organizations.
- (x) Tenth, monitor access to credit for all on the basis of individual Micro-Credit Plans.
- (xi) Eleventh, monitor the life of the urban poor to improve access to public services, education, health, nutrition, sanitation, and housing, among others. Public campaigns to ensure access of services to urban poor is needed.

- (xii) Twelfth monitor market wages and availability of work for men and women. It captures the essence of poverty of households and poverty of regions. We will need to address inter-Panchayat disparities by ranking them.

I am certain a PM's Human Development Council will be a game-changer in our quest for well-being and economic growth. Naming and shaming alone does not work; handholding and constant monitoring of agreed targets at the highest level does. The Niti Aayog needs to lead this partnership for transformation.

# 22

## GLOBAL WARMING

### Local Churning

The tendency to give global macro examples in facing up to the global warming challenge always appears very distant. Glaciers melting far away, sea levels rising and landmasses getting submerged, phasing out Carbon Fluorocarbons (CFCs), shifting to renewable power generation: all appear distant in the daily lives of people. This often delays realization. It is only when you are directly affected that you realize where we are headed. The extreme heat destroying standing wheat crops and incessant rains causing flooding in hitherto unidentified flood-prone areas is making people wonder what is happening. The local churning has begun; global warming has reached the lives of people in rural and urban settings. Livelihoods are threatened and incomes are affected. New health challenges are emerging. Adverse weather events are increasing. The time to act has come.<sup>1</sup> Promises have been made at the top. What the consequences will be has to be understood by every citizen to make the commitment real.

While the real heavy lifting has to be done by the power sector reducing and phasing out carbon emissions, electric vehicles overtaking the fossil fuel managed transport and many other sectors, coal-fired furnaces giving way to alternatives, green hydrogen being successfully used to propel our daily lives, and so on, the real stakeholders are the people themselves. It is time for a dialogue with those whose participation will guarantee transformation. The circular economy has to establish itself in the lives of people for it to be effective. The cost of going green has to be explained to the wider community for it to realize why it needs to adopt it. Lifestyle changes to reduce dependence on carbon emissions in our lives will be called for. Global warming has already produced a local churning as lives become dislocated and incomes suffer on account of the vagaries of weather events. Leadership of local

governments (Panchayati Raj Institutions and urban local bodies) alongside vibrant community organization with high social capital (women's Self-Help Groups (SHGs) of the Livelihood Mission, dairy and other primary cooperatives, and so on) will need to harness public will to action. Let us begin with the problem before arriving with a solution. While at the macro challenges level, many things are happening, so let us begin from the households to develop a community-owned agenda for action; a charter of citizens for green growth and well-being.

This chapter will draw heavily on the experience and evaluation of the initiatives of the National Rural Livelihood Mission with over one crore women under the Mahila Kisan Sashaktikaran Pariyojana (MKSP) and all other initiatives for Community Managed Sustainable Agriculture (CMSA). It will also explore the gains on account of convergence of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) resources for watershed and farm ponds with women SHGs. The *Down to Earth* magazine has already documented the successful contribution of MGNREGS in improving water sustainability through a re-visit to many of the original villages where MGNREGS was launched. With over 60% of MGNREGS resources committed for agriculture-related activities, there has been good convergence in community and individual structures like farm ponds, dug wells, watershed work, soak pits, solid and liquid resource management, dairy sheds, goat sheds, poultry sheds, vermi-composting and so. All evaluations of sustainable agriculture clearly establish that the gains happen much more due to diversification of livelihoods by SHG women, especially in animal resources, rather than a major windfall gain through sustainable agriculture. Sustainable agriculture, unlike the purist natural farming champions like Salunkejee, permits the use of vermi-composting. Mulch and other initiatives in biofertilizers and biopesticides using cow dung, cow urine, neem, and others are now being used on a wide scale. These improve the resilience of crops, and reduce the cost of cultivation but the evidence on very high productivity is still not there. It is important not to spread natural farming purely in the form of a productivity revolution. It is not like the intensive green revolution.

Since this is an area of work that is best illustrated by slides, this chapter will explain through visuals what our approach was. Sikkim has demonstrated how MGNREGS resources were used for spring-shed development and cardamom cultivation, dairy sheds and water tanks, to promote tap water and organic agriculture in every village of Sikkim. Cow dung and cow urine is extensively used in Sikkim with very good results.

First and foremost, agriculture and drinking water are the biggest casualties of global warming. Crops are becoming affected due to the changing precipitation pattern from a spread-over system to an intensive flood, like rainfall disasters in many regions. This calls for capturing the rainwater as

and where it falls. Already, in many small ways, farm ponds, trenches, river rejuvenation, and plantations have become coping mechanisms. Protective irrigation has become a need and farm ponds have come to the rescue of farmers suffering the pain of changed precipitation patterns. Watershed works on a much larger scale are clearly the way forward. The Amrit Sarovars will also augment water storage and recharge.

Second, what to grow is also emerging as a challenge. Sustainability is an issue, and we can no longer afford to go for water-guzzling crops and forms of irrigation. More production per unit of water has to translate into action. Diversity of crops appears to be a risk-mitigating measure. As Dr P. R. Mishra of Chakriya Vikas fame used to argue, forest, fruit, fibre, food, and fodder have all to be grown in combination to improve soil health. (See Figure 22.8.) Diversification of livelihoods through animal resources, food processing and packaging, and better market linkages for organic products is also a good coping arrangement. We need sustainable agricultural practices for soil health. Water-cycle balance, along with diversity of crops, helps soil health.

The lessons from the above-mentioned projects, as well as CMSA, are now on scale with over one crore women farmers practising climate resilience. In some ways, our preparedness began from 2014 itself. We also had a rule that additional works from MGNREGS would start the moment there was deficient rainfall in a district. The climate resilience projects in Madhya Pradesh and Bihar have been useful in mitigating risks by using weather forecasts effectively and adopting sustainable agriculture with diversified livelihoods. (See Figures 22.1 and 22.2). Thrust on solid and liquid resource management has also given a fillip to waste to wealth. More needs to be done in this regard.

Figures 22.1–22.3 are self-explanatory as to the approaches adopted and how convergence of action was needed to deliver better results. Many villages stand transformed as a consequence of these initiatives. The Krishi Sakhi and the Pashu Sakhi Community Resource Persons have made a difference to the actual adoption of sustainable agricultural practices. Independent evaluations bear this out.

Figures 22.4 and 22.5 explain the effects of climate change on water at the local level. In the Farmer Field Schools, women farmers are able to appreciate some of the immediate changes that are affecting their livelihoods. Improving soil health is a major effort that Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) is making in partnership with women farmers in rainfed areas. Once the concept and causality is understood, cooperation and community action becomes very easy.

Lakhs of farm ponds, contour trenches, shelter beds, and vegetative barriers have come up under the watersheds and MGNREGS works. In partnership with the Central Ground Water Board Engineers, capacity development of field functionaries in water management was organized on a large scale.

# CLIMATE CHANGE AND CLIMATE CHANGE RESILIENCE

Climate Change	Climate Resilience
The climate change phenomenon refers to seasonal changes over a long period with respect to the growing accumulation of green house gases in the atmosphere	Climate resilience can be generally defined as the capacity for a socio-ecological system to: (1) absorb stresses and maintain function in the face of external stresses imposed upon it by climate change and (2) adapt, reorganize, and evolve into more desirable configurations that improve the sustainability of the system, leaving it better prepared for future climate change impacts.

**FIGURE 22.1** Climate Change and Climate Change Resilience.  
Ministry of Rural Development 2021.

Specific component under DAY NRLM to build climate change resilience at community level

- Mahila Kisan Sashaktikaran Pariyojana: MKSP is a sub-component of DAY-NRLM covering 84 projects in 23 states and one union territory. Till now it has covered more than 35 lakh women farmer.
- Sustainable Livelihoods Adaptation to Climate Change: this project is being implemented in Bihar and Madhya Pradesh covering 663 villages and more than 10,000 farmers.

**FIGURE 22.2** Specific Component under DAY-NRLM to Build Climate Change Resilience at Community Level.  
Ministry of Rural Development 2021.

# DAY-NRLM CLIMATE RESILIENCE FRAMEWORK

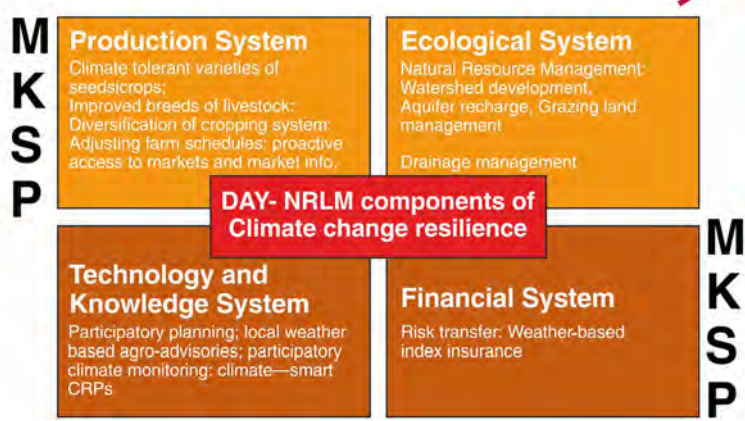


FIGURE 22.3 DAY-NRLM Climate Resilience Framework.  
Ministry of Rural Development 2021.

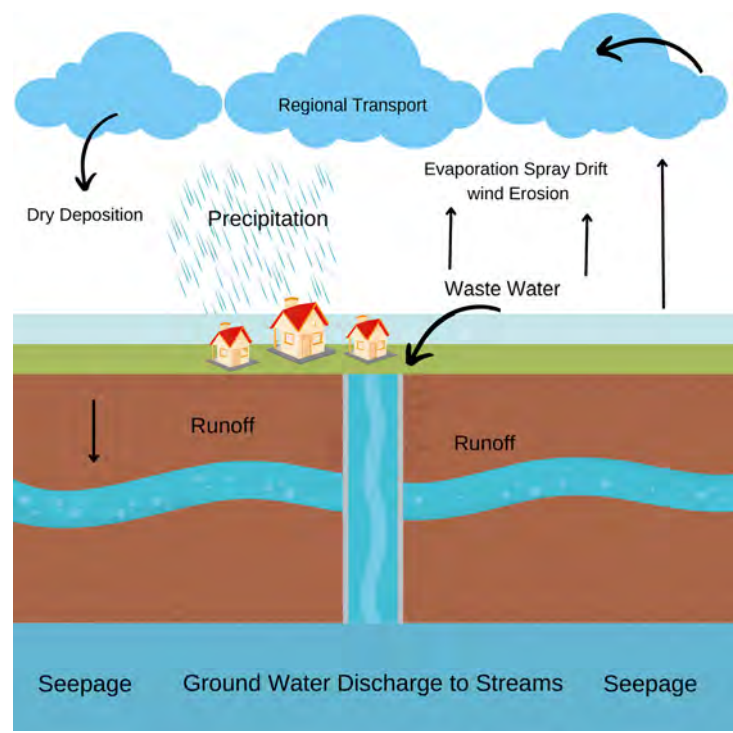
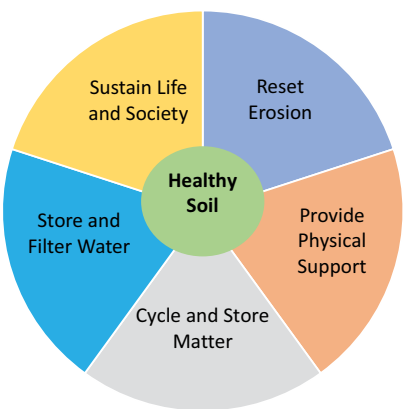


FIGURE 22.4 Climate Change Is Affecting Soil.  
Ministry of Rural Development 2021.

## How DAY-NRLM Addresses the Climate Change Issues in Soil



**FIGURE 22.5** How DAY-NRLM Addresses the Climate Change Issue in Soil. Ministry of Rural Development 2021.

Videos and other training materials and partnerships with Krishi Vigyan Kendras helped.

The first sign of change is often the new forms of pest attack that begin. Biopesticides and local ways of tackling the pests have evolved as part of the package for sustainable agriculture. The restoration of the water cycle helps in preventing the pest menace.

