Literature Review on Service Delivery in India

Prepared as a background Reference for
The World Development Report 2004: Making Services Work for Poor People

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Draft 2: November 22, 2002

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INTRODUCTION & OVERVIEW

This paper is meant as reference material for *World Development Report 2004: Making Services Work for Poor People*. It looks at India's experience with a number of human development-oriented social services, such as water and sanitation, primary health and primary education, as well as such amenities as roads and social-protection services. Compiling a variety of published and unpublished literature on India's experience with providing these services, it covers a number of aspects: (1) Reviews of the experience with contracting out services; (2) Performance-based approaches; (3) Decentralizing to lower tiers of government, etc. This review works within a triangular framework, looking at the interaction between policymakers (including governments at the state and central levels, international agencies etc.), service providers (public and private sectors and NGOs), and citizens.

Before looking at India-specific research, it is important to cite a number of overview studies (reviewed in detail in the following section) that establish a contextual framework; these studies look at the development process in general, and the delivery of social services in particular, at a holistic level. Devarajan and Reinikka (2002) start with the premises (accepted by much of the development community) that economic growth and increased public expenditures cannot, by themselves, ensure favorable socio-economic outcomes in general, or, in particular, that the world will meet the Millenium Development Goals (MDGs) by 2015. They focus, instead, on establishing improved models for social services delivery. In a similar vein, Devarajan, Miller and Swanson (2002) note that, at the existing rates of progress, many countries will fail to meet the MDGs' quantitative targets for poverty reduction and improvements in health, education, gender equality, the environment and other aspects of human welfare.[1] They go on to suggest, however, that if developing countries take steps to *improve their policies* and if *increased financial resources are made available*, significant additional progress toward the goals is

[1] This debate is fleshed out in **Bhalla, Surjit S. et al. (Forthcoming)** ***Asian Drama Revisited: Policy Implications for the Poor*****. Manilla: Asian Development Bank** and in **Bhalla, Surjit S. (2002)** ***Imagine There's No Country: Poverty, Inequality, and Growth in the Era of Globalization*****. Washington, D.C.: Institute for International Economics**. Bhalla finds that although the world has already (by end-2000) exceeded the millennium development goal for poverty reduction, i.e., less than 15 percent poverty, it is not likely that the world will meet the targets for non-monetary human development. As a country gets nearer to the global floor or ceiling values for any particular indicator (e.g., infant mortality or life expectancy), it becomes incrementally more difficult to achieve further progress. Hence, the millennium development goals are not likely to be achieved by the year 2015.

possible. Pritchett and Woolrock (2002) reject the efficacy of a “one size fits all” centralized social services delivery mechanism, and recommend, instead, an array of service delivery reforms that would lead to improved outcomes. Bushan, Keller and Schartz (2002) firmly establish the viability of using models where public finance is combined with private production to ensure improved social service delivery outcomes. Finally, Filmer, Hammer and Pritchett (2000) look at the “weak links” between government spending and improved outcomes.

This overview paper presents a wide range of research on social services, decentralization, and the impact of decentralization on delivery mechanisms and efficiency in India. What are the common themes that tie together these diverse works? Two points emerge. First, there is much agreement that increased decentralization is a vital, if sometimes poorly implemented precondition improving the delivery of social services. Second, confirming the broad findings of the background papers, there is found to be only a weak link between public expenditures and service delivery outcomes in India. (This is a significant finding, considering that Shariff et al (2002) note a large increase in government spending on social services over the last decade.)

If there is one broad **conclusion** that emerges from this work, it concerns the *type* of research that has been pursued so far, and, by implication, the degree to which government and nongovernmental agencies have *documented* alternative service delivery mechanisms. There is no paucity of research on the causes for and effects of, in most cases, inadequate provision of or access to social services, especially such services as education, healthcare, and water and sanitation. Nor is there a dearth of research – both theoretical and anecdotal – on the *demand* for social services. Where there *is* a yawning research gap is in terms of documented cases of innovative social services delivery mechanisms. This may reflect a scarcity of innovative mechanisms. However, even where such innovations are known to exist, there exists inadequate documentation. This vital research gap begs to be filled. Additionally, it is found that a large proportion of research has concentrated on a few key states – Kerala, Madhya Pradesh, West Bengal and Uttar Pradesh – while paying less attention to others. A more balanced regional distribution of research is needed.

The rest of this paper is organized as follows. The next section looks at a number of general background papers on social services delivery. Section 2 covers sources of data that can be used to analyze both expenditures on and outcomes of social service delivery programs. Given the importance of decentralization in improving outcomes, Section 3 examines some experiences with this process. The following three section (4, 5 and 6) look at, respectively, the demand for and utilization of social services by client groups; expenditures and provision of services at different levels; and outcomes resulting from the interaction between the demand for and provision of services. These last three sections are organized thematically, and within each sub-section, according to reverse chronological order.

SECTION 1: BACKGROUND PAPERS

Devarajan, Shantayanan and Ritva Reinikka (2002). *Making Services Work for Poor People*. Mimeo: The World Bank Group

This paper develops a framework for analyzing service delivery outcomes by providing varied examples that address, to different extents, the relationship between the policymaker and the service provider; the provider and the client; and the client and policymaker. In each case, it is found, outcomes could be improved by addressing a particular problem in the relationship, such as being able to monitor performance. The authors caution, however, that the real world is much more complicated than these simple examples and frameworks would suggest: just as it may be difficult to transfer lessons from the water sector to education, so it would be naïve to expect that an innovation that worked in El Salvador will also work equally well in Ethiopia. Socio-economic, cultural and institutional factors preclude easy replicability and necessitate country- (or even region-) specific mechanisms. Furthermore, the examples and framework cited here only deal with the problem of designing and implementing a program to improve service delivery; it leaves out at least two other important issues: (1) The transition to the new system; and (2) The sustainability of these changes. An innovation such as contracting out health services to NGOs or community oversight of schools may yield significant results in the near-term, but can it be sustained in the long run?

Devarajan, Shantayanan, Margaret J. Miller and Eric V. Swanson (2002). *Goals for Development: History, Prospects and Costs*. World Bank Poverty Research Working Paper 2819

Estimates of the costs of meeting specific human development goals, such as those for education and health, are highly problematic. The relationship between public expenditures and outcomes, this paper argues, is complex, and empirical evidence from developing countries suggests only a weak link between public spending on education and school enrollments, or between health expenditures and mortality or disease. First, these human development outcomes depend on household characteristics, such as

whether the mother is educated, or the family can afford to send the children to school. Second, there is a difference between the *average* cost of providing services, and the *incremental* cost of enrolling a child or treating a patient. Third, public spending does not always translate to outcomes because the delivery of public services, which is the vehicle for translating policies into desired outcomes, is often highly inefficient. Fourth, in the case of infant mortality for example, it is not a single, public-health intervention such as immunization, but a combination of factors, including access to potable water, mothers' education, and developments in technology and medicine, that influences its decline. Finally, in the case of maternal mortality, data quality is so poor that it is difficult to estimate the size of the problem, much less the cost of meeting the goal.

The most accurate way to estimate the cost of meeting the social and environmental goals, the authors note, is at the country level. Country work, and in some cases, even sub-national studies, allow an assessment of the efficiency of public service delivery, the costs of reaching the most vulnerable populations and the ability to identify specific interventions which are required to accelerate progress toward the targets. Estimates of the relationship between economic growth and poverty reduction are also much more meaningful at the country level.

Pritchett, Lant and Michael Woolrock (2002). *Solutions when <u>the</u> Solution is the Problem: Arraying the Disarray in Development.* Mimeo.

Pritchett and Woolrock begin, as do many other studies, by rejecting the efficacy of a "one size fits all", highly-centralized service delivery mechanism, and by accepting the need for greater autonomy and accountability of service providers within a framework of greater empowerment for citizens. This, they point out is, the common ground upon which almost everyone agrees. Where there *is* disagreement, though, is on how to go about improving service delivery. Different groups and individuals, with differing agendas, have presented many alternative models. This paper finds that there is no single "correct" model and, instead, it presents an array of eight service delivery reforms that are on the development agenda within a common framework based on the principal-agent examination of incentives, and examines how the various proposals change the

flow of resources, services, information, decision-making and accountability. It goes on to suggest some of the implications of this framework for development policymaking.

