Setting Minimum Standards for Service Delivery in Rural Areas

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401 Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082
Tel: 91 40 2335 0778 / 23350 790; Fax: 91 40 23350783; email: loksatta@satyam.net.in; url: www.loksatta.org
It takes no compromise to give people their rights.......it takes no money to respect the individual”

- Harvey Milk
District – Size and Diversity

- A mid-sized district in India is larger than 80 nations in the world
- A district is far more diverse and complex than most countries
Inadequate Social Sector Spending

- Education – only 3.2% GDP
- Functional literacy 30-40%
- Crisis of higher education
- Healthcare – only 0.9% of GDP
- Population growth rates still too high 1.94%
# Inadequate Social Sector Spending

<table>
<thead>
<tr>
<th>Country</th>
<th>PE on Education as % of GDP</th>
<th>PE on Health as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>4.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Germany</td>
<td>4.6</td>
<td>8.0</td>
</tr>
<tr>
<td>United States</td>
<td>4.8</td>
<td>5.8</td>
</tr>
<tr>
<td>OECD</td>
<td>5.2</td>
<td>8.1</td>
</tr>
<tr>
<td>India</td>
<td>3.2</td>
<td>0.9</td>
</tr>
</tbody>
</table>
Is Money the issue?

**Sanitation**
- 140 million toilets needed
- Cost: Rs 35000 crores
- Equals just 20 days’ expenditure

**School Education**
- 1.6 million class rooms needed
- Capital cost: Rs 16,000 crores – 9 days’ govt. expenditure
- Recurring expenditure: Rs.8000 crores – 5 days’ govt. expenditure
Governance at a Glance

- Governments spend Rs. 2000 crores every day
- Out of 27 million organized workers, government employs 70%
- Fiscal deficit (Union and States) remains at 10% GDP
- 50% Union tax revenues go towards interest payment
Basic Services for Discussion

- Education
- Healthcare
- Justice system
- Regulatory systems (certificates, etc.)
- Police and crime investigation
- Minimum needs
Broad Issues

- Expenditure and outputs vs outcomes
- Choice
- Competition
- Measurable, time-bound outcomes
- Local accountability
- Transparency
- Local ownership
- Accountability
Certain Approaches

- Education: Alter the nature of demand
- Health: Entitlements, choice and competition
- Justice system: Local courts
- Regulatory services: Citizens’ charters
Need for a Shift

- From delivery to entitlement
- From expenditure to outcome measurement
- From monopoly to choice and competition
- From authority to accountability
- From general administration to sector-specific approaches
- From vertical silos to integration
“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat”

- Sun Tzu