The practical ways in which some of the pest control measures are taken using natural plant traps are indicated in Figures 22.6 and 22.7. The plant border crop has also been a successful sustainable agriculture practice.

Global warming is already causing local churn. Everyone seems to be highlighting the need for soil health, but we always end up talking in macro terms. The challenge is to actually demonstrate on a farmers' field what it means and how it can be achieved. The idea of this chapter was to take the dialogue on climate to the lives and livelihoods of citizens. It is also intended to make the point that purist theories of natural farming will defeat the purpose of evidence-based work. By all means we need to promote natural farming and crop diversity as well as diversification of livelihoods for higher incomes. (See Figure 22.11.) Where Krishi Vigyan Kendras (KVKs) actively engage in these processes of churning, new techniques and technologies evolve. Communities' interface also provides the benefit of local traditional wisdom informing modern practices. Preparedness of agriculture for global warming is a good way to ensure our food security in tough times. As in the case of sustainable agriculture, where practice and research in micro contexts has gone





FIGURE 22.6 Plant Border Crop.  
Ministry of Rural Development 2021.



FIGURE 22.7 Plant Trap Crop.  
Ministry of Rural Development 2021.

hand in hand, we need similar approaches in all other challenged sectors. Health, non-farm livelihoods, industry, manufacturing, and services will all experience their own global warming-related fallout. Like the Livelihood Mission, let the local citizens evolve the agenda for community action. Urban areas, too, will require the thoroughness of this approach in seeing how best lives and livelihood should be mitigated in the short- to medium-term.

## **Climate-Resilient Natural Farming**

### ***Learning from Women Farmers***

There was a time when women's work in agriculture and animal husbandry was rarely counted. As per the 2015–2016 Agriculture Census, 11.72% of the total operated area in the country was operated by female operational holders. Civil society assessments suggest three quarters of the full-time workers on farms are women, as men move to cities for higher wages. Yet, there was little attention to empowering women in agriculture. The Rural Livelihood Mission initiated a Mahila Kisan Sashaktikaran Pariyojana (MKSP) (see Figure 22.10) in 2010–2011 to “meet the specific needs of women farmers”.

Over the last decade, 1.74 crore women have joined the Livelihood Mission's work through a Community Managed Sustainable Agriculture (CMSA), a value-chain development thrust, organic-cluster promotion and a climate-resilient agricultural intervention under the Rural Livelihood Mission. (See Figure 22.12.) The efforts focused on the small and marginal women producers with a household-centric approach. Accepting the need for diversified livelihoods, the thrust was on agro-ecological practices, Non-Timber Forest Produce (NTFPs), livestock, skills-based enterprise and value-chain activities. The thrust was on the small and marginal farmers, mostly in rain-fed areas, for risk mitigation, income increase, cost reduction and sustainability.

Over 60,000 Krishi and Pashu Sakhis, women Community Resource Persons (CRPs), who had themselves come out of poverty, have been developed as agents of change through their intensive capacity building in partnership with National and State Resource Persons and institutions like Krishi Vigyan Kendras. Farmers' Field Schools (Krishi and Pashu Pathshalas) were set up in partnership with the women's collectives. Seed preservation through own farm seeds, seed rotation, and seed treatment by brine solution, cow urine, beejamrut (cow dung, cow urine, and lime), and trichoderma (biofungicide) were tried.

For improving the soil, promotion of soil moisture, conservation, and soil nutrient management practices like NADEP, vermi-compost, Jeevamrut, Ghanajeevamrut, and Azola were attempted (see Figure 22.8). Ridge and furrow, ridge to valley, trenches, corner pits, farm ponds for in situ moisture

## Grow Cover Crops

### Cover Crops

Add Organic Matter | Enhance Mycorrhizal Numbers | Add N  
(Legume) Suppress Weeds | Suppress Nematodes  
Reduce Erosion | Increase Infiltration Of Water  
Decrease Nutrient Loss | Attract Beneficial Insects



**FIGURE 22.8** Grow Cover Crops.

Ministry of Rural Development 2021.

conservation, and crop protection through trap crop, yellow sticky trap, border crops, Brahmastra, Agneyastra, and Neemastra was encouraged (see Figures 22.7 and 22.9). Women farmers were trained through practice in each of the farmer schools. Agri-nutrition gardens were promoted at the household level with multi-layer cropping, trees like moringa, papaya, creepers, leafy vegetables, trellis, poultry, duckery, goats, use of kitchen household waste water, and kitchen garden kits through convergence and awareness generation.

From 2014–2015 onwards, concerted efforts were made at convergence with the MGNREGS, under which over 60% was spent on agriculture and allied activities and thrust was given on individual productive assets like farm ponds, animal sheds, dug wells, vermi and NADEP pits, water and soil conservation, soak pits, solid resource management, and plantations, among others Ashok Pankaj's study (Pankaj, 2020) highlighted how individual beneficiary schemes went up from a fifth of the works taken up in 2012–2014 to two-thirds (67.71% in 2019–2020. While suggesting how MGNREGS can be re-engineered for doubling of farmers' incomes, the study in six districts of Uttar Pradesh, Rajasthan, and Tamil Nadu confirmed the major gains in incomes of these households as a consequence of this thrust. Landless with

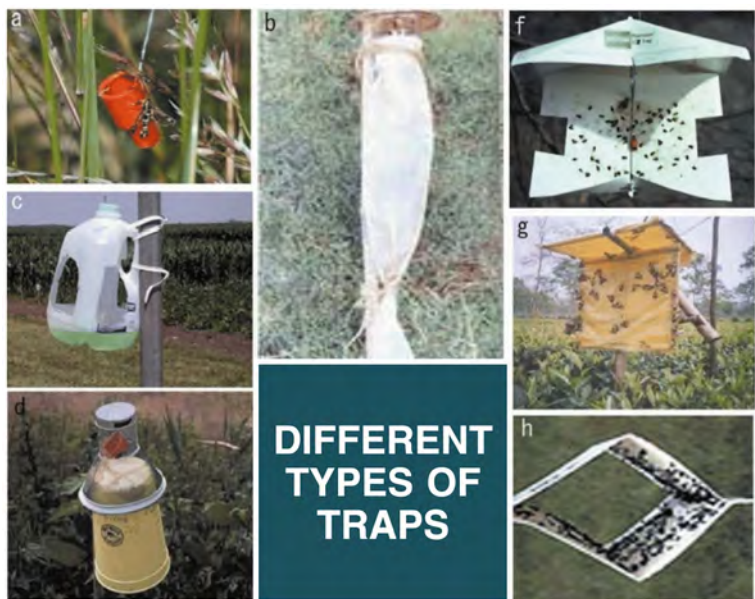


FIGURE 22.9 Different Types of Traps.  
Ministry of Rural Development 2021.

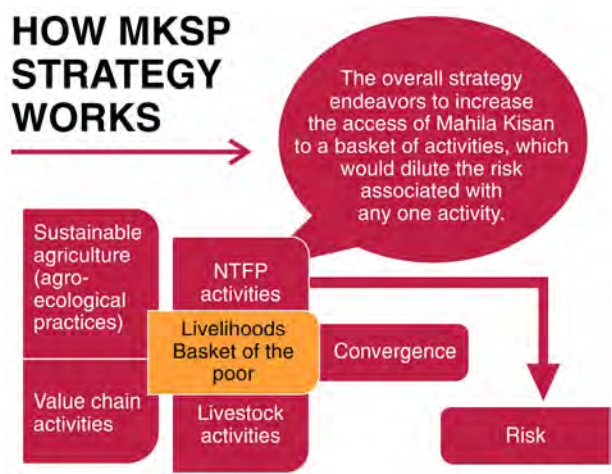


FIGURE 22.10 How MKSP Strategy Works.  
Ministry of Rural Development 2021.



## COPING OPTIONS FOR FARMERS

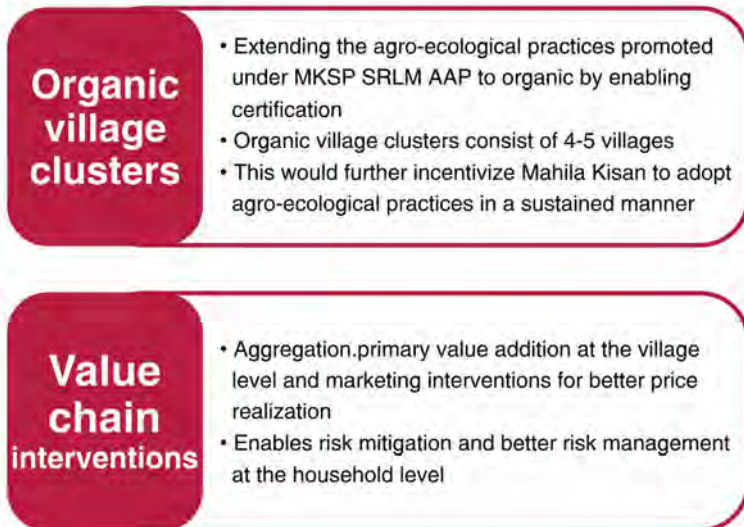
- **Enlarging the food basket.**
  - Diversifying the livelihood sources.
  - Changing cropping patterns.
  - Increased traditional coping strategies
  - Change to mixed cropping pattern.
- E.g. : Crop mixture-nutri millets, pulses and oilseed**
- **Integrated farming system**
  - Increased share of non-agriculture activities

**E.g. : Type of integrated farming systems**  
Agriculture + vegetable cultivation  
Agriculture + animal husbandry



**FIGURE 22.11** Coping Options for Farmers.

Ministry of Rural Development 2021.



**FIGURE 22.12** Organic Clusters and Value Chain.

Ministry of Rural Development 2021.

household nutrition-gardens could also take up animal sheds and 90 days of wage work for Pradhan Mantri Awaas Yojana Gramin house construction. Therefore, the landless were also not left out.

This led to a meteoric increase in income-generating durable assets as compared to the MGNREGS of 2005–2014. Between 2014 and July 2022, 35.76 lakh farm ponds, 307.16 lakh natural resource management works, 21.01 lakh horticulture works, 67.03 lakh plantations, 11.38 lakh check dams, 10.87 lakh dug wells, 11.90 lakh cattle sheds, 16.62 lakh NADEP vermi-compost pits, 49.99 lakh water conservation structures, 24.95 lakh soak pits, and a total of 377.08 lakh individual beneficiary works came up. This number was only 26.58 lakh for 2005–2014. Sikkim's organic story, Madhya Pradesh's agricultural improvements, Jharkhand's vegetable, fruit and animal resources thrust, Odisha's innovative NTFP and mango related initiatives, Rajasthan's water management, Andhra Pradesh's natural farming, Gujarat's and Himachal Pradesh's efforts at Prakritik Kheti, have all gained from such social capital, convergence, and credit. It is not that 2014–2022 did not have rainfall efficient districts; it is just that rain-fed areas are better prepared than before. From river rejuvenation efforts in Uttar Pradesh's Banda, to revival of tanks in Udham Singh Nagar in Uttarakhand, a very silent revolution on water management has been possible, even though the challenge is herculean in many parts of the country, even now. Documentation of such efforts by IITs in three volumes of successes under MGNREGS and their contribution to rain-fed agriculture, confirms the gains. An IEG study quantified the gains in terms of productivity, incomes, fodder availability, and improvement in the water table. Community-led social audit exposures in MGNREGS only indicate the efforts to further ensure accountability. *Down to Earth* tracked the water conservation successes of fifteen first years' villages of MGNREGS in its 20th year.

The thrust on convergence reflects in 24,520 custom hiring centres for agricultural operations, managed by women's collectives, 84,550 banking correspondent Sakhis as CRPs, rupees 5.20 lakh crore bank linkage with a little over 2% NPA, 2.08 lakh Start-Up Village Enterprises, 1,811 women-managed public transport, and so on. Mapping of SHG accounts to individual accounts, formalization of SHG groups for financial purposes, and creating credit histories, will enable higher-order loan eligibility, especially for working capital for such groups.