Bhushan, Indu, Sheryl Keller and Brad Schwartz (2002). *Achieving the Twin Objectives of Efficiency and Equity: Contracting Health Services in Cambodia*. Asian Development Bank: ERD Policy Brief Series Number 6.

This case study suggests that government contracting of the provision of health services to nongovernmental entities is not only feasible, but can also potentially increase the coverage of health services in a short time. Contracting could deliver interventions to reduce infant, child, and maternal mortality to more people and faster than conventional government service delivery mechanisms. The pilot study in Cambodia suggests, moreover, that efficiency gains in the provision of health services do not come at the expense of equity. Rather, improvement in efficiency appears to also lead to better access of health services by the poor, relieving them of the burden of health care expenditures. In developing countries where governments have severe fiscal constraints, contracting NGOs or similar private entities for the provision of primary health care services may represent an attractive alternative. The constrained resources of the government may be better used in this manner to maximize the efficiency of service provision. The Cambodian experience suggests how a move away from the traditional government-financed and government-provided health services model to government-financed and monitored contracts (or, in other words, public finance and private production) for health services can be an effective approach to expand coverage especially for the low-income groups.

Filmer, Deon, Jeffery S. Hammer and Lant H Pritchett (2000). *Weak Links in the Chain: A Diagnosis of Health Policy in Poor Countries*. World Bank Research Observer, Vol.15, No.2, 199-224.

Recent empirical and theoretical literature sheds light on the disappointing experience with implementation of primary health care programs in developing countries. This paper focuses on the evidence showing two weak links in the chain between government

spending for services to improve health and actual improvements in health status. First, “institutional capacity” (simply, the ability – on a holistic level – to translate expenditure into effective healthcare provision) is a vital ingredient in providing effective services. When this capacity is inadequate, health spending, even on the right services, may lead to little actual provision of services. Second, the net effect of government health services depends on the severity of market failures (taken to include instances where patients are overcharged, where services are inconveniently located or designed, or where pricing/finance options force patients to liquidate their assets to pay for treatment) – the more severe the market failures, the greater the potential for government services to have an impact. Evidence suggests that market failures are the least severe for relatively inexpensive curative services, which often absorb the bulk of primary health care budgets.

SECTION 2: DATA SOURCES

Planning Commission, Government of India (2002). *National Human Development Report, 2001*. Delhi: Planning Commission.

Compiling data from a wide variety of sources, such as National Sample Surveys (NSS), censuses, and other surveys and independent studies, this report presents state-level data on a comprehensive set of human development indicators. Categories of data include: state human development indices; indicators of economic attainment; access to such amenities as housing, water and sanitation, electricity, and roads; educational attainment; health attainment and demography; and governance.

Public Affairs Center (2002). *State of India's Public Services: Benchmarks for the New millennium*. Bangalore, India: Public Affairs Center

Prepared by the Public Affairs Centre, a non-profit think tank, this document provides an assessment of key public services and creates a database and a set of benchmarks to measure the progress and performance of these services over a period of time. Based on a survey conducted over four months in 2001in 24 states, and covering 37,000 households, this study focuses on the five basic public services that are of special concern to the poorer sections of society: drinking water, health and sanitation, education and childcare, public distribution system (Fair Price Shops), and road transport. The survey compares state-level performance on these five service types with respect to citizens' access to facilities, usage of public services, quality/reliability of public services and satisfaction with the qualitative and quantitative dimensions of service delivery. In overall terms, drinking water is found to be ahead of other services; however, in terms of access, it lags behind the rest. Dependence on public sources is found to be high for PDS and primary education and low for road transport, health services and drinking water. Reliability of services is found to be relatively high for drinking water (public sources) and health, and low for PDS, primary schools and road transport. A significant proportion of users are only partially satisfied with the provision of these services; services with a high element of human interaction are associated with significantly lower satisfaction levels. High income levels and State infrastructure spending do not by themselves, the study concludes, ensure a higher quality of

governance. On the other hand, the poorer and more marginalized sections of society have a generally-low level of access to facilities, due to both low income levels and to other circumstances, such as distance from state funded services.

Shariff, Abusaleh (1999). *India Human Development Report: A Profile of Indian States in the 1990s*. Delhi: Oxford University Press, National Council of Applied Economic Research (NCAER).

Using results from a comprehensive survey conducted in 1994, and covering 33,000 households in 15 major states, this report compiles economic and social development data on employment and wages; literacy and education; morbidity, disability and nutrition; effectiveness of public services and health; demographic characteristics; and village-level infrastructure and development. A number of village-level studies are summarized to validate the data presented. Importantly, disaggregated data (by state, and, further, by income and social groups *within* each state) is given for a range of indicators.

SECTION 3: DECENTRALIZATION

Behar, Amitabh and Yogesh Kumar (2002). *Decentralization in Madhya Pradesh, India: From* Panchayati Raj *to* Gram Swaraj *(1995 to 2001).* London: Overseas Development Institute, Working Paper 170.

In theory, the decentralized provision of social services *should* be associated with improved access and efficiency; in practice, the manner in which, and the extent to which decentralization (in its broadest sense) occurs determines outcomes to a very large degree. This paper, which reviews the decentralization process in Madhya Pradesh during the mid- to late-1990s, provides important insights on the possible pitfalls of decentralization. Madhya Pradesh is recognized as one of the better performing states in terms of its efforts towards greater democratization through decentralization. It has, particularly over the last decade, framed a number of progressive Acts and has continually devolved power to *panchayati raj* institutions. Presumably, Madhya Pradesh should serve as a case study on "getting" decentralization "right." As this paper argues, however, there exist a number of serious issues with this process, on three levels. At the level of the bureaucracy, the authors note immense resistance to and non-cooperation with the *panchayati* institutions, resulting in inadequate financial devolution, the implementation of rules that contradict the spirit of decentralization, and red-tapism and corruption. Among the political and socio-economic elite, there is stiff resistance that stems from a deep insecurity regarding the devolution of power, especially to women and "backward" classes. Finally, and perhaps most importantly, the paper finds a lack of capacities at the grassroots level, a lack of information among citizens about *panchayati raj*, and a lack of political education among people – a factor that is imperative for the smooth functioning of decentralized governance. (The authors find, for example, that elected officials lack the capacity to either keep accurate financial records or to implement development plans, leaving these functions to higher levels of government.) As a result of these problems, there is, on the one hand only limited downward-accountability, and, on the other hand, a perception among communities that the *panchayats* (as well as the State) are doing an inadequate job of providing social services. In spite of these problems, the paper stresses that the Madhya Pradesh government has been successful in empowering women and "backward" communities, and has allowed for improved community decision-making and development planning; this will, in coming years, strengthen decentralization in the state.

Jha, Shikha (2002). *Strengthening Local Governments: Rural Fiscal Decentralization in India.* Economic and Political Weekly, Vol. XXXVII, No.26, June 29, 2002, p.2611.

The process of rural decentralization in India picked up pace in the early 1990s, with the 73rd Constitutional Amendment Act in 1992. Scant literature exists, however, on the financial status of rural local governments. This paper evaluates the extent of fiscal decentralization that has taken place, and, consequently, to what extent rural governments have effective control over expenditure decision-making. It is based on an analysis of budget data for rural governments in seven Indian states - Andhra Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh – during the 1990s. It finds that the process of decentralization has considerably slowed down in recent years, largely due to conflicts between state and local governments. Local governments have repeatedly accused the states of withholding grants and other external funding, and of not sufficiently devolving powers and authority. In some states, though, there have been genuine and wide-reaching moves towards decentralization. The paper concludes with some brief recommendations on taking the process forward.