The entire initiatives have been independently evaluated by the Institute of Rural Management Anand (Singh, 2018) and others, clearly establishing gains in incomes due to diversified livelihoods of women farmers. Case studies by TISS Mumbai on MKSP farmers in Chotaudepur in Gujarat with the Shroff Foundation (Banerjee et al., 2017), PRADAN's work in the village of Bhadubeda in Keonjhar Odisha, the work of Krishi Sakhi like Champa Singh in Anuppur MP, Urmila Linda in Namkum Block of Ranchi, Jharkhand, and

Ranjana Tai in Koli village of Yeotmal in Maharashtra, and thousands of others in thousands of villages, confirm the role of handholding by CRPs for income gains. The 6,595 households, 173 SHGs, 162 Community Resource Persons and 306 village-based studies across eight States (Rajasthan, Chhatisgarh, Madhya Pradesh, West Bengal, Odisha, Jharkhand, Karnataka, Assam) provide the following findings:

1. Households (HHs) with women receiving training have higher average annual income from agriculture, animal husbandry and NTFP than in HHs in control.
2. HHs with women farmers trained report 1.3 times more income from agriculture than control HHs.
3. Dietary diversity was better in intervention villages.
4. Adoption of agro-ecological practices like land preparation, soil and plant nutrition management and plant protection were more in treatment villages (59%).
5. Three major veterinary services received for the livestock (through Pashu Sakhi) were medicines, vaccination, and deworming.
6. In treatment, income from livestock was more than control. (2.5 times).
7. In the majority of the households, livestock was a secondary activity, but in treatment in the majority of the households there are multiple sources of livelihoods.

The lessons on natural faming and climate resilience based on all the studies are as follows:

1. Sustainable agricultural practices are possible through intensive handholding in a community (women's collective)-led movement for transformation.
2. Convergence with social capital of women collectives substantially increases incomes. It takes some years for a group to mature for livelihood diversification.
3. Animal resources are a source of very major income gains but require new practices and their implementation.
4. Multiple livelihoods are the way landless, poor, marginal, and small farmers can improve their incomes. A single-crop system is not the way out. Diverse farm and non-farm livelihoods need to be simultaneously developed.
5. Cost of agriculture and use of chemical fertilizers comes down with extensive use of biofertilizers and biopesticides. However, productivity gains from agriculture remain only modest, though sustainable.
6. Credit availability and linkage of women's collectives with initiatives of all concerned departments (agriculture, horticulture, animal resources, forests, MSMEs, fisheries, food processing, rural development, etc.) facilitate effective use of public resources and returns therefrom.

7. We cannot be purists on natural farming, like Palekarjee, as there are distinct effective sustainable agricultural practices that hold the key to improved soil health. Let a thousand flowers bloom rather than preach only one set of purist practices. Improved soil health and climate resilience requires a multi-sectoral diversified livelihoods thrust.
8. Evidence-based thrust is the way forward, besides community connect, technology as a means, handholding by CRPs, and assessing last-mile challenges.

Natural resources are finite and human greed is not. This is reflected in every flood, untimely rain, unprecedented heat wave, and many other manifestations of global warming each day, across the world. The distant melting glacier due to carbon emissions has come closer home every day. With more than two-thirds of greenhouse gas emissions attributable to household consumption and lifestyles, individual and community contribution can make a real difference.

However, 80 times higher per capita carbon footprint of developed nations in comparison to the least developed country, makes defence against global warming an unequal battle. Aspirational developing nations also want higher quality of life. The “Great Leap Backwards” on clean energy is anticipated in Europe, following the recent challenges.

A global movement is the way forward to reverse the trend. Gandhi’s development philosophy of “need not greed, production by masses and not mass production, and to be a part of nature and not apart from nature”, gives India a natural leadership like in Yoga. Prime Minister Narendra Modi’s call in Glasgow for a global movement for lifestyle for environment (LIFE) is an invitation to the nations of the world for community action for climate change.

The core challenge is to contain carbon emissions without disturbing the aspirational expectations of the developing world and making the developed world realize the wastage and greed in their measurement of quality of life. Poverty is the greatest polluter and, therefore, should not be allowed to persist. Polluter pay principle follows from natural justice as retribution for climate change. The challenge is to build a consensus globally and act locally. Tangible community-led, ground-level, lifestyle changes alone will sustain the gains.

Reducing use of fossil fuels is as important as switching to new ways of living in harmony with nature. Carbon dioxide and other greenhouse gases have to be removed through natural sinks like trees, soil, and ocean. Carbon Capture and Storage (CCS) technologies can create artificial sinks, but they are nowhere near the carbon emission intensity. Lifestyle changes are a must. Can we sleep with the sunset and get up with the sunrise to save energy? Can we promote decentralized livelihoods of high quality to reduce energy need



in large urban metropolises? Can we change our food habits and ensure a circular economy of waste to wealth? Can we visualize power generation at local level, using biomass on scale? Can we reduce the need for heating, lighting, and cooling through new building materials and designs? Can we have more and better public transport?

Transformational people's movements are always strong on community connect and social capital. These exist most at the habitation level, where challenges are similar for all households.

While we need the advantages of large-scale production units, we will also have to explore more participatory ways of building businesses from below. Nano enterprises developing into micro and medium enterprises of scale is also a way forward. Can they maximize economies of scale that large units provide?

At the local level, we need to visualize where we want to be and put our financial resources in accordance with this aim. Value for money needs assessment from a sustainability perspective as well. From large-scale mono-cropping, we need to discover the virtues of growing food, fodder, fibre, fruits, and forests in natural multi-tier cropping. Modern technology must give us cost-efficient alternatives for a higher-order economy.

The Panchayats and urban local bodies in India are already responsible for a large number of sectors that have a bearing on global warming. Mission for life also requires a more decentralized approach to planning holistically. The needs are locally understood, and communities have the powers to mobilize.

While innovations and start-ups need encouragement, we must also simultaneously assess the regulatory frameworks and cost implications of pursuing a green initiative. Electric vehicles are needed on scale. However, we must first invest in ensuring safety and reliability. Community-led lifestyle changes are hard to get acceptance for, and any misadventure in the name of innovation sets the clock back many years.

Redefining luxury needs promotion of good health and sports. The cycling nation of the Netherlands makes its priority very clear on the streets. Planning is in consonance with environmental health and clean air. Games and sports have a strong linkage with reducing global warming as they provide alternative life styles that are more sustainable. The consumption economy thrives on lack of fitness and health challenges that are self-inflicted. Holistic approaches to health are more in consonance with nature.

Development also creates wastages as luxury gets redefined, changing food consumption patterns. The stresses of modern life have once again made coarse grains appear as a preferred meal for the well-to-do. Such opportunities build more equal societies as the produce of the marginal farmers reach the plates of the affluent. Organic and natural foods are an opportunity for developing nations. It is time to junk the junk food. The pace of fast-moving consumer goods needs a "healthy" slow down.

Community action for climate change is also about equity and decentralized development. It is about exploring smaller-sized towns that are proven to be more efficient than large metropolises. Developed nations need to realize that resources are finite and act accordingly. Public information campaigns on reducing consumption for better health and a pro-people planet needs dissemination on scale. Luxury needs redefinition wherever fossil fuels are the basis for it.

Habitations and communities as role models, individuals and their inspirational stories as life goals, learning by doing, and learning from nature all provide opportunities for more efficient ways of living. Life is about a more efficient use of resources and a greater thrust on good health for well-being. The nudge principle has to redefine consumer tastes.

The task is daunting but there are no escape routes. We will swim or sink together. Building global consensus on actionable points and promoting local, context-specific lifestyles and economic activities, are the way forward. The notion of luxury needs change; understanding of high-quality life needs redefinition if we want Planet Earth to survive. The cost of defaulting is enormous. To act is the only way forward. More power to the people.

## Note

- 1 See *State of India's Environment* (Centre for Science and Environment (CSE), 2021).

# 23

## A POVERTY-FREE INDIA

### Concluding Remarks

The vision of a New India is one without poverty and squalor. It is about transforming lives and livelihoods on an unprecedented scale. The thrust on Ease of Living over the last five-and-a-half years is a step in that direction. Quality housing, toilets, solid, and liquid waste management, LPG gas, electricity connection in all households, Rs. 3 per kg rice and Rs. 2 per kg wheat for 75% of rural households, bank accounts, accident and life insurance, immunization of every infant and pregnant woman, access to cheap credit through the Livelihood Mission's Self-Help Groups (SHGs), work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for individual beneficiary schemes and other durable community assets, skilling opportunities, quality health care, value chain, and markets are all elements of efforts at improving the quality and Ease of Living of the poor.

The recently released 76th Round NSSO data (National Sample Survey Office, 2018) confirms the gains in rural areas on many parameters since the 69th Round NSSO data (National Sample Survey Office, 2013). Read with the findings of a community vetted process of ranking of each and every Gram Panchayat of the country based on infrastructure, human development, and economic activity, the gains are really significant. Nearly four in five rural households now have a good pucca home. Nearly 94% of households have electricity, and nearly half of the rural households now cook on LPG gas. Over three-quarters of intra-village roads and drains are pucca and an equal percentage of villages/hamlets already have all-weather pucca road connectivity. There have been very significant gains in provision and use of individual household latrines, the debates on the extent of Open Defecation Free ODF notwithstanding. Solid and liquid waste management has made a

beginning and over 50,000 villages have systematically tackled the challenges of water cycle balance using MGNREGS funds. The asset base of deprived households identified through a caste/creed/religion-neutral process followed by the Socio-Economic Census (SECC 2011), has greatly improved the dignity and well-being of the poor. Access to credit through women's SHGs of the Livelihood Mission has seen a 30% year-on-year growth with significant fall in the non-performing assets, a tribute to community connect and social capital as the best foundation for economic activity and enterprise.

Improvements in Ease of Living require adequate financial resources, possible only if the rates of growth are high and the Ease of Doing Business, simple and trouble free. A more enterprise enabling infrastructure and regulation with easy access to institutional credit, holds the key to higher rates of growth in manufacturing and business. The lead in the services sector requires higher quality human resources for domestic as well as global needs. The demographic dividend lies in the quantum reduction in the number of unskilled households. Women's work participation, world-class infrastructure, export-led agricultural growth and value addition, and higher value-chain development through farmgate level processes are all part of the high growth trajectory and doubling farmers' income vision. While the improvement in the Ease of Doing Business has improved, more efforts are needed to generate the animal spirits required for very high rates of economic growth. This is where a robust education and skilling programme can lead rural India to higher-order trajectories of skilled households commanding higher wages in the non-farm livelihoods as well. A dispersed growth model with clusters as a development focus for markets, livelihoods, credit, and infrastructure has the potential to unleash transformational inclusive growth. Rural India is already home to half the manufacturing and construction sector and one-fifth of the services sector. Thrust on non-farm skilled livelihoods in merging clusters will greatly meet the employment needs of those displaced out of the agricultural labourer workforce on account of mechanization.

What more needs to be done to attain the vision of Developed India 2047? What are the processes that need to be further accelerated?

First, India needs to strengthen its efforts at human development. A time-bound plan to bring India below 100 by 2024 in the Human Development Ranking of Nations, is needed. An ambition of being in the top 50 nations on human development by 2030 requires very detailed work in planning for education, skills, health, and nutrition. This will provide the demographic dividend needed to transform lives and livelihoods. The details of these themes and governance and financial reform needs are discussed in the Charters on education and health.

Second, in recognizing the success of a community connect Gram Swaraj Abhiyan in 65,000 villages and extending seven key aspects of Ease of Living support to deprived households, there is a very strong case to ensure the full

participation of the 3.1 million elected Panchayat leaders and the over 60 million women SHG members, along with all frontline workers, to achieve time-bound targets. This community connect becomes even more effective through the Gram Panchayat Development Plan involving the 29 sectors listed in the 11th Schedule of the Indian Constitution. The platform is already in place through the intensive Sabki Yojana Sabka Vikas campaign since 2017. If line departments join in with full disclosure to the community of all their works in the Panchayat, the results will be truly transformational. Community cadres like the *Krishi Sakhi*, the *Bank Sakhi*, the *Pashu Sakhi*, the *Enterprise Sakhi* and so on, can greatly improve the outcomes of public services for the poor. This is the lesson from the successful Rural Livelihood Mission.

Third, transformation needs credit and enterprise as purely public expenditure is not the route to a poverty-free India. We need enterprise, innovation, and credit for community-led growth and development. We need to design new credit arrangements that reach women, marginal, and small farmers, and other poor households. Diversification and development of livelihood is inconceivable without adequate access to institutional credit. Micro finance institutions provide funds at 20–30% interest. This may be good for consumption or debt redemption; it is not an instrument of credit for competitive economic activity. Community collectives like SHGs, farmer producer organizations, primary cooperatives, and joint liability groups need to feature in the credit and enterprise development plan as there are gains from collectives.

Fourth, there is a need for a real-time monitoring system with evidence-based assessments. The innovative ranking of Gram Panchayats through independent facilitators of the Livelihood Mission and the Gram Sabha as the public institution under the Sabki Yojana Sabka Vikas campaigns, 2 October to 31 December since 2017, has provided very useful insights into the poverty of geographies. As expected, many poorer regions of the country have a larger number of low-ranking GPs. The Ease of Living survey being undertaken by the Ministry of Rural Development to ascertain the status of access to public services to all the nine crore plus households that reported deprivation or automatic inclusion in SECC 2011, will provide very useful insights into the poverty of households. Similarly, the expansion of social audit through a foot soldier cadre of over a lakh SHG women trained already as social auditors, can significantly make public services accountable. The internal audit system, with the thrust on risk analysis of programmes, will make detection of irregularities to make mid-course corrections more professional and evidence-based. Use of Information Technology – Direct Benefit Transfer (IT/DBT), geo-tagging, citizen-centric apps, and transaction-based MISs have all stood the test of time in improving accountability and preventing leakages. Research and evaluation studies, common review missions, and

external assessments, all facilitate a more robust governance framework for transformation. Human interface in generating payments has to be minimal and technology today provides an opportunity to do so. For Ease of Living, it is important for poor households to have access to payments through common service centres as banking correspondents, or post office banks providing ease of deposits and withdrawals in the village itself. Technology enables provision of the old age pension to a 90-year-old widow on her deathbed. That is the real test of financial inclusion.

Fifth, the Panchayati Raj framework has to provide for partnerships with community organizations like women's SHGs, youth groups, farmers cooperatives, and Farmer Producer Organizations (FPOs), among others. The outcomes need Panchayat-led monitoring and all village level institutions like education, nutrition, and health facilities need to be under the Panchayat with community organizations having a well-defined partnership role. The distribution of piped drinking water and many other public services lend themselves to better and timely outcomes under the overall framework for decentralization through Panchayats. Panchayati Raj Institution (PRI)-Self-Help Group (SHG) partnership framework ensures a check and balance in the exercise of authority by Panchayats at the local level. Funds, functions and functionaries have to be accountable to this PRI-SHG partnership as provincialization of public recruitment and cadres now require to be 'communitized' for greater accountability and outcomes. The school teacher, the Auxiliary Nurse Midwife (ANM), and the Aanganwadi worker have to be accountable to the Panchayats that they serve. We can no longer afford the luxury of State-level cadres not accountable to the citizens that they serve. The right to stable public employment must go hand in hand with the duty to provide quality services and outcomes to the community.

### **Transforming Public Services for the Poor**

Crafting credible public systems is often given up on the assumption that private sector will do all and that it is impossible to make public systems deliver quality services. The efforts made in the Rural Development sector and through campaigns like the Gram Swaraj Abhiyan (GSA) over the last few years, provide an excellent example of crafting credible public systems to achieve outcomes transparently and with full accountability to the community.

Our journey began with finalization of the Socio-Economic Census (SECC) 2011 in July 2015. It was important in public programmes for the poor, to identify the deprived households correctly and in an objective manner. The 2002 Below Poverty Line (BPL) list had become a Pradhan's preserve often at the cost of the poor. The parameters of deprivation under the SECC are easy to identify. At the time of the data collection, people did not know what use

SECC will be put to. As a consequence, the reporting is as close to reality as possible.

After finalization of parameters of deprivation of households, a process of validation through Gram Sabhas provided an opportunity for a community led cleansing of the database. With the use of SECC deprivation criteria, beneficiaries were selected under programmes like Ujjwala for LPG connection, Saubhagya for free electricity provision, Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) for housing provision, and Aayushman Bharat for hospitalized care coverage, among others. This database is religion-, caste- and creed-neutral, and only goes by easily verifiable deprivation parameters that capture multi-dimensionality of poverty. SECC data was also used in determining the labour budgets of States under the MGNREGS and in ensuring that all deprived households are covered under the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) in women's SHG formation. Multiple benefits accruing to poor households on the basis of a scientific database with easily identifiable deprivation laid the foundation for evidence-based interventions for the poor.

Correct identification of the poor and involvement of Gram Sabhas and the community in cleansing and updation of data led to adoption of systematic governance and financial management reforms like Aadhaar, IT/DBT, geo-tagging of assets, single nodal account in States for programmes, giving authority to Panchayats to spend but not handling cash, moving towards transaction-based payments on the Public Finance Management System (PFMS) made transformational change in leakages. The Jan Dhan accounts of the poor as also other accounts became the medium for Direct Benefit Transfer (DBT) with no intermediaries. This cleaned up the system considerably. Wage payments and material payments could be made through the system rather than by transferring cash to Panchayat accounts but solely with authorization by Panchayat elected leader.

Having ensured transfers into the accounts of the poor, programmes like MGNREGS undertook major governance reforms to bring the focus on livelihood security through durable assets. While it is important to provide wage employment to manual casual labour on demand, it is equally important that wage employment results in creation of durable asset that contributes towards incomes or well-being of the poor. Similarly, inefficient rules like 60:40 wage to material ratio at a Gram Panchayat level was moved upward to the District level. Individual Beneficiary Schemes for the poor mostly in the form of assistance of 90/95 days of work in the construction of their own houses was undertaken. Individual Beneficiary Schemes also covered poor, marginal and small farmers in erecting animal sheds under MGNREGS, digging wells and farm ponds, undertaking plantations and so forth. Community asset building also continued with a sharper focus on Natural Resource Management (NRM) and agriculture and allied activities. We went by the evidence to

ensure a complete stop on leakages and to construct good quality assets under the MGNREGS. The study by the Institute of Economic Growth in 2018 found 76% assets as good or very good and only 0.5% was found to be unsatisfactory. This is a tribute to the crafting of a credible public system for MGNREGS and its implementation. It was the same programme where studies by Sandip Sukhtankar, Clement Imbert among others in the 2007 to 2013 period had found evidence of large-scale leakages. Surely, funds had arrived under MGNREGS before the ability to spend it judiciously, transparently, and with the right technical support. We invested in building a technical team for Natural Resource Management and used technology for an evidence-based programme implementation. The results are there to see. Even the generation of payments within 15 days moved up from a mere 26% in 2013–2014 to over 90% in 2018–2019. This year, our effort is to ensure not only timely generation but also crediting into the account during a 15-day period.

Likewise, in the rural housing programme, over 30 million homes have been completed since 2014 monitored through a dashboard on the website in real time. Such effective use of technology has led to five-fold increase in the annual completion of homes in a year. It has given us the confidence that ‘Housing for All’ by 2024 is very much in the realm of the possible. Through convergence, these homes have also got the Swachh Bharat toilets, the Saubhagya electricity connections, the Ujjwala LPG connections, and work under MGNREGS for 90 days. Many are also beneficiaries of Aayushman Bharat and the women are members of the SHGs under DAY-NRLM programme with bank linkage. Clearly the lives of the poor have been transformed through a multi-dimensional effort at programme delivery. It is fascinating that the torch bearers of outstanding performance under PMAY-G are the so-called Backward (BIMARU) States who had the maximum number of people living under ramshackle kachcha huts. It must be the only programme in India where the BIMARU States lead the transformation from the front.

Similarly, under the National Rural Livelihood Mission (NRLM), while community mobilization of women through SHGs had been very remarkable, a lot more needed to be done for diversifying livelihoods and providing Bank linkage. The thrust on bank linkage has led to approval of over Rs. 2 lakh crore as loans since 2017 to nearly 3 crore women under the NRLM. This has diversified livelihoods on an unprecedented scale and provided opportunities for women to undertake a range of new activities like public transport, banking correspondents, custom hiring centre owners, and others. Over six crore women who are part of the Livelihood Mission movement are reshaping the destinies of the poor without capital subsidies. All they need is an opportunity for enterprise development through bank linkage. Their Non-Performing Assets (NPAs) have come down from 7% in 2013 to a little over



2% today. These women are easily our best borrowers and rural transformation demands that their nano enterprises are supported to eventually become micro and small enterprises in the years to come. To develop enterprises, the Ministry of Rural Development has undertaken governance reforms in its skills programme for placement-based employment under the Deendayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) and self-employment under the Rural Self-Employment Training Institutes (RSETIs) with over 67% placement under DDUGKY and more than two-third settlement under the RSETI programme. These have facilitated diversification of skills among poor households.

Likewise, with very large transfers under the 14th Finance Commission, Gram Panchayats could undertake large scale improvement of village roads and drains and other needs-based infrastructure. Efforts have been made to make this fund as accountable and transparent as funds under the MGNREGS and PMAY-G through geo-tagging, IT/DBT transfer, and compliance to Public Financial Management System (PFMS). We are certain through electronic monitoring of accounts under PRIASoft, geo-tagging of assets, and fund transfers through transaction-based MIS, and single nodal accounts will lead to transparency. Transferring funds to local accounts in cash is a surefire recipe for corruption. If, instead, the authority to spend remains with the Gram Panchayat but payments go to labourers and vendors' accounts electronically, the corruption cycle becomes non-existent.

Similar efforts were made under the National Social Assistance Programme (NSAP) for pensions to the old, the widows, and the differently abled. Their records were digitized and in most States today technology has enabled transfer of pensions to the poor every month through their bank accounts and by use of the IT/DBT platform. Clearly, the expansion of banking correspondents in remote regions through women SHGs will go a long way towards achieving the noble objective of ensuring that a very old and sick widow is able to draw her pension at her doorstep. Technology is a great enabler in crafting effective credible public systems. The experience since 201 gives us the confidence that it is possible to do so.

The Gram Swaraj Abhiyan (GSA) was a unique effort to ensure universal coverage of all eligible persons under seven programmes of the government in 63,974 villages purposively selected on the basis of their deprivation or on account of being in one of the aspirational districts. Ujjwala for LPG connection, Saubhagya for free electricity connection, Ujala for free LED bulbs, Mission Indradhanush for immunization, Jan Dhan for bank accounts, accident insurance, and life insurance programmes were all brought to the doorstep of the poor in these villages within a fixed time frame and through an effective monitoring system where a very large number of central government officers were also deployed to facilitate. It was a unique cooperative federalism effort with centre, State, and local governments working together with

community organizations like women's SHGs and elected representatives of Panchayati Raj Institutions (PRIs). The frontline workers of all departments came together and worked with the local six crore SHG women and 31 lakh Panchayati Raj elected representatives to transform the lives of the poor and their access to public services in a given timeframe. This demonstrated the power of a government to actually achieve its objective if it has a will to do so. Again a lesson in community-led Crafting of a Credible Public Delivery System.

Similar efforts have been made for rural roads under Pradhan Mantri Gram Sadak Yojana (PMGSY) leading to 130–135 km of road construction every day for 2017–2019. This was made possible only through effective monitoring and follow up with States, and here again the challenge of eligible habitation connectivity of 500+ population in plain areas and 250+ population in hill areas was more in the so-called BIMARU States. Here again, they were galvanized to ensure that nearly 97% of the eligible and feasible habitations were connected by March 2019 when the original target was March 2022. The rural roads programme is also an affirmation of how a well-designed public programme like PMGSY can deliver public services within specified time and at reasonable cost. Not only that, it has also constructed over 30,000 km of roads using green technologies like waste plastic to reduce the carbon footprint and to make development truly sustainable.

Rarely do we celebrate public systems as most of us have reached a stage of cynicism where governments are seen as failing and private sector is seen to be efficient. While private sector achieves many glorious heights, it is important to remember that the provision of many public services in the social sector (such as education, health, nutrition programmes for the poor) still need a community-led, community-owned, public service delivery system that is outcome focused and results in improvement of the lives of the poor and their well-being. There is no getting away from crafting credible public systems where they are most needed – in the lives of the poor.

## **The Freebies Debate**

### ***Sustained Well-Being of the Vulnerable As Thrust***

Whether to provide the fish or teach fishing is an old development debate that democracies find difficult to answer, given the pressure from their voters. The Hon'ble Supreme Court has raised a very valid question on freebies. Democracies are about votes and votes are about nurturing constituencies of voters. While human well-being and sustainable economic progress are desirable objectives for every developing nation, financial resources are not

infinite. Deprivation is also household specific, often with social and regional vulnerabilities. There is always a need to prioritize in the light of resource availability and people's needs.