Institute of Development Studies, University of Sussex (2001) *"Bringing Citizen Voice and Client Focus into Service Delivery" Case Study Series: People's Planning Campaign, Kerala, India.*

In the mid-1990s, Kerala's State Planning Board empowered local governing bodies (*Panchayats*) to draw up and implement five-year development-related plans within their respective areas of responsibility. A large portion of the Board's funds (35-40 percent) was to be used directly by *panchayats* to undertake development projects at the grassroots level. By harnessing the technical and professional expertise of pensioners and mass organizations, and by motivating them to participate in local level planning, this project aims to further decentralize Kerala's planning process. This brief case study looks at the campaign's background, aims, objectives, enabling and limiting factors, and the prospects for and constraints on replicability. Although the project is found, so far, to have made significant progress in just 10 percent of all *panchayats*, it is vital for planners to meet a number of key challenges (most importantly, that of institutionalizing what is essentially a short term mobilization process) in order to ensure further progress.

SECTION 4: DEMAND FOR & UTILIZATION OF SERVICES

4.1: HEALTHCARE

Gupta, Indrani and Purnamita Dasgupta (2002). *Demand for Curative Health Care in Rural India: Choosing between Private, Public and No Care.* New Delhi: NCAER Working Paper No.82.

This study, one of several to come out of NCAER's 1994 Human Development Index (HDI) Survey, attempts to derive demand functions for health care in rural India. It finds, as might be expected, that income and price are strongly correlated with one's choice of health care provider; further, the study finds, age is positively correlated with medical care utilization, and education is found to be an important determinant of provider choice. Lower levels of education are associated with increased demand for medical care; this is, however, likely due to higher average morbidity levels among the less educated. The most important findings of the study, from a policy perspective, concern the price elasticity of demand for health care services, disaggregated by provider type. Across much of rural India, and for different fee ranges and income levels, the demand for health services is found to be highly price inelastic. Within the lower fee ranges, in fact, the elasticity is almost zero; within the *highest* fee range, a 10 percent increase in fees is associated (for the lowest income quartile) with a small 0.03 percent decrease in demand. The richer segments of rural India are particularly insensitive to price increases. Price elasticities are even lower (at every income level and within every fee range) for private health services than they are for government-provided services; this reflects a clear preference for private healthcare provision. The authors find that limited options (the rural healthcare market is highly segmented) explain these low elasticities. Consequently, increased prices for public healthcare services without a corresponding improvement in the *quality* of such services, is found to be poor policy option. On the other hand, an improvement in quality is likely to increase demand for healthcare services.

Sundar, Ramamani (1995). *Household Survey of Health care Utilization and Expenditure*. New Delhi: NCAER Working Paper No.53.

This study, based on NCAER's 1993 Market Information Survey of Households (MISH), presents aggregated (all-India) and disaggregated (state level) data on household health care expenditure and utilization. The MISH survey was conducted over a one-month period in mid-1993, and gathered detailed data on the prevalence of illness, utilization and source of health services, types of providers, system of medicine used, expenditure associated with each illness episode, and the distance traveled to seek treatment. In addition to yielding a useful morbidity profile, this study provides a number of valuable insights on the nature of health care utilization in India. It finds, for instance, that the number of reported hospitalization cases (per thousand of the population) is considerably higher in urban than in rural areas, perhaps reflecting differences in access to hospital facilities. (Correspondingly, the percentage of untreated illnesses was found to be higher in rural areas.) Importantly, the survey finds a high dependence on private sector facilities for out-patient care; moreover, this dependence on the private sector is higher for higher-income groups and, independently, for highly-educated urban residents. In sharp contrast, when hospitalization becomes necessary, both urban and rural residents tend to use public health care facilities more than private facilities; this is especially true of Himachal Pradesh, Madhya Pradesh, Orissa and Rajasthan. Residents of rural areas, it is found, travel considerably greater distances on average to reach health-care facilities. The paper goes on to provide detailed household expenditure figures for healthcare, both aggregated and disaggregated on different levels.

4.2: EDUCATION

Duraisamy, Malathy (2002). *Child Schooling and Child Work in Rural India*. New Delhi: NCAER Working Paper No.84

What determines a household's choice between child schooling and child work? This study, based on the results of NCAER's 1994 Human Development in India (HDI) survey, attempts to answer this important question. A full 28 percent of children in rural India, it is estimated, neither worked nor went to school ("nowhere children") in 1994, while 5 percent of children worked. (A majority of the "nowhere children" were engaged

in household work, but this work remains non-enumerated.) While the usual demand-side factors – household income levels, parental (particularly mother's) education, household demographic factors, belonging to a disadvantaged social group, attitudes, etc. – explain a large portion of household decisions on child education, this paper finds important linkages between enrollment and social service provision in general. It is found, for instance, that easy access to water is associated with greater educational attainment, especially for girls, since female children may otherwise be required to fetch water from long distances. Similarly, the availability of electricity is associated with higher enrollment levels. The distance to school impacts enrollment, but further distances are more strongly associated with *discontinuing* enrollment than with the initial decision on whether to enroll or not. Such factors as quality of roads and type of dwelling (permanent/semi-permanent) are *associated* with enrollment levels, but only indirectly, through other demand-side factors, such as household income. Controlling for other factors, there are found to be important State effects on enrollment. Madhya Pradesh (MP) is chosen as the reference state, and most states (except for Bihar and Uttar Pradesh) are found to do better than MP in terms of overall enrollment.

Foster, Andew D. and Mark R. Rosenzweig (2002). "Does Economic Growth Increase the Demand for Schools? Evidence from Rural India, 1960-99." In Anne O. Krueger (ed.), *Economic Policy Reforms and the Indian Economy*. New Delhi: Oxford University Press.

A vast amount of literature on schooling, this paper argues, has emphasized the role of public policies (and consequently, the *supply* of and access to schooling facilities) in determining schooling outcomes. Foster and Rosenzweig, choose, instead, to focus on the importance of returns to schooling in determining the demand for schooling. They ask whether low levels of schooling infrastructure (and, in particular, the access to secondary schools) and low schooling investment are *solely* the product of failed educational policies, or, whether instead, they reflect "inadequate" economic policies that result in low demand for schooling. This study – which constructs a model relating village schooling investments to expected agricultural productivity growth and wealth, among other factors – is based on a forty-year time series dataset of 240 rural villages across India. It finds a dramatic improvement in the access to schooling over this period in most

parts of India. However, it also finds that a slowdown in agricultural productivity growth in recent years has significantly impacted investments in school construction and on enrollment rates. (Wealth effects, however, are found to have a negligible impact on enrollment.) The paper argues that returns to schooling (and, consequently, the demand for schooling) are positively associated with higher economic growth, since, as wealth levels increase, so too does the demand for nonagricultural products, which in turn creates employment opportunities outside of agricultural. It concludes that economic growth can serve as a powerful policy tool for increasing India's human capital.

Kochar, Anjini (2002). "Emerging Challenges for Indian Education Policy." In Anne O. Krueger (ed.), *Economic Policy Reforms and the Indian Economy*. New Delhi: Oxford University Press.

This paper, based on data from NSS surveys, as well as the NCAER Survey of 1993, examines several issues related to schooling quality in India. It asks, importantly, whether, school quality affects schooling attainment, and whether the differential effect of school quality on households from different socioeconomic backgrounds may increase inequalities in school attainment. It finds that school quality (using student-teacher ratios as a proxy for quality) does, indeed, impact household decisions on enrollment; this is found to be especially true for poorer households with low levels of parental education. Further, the paper finds preliminary evidence of a link between governmental expenditures on schooling and schooling inequality. On another level, the paper tests the response of the private sector to the quality of public education. Data indicates a significant growth in the size and scope of the private sector in education. Very significantly, however, Kochar finds that private school enrollments have increased the most in states that spend relatively *more* on elementary education; correspondingly, private-sector growth has been lower in states where the quality of public schools is low. This, the author suggests, may reflect varied state experiences with government regulation of private schools. Unlike other studies, (Tilak and Sudarshan (2001), for example), this paper does not conclude that the growth in private schooling is likely to increase inequality; in fact, it suggests the opposite: that increased competition may bring down the costs of private schooling significantly, allowing relatively-poor students to attend.

Tilak, Jandhyala B.G. (2002). *Determinants of Household Expenditure on Education in Rural India*. New Delhi: NCAER Working Paper No.88.