Financing of development has to pass the following muster:

- Will infrastructure investment increase revenues and what is the likely return on investment?
- Will it ensure a basic minimum level of well-being for every household?
- Will it provide opportunities to a household to improve its fullest human potential?
- Will it reduce the out-of-pocket expenses of a household?
- Will it lead to a greener economy, less drudgery, and better health?
- Will it help in overcoming an extraordinarily difficult challenge and what is the sunset clause?
- Will the economy and human development and well-being move up the development ladder?
- Is it a bang for the buck or value for money?
- Is the State debt, as a consequence of new freebies, financially sustainable?
- Will it improve human dignity?
- Will it address social and regional disparities?
- Does it focus on the deprived households?
- Is a freebie justified even for those who can afford it?
- Is it necessary for a nation's defence and maintenance of public order?
- Will it improve the Ease of Doing Business and Ease of Living for every citizen?
- Is it necessary for food security?
- Is it a perverse incentive as in the case of fertilizers and their over-use?
- Does it improve employment and incomes?
- Does it build community capacity and women's empowerment?

In practice, decision making at the level of State and central government is determined by the negotiations among the line departments, the finance department, the ministers and the civil servants. The famous case of Tamil Nadu's chief minister K. Kamaraj asking his chief secretary whether he had gone to sleep without food when told by him that the Midday Meal programme would make the exchequer bankrupt, is well known. Shri Kamaraj is said to have related how he had gone without food and that he would bring in the Noon Meal Scheme, even if bankruptcy were to happen. Due to the objections it began in limited geographical areas and for very vulnerable households, only to be extended subsequently into a universal programme by M. G. Ramachandran. Social movements and community pressures made

Kerala, Tamil Nadu, and later Himachal Pradesh prioritize expenditure on education and health, especially for women, as human well-being was seen as opening opportunities for higher-order economies.

While Punjab and Haryana reduced income poverty significantly through sustained agricultural development, vulnerable social groups and women in these States did not get the benefit of thrust on education, health and women's access to public services and empowerment to the same scale as in the adjoining Himachal Pradesh. Similarly, in spite of four decades of independence, the 42nd Round NSSO (National Sample Survey Office, 1986) found that 69.23% six plus females had never enrolled in a primary school in rural India, a clear indictment of our thrust on primary education. Would a thrust on primary education and primary health in the first four decades of independence have made us like an East Asian miracle nation? Could we have been like South Korea, Singapore, or Malaysia? The political consensus that human development is needed for sustained economic progress and higher-order economies, still eludes many States where economic growth is expected to trickle down. Instead of a host of freebies by way of liberal relief and welfare thrust, should we not have focused, like East Asian nations, on human development and skills?

The counter-argument is that the poor asset base of the vulnerable households gets in the way of access to public services and participation in education and health. The Prime Minister's thrust on pro-poor public welfare programmes to all deprived households, irrespective of caste, creed and religion, to improve their asset base and human dignity is a case in point. Access to LPG cylinders and stove for cooking under Ujjwala, electricity to every household along with availability of concessional-cost LED bulbs to reduce power consumption and charges, a Jandhan bank account for every woman from a poor household, housing for all under the Pradhan Mantri Awaas Yojana, individual household latrines for all under the Swachcha Bharat Yojana, immunization for all the eligible under Mission Indradhanush, accident and life insurance for every household, a range of contributory pension schemes for the working-age population, secondary/tertiary health care through cashless services up to Rs five lakhs for vulnerable households under the Pradhan Mantri Jan Arogya Yojana, opportunities for skilling, credit and apprenticeships on a large scale, universal coverage of vulnerable households under the National Food Security Act for cheap food grains, and the use of technology, IT/DBT and Adhaar-based verification in all, to remove/reduce leakages and middlemen, were all designed for universal coverage of vulnerable households. The 63,974 villages of the vulnerable and deprived social groups taken up for saturation of seven programmes under the Gram Swaraj Abhiyan, were all designed to improve the asset base of the poor and improve access to public services and participation in education, health, nutrition, and skills programmes.

The interventions listed above along with prioritizing green energies like solar and wind power, programmes for waste to wealth, improved road, rail, and air connectivity, are all designed to improve access to opportunities for every citizen.

Given the finite and limited financial resources, on account of multiple competing claims for development, human well-being returns of investment require prioritization. The questions posed in the beginning need to be answered before indulging in profligacy in the name of satisfying every voter. Targeting is a need given the geo-political conditions, given India's defence and public order challenges and the need to constantly improve preparedness for national security.

The central and State governments need to sit together and deliberate how to ensure value for money and a bang for the buck. There is no end to freebies. Given our human development and capability deficits among youth and the working population, it is human development and teaching how to fish that needs precedence over only distributing fish all the time. Education and health are easily the best investments for a country seeking to secure the demographic dividend with sustained economic progress. The five-trillion-dollar economy dream needs an infrastructure pipeline as much as a human capability and development thrust to move to a higher order economy and well-being. Women's work participation and whatever that raises their share in the economic activity, is needed for an 'India for All', an inclusive society with political, social and economic democracy, as envisioned by Dr B. R. Ambedkar.

The size of the pie has to increase and, therefore, Ease of Doing Business is as important as Ease of Living for the citizen. Economic activity of a much higher order, faster and competitive, is needed along with adoption of digital technology, exports, and growth. Inequalities also need to be addressed through a higher tax to GDP ratio, where direct taxes on households are larger than the indirect taxes on goods. Nation building calls for a partnership of all citizens to ensure prioritized State spending where it is needed most. Unsustainable freebies like free power create perverse incentives if not well designed. Agriculture subsidies distort markets. Workfare for incomes and employment with upgradation of skills will be required in the interregnum. Creating opportunities for higher-order employment is the real test for sustainable well-being.

### ***Making a Difference***

#### *Assessing the IAS*

Has the IAS 'failed the nation' was the provocative question D. Subbarao, an eminent international economist and civil servant, raised in these columns.

He rightly identified incentives and penalties as flawed and felt that bright youngsters join the service but soon they become cogs in the wheels of complacency and acquiescence, turn lazy and cynical, and worse lose their moral compass. He went on to state that it was not always like this. 'IAS officers led this effort from the front, built an impressive development administration network from ground zero and earned for the service a formidable reputation for competence, commitment and integrity. That reputation began unraveling in subsequent decades'. While I agree with a larger threat to integrity in recent decades, evidence-based assessments, both of rates of growth and of social development, do not support the thesis of excellence in outcomes for all in the first five decades of independence. The neglect of primary education and primary health in this period, has been India's biggest bane. We, too, could have been an East-Asian-like miracle with greater thrust on human development, liberalization, and a pro-active State. Human development continues to be a challenge. However, post-1991 in economic growth and post-2005–2006 on poverty and social development indicators, rates of improvement have improved.

The misdeeds of a few, whose numbers seem to be disturbingly increasing, rightly gets wide media coverage. The public actually believes that all Indian Administrative Service officers have a personal bungalow in posh locations and that those they have done business with, look after them in old age. Everyone is painted black, and few realize that, even now, a very large number are silently struggling to even afford a proper modest apartment. The quiet and silent youngster, battling to improve the lives and livelihoods of people in remote regions of the country, often goes unnoticed. Rewards like foreign postings also elude most of them!

Thirty-eight years in the social sector (education, health, rural development) has taken me to the remotest corners of the country. Having visited 90% of India's districts and having seen young collectors in their '*Karmabhumi*', I was disturbed by Subbarao's article. I encountered many idealistic civil servants in their remote corners, making a difference. I have also taught social sectors to over 30 batches at the Musoorie Academy. I found youngsters with diverse social backgrounds and educational opportunities trying to understand good practices and to learn from them. Conducting public speaking classes for some of them in a few batches, has been a gratifying responsibility for me.

It is difficult to pass judgement on a service without looking at the evidence. It is difficult to make all generic inferences on the basis of a few anecdotal instances. There are diversities across States in terms of powers. The dependence of the performance of the IAS on the political executive and its conduct makes assessments tough.

Broadly, the responsibilities of the IAS can be broken down into six roles: regulatory, policy making, programme implementation, improving Ease of

Living, improving Ease of Doing Business, and governance. I wish to put forth a few evidence-based assessments.

First, the economic reforms of 1991 and thereafter are a tribute to professionals, progressive political leadership, and an able bureaucracy. Together, they broke the cycle of low growth rates by opening up the economy and allowing private-sector participation with ease. The IAS has played a role in the regulatory infrastructure, monetary, and fiscal policy formulation and in convincing the political masters to undertake liberal economic reforms, even at the cost of populism.

Second, the pace of poverty reduction recorded from 2005–2006 onwards is faster than in earlier decades. The Economic Survey, 2021 has captured the advances made in basic necessities and Ease of Living of deprived households using the 69th and 76th Rounds of NSSO Data (2013 and 2018 respectively). The National Family Health Survey-V (2019–2021), brings out the impact of the pro-poor public welfare to the deprived, irrespective of caste, creed, or religion, with IT/BT ensuring transparency and SECC providing an objective deprivation list. The public distribution system has been there for a long time but use of technology for identification and portability has transformed its performance from one known for leakages, to an example of a caring welfare state. The phenomenal success of the vaccination drive would not have been possible without the young collectors and municipal commissioners, working with frontline professionals and the community.

Third, the World Bank study (World Bank, 2022) captured the improvement in Ease of Doing Business and identified areas of improvement for reducing the compliance burden. The IAS plays an important role in dismantling archaic laws and reporting needs.

Fourth, the empowerment of 130 million women (rural plus urban) through their collectives under the Livelihood Mission and the 31 lakh elected Panchayat leaders has been facilitated by the young IAS officers. The power of community organizations working with elected local governments is the way forward. The southern Indian States have fared much better in poverty reduction and economic well-being. High rates of adolescent girls' participation in secondary/higher education; a functional public system of health care; very fast decline in fertility rates; women's SHGs and social capital and an environment for livelihood diversification through skills on a large scale; and access to collateral-free bank loans to women SHGs, have all contributed to their success. The other regions are now emulating it on scale.

Fifth, the state of the infrastructure and access to technology, the range of technological reforms for accountability, and IT/DBT all tell a story of technology as a means to empower the poor. The National Highways and rural roads network are clearly showing results and have accelerated the pace of poverty decline with more opportunities.

Therefore, on the basis of the four decades that I have witnessed at close quarters, I can say that there is a lot of need for improvement of governance for better outcomes and that technology affords an opportunity to do so, across sectors with community connect. The thrust on pro-poor public welfare, gives reasons for hope. Deepening of democracy and the voice of the poorest of the poor will enforce greater accountability. The performance in growth and development is better in recent decades than earlier. Ruthless crackdown on the black sheep alongside thrusts for greater professionalism for better governance, and community connect with transparency among the IAS is the way forward.



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## AN INDIA FOR ALL

### **Post-Covid-19 Challenges to Growth and Well-Being**

India @75 is a good time to resolve where we want our nation and its people to be when we reach 100 years of freedom. Prime Minister Narendra Modi outlined the vision of Amrit Kaal (2021–2047) in his Independence Day speech in 2022. It covered all sectors relevant to the lives and livelihoods of our people and the economic and political aspirations of our nation.

While India has come a long way since 1947, there are miles to go to secure a life of well-being for all, an opportunity for every Indian to develop their fullest human potential through access to good health, education, and skills, to earn higher incomes through diversified higher-order livelihoods. When children born in the highest and lowest quantile of incomes secure an equal opportunity for human development, a nation becomes truly inclusive. India's pre-eminence as a superpower depends on these building blocks of human potential to channelize fully the demographic dividend that comes from being a young nation. The National Education Policy 2020 and the National Health Policy 2017, with their commitment to every citizen of India on education, skills and health, lay down a pathway for the next 25 years.

India's pre-eminence as a large booming economy and a political power to contend with, depends on its ability to make every Indian contribute fully to nation building. It is by aspiring to reach the top 50 among nations on human development by 2047 and to achieve the sustainable development goals by 2030, that India can truly realize its economic dream. Social development and a pro-active State hold the key to economic progress, so ably demonstrated by a number of Far East Asian economies. While higher rates of economic growth are required for higher social development, sustainable high

rates of growth are a function of higher human capabilities. Well-crafted community institutions and social capital are also the finest way of addressing the binary and artificial debate of public and private sectors. Whatever improves people's well-being in the assessment of robust community institutions, with use of technology and social opportunities, is what will secure an 'India for All'.