Tilak's study, also based on the results of NCAER's 1994 Human Development in India (HDI) survey, begins by noting that the existing literature on household expenditures on education in India is very limited, and that research on the *determinants* of household expenditure is "virtually non-existent." Attempting to partially fill this research gap, Tilak looks at three broad areas: (1) the extent of household expenditure on education by different groups; (2) the elasticity of household expenditure on education to changes in both household income and government expenditure on education; and (3) the determinants of household expenditure on education. Several important results emerge. First, it is found, there is a complete absence of "free education" in India: regardless of a household's socio-economic background, spending on education is very substantial even at the primary school level. Second, "indirect" costs, such as books, uniforms and examination fees, are very high, even in government-run schools, including at the primary level. Third, given the absence of a well-developed credit market for education, expenditure on education is highly (and positively) correlated with income. Fourth, willingness to pay and "compulsion to pay" (i.e., the need to compensate for a shortage of government spending on education) are both important factors. Fifth, government spending and household spending on education are not substitutes, but complements: an increase in government spending is associated with an increase in household spending (due to an "enthusiasm effect" resulting from improvements in school facilities, number of teachers, etc.); conversely, a reduction in government expenditure leads to a decline in household spending on education. (Equivalently, the elasticity of household expenditure to government expenditure is found to be almost unitary, and positive.) Finally, it is found that the provision of schooling in rural habitations, or the provision of such school incentives as mid-day meals, uniforms, textbooks, etc., are both associated with increased household demand for education. Looking at the *determinants* of household expenditure, Tilak finds, as might be expected, that income levels, demographic factors, occupation types, school type, and the level of village development, are all important factors.

Filmer, Deon, and Pritchett, Lant (1999), "Educational Enrollment and Attainment in India: Household Wealth, Gender, Village and State Effects", Journal of Educational Planning and Administration, 13.

Using data obtained from the 1992-93 National Family Health Survey (NFHS), this paper estimates the determinants of child (6-14 years) educational enrollment, and the level of educational attainment for 15-19 year age groups. It looks at a number of possible determinants of enrollment and attainment, and arrives at five main results. First, as expected, and using an index of assets as a proxy for wealth, it finds large *gaps* in educational enrollment and attainment between rich and poor households. Second, it finds significant differences in wealth gaps between states, with Himachal Pradesh (2.6%) and Kerala (4.2%) showing the smallest enrollment gaps between rich and poor households and Uttar Pradesh (37%) and Bihar (53%) the largest gaps. Third, gender differences exacerbate the effect of wealth gaps, i.e., a much higher proportion (80% versus 9.5%) of girls in rich (top 20 percent) households complete grade 8 than do girls in poor (bottom 40 percent) households. Fourth, the paper finds that the physical presence or absence of school facilities in villages accounts for only a small portion of enrollment differences. Fifth, and most significantly, it finds that, *after controlling for all other factors* (including household and village characteristics), there is a very significant State effect on enrollment and educational attainment. Thus, for example, a poor household in Kerala would be much more likely (by 25.3 percentage points) than an observationally-equivalent poor household in Bihar (the reference state), to have a child enrolled in school. These differences, the authors conclude, are related to variations in states' education policies. Although expenditure on schooling is not significantly correlated with enrollment (since expenditure is not always related to improved school quality), there is a much stronger relationship between enrollment and other proxies for quality of education (e.g., total spending on textbooks).

SECTION 5: SOCIAL SERVICE PROVISION & EXPENDITURE

5.1: GENERAL EXPENDITURE / PROVISION

Shariff, Abusaleh, Prabir Ghosh and S.K. Mondal (2002). *State Adjusted Public Expenditure on Social Sector and Poverty Alleviation Programmes.* Economic & Political Weekly, Vol. XXXVII, No.8, February 23, 2002, p.767.

This paper looks at trends in India's public expenditure on social services and poverty alleviation programs from 1990-91 to 2001-02. Although States account for a large portion of total expenditure on these sectors, the Center's share (which varies from about 10 percent to over 40 percent, depending on the sector) appears to be increasing over time. By analyzing trends in State expenditures, expenditures by the Central government, and the combined (adjusted) Central and State expenditures, the authors arrive at some significant findings. First, although the overall expenditure on social services appears to be increasing in real terms, States are accounting for a decreasing share of the total, while the Center's share is increasing disproportionately. Second, there are found to be large inter-sectoral reallocations of funds in the poverty alleviation programs; notably, funds that were previously used for employment generation programs are now diverted to the rural road construction program. Third, looking at combined Central government expenditure on health and family welfare, water and sanitation, and education, they note an increase, from 3.4 percent of total budgetary allocation in 1990 to 5 percent in 2001. The share of total expenditure on education rose from 1.5 percent in 1990-91 to 2.5 percent in 2001 (a 66 percent increase); the expenditure shares of "health and family welfare" and "water and sanitation" each went up by 50 percent, from 1.2 to 1.8 percent in the former case, and from 0.4 to 0.6 percent in the latter case.

5.2: HEALTHCARE

Peters, David H. et al (2002). *Better Health Systems for India's Poor: Findings, Analysis, and Options.* The World Bank Human Development Network: Health, Nutrition, and Population Series. New Delhi: Hindustan Publishing Corporation.

This book, based on an extensive series of consultations, and on a number of background research projects, provides an overview of the state of healthcare in India, with a forward-looking focus on the challenges and opportunities facing the country in

this century, and beyond. It looks at various aspects of healthcare, from financial and management inputs and systems of service delivery, to health "outcomes", including measures of health status, of financial status, and of responsiveness to the public. Beginning with the assertion that India's healthcare systems are at a crossroads, this work fleshes out a range of issues, including problems facing the public and private sectors; the role of public policy; the delivery of healthcare services by the public and private sectors; and the financing of healthcare. Having looked at various measure of health system outcomes, the book concludes and India's health sector is becoming increasingly polarized: disparities between states, across genders, by social group, and by income level, are growing wider. This suggests that individual states and social groups face unique challenges and circumstances, and these must be addressed on a case-by-case basis rather than looking for simple, all-encompassing solutions.

Soman, Krishna (2002). *Rural Health Care in West Bengal*. Economic and Political Weekly, Vol.XXXVII, No.26, June 29, 2002.

This paper looks at the health care sector in the primarily-agricultural West Bengal district of Birbhum. Here, as elsewhere in the state, new privatization initiatives are being undertaken by the government in collaboration with external funding agencies. In addition to public health care facilities, a range of private-sector providers have long existed, practicing different systems of medicine (allopathy, homoeopathy, *ayurveda*, and other traditional systems), with different ownership types (profit, not-for-profit). One of the major impediments to the spread of modern, allopathic health care provision, the paper finds, is the passive resistance of villagers. Many practitioners engage in informal, holistic practices, combining traditional healing with homoeopathy and allopathic medicine. For a range of cultural reasons, a substantial portion of villagers (estimated at over a third) prefer such services – often run out of practitioners' homes, grocery shops, or even door-to-door – to formal health institutions.

SIFPSA (1999). *Making Things Happen: Decentralized Planning for RCH in Uttar Pradesh, India.* Lucknow, India: State Innovations in Family Planning Services Project Agency (SIFPSA).

Decentralized planning is one of SIFPSA's innovative interventions. This process has been adopted in 6 districts of Uttar Pradesh and district action plans (DAPs) covering a population of 17.8 million are being implemented there. The rationale for district planing is to encourage bottom-up planning, taking into account local needs and resources, and ensuring the devolution of administrative and financial authority to the districts, with continued technical assistance from SIFPSA to streamline service delivery systems. The district planning exercise also includes the creation of District Innovations in Family Planning Services Project Agencies (DIFPSAs) and Project Management Units (PMUs) to provide operational linkage between SIFPSA, the districts, and the public and private sectors. This document is the report of an external assessment of the DAPs conducted by The POLICY project. It discusses the experiences relating to the planning process, implementation and performance of DAPs. This document throws light on the first year of the experiences of implementation of the DAPs. Beginning with the DAP planning process, it shares experiences regarding creating a conducive environment and strategies adopted for generating demand for Reproductive and Child Health (RCH) services. It describes the measures adopted to improve quality of services, improve access to integrated RCH services and forging partnerships with non governmental sector for wider accessibility of services. The document also describes the monitoring system developed for the DAPs and performance in terms of use of family planning methods and Tetanus Toxide (TT) coverage. It gives sector wise fund allocation and key achievements in these districts.

5.3: EDUCATION

Government of India (2002). *Notes on Demands for Grants, 2002-2003: Demand No.50: Department of Elementary Education and Literacy.* New Delhi: Ministry of Human Resource Development, Government of India.

This note, prepared as background material for the Indian Union Budget for 2002-2003, provides brief details on a number of innovative programs that have been either jointly-financed by international development agencies and the Government of India, or that are

entirely government-run. The note traces the financial details, the starting and ending dates, and a brief description of each program. The programs covered include, among many others, the "Education Guarantee Schemes" that have been implemented in 25 states and union territories; the "*Shiksha Karmi*" Project in Rajasthan; the "*Mahila Samkhya*" Programs implemented in 10 States; and the "*Lok Jumbish*" project in Rajasthan. Although this note provides a fairly exhaustive *listing* of projects that are either fully or partially government-run or financed, it does not go into great detail. A critical overview of these projects would be an invaluable research project in its own right.

Institute of Development Studies, University of Sussex (2001). "*Bringing Citizen Voice and Client Focus into Service Delivery" Case Study Series: Education Guarantee Scheme, Madhya Pradesh, India.*

In 1997, the Government of Madhya Pradesh pioneered a community-centered, rights-based initiative to universalize primary education. The Education Guarantee Scheme (EGS) pledged to establish a school within 90 days wherever a community demanded one and had no primary schooling facility within one kilometer. This brief case study details various aspects of this initiative, including a description of the scheme, its aims and intentions, enabling and limiting factors, and prospects for and constraints on replicability. It is found that several positive aspects of the project design and implementation mechanisms (its quick responsiveness, cost-effectiveness, efficient monitoring mechanisms, etc.) have resulted in significant progress towards improved access to education in this important Central Indian state.

Jagannathan, Shanti (2001). *The Role of Nongovernmental Organizations in Primary Education: A Study of Six NGOs in India.* World Bank Working Paper No. 2530.

This paper examines the experience of six NGOs – working across India in both rural and urban settings – that have successfully collaborated with the public school system to improve the effectiveness of government-run schools. Interestingly, these organizations seek to work *within* the existing public school system rather than to supplant the system

with “islands of excellence.” The overriding aim is to create, enhance and institutionalize models for NGO-Government collaboration and dialogue, and to share such models across the country. The paper argues that these six NGOs have successfully demonstrated that local capacities (channeled mainly through *panchayati raj* institutions) have so far been largely untapped, and that there is immense potential for channeling these capacities. Importantly, it finds that these innovative models cannot be easily scaled-up without adequate quality checks and policy change. The government has, for instance, unsuccessfully attempted to incorporate elements of these models through the use of “para teachers” and alternative schools. Innovations on a large scale, it concludes, requires careful planning and a continuous dialogue between NGOs and the government.

Kingdon, Geeta Gandhi and Mohd Muzammil (2001). *A Political Economy of Education in India – I: The Case of UP*. Economic and Political Weekly, August 11 2001, p.3052.

Educational attainment in the state of Uttar Pradesh (UP), using a number of different indicators, lies well below the national standard. This poor record is explained by a host of factors, including, very importantly, the phenomenon of endemic teacher absenteeism and shirking. In turn, it is the strong political position of teachers in Uttar Pradesh (and in several other Indian states) that explains absenteeism and a general lack of accountability. The Indian constitution provides for a special representation of teachers in the upper houses of the state legislatures; this has resulted in many teachers becoming deeply enmeshed in state politics. Over time, education has become highly politicized, and teachers’ unions have grown in strength, leading to frequent, widespread, and astonishingly successful, teachers’ agitations over pay and working conditions. This paper traces the factors that have influenced the evolution of institutions that determine educational outcomes in UP. It focuses on the extent of and reasons for teachers’ participation in politics, the evolution and activities of their unions, the size of their representation in the state legislature and the link between these and other factors such as the enactment of particular education acts in UP, teacher salaries and appointments, and the extent of centralization in the management of schools.

Tilak, Jandhyala B.G. and Ratna M. Sudarshan (2001). *Private Schooling in Rural India*. New Delhi: NCAER Working Paper No.76.

This paper presents an overview of the alternative explanations and views on private and public schooling in rural India, examining in particular the relative size of the private sector; its growth in recent years; attributes of children attending private schools; and the demand for private education in rural India. Importantly, while the paper finds a decline in the relative enrollment share of government and government-aided schools, and a corresponding rise in the private sector's share, it rules out the possibility that private schools are competing with the public sector in rural India. Moreover, it finds that the private sector is likely to remain small in size in the foreseeable future. In a majority of locations, it is found, private schools do not fill a "demand gap" created by the absence of a public sector school; rather, private schools are found in locations where public schools already exist. Instead of meeting unmet (quantity) demand, private schools meet "differentiated" (quality) demand, attracting children from higher-income groups or from advantaged social groups; parental educational background, too, influences schooling choice. The authors conclude that private schools "may strengthen the forces of inequity further."

De, A., M. Majumdar, M. Samson, and C. Noronha (2000). *Role of Private Schools in Basic Education*. New Delhi: National Institute of Education Planning and Administration and Ministry of Human Resource Development, Government of India: *Year 2000 Assessment: Education for All*.

This paper reviews recent trends in primary education, closely examining the rapid growth in the role of private education. Schools in India come in three basic forms – Government schools, Private Aided (PA) schools (almost fully government financed but privately managed), and Private Unaided (PUA) schools. A very large increase in the number of and enrollment in PUA schools at the primary school level has been noted in recent years. This is in stark contrast to earlier trends, where PUA schools were important only at the secondary education level. A deterioration of the "public" school system (*including* a decline in the quality of PA schools, which tend to be very similar in most respects to government schools) has caused PUA schools to emerge even in areas that already had government of PA schools. Citing a number of recent case studies, the authors find that in a vast majority of States (with the notable exception of

Himachal Pradesh), there is a deep and widespread dissatisfaction with government and PA schools. Despite the growth of the PUA sector, this report notes that enrollment in government schools, particularly in rural areas, has not changed significantly; this rules out the possibility that PUA schools are supplanting the public sector. Instead, the paper finds that enrollment in PUA schools – which tend to be very expensive relative to other types of schools – is largely confined to higher income groups. There are also, however, found to be enormous variations in PUA fees, which enables some poor households to send at least one of their children to such schools. After reviewing a number of aspects of school quality and finances, the paper concludes that much more research is needed to determine whether, in fact, PUA schools are, on net, more cost effective, operationally efficient, or qualitatively better than the public sector schools.

5.4: WATER AND SANITATION

Colin, Jeremy and Joy Morgan (2002). *Provision of water and sanitation services to small towns*. WELL Task 323.

This study, a situational analysis of water supply and sanitation delivery in Kerala, India, and in Central and Easter Uganda, provides a number of key, globally-applicable recommendations on service delivery. Perhaps the most important finding of this paper is that local authorities in most countries tend to concentrate on water service provision to the detriment of improved sanitation and increased health education. Kerala and Uganda differ enormously in their planning frameworks – while Kerala's is highly decentralized, Uganda has not fully transitioned to such a system – but have, in many instances, similar service delivery outcomes. For one, authorities in both places tend to under-provide sanitation services; for another, the delivery of health and hygiene education has not significantly impacted behavior. Importantly, it is found that – largely for political considerations – local authorities are unwilling or unable to collect charges for water services; this makes service delivery unsustainable.

Water and Sanitation Program, South Asia Region, World Bank (2001). *Field Note – Community Contracting in Rural Water and Sanitation: The Swajal Project, Uttar Pradesh, India.*

The existing water supply service delivery in Uttar Pradesh, India is undertaken through a large state-level public sector organization, the *Uttar Pradesh Jal Nigam*. Funded mainly by government grants, the *Jal Nigam* constructs and maintains water supply schemes in most parts of the state. It adopts a top-down approach to service delivery, rarely taking into account consumer preferences. There is no capital cost recovery, and operation and maintenance costs are seldom collected. The poor sustainability of investments in the rural water supply sector encouraged the UP government to adopt two major policy reforms through the World Bank-assisted Swajal project: (1) Partial cost recovery and full operation and maintenance cost recovery from user communities; and (2) The creation of an alternative service delivery mechanism for rural water supply and sanitation.