In a democratic nation the priorities of a State are decided by the state of its citizens. The objective life and living conditions at the time of independence often inform policies pursued by post-colonial independent nations. Nations pay the price of colonial rule not only in terms of economic deprivation but often also in the form of extremely unsatisfactory social and human development indicators.

Dr B. R. Ambedkar's argument for universal adult suffrage in the Constituent Assembly was based on an understanding that political democracy will necessarily lead to social and economic democracy. The democratic 'one person-one vote' process was expected to question and transform many inequalities, hierarchies, and social and gender deprivation.

Mahatma Gandhi's approach, based on assumptions of the 'fundamental goodness of man', was an effort to build bridges among contesting social and economic groups for a non-violent and peaceful transition to a more egalitarian society, securing well-being for all.

Swami Vivekanand's focus on education as the pathway to a poverty-free and deprivation-free society was based on clear appreciation that every individual must have opportunities to develop their fullest human potential. Education was seen as securing a new life of well-being for the deprived.

Acharya Vinoba Bhave's Bhoodaan and Sarvodaya Movement and Jaya Prakash Narayan's Total Revolution or 'Sampoorna Kranti' were all efforts to move towards a more egalitarian 'India for All', within the democratic framework. Deen Dayal Upadhyay's Integral Humanism and its thrust on Antyodaya, were all part of the traditions and thought processes of an emerging nation that wanted to secure well-being for all. Pandit Nehru's modernist development agenda, based on public sector leading to commanding heights and the IITs and public sector units being seen as temples of modern India were based on the speedy transition made in the then Soviet Union. Gurudev Rabindranath Tagore articulated his vision beautifully for his country – 'where the mind is without fear and the head is held high....into that heaven of freedom, my father let my country awake.'<sup>1</sup>

The objective condition of India in 1947 needs to be understood before assessing the efforts at 'India for All'. The spectre of the Bengal famine in 1943 haunted the nationalist leaders and food security became a major focus. The intensive agriculture development programme and its focus on irrigated districts, often at the cost of rain-fed areas was a result of it. It was primarily based on this quest for food security. Likewise, the pain of partition, the fear

of further social strife, and violence, led to an effort to carry everyone along in a peaceful transition. The Princely States and their integration in the Indian Union, the vision of Sardar Patel and the administrative acumen of V. P. Menon were all part of this process of transition.

In this quest to look at larger issues, the fundamental challenges of primary education and primary health did not receive the kind of primacy that they needed. It was on account of this neglect of decades that as late as 1986–19 the 87, 42nd Round of NSSO data (National Sample Survey Office, 1986) found 69.23% of girls aged 6+ never enrolled in schools in rural India. The Infant Mortality Rate, from being 100+ at independence, stagnated at 60+ at the turn of the 21st century, reflecting the utter neglect of primary health. The nutrition indicators were equally dismal. Clearly, the human development focus and gender equality remained a lower priority creating challenges in the quest of ‘India for All’.

Often, as Directive Principles of State Policy, the thrust on these sectors got diluted on account of the economic capacity of the State. An ‘India for All’ with shared growth, with social capital and community connect, and with diversified livelihoods of households, needed higher rates of human development, and better social opportunities for moving up the skilling ladder. The success of women’s collectives under the Livelihood Mission, reported very frequently as micro studies across academia, research and the media, is the strongest foundation for a more humane society with shared growth as a non-negotiable thrust. In partnership with the Panchayati Raj Institutions and urban local bodies, these community organizations provide a counter-vailing presence to ensure democratic decision making at local levels. Women in Panchayats has opened a new possibility for more inclusive local governance.

The constitution of India is an effort to address the diversity of India with determination to carry everyone along. The concerted efforts at enshrining fundamental rights and laying down Directive Principles of State Policy, attempted to ensure a road map for the nation. Positive discrimination, respect for diversity, freedoms, and Centre-State relations, were all designed to maintain the unity of the nation and to evolve it into a caring and equal society.

India’s social development journey has been different across different States, even though the ancestry of the Indian civil service influenced all of them. An administrative machinery created primarily for the needs of the colonial masters for public order and revenue was tasked with some of these quasi-development/regulatory responsibilities in health and education. The social movements across States during the course of the freedom movement shaped the content and context of decentralization and thrust areas for transformation. The erstwhile monarchs and the benevolence of a few shaped priorities, were so evident in the Travancore State in present day Kerala and

in Bilaspur in Himachal Pradesh. The social movements in Tamil Nadu and the assertion of the vulnerable social groups led to a far greater thrust on the educational needs of children, especially girls. Peasant protests in different regions of the country generated their own set of social and economic transformations.

Over large stretches of northern India, however, social and gender hierarchies continued to shape the destinies of the poor with limited access to education and healthcare. Northern India witnessed a large number of political movements but far fewer social movements for redefining social relations.

The Community Development Blocks set up to guide and implement development, also had an agricultural focus. Education and health administration remained largely regulatory, with only a limited thrust on universal quality education, health, and nutrition.

The *Indian Express* reported recently from Jharkhand, about women who had been selling country liquor for a living, gave it up, and had now started business enterprises. This has been made possible through the social capital of the Livelihood Mission and the efforts of the Community Resource Persons in the Self-Help Group (SHG) movement. The power of the collectives and their role in transforming lives and livelihoods has been reported from different parts of the country in recent times. Women's collectives under the Livelihood Mission have brought about transformational changes in the lives of the poor. This has been possible due to the community connect, the access to credit, and handholding by the Community Resource Persons. These Community Resource Persons are generally women who have successfully won the war against poverty and are today transforming the lives of other poor women. From rejuvenating rivers to diversified livelihoods, from solid and liquid resource management to sustainable agriculture, these women have demonstrated their ability to come out of poverty. What started in the southern Indian States of Kerala and Tamil Nadu has now expanded to most parts of the country, with nearly 76 million women in SHGs of the Deendayal Antyodaya Yojana National Rural Livelihood Mission (DAY-NRLM).

The journey of 'India for All' needs to learn from the lives of these women who have overcome deprivation and poverty. They have placed before India a model of shared growth, a model of community collectives, having access to credit but a collective equally conscious of the need to use it effectively with negligible Non-Performing Assets. They have placed before the nation a model of enterprise in the poor, an enterprise nurtured by skills development, social capital, handholding, and, most of all, a confidence to interface with institutions of public services, banks, Panchayats, and markets. Social and economic development is about opportunities for equitable development, for growth, and for well-being. With over 40% of elected representatives in Panchayats being women, the partnership of SHGs and Panchayats is also opening new frontiers of shared growth and well-being.

There is an equally strong case to mobilize the youth in urban and rural areas around themes of education, skills, sports, culture, livelihoods, employment, enterprise, and well-being. Mobilization of youth at the grassroots level, with adequate thrust on technology and digital services, will work as a force multiplier for the well-being of all. Connecting youth integrally to the community to explore opportunities for the fulfilment of their aspirations, will surely improve synergies for outcomes. All successful experiments in development across the country are replete with the key role played by Mahila Mandals and Yuva Mandals. Youth as a harbinger of technology for transformation, for start-ups, for new forms of manufacturing and services, for higher shared incomes, and for strength to the 'one district-one product' movement, will all augur well for an 'India for All'.

Democratic mobilization of hitherto underprivileged social groups has happened across the country with far greater participation in the political institutions of democracy at all levels. The ascendancy of hitherto underprivileged social group leaders in the politics of local, State and national governments is a remarkable achievement of democracy in India. While in many States this ascendancy has also seen the improvement in the standard of living of poor households and their access to human development, in many other States, the political ascendancy is far ahead of the thrust for economic and social democracy. While the political lives of people have changed, there is still a long way to go as far as human development is concerned.

The debate with regard to infrastructure, livelihoods, education, and health and the sequence in which communities can gain through them has been on for a long time. Some economists have highlighted the need for human development, to create opportunities for well-being for all. Others have argued for a faster rate of economic growth to be able to generate the surpluses needed for human development. Yet others have argued how infrastructure and economic opportunities through industries and services sector leads to higher incomes and thereafter to better participation in education and health. We have the case of Kerala which had an historical advantage as far as education and health are concerned. The gains of human development in Kerala led to the large-scale migration for white-collar employment opportunities within and outside the country.

We have the example of the southern State of Tamil Nadu where the social movements from deprived groups turned into an educational progress movement. Tamil Nadu is also an example of how focus on women across political parties led to a fundamental shift in gender relations. We have States like Gujarat where sustainable high rates of growth and investments in manufacturing have generated opportunities. The dent on poverty in Gujarat came with an equally sustainable high rates of growth in agriculture and investments on account of water conservation on a large scale. We have the case of Himachal Pradesh where investments in road and power infrastructure went

hand in hand with the thrust on primary education. A hilly State with all the challenges of development has managed a faster trajectory of poverty reduction through such efforts. Sikkim with its focus on lives, organic livelihoods, and community collectives has shown great promise. Punjab and Haryana and their agricultural prosperity leading to poverty reduction, is also well documented.

The period since 2013 has seen a faster pace of development in the hitherto backward States in terms of infrastructure for roads and electricity, sanitation, LPG gas, housing for the poor, and livelihoods for the marginalized. The SHG movement of the southern Indian States has now expanded to a very large number of other Indian States and is transforming lives and livelihoods significantly. The challenge of the Livelihood Mission and the SHGs is to use social capital for economic transformation through enterprise and access to credit. 'India for All' cannot emerge merely by public investments. Enterprise, innovation, and access to credit has to be integral for such an approach. Pro-poor public welfare programmes have used technology, community connect, and digital development to ensure that leakages reduce and the poor gain. Growing partnerships with Gram Panchayats is providing resources for improvement of public services for the poor.

The development journey of India in the periods before 1991 and after is distinctly different as it signals departure from what Prof. Raj Krishna referred to as India's modest 'rate of growth'. The eradication of poverty and increase in per capita incomes have been significantly higher post-1991 as economic reforms have supported higher rates of growth with a greater role for private sector investments. The size of the Indian economy has expanded manifold. The private sector brought in higher productivity and a greater thrust in improving the efficiency of capital for higher wages and opportunities. The Economic Survey, 2021 has captured the advances made in basic necessities and ease of living of deprived households. Using the 69th and 76th Round of NSSO Data (2013 and 2018 respectively), the survey highlights how access to pucca houses, electricity, sanitation, drinking water, safe cooking gas, pucca roads, and drains has contributed to improving the Ease of Living and the bare necessities for a poor household.

The persistence of poverty in India and its slow rate of decline, in spite of a large public sector approach, brings out some of the weaknesses in public investments without adequately focusing on education and health and on the community institutions of the poor. Public investments with low efficiency and poor capital formation, limit opportunities for economic growth. The size of the economy remains limited, and regulations and licences make life difficult for growth of enterprise and innovation. Opportunities for formal employment are few and informal opportunities have remuneration and quality of life challenges. This also leads to the persistence of unskilled wage labour.

Post-1991, while market reforms raised the rate of economic growth, some gains were made through attention to education and health under the Sarva Shiksha Abhiyan and the National Rural Health Mission. Girls' participation in elementary education and significant declines in infant and maternal mortality, as well as the pace of decline in under-nutrition, even though modest, were some noticeable gains. At a time when the poorest households wanted quality education and healthcare for their families, the ability to provide such opportunities were limited either on account of financing or on account of governance and capacity. An 'India for All' needs to provide all its citizens with equal opportunities for human development. The progress of a nation depends on the productivity of each of its citizen. Both education and healthcare improve levels of productivity and the well-being of citizens. The National Education Policy 2020, and Ayushman Bharat for Universal Health Coverage have laid out a framework. Solid, ground-level transformation is needed to fully operationalize the quest for quality education and healthcare for all. The uniqueness of the health sector in terms of the information asymmetry and market failures has to be understood. While the private sector can offer secondary and tertiary healthcare services, the need for a functional public system of healthcare and its implications for the cost and quality of care even in the private sector has to be understood carefully. Education, similarly, calls for a community-led approach where inclusion is the essence of socialization in schools. The pursuit for being among the top 50 nations in the world on human development by 2047, is perhaps the surest way of developing an 'India for All'.