The new institutional model, this field note explains, is specially designed to serve as a vehicle for the community-based, demand-responsive approach envisaged in the project. This consists of a close inter-relationship between three organization types: village communities (represented by their water and sanitation committees), NGOs and the Project Management Unit, an autonomous State-level society. The field note describes key aspects of the Swajal project, such as its scale and scope, and details on its mechanisms; it also provides several short case studies. Three important lessons have been learned from this pilot initiative: (1) That village communities must independently undertake community contracting (this, however, requires further capacity building at the village level); (2) That the contracting processes need to be further streamlined; and (3) That it would be difficult to scale up this pilot project in the context of UP's existing service delivery system.

SECTION 6: OUTCOMES

6.1: GENERAL OUTCOMES

Mahal, Ajay, Vivek Srivastava and Deepak Sanan (2000). *Decentralization and Public Sector Delivery of Health and Education Services: The Indian Experience.* Bonn: University of Bonn – Center for Development Research (ZEF), Discussion Papers on Development Policy No.20.

This paper has two main objectives: (1) to trace the progress of decentralization in the provision of social services; and (2) to test the hypotheses that decentralization in the system of public service delivery in primary health care and education will lead to improved outcomes in rural India. On the first point, the paper finds that prior to 1992, with the exception of a few states (Gujarat and Maharashtra, and, to a lesser extent, Karnataka and West Bengal), there had been little or no progress on decentralization. Local government bodies in rural India had little control over finances, administration, or expenditure decisions, acting mainly as executing agents for other government line agencies. Following the 1992 Constitutional Amendments, there has been significant progress towards decentralization, particularly in such states as Madhya Pradesh and Kerala. The paper cautions, however, that it is too early as yet to comment on the sustainability of these efforts. Turning to the impact of decentralization, the paper finds, after controlling for socio-economic circumstances, the presence of civil society organizations, and the capture of local bodies by elite groups, that decentralization is, indeed, associated with improved outcomes. A number of indicators of democratization and public participation – frequency of elections, presence of NGOs and parent-teacher associations, etc. – generally have positive effects; these effects, are, however, not always statistically significant. The authors conclude by recommending further work on developing better measures of decentralization and social participation (e.g., data on candidate turnover from state-level elections), and suggest that village-level case studies be undertaken.

Pradhan, Basanta K., Kamala Kanta Tripathy and Raji Rajan (2000). *Public Spending and Outcome of Social Services in India: A Review during the Regime of Policy Reforms.* New Delhi: NCAER Discussion Paper No.15.

This overview paper studies the performance of India's social sector (defined to include education, healthcare and social security) in the context of the structural adjustment

program that began in the early 1990s, and which resulted in a drastic reallocation of expenditure across government program areas. (Expenditure growth rates fell sharply for education, but rose for healthcare programs during the 1990s.) It examines public expenditure patterns, and attempts to assess the impact of reforms in terms of changes in per capita public expenditures, and in terms of measured outcomes. In general, the paper finds a weak but positive relationship between State per-capita expenditure on healthcare and changes in life expectancy. Rajasthan and West Bengal (which achieved the highest change in life expectancy but had the second-lowest per-capita expenditure on health) are notable exceptions to this relationship. Uttar Pradesh, despite ranking first in terms of education expenditure per capita, and third in terms of health expenditure, achieves poor outcomes in both health and education. Kerala, in contrast, does well in spite of low per-capita expenditure. The paper concludes, as have other studies, that expenditure is only weakly associated with outcomes.

Murthy, Nirmala, Indira Hirway, P. Panchmukhi, and J. Satia (1990). *How Well do India's Social Service Programs Serve the Poor?* World Bank Policy Research Working Paper WPS491.

Reaching India's poor calls for greatly improved social service delivery systems, better targeting of the poor, more coordination between agencies, policies aimed at income generation, and more involvement of the poor and of nongovernmental organizations. The authors of this paper found that India's social services were used relatively little by the poor. The health and education of the poor has improved but not as much for the population as a whole. The reasons that all social service programs did so little to alleviate poverty are similar. Physical access to education and health services has improved but inequalities exist because of biases in locating facilities. The access of the poor to housing, social security, and social welfare services has been limited because these services were inadequate relative to needs and because services leak to the non-poor. Social service policies are not comprehensive enough and the quality of services is low. Issues common to the social sector delivery systems are weak management, ineffective targeting, and inflexible service delivery systems that result in a mismatch between perceived needs and services delivered. The bureaucracy is inadequate to

reach the poor. Existing capacity and resources are inadequate, particularly for education and health.

6.2: HEALTHCARE

Mahal, Ajay et al (2001). *The Poor and Health Service Use in India*.

This paper summarizes recent empirical findings on the use of health services by the poor, providing a national-level analysis as well as state-level comparisons. It finds that, as in most developing countries, publicly financed and delivered curative health care services in India are more likely to service the richer segments of the population than the poor. (The delivery of private services is even more skewed in favor of the rich.) Second, it finds that those below the poverty line continue to rely heavily on the public sector. Third, and importantly, the richest quintile is more likely than the poorest quintile, to use tertiary level hospital services, both in- and outpatient; the private sector dominates in outpatient care delivery. Public services in urban areas, it is found, are more equitably used than those in rural areas. Gender and caste and tribal affiliations, on aggregate, do not appear to affect utilization rates. Finally, large variations are found across states in public and private service delivery.

Nayar, K.R. (2001). "Politics of Decentralization: Lessons from Kerala." In Imrana Qadeer, Kasturi Sen and K.R. Nayar (ed.), *Public Health and the Poverty of Reforms* (2001). New Delhi: Sage Publications.

Kerala's progress towards decentralizing its healthcare delivery systems, particularly in the context of India's Structural Adjustment Program (SAP) and the state's own People's Planning Campaign, faces a number of challenges in the coming years. Despite achieving a large decline in infant mortality rates, Kerala currently has unduly high morbidity rates; the incidence of certain diseases, in fact, is on the rise. These complexities are likely to become more acute in the future, this paper argues, unless certain crucial issues are addressed. First, Nayar finds, there is conflict between the professional and political leadership at the village level, where healthcare professionals

are largely excluded from the planning process. Second, villages *panchayats* are frequently in conflict with the State government, particularly over such issues as drug supplies (which are controlled by the state), recruitment of staff and other management issues, and the allocation of funds for various programs. Third, Central and State government programs may conflict with each other, whereas *panchayats* are responsible for implementing both types of programs. Fourth, the devolution of financial and political powers to the village level has remained incomplete due to the opposition of State-level political leaders and bureaucrats. Finally, there is a great deal of confusion over the prioritization of preventive versus curative healthcare programs.

Sadanandan, Rajeev (2001). *Government Health Services in Kerala: Who Benefits?* Economic and Political Weekly, August 11 2001, p.3071.

Sadanandan provides a historical overview of the health care sector in Kerala, reviewing investment decisions and budgetary allocations in the pre- and post-independence periods. This paper examines the impact that these decisions have had on the quality and distribution of health care facilities, and the private sector's response. The paper finds that the erstwhile princely states that now comprise Kerala invested heavily in modern health services, especially when compared with the rest of British India. As a result, Kerala enjoyed a relatively wide and deep spread of hospitals and other health care facilities. This trend continued up to about 1970, when Kerala's fiscal problems caused a decline in budgetary allocations to healthcare, and a subsequent (relative) decline in the availability of healthcare, especially in rural areas. (Importantly, the paper finds a large increase in the share of salaries and other overheads in the total healthcare budget since 1970, and, consequently, a large drop in the share of expenditure on medicine and hospital equipment and accessories.) Although the private sector has filled some of the gaps (importantly, in rural areas) arising from the government's declining involvement in healthcare, it has been unable or unwilling to extend the reach of services to historically under-served areas. The paper notes that although Kerala has achieved a remarkable health transition in the past few decades (aided, in part, by developments in technology and medicine), the sector suffers from a high degree of spatial inequity, i.e., there are wide urban-rural and district-wise disparities in access to healthcare. Decentralization, it concludes, may mitigate some of these problems.

Narayana, D. and K.K. Hari Kurup (2000). *Decentralization of the Health Care Sector in Kerala: Some Issues.* Thiruvananthapuram, India: Center for Development Studies, Working Paper No.298.

Kerala has established itself at the forefront of India's decentralization efforts. Constitutional Amendments in the early 1990s and, subsequently, a Government of Kerala Order in 1995, had resulted, by the turn of the decade, in a complete transfer of government healthcare institutions at various levels to Local Self Governing Institutions (LSGI). This process, which has been positively received on the whole, has not been without its own serious problems, as this paper reveals. Based on a series of in-depth interviews with elected leaders of LSGI's, this study points out at least three major problems with the decentralized provision of healthcare: (1) beneficial spill-over effects of local health provision; (2) the changing role and relevance of existing institutions, known as Hospital Development Committees (HDC); and (3) the determination of minimum healthcare service levels that should be provided by local institutions.

Addressing the first issue, the paper finds that, due to Kerala's highly-developed road network and high vehicle density, and due to the fact that most medical institutions providing secondary care are located in municipal towns (rather than in villages), there exists a very large spill-over effect of local healthcare provision. Individuals from outside the jurisdiction of a given LSGI tend to use facilities that they (or their own LSGI) do not pay for. This situation calls for a dynamic system of fund transfers between local bodies.

On the second point, the authors note that existing Hospital Development Committees (HDC) have been placed under the control of local governing bodies, but without their earlier controls over finances or decision-making. These institutions, it is found, cannot work effectively alongside LSGIs, and should be either restructured or eliminated.

Turning to the third issue, the paper finds that access to healthcare facilities (and especially to secondary care facilities) is highly unequal across Kerala, and has a strong regional dimension. Decentralization has made existing disparities very apparent: some *taluks* (an administrative category denoting a zone smaller than a district) completely lack hospital beds, causing residents to travel long distances (thereby incurring large

costs) to access secondary care facilities. Unlike with the first problem, a system of inter-body fund transfers is not a solution; instead, additional State investments in local facilities, and travel reimbursements to patients by local bodies may be necessary.

Nag, Moni (1989). ***Political awareness as a factor in accessibility of health services: A case study of rural Kerala and West Bengal.*** **The Population Council: Policy Research Division Working Paper No.3.**

Nag presents and assesses evidence in support of the hypothesis that an important factor that contributed to easier accessibility to and better utilization of health facilities in rural Kerala compared to rural West Bengal was a higher degree of political awareness in Kerala, at least up to the end of the 1970s. A historical analysis of caste organizations, peasant movements and educational structure in the two states provides an understanding of differences in political awareness of the rural poor between the two states. The paper argues that Indian political parties and trade unions should take a more active role in mobilizing the masses not only around economic issues but also around social issues, such as health and education.

6.3: EDUCATION

The Pratichi Research Team, with an Introduction by Amartya Sen (2002). ***The Pratichi Education Report (Number 1): The Delivery of Primary Education: A Study in West Bengal.*** **New Delhi: TLM Books and Pratichi (India) Trust.**

This report, based on a field study of government primary schools and Shishu Shiksha Kendras (SSKs – NGO-managed primary education centers) in three districts in West Bengal, India, confirms the poor status of primary public education in India. A number of key findings emerge from this study:

1. While government teachers are paid several times the amount that SSK teachers earn, parent satisfaction is much lower for government teachers (41%) than for SSK teachers (54%); dissatisfaction with government teachers (24%), on the other hand, is much higher than with SSK teachers (9%).
2. Teachers in government schools tended to discriminate against certain students on the basis of caste and class; this was not found to be the case in SSK

schools. (Absenteeism was significantly higher (at 75%) among teachers in schools with predominantly lower-class or caste students, than in schools where the upper-classes dominated (33%).)

3. Student attendance was higher and teacher absenteeism lower at SSK schools.
4. Due to the poor quality of teaching in government schools, many students feel compelled to seek private tuitions in addition to regular attendance. In many cases, outside-school classes were taught by students' regular teachers. Significantly, while 80 percent of young students taking private tuitions could write their names, just 7 percent of those *not* taking tuitions could do so. This clearly demonstrates that, even in supposedly-free government schools, income (or the ability to pay for private tuitions) determines whether a student has access to a relatively-high quality of education.

The report concludes with a number of policy implications, including the need for strengthening Parent-Teacher Committees, and, more controversially, the banning of private tuitions by government teachers.[2]

Mehrortra, Santosh (2001). *Basic Social Services for All? Ensuring Accountability through Deep Democratic Decentralization.* United Nations Development Programme Human Development Report Office: Background Paper for Human Development Report 2002.

This paper starts with the premise that although democratization (through greater decentralization) has the potential to improve service delivery, this process is often subverted by powerful interest groups. It is therefore necessary for the state to not only create democratic institutions, but to ensure that this efforts translates into collective action. The paper goes on to test (on the basis of a door-to-door survey of elected people's representatives conducted by the District Primary Education Programme (DPEP) – a decentralized and participatory body) the effect of greater accountability on the provision of elementary education. It concentrates largely on the states of Madhya Pradesh (MP) and Rajasthan – both of which have made significant progress on

[2] See, for instance, **Aiyar, Swaminathan S. Anklesaria (2002). "A Lion's Looks, A Rabbit's Liver" in *The Times of India* New Delhi, November 3**. Aiyar, repudiating the Pratichi Team's recommendation for banning private tuitions (as outlined in Amartya Sen's introduction), calls instead for the introduction of a education voucher system to enable greater school choice.

education over the last decade (Rajasthan has achieved a 21 percentage points increase in literacy between the 1991 and 2001 censuses).

The paper finds a large increase in school enrollment and in the number of schools opened in MP following the introduction of the Education Guarantee Scheme (EGS) – taken to represent increased decentralization of education planning – in January 1997. While a total of 80,000 schools were opened in MP between 1947 and 1987, an additional 30,000 schools opened in the 1997-2000 period. Enrollment among girls (on an aggregate level), and among tribal children (regardless of gender) in particular, rose sharply during these three years. In Rajasthan, two initiatives in particular – the *Shiksha Karmi Project* (which began in 1987) and *Lok Jumbish* (1992) – are credited with enabling much of the State's impressive literacy gains over the last decade. Here, the paper argues, the deepening of decentralization strengthened *existing* projects, whereas in MP, decentralization precluded the introduction of new initiatives. In both cases, the report finds that "deep democratic decentralization" is undoubtedly associated with improved educational outcomes – a finding that, the paper argues, holds equally for the provision of other types of social services. Decentralization, it concludes, is far more important than democracy (at a more holistic level) in enabling improved social services delivery.

Chakrabarti, Anindita and Nikharia Banerjea (2000). "Primary Education in Himachal Pradesh: A Case Study of Kinnaur District." ***Journal of Educational Planning and Administration*****, 14(4).**

The north Indian state of Himachal Pradesh (HP) has, in recent years, evoked a great deal of research interest with its impressive gains in educational attainment. This study is the result of a short and informal survey of 14 villages in Kinnaur District – a remote, mountainous, and primarily tribal district – that was conducted in 1995. It confirms that the HP Government's "Total Literacy Campaign" has made significant progress in reducing illiteracy in the state in general, and in this district in particular. Due largely to geographic and cultural reasons, Kinnaur continues to lag slightly behind the HP literacy rate, but is still well ahead of the all-India average. Absenteeism among students and teachers, too, is very low, especially compared with other parts of India, and appears to

not be affected by agricultural cycles. The authors note that it is an interaction between government programs and unique socio-economic conditions that has allowed such impressive gains; several factors are cited as being particularly important. First, the authors note that Kinnauri society is largely egalitarian, with strict caste boundaries being largely absent. Second, there is a remarkable lack of discrimination towards girl children, and children of Schedule Castes. Third, although school infrastructure is, in most cases, less than adequate, there are primary schools in all the villages surveyed. Fifth, and perhaps most importantly, there is a high degree of interest in and awareness of the importance of education among parents; many parents send their children to school for the simple reason that it is "good" to do so. (Parents, even those belonging to Scheduled Castes and Tribes, are very aware of their children's rights to a quality education, and do not hesitate to complain about sub-standard teaching.) Although *panchayati raj* institutions, women's organizations (such as the *Mahila Mandal*), and formal accountability mechanisms have not proved to be overtly important in determining outcomes, social factors have ensured a high degree of accountability among teachers.