We need to follow a community-led, bottom-up approach in urban areas as well, through appropriate governance reforms in urban local bodies. The SHG movement needs to expand faster in urban areas as does access to credit. Urban local bodies need sustainable governance reform. There is a need for an even better and decentralized community connect. Local governance must move community wards to find lasting solutions to perennial problems of urban governance and development. With rising urbanization, a thrust on how services are organized and how the other half lives in cities is critical. The last mile of outcomes is where the focus is needed for public policy to be turned upside down.

That over five crore households and over seven crore persons each year, demand and do unskilled wage labour under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), is a clear indictment of our development efforts. Generations continue to do hard and arduous manual labour that greatly limits their working life and compromises their health and well-being. Farming is adopting machines and agricultural equipment and some early signs of displacement of unskilled wage labour out of agriculture has become visible. The manufacturing and services sector is not able to fully provide opportunities of decent employment to a large number, with

informal low wage opportunities being the norm. While services have grown, there are challenges on capacity development for higher-order skills. Community-oriented opportunities for skills is the way forward. We need a breakthrough in appropriate skills to drive the transition.

Since 2003, thrust on elementary education through the Sarva Shiksha Abhiyan has created a large young school-going population. The gender gap has been significantly bridged up to elementary level and secondary school participation is also fast catching up. Quality is still a distant dream, but participation is a reality, providing opportunities enabling youth to move up the skilling ladder. The use of innovation and digital technology, using the physical space of schools and facilitation of teachers through digital learning support, in an equitable manner, is also a measure needed in a post-Covid-19 society for human well-being. The coming together of education and skills recently is a step in the right direction towards exploring the continuum of education, enterprise, and employment.

With the thrust on pro-poor public welfare programmes, the asset base of the deprived households in terms of housing, toilets, LPG gas, electricity connection, bank accounts, accident and life insurance, small credit through microfinance and direct lending by banks to SHGs under the Livelihood Mission, has considerably grown during the last decade. All this, along with the Pradhan Mantri Gram Sadak Yojana (PMGSY) road projects and finance commission funded basic services improvements like intra-village roads, street lighting, and so on are making life in rural areas easier than before. Chronic poverty has significantly come down (Covid-19 has definitely caused a temporary setback) and rice at Rs. 3 per kg and wheat at Rs. 2 per kg is a reality for three-quarters of the rural and half the urban population.

Since the labour force has grown because of displacement out of agriculture and lower migration to urban lowly paid jobs, there is a very large labour force in villages. While half of the manufacturing and construction and one fifth of the services sector has already become a part of the rural economy, meaningful skilling and credit for enterprise and jobs has to be done on scale. The production possibility curve of our economy will only expand through a concerted effort at diversification and development of livelihoods though effective skilling at all levels. No developed country can have five crore households reporting for unskilled wage labour. The women's work participation rates have also to be considerably augmented for a more productive India that offers opportunities of economic progress and higher incomes for everyone.

Besides, the human development thrust in 'India for All' is also a call for sustainable development. It is a call for water conservation, a call for waste to wealth, and a call for sustainable agriculture. It is only through sustainable development that the challenges of livelihoods can be effectively addressed. Destructive development does not sustain the gains for long and clearly



‘India for All’ needs to get its priorities right. The thrust on renewable energy, green technologies, and zero- based natural farming are all designed for such an environmentally sound system. While major gains have been made in many areas since 2013, there are still miles to go for securing a stable and sustainable environment. The battle against climate change requires a sustained thrust on community-led development.

The constitution of India mandates decentralization in letter and spirit. The system of governance through Panchayats and urban local bodies is a constitutional mandate and the challenge is to make it effective and operational. Community organizations have a role with regard to local governments and an ideal situation is where community organizations like the SHGs of women are able to hold elected representatives of Panchayats accountable to the local government. It is this balance of power and participation that leads to devolution and decentralization. An ‘India for All’ would require funds, functions, and functionaries to be accountable to local governments. The local government in turn has to be accountable to local communities for their welfare and well-being. Powerful local governments with equally powerful community organizations, is the best guarantee for people’s well-being.

‘India for All’ needs social security. The old, widows, and the differently-abled need our constant care and support. Large numbers of pension schemes have started for those who are in their middle age. We also have to bear in mind that there is a generation of non-literate and unskilled persons who become old and need our care and protection. It is for this reason that social security acquires a greater urgency. Besides adequate pensions, there are healthcare needs and palliative care needs which require attention. Likewise, bringing up a differently-abled child needs support. Widows need our support to develop sources of livelihood to manage their households.

An ‘India for All’ agenda with good governance requires higher levels of public investment as a whole in public programmes, and in partnership with the private sector. The rate of economic growth has to be high for adequate surpluses to be built for those who need it most. A skilled workforce with higher productivity and higher wages is a proxy for the pathway to an ‘India for All’. Higher forms of economic activity would require a greater Ease of Doing Business to generate enough revenue and taxes through economic activity. Growth and development have to go hand in hand. All constraints and bottlenecks due to webs of archaic regulation must be reformed for free industrial and services sector environments. Government cannot be in the business of business even if public policy and governments have an instrumental role in defining the development trajectory.

That development requires growth is quite well understood; that growth falters without human development is often not so well understood. The real test for any democracy is to get this balance right. We cannot secure well-being for the deprived households without allowing for the animal spirits, the

private sector, and economic progress. Public expenditures alone are not adequate for sustainable progress, and it is only through enterprise, innovation, and ease of credit availability that growing developing economies can attain high rates of growth needed for well-being. There is now enough evidence to suggest the role of the private sector in wealth creation. The distinction between promoting wealth creation and promoting cronyism is also well understood. The Ease of Doing Business thrust holds the key for higher economic progress and, clearly, businesses have to grow, expand, and thrive for emerging developing economies to catch up with the developed world. The comparative advantages of demography can be best harnessed if we reduce the disadvantages of the difficulties of doing business.

We live in a truly global and connected world and trade across national boundaries determines pace and survival of businesses. In this quest for the fittest of all, Indian business needs to be provided with a level playing field. Improved infrastructure, human capital, credit availability, transport, ease of regulation, comparable tax rates, and time-bound and single window clearances, all have important roles to play. The communist bloc countries have all had to open up and embrace liberal trade for their economies to grow faster. Efficient production systems work on the profit ethic, and it is foolhardy to resent the business ethos. Wealth creators have to be respected in society as the risks they often take are indeed ground breaking. End cronyism by all means but encourage innovation and enterprise and provide a window for legitimate, bona fide failures.

India's demographic dividend requires a faster pace of non-farm livelihood development and diversification. While India's services sector has shown high rates of growth, manufacturing has lagged behind for many reasons. High employment generating sectors like textiles and tourism need to reposition themselves in the global competition for markets. The important task is to delve deep into sectors to see what constraints businesses and exports face. The Economic Survey rightly makes the case for 'Assemble in India' as a sub-component of 'Make in India'. India itself is a large market and with faster reduction of poverty and improvement of incomes, demand for goods and services by Indian consumers will keep on increasing. Also, geopolitically, India is well positioned to become an 'Assemble in India' hub.

Two key ingredients for faster rates of economic progress are the availability of trained human capital, and the ease of availability of credit for the enterprising. While many experiments with both have been going on for a while, there is a case for looking carefully at the evidence. India's quest for being among the first 50 nations in Ease of Doing Business, to be sustainable, will require an equally serious thrust on moving towards top 50 Nations of the World in Human Development by 2047. During an era of Industry 4.0, of breakneck breakthroughs in technology, and of 3-D printing in manufacturing, we require a very well-trained human capital to leverage the gains in

manufacturing. With India's pre-eminence in the use of information technology and its applications, it is time we made an equally strong thrust on human development to match and meet the needs of a fast-changing manufacturing scenario. The opportunities have to be well understood and the comparative advantages well analysed before stepping forward. In an age of artificial intelligence, internet of things, start-ups, and venture capital, we have to evolve ways of doing business and manufacturing keeping with the opportunities of the times. Breakthroughs in IT hub for hardware become very important to present the case for 'Assemble in India' more meaningfully.

Alongside the economic growth challenges, there has been a very strong voice against growing inequalities and a need for a more shared growth, and a more inclusive society. Greater equality, it is now argued, is not against sustainable economic progress; in fact it is necessary for it. In all societies, it is those who come out of poverty through education, skills, and diversified livelihood opportunities, who are the most enterprising. Unfortunately, systems of credit for those emerging out of poverty is always a difficult challenge as, most often, banks and other lending institutions are too conservative to trust those with a poor asset base. It is this challenge to provide credit and opportunities for enterprise to small and marginal farmers, and the nano and micro enterprises of those who have barely managed to come out of poverty. Cooperatives were set up to meet this collective need for credit and inputs. While some cooperatives did well, others could not resist elite capture in the name of the community. It did lead to wealth creation among many emerging entrepreneurs. However, resort to elite capture and unfair practices, also led to choking up of many such cooperative institutions. The initiative of a new Ministry of Cooperation is expected to revive the spirit of cooperative enterprise.

Some legislative improvements to prevent elite capture have been attempted in producer companies and, so far, many of them have managed to retain their democratic character, participation, and professional management. The women's SHGs formed under the Livelihood Mission have provided for outstanding social capital. The experience of lending to community institutions of the poor like SHGs under the Livelihood Mission has been very positive with very low levels of Non-Performing Assets. The strong social capital and the collective moral force to not only borrow but also to return on time through community cadres and community institutional arrangements, seem to work well. Community institutions of the poor are the only way forward in strengthening the last mile for outcomes, and in ensuring shared growth. Both private and public sector investments would do well to work with community institutions of the poor to enable a more convergent and cohesive approach to a more inclusive India.

Experimentation in higher-order credit for such nano enterprises under the Start-Up Village Entrepreneurship Programme has worked well, as the first evaluation is indicating. The preparation of a detailed micro credit plan,

handholding by an enterprise Community Resource Person, and constant oversight of the community, make for a better utilization of credit. The community connect and formalization of community institutions of the poor like the Livelihood Mission SHGs, hold the key to a more equitable and inclusive approach to economic activity. At a time when inequality is a growing concern and more and more voices are making a case for homegrown large-sized, micro, and small enterprises, the starting point could be some of these community institutions of the poor with strong social capital and support for an evidence-based micro credit plan and handholding. Individual entrepreneurs have started emerging through this process and the thrust on 'one district-one product' can build on these community connects and social capital. Social capital is not only good social justice; it is also the best way forward for sustained economic activity and a more equal society.

An 'India for All' must have a very strong sense of culture and local history with which communities can connect. Places like parks and recreation centres, community centres and sports facilities, public gardens and access to citizens are vital in shaping local culture and determining community connect. While nation celebrates national leaders, often the lack of focus is on local histories. Let the communities feel the sense of identity with those who have stood by them in the past. The use of local history in schools connects children to their environment and creates a purposeful partnership for transparency and shared development.

The quest for 'India for All' has to begin from our public schools and the quality of learning in them. If you can transform our community schools and community health facilities and start associating and taking pride in their improvement, we would have moved on a track of 'India for All'. Only by securing learning opportunities to every child can we maximize the human potential for growth and development. Swami Vivekanand's thrust on education in the lives of the poor and in the transformation of society is truly the route to an 'India for All'.

## **People's Budget in People's Hands**

### ***Decentralization Delivers Development and Democracy***

It is budget time yet again. The experts flock to the media and meetings. They discuss what to spend on, but rarely how to do so. Women's collectives and Laxman's lurking common man are absent from such deliberations. The challenges of the last mile, the diversity that is India, the community connect needed even for infrastructure development, is often not the subject matter of discourse or debate.

It is time that people's budgets moved to people's hands. What we need is a bottom-up budget reflecting people's needs. Sabki Yojana Sabka Vikas, the

annual people's planning campaign from 2 October to end of December each year, was started in 2017. Gram Panchayat Development Plans (GPDs) and ranking of GPs under Mission Antyodaya are specific outcomes that should actually determine a budget's focus. A similar exercise at Basti level in every urban ward is urgently needed to capture the real-life challenges of the deprived. States have been leaders and keen on this movement. More high employment and large number of micro, small, and medium production systems will emerge if the approach is one of community connect.

Budget discussions do not focus where they should. A sizeable sum is spent on the transferred sector schemes where local governments have a constitutional role and responsibility. No one deliberates how Sikkim managed to bring down levels of stunting, wasting, and being underweight among children significantly between 2015–2016 and 2019–2021. No one talks about MGNREGS use in Sikkim for spring-shed development that enabled tapped water, as in Gujarat, for nearly every household. No one talks about the dairy shed and the extensive use of cow dung and urine in promoting organic agriculture, cardamom plantations, and high-value crops, flowers, fruits, and fodder. Women-led development, decision making by community collectives, and a commitment to provide basic health and education needs locally, explains the success of Sikkim.

If Sikkim was small, how has Bihar managed to provide piped drinking water to all households? Does anyone deliberate on why Bihar government fought court cases to ensure local ownership and participation of ward level elected leaders (even lower than Gram Panchayat leaders) in reaching piped drinking water to every ward? Women's collectives, the Jeevika movement and 50% of elected women in Panchayats do make a difference to the deepening of local democracy. There have been challenges in the quality and regularity of tap water, but local solutions are being found for local problems with maintenance funds to local people.

Kerala provides 200 online services to its citizens and has one of the most accountable systems of local government. The Kudumsree women's collectives hold elected Panchayat leaders accountable. Tourism in Kerala is such a pleasure because you do not come across mounds of waste plastic as cleanliness and good hygiene have become a way of life. Beggars and jhopris are not to be seen, as everyone has a home and a livelihood source. You do not encounter lowly paid workers demanding the extra tip for everything as everyone has to be paid a minimum wage to maintain the dignity of labour. Drivers have sleeping places in hotels and resthouses and they do not curl up on car seats.

The successes in pro-poor public welfare and removal of asset deficits of the deprived has been possible through decentralization, technology use, and community connect. Bank accounts for women, immunization, gas connection, electricity provision for every household, rural housing, sanitation, and

LED bulbs, have been possible in large measure due to a community-led mission where every vertical empire contributed to horizontal delivery at village/Gram Panchayat level as part of the Gram Swaraj Abhiyan in 2018, in 63,974 purposively selected villages. Even Jean Dreze acknowledges in his article in the *Indian Express* that ‘amenity improvements in the second period (2015–2016 to 2019–2021) are more a reflection of public policy and subsidies rather than rising incomes. The impact of public policy in this domain deserves appreciation.’ (Dreze, 2022).

The budget should attempt a similar consensus across governments (central, State and local), political parties, and people which is needed to face up to the challenges of human capital, employment, and livelihoods that continue to pose threats to our economic dream. The East Asian Miracle offers the human capital lesson. Nearer home, decline in poverty in Kerala, Tamil Nadu, Himachal Pradesh, Sikkim, and Mizoram has to do with gender equality and human capital.

It is a moment in democratic India’s history that calls for a consensus of all Indian citizens to secure a life of well-being for all. Education, health, nutrition, livelihoods, and skills are the pathway to the development of the fullest human potential in every Indian citizen. Basic infrastructure and community connect in these sectors have improved over the last decade and a half. The challenge is to give it that thrust at local level which transforms lives and livelihoods. India’s century can only emerge out of this consensus of citizens for social harmony and economic progress, cutting across States, regions, religions, castes, and creeds. The budget is its starting point.

We need to launch a Panchayat/urban local body-led mission, in partnership with community collectives. Livelihood, education, health, nutrition, and skill interventions could be taken up under this mission. Better human capital alone will lead to private investments going to hitherto under-invested regions of the country. Good governance and human capital determine investment decisions and its time those opportunities become the sole focus of the budget-making exercise. Businesses from below will have to be built on foundations of human capital and women-led development process.

The message is clear. Budget announcements must outline the ‘how’ of decentralization, rather than fire statements of intent and allocation. Decentralized community action within the constitutionally laid down framework is the way forward. Local government must be mandatorily assigned the responsibility for the 29 sectors in the 11th Schedule for rural areas and 18 sectors in the 12th Schedule for urban areas. Stop expenditure in these sectors without the local government and local community approval and consent. Allow local governments to change budget lines up to 30% to begin with, based on local felt needs and priorities.

It is time for a budget with a difference. It is time for decentralized community action for transformation. The how we spend is far more critical than

how much we allocate. Value for money will come through local ownership of Projects across sectors. The infrastructure and logistics thrust is good but let it also pass muster with local communities to enable integration, convergence and coordinated action. Our cost of infrastructure will come down if we invest in better community connect, technical institutional partnerships on new technologies and options, systematized DPR preparation against standards and with scrutiny, and breaking down and demystifying budget lines and DPRs into specific tangible activities. It is indeed time for a people's budget in people's hands as decentralization does deliver development and democracy.

### **Saving Poverty Gains in the Medium Term**

#### ***Addressing the Pandemic Challenge, Inflation, and the Ukraine Crisis***

The Covid-19 pandemic and the Ukraine crisis have made the gains in poverty reduction 2011–2019, fragile. As the Inequality Report points out, if you earn Rs. 25,000 a month, you are in the top 10% of earners! High inflation hits the poor the worst. The Reserve Bank of India is already taking action but that may take some time to have an impact. The government has stepped in with a series of measures like cut in excise duties on petrol and diesel and a number of other consumer-protecting interventions in duties and exports. Employment and livelihood opportunities are increasing but not quickly enough to meet the needs of those looking for stable livelihoods. While agriculture has been steady and a source of large employment in Covid-19 times, there are a large number of youths displaced out of agriculture, who are looking for non-farm livelihoods, and whose aspirations are in manufacturing and services sectors.

The IT sector has expanded but there are skill set issues that need to be addressed. Rising cost of living, and a huge increase in the price of LPG gas, has also meant tough times for poor households on the margin. With India's public debt already 90% of its GDP, there is barely any fiscal space to expand expenditure to enlarge demand. In a scenario of limited jobs, women suffer more than men, given the fragility of the engagement. Everyone is hoping that infrastructure pipeline, PLIs will also usher in new opportunities for growth and employment. While a lot is being done to push infrastructure rollout, logistics improvement, digitalization and gains are also showing, but there is still some way to go for India to turn a challenge into an opportunity. While India has done better than most countries both on growth and inflation, the susceptibility of those on the margins of slipping into poverty makes the challenge formidable and more immediate.

Business as usual will not deliver the kind of inclusive growth and well-being that is needed to sustain the gains of poverty reduction. While continuance

of the free ration scheme may have helped households in food grain security, it by itself, is not enough to keep households in a state of well-being. We also need to address inequalities more directly. Here are some specific suggestions for sustaining the gains.

First, schools and skills programmes have to relate to each and every village/urban cluster on a priority. Local governments, SHGs, cooperatives, and other community organizations have to be actively engaged in the management of these programmes. There is no getting away from community connect and use of technology as a means. Hybrid learning support through interpersonal and also digital methods, needs to be universally operationalized immediately. Gainful engagement of youth in education and skills with support for IT-based hybrid learning is the need of the hour to remove learning poverty that has been the biggest consequence of the pandemic. Many more physical classes in the summer vacation and remedial learning support provision in physical classrooms, need to be maximized. Panchayats and local governments must be made responsible partners in effectively improving schools and skills. For poor households, improved schools and skills saves and creates opportunities. It is not a time for top-down reforms. The crisis is now, and the transformation should show in every school. Local government grants could focus on education, health, and nutrition with immediate effect. It could be a perfect partnership of the central, State and local government with community ownership.

Second, infrastructure pipelines need community-led partnership for roll-out at speed. Localization of work opportunities in highways, roads, and other construction needs to be explored. Are there tasks that can be assigned to local women SHGs, cooperatives, or Panchayats? Many infrastructure programmes do not internalize the whole-of-government and whole-of-society approach and there is a lot of apprehension and misunderstanding at the local level. Community connect and local communication is not given as much attention as it deserves. This often leads to delays and work stoppages. A community-led approach is good for getting the infrastructure pipeline going. The question to be asked is how did infrastructure thrust create opportunities for locals? The corporate social responsibility of companies should end up in holistic development of local communities in project areas. There is a case for examining the costing of mega-projects as they do often have very high padding. Gatishakti initiatives and internet connectivity thrust can also be speeded up with community connect and local engagement.

Third, it will be useful to focus on some local infrastructure in economic growth points in tier two and three cities and census towns. Identify the key missing infrastructure getting in the way of 'one district-one product' or other high-quality production centres/clusters. The linkages of infrastructure and increased economic activity is a good way forward for infrastructure pipeline to transform lives and livelihoods.



Fourth, the Finance Commission has already argued for Panchayat-led primary healthcare in rural and urban areas. It is time we gave a localized thrust to its implementation with an equally strong thrust on human resources for health. Any amount of teleconsultation is not going to reduce the need for care givers. Investment in developing a HR continuum for ASHAs becoming Nurses and ANMs, is also a good idea at a time when public health capacity needs to be built. The urban primary healthcare needs immediate augmentation and human resource thrust, uninterrupted drugs and diagnostics, and linking every household to a local nearby primary health facility will go a long way towards reducing the cost to a poor household. Drugs, diagnostics, and doctors are more expensive for many poor households out-of-pocket expenditure than even secondary or tertiary care. Education and health protection of the poor in a real practical way will make a difference to the quality of well-being. Campaigns like the Gram Swaraj Abhiyan for ensuring poor public welfare reaching the urban poor is needed to mitigate despair and create hope. Reforms in the elected representation of Bastis institutionally under urban wards/local government will further improve the community connect.

Fifth, it is time that serious thought is given to the increasing inequality of which there is growing evidence, especially in Covid-19 times. In our quest to build Indian businesses and markets, we should not forget the social responsibility of the State to ensure financial resources are put to equitable and optimal use. There is a strong case for higher taxes for those in the very rich bracket as there is no other way of raising public finances for essential poverty reduction and well-being work.

Sixth, in keeping with the federal principle, projects have to be State led and for this greater effort at ownership of States and local governments for new initiatives is needed. Unless the States own the initiative, the growth and development will not reach the pace anticipated. Niti Aayog needs to play its very important federal role not just by naming and shaming but by actively engaging with States for a faster implementation of priority infrastructure projects.

Seventh, let us not wish away the challenges of inflation, unemployment, and poverty. A village or an urban Basti or ward as a unit for monitoring the impact of all interventions needs to be developed. One has to monitor the change that a project brings in an area. Community-led action and monitoring with local governments will make a difference in the pace of execution and in making infrastructure connected with the local area development.

Eighth, the flow of credit to women in SHGs and all community institutions whose bad loans are very low, has to be ensured as a priority for livelihood diversification. Joint Liability Group financing where social capital exists, will facilitate more diversification with scale for local products. Financing street vendors needs to be deepened. Community monitoring and social audit

has to be institutionalized in all State expenditures to enable value for money in projects.

Ninth, it is time workfare programmes are designed as local infrastructure programmes in rural and urban areas, with use of machines and semi-skilled labour for efficient use of public resources. Creation of water bodies, Aanganwadi buildings, schools, health facilities, local market places, go-downs, local level infrastructure for economic activity can all be part of local workfare programmes with thrust on infrastructure. There is still no getting away from an efficient and income-generating asset building under workfare programmes.

Tenth, a review of PLIs to ensure that no subsidies create a disincentive for innovation and cost reduction in the name of Atma Nirbharta, as that is not the intent of the programme. Scarce public resources must secure value for money, growth, and well-being. The solar sector is particularly susceptible on this. In case of some savings, enhancement of pensions for the deprived old, widows, and Divyang and a larger workfare for local infrastructure programme in rural and urban areas, needs to be supported for maximum social protection and value for money.

Extraordinary times need extraordinary measures. This is our opportunity to mainstream an inclusive development agenda through community action. An 'India for All' needs a whole-of-government, whole-of-society and a community-led action with local level monitoring of performance. Gandhijee's talisman of the last person in the line and what our interventions do for that person, was never more relevant than during these extraordinary times. Our quest for scaling up in Ease of Doing Business should simultaneously have an equal thrust of being in the top 50 on Human Development by 2047 as human development alone paves the way for sustainable higher-order economic progress and incomes. This is the lesson from across the world. Providing the opportunity for all in developing their fullest human potential is the only pathway to sustainable well-being of all and an inclusive 'India for All'.

## Note

- 1 See <https://www.thereader.org.uk/featured-poem-gitanjali-35-by-rabindranath-tagore/>

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