De, A., C. Noronha and M. Samson (2000). *Primary Education in Himachal Pradesh: Examining a Success Story.* New Delhi: National Institute of Educational Planning and Administration and Ministry of Human Resource Development, Government of India: *Year 2000 Assessment: Education for All*.

This survey paper looks at the remarkable experience of Himachal Pradesh (HP) State, which has managed to reduce illiteracy very sharply over the last four decades. In 1961, illiteracy in Himachal Pradesh was only slightly lower than in the four "BIMARU" States (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh), and was worse than the all-India average; over the next forty years, though, it pulled well ahead of the Indian average in general, and the BIMARU states in particular. In 1991, in fact, it had a literacy rate of 61.9 percent, second only to Kerala's; by 1997, this had climbed up to 77 percent. (It must be noted, however, that HP shows very stark district level variations in literacy, ranging from 44.7 to 86.6 percent in 1997.) That Himachal Pradesh has managed to do so in spite of several large impediments – poor infrastructure, budgetary constraints, and the remote, mountainous location of many of its villages and towns – makes its achievement even more remarkable. The paper goes on to examine several "roots" of the State's success. On a basic level, it finds, the relatively egalitarian nature of Himachali society, a heightened sense of "unity" and common identity, and the limited

role of caste barriers, have all allowed greater accessibility to education for all sections of society. (This sense of unity has been bolstered by the early implementation of land reforms (beginning in the 1950s), which has made the distribution of power and status far more even than in many of India's states.) The role of the State, the paper argues, has been absolutely vital: successive governments have all been deeply committed to improving basic educational attainment. Per capita expenditure on education, and state expenditure on education as a proportion of state domestic product (7.8 percent, compared with an all-India average of 4 percent in 1995-96) are both among the highest in India. As importantly, the State has invested in public goods and other social services that have indirectly helped the spread of education. As early as 1951, it began building up its road network, allowing for easier accessibility in general. In addition, the government has ensured the provision of electricity to every HP village; it has a relatively wide-reaching public food distribution system, and has made significant progress in providing safe drinking water. (On health measures, surprisingly, HP has not done as well as other States.) Finally, the paper argues, women's associations (*Mahila Mandals*) and a few prominent NGOs have played an important role in spreading awareness and in addressing such issues as absenteeism among school teachers and inadequate school facilities.

The PROBE Team (1999). *Public Report on Basic Education in India*. Delhi: Oxford University Press.

The Public Report on Basic Education in India (PROBE) looks at the situation of schooling in India in all its aspects, concentrating on the question of why so many children are deprived access to quality education. The report is based on a detailed survey held across 200 villages in North India (covering the states of Rajasthan, Uttar Pradesh, Madhya Pradesh, Bihar and Himachal Pradesh), which also involved detailed discussions with parents, teachers and children. It covers such topics as: (1) the perception of parents and children; (2) the school environment; (3) teacher concerns; (4) classroom processes; (5) the dilemmas of education management; (6) recent developments and initiatives; (7) the politics of elementary education; and (8) the special case of Himachal Pradesh and its recent "schooling revolution".

Govinda, R., and N.V. Varghese (1993). "Quality of Primary Schooling: An Empirical Study", *Journal of Education Planning and Administration*, 6 (1).

This study is premised on the relative lack of consensus among educationists as to what constitutes "quality" in primary education. Most analyses take the quality of primary *schools* to reflect the quality of primary *education*. This study, which assumes that a combination of school and learner characteristics affects outcomes, examines the impact of each individual factor on school achievement; it does so within a well-defined socio-economic context: five localities in Madhya Pradesh. The results – none of which are unexpected – help to more clearly define the relative importance of individual school characteristics, and therefore to prioritize the allocation of school resources. Each of the following school characteristics, it is found, are *very highly correlated* (though to different degrees) with achievement, measured in language (Hindi) and Mathematics test scores: (1) School Infrastructure; (2) Teacher Qualifications; (3) Whether a Teacher is engaged in Multi-grade or Multi-subject teaching (single subject and single grade teaching is associated with better scores); (4) Adequacy of Teaching Aids and Equipment (e.g., blackboards, chalk, dusters, etc.); (5) Possession of Textbooks by all Learners; (6) Number of Prescribed Textbooks; and (7) The Regularity of Homework Assignments. Learner characteristics, including the level of pre-school education, father's occupation, and parents' educational background, also have – again, as expected – a significant impact on achievement.

Rajan, S., and A. Jayakumar (1992). "Impact of Noon-Meal Programme on Education: An Exploratory Study in Tamil Nadu", *Economic and Political Weekly*, 24 October.

Tamil Nadu State introduced, for the first time in India, a "noon-meal" program for schoolchildren in 1956. It aimed at reducing nutritional deficiencies and encouraging greater school attendance (at least during the pre-lunch school session), and appeared, at least in the first twenty-odd years, to be succeeding. In 1982, faced with declining enrollment rates and increasing drop-out rates, the Government of Tamil Nadu renamed (to CMNNMP, or Chief Minister's Nutritious Noon-Meal Programme) and vastly expanded this program to include over 6 million additional individuals. This paper looks at the impact of the program on rates of enrollment, drop out, and average attendance,

in the Nagercoil educational district, during the 1978-1989 period, roughly divided into pre- and post-CMNNP periods. It finds that although – for a number of reasons, including a decline in fertility and population growth rates, as well as prevailing drought conditions for several years – overall enrollment has been continuously falling over the entire study period, average attendance rates have increased and drop out rates have declined. The program, moreover, had varied impacts, depending on gender, on urban versus rural residential status, on social class, and on religious affiliation. Children from “backward” and Muslim communities, for instance, appear to have gained disproportionately. Growth rates for attendance were higher in urban than in rural areas. In terms of drop-out rates, urban girls benefited more than did rural girls, but the reverse is true for boys. It must be noted that each of these relationships is a mere *association*, and does not necessarily indicate a causal relationship between the CMNNP and various indicators of educational attainment – which are affected by a wide range of factors.

Annexure: Works to be Considered for Addition to Draft 3

Antia, N.H. (N.D.), "Voluntary Organizations and Health Care in India", Foundation for Research in Community Health, Mumbai.

Dayaram (2001), "Para Teachers in Primary Education: A Status Report", Mimeo, Ed. CIL, New Delhi.

Gaiha, R., and Kulkarni, V. (2001), "Panchayats, Communities and Rural Poor in India", Mimeo, Faculty of Management Studies, University of Delhi.

Govindaswamy, P., and Ramesh, B.M. (1997), "Maternal Education and the Utilization of Maternal and Child Health Services in India", NFHS Subject Report 5, International Institute for Population Sciences, Mumbai.

Government of Madhya Pradesh (2000), From your school to our school. Bhopal: Rajiv Gandhi Shiksha Mission.

Ramachandran, V. (1998). "The Indian Experience" in *Bridging the Gap Between Intention and Action: Girls' and Women's Education in South Asia*. UNESCO.

Ramachandran, V. and H. Sethi (2000). *Rajasthan Shiksha Karmi Project: An Overall Appraisal.* Swedish Development Cooperation Agency (SIDA), New Education Division Documents, No.7. **– FROM SIDA???**

Tulasidhar, V.B., and Sarma, J.V.M. (1993), "Public Expenditures, Medical Care at Birth and Infant Mortality: A Comparative Study of States in India", in Barman, P., and Khan, M.E. (eds.)(1993), *Paying for India's Health Care*, New Delhi: Sage.