SURAJYA GOALS

- Dr Jayaprakash Narayan

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SURAJYA GOALS

Providing solutions that are –

• Simple
• Easily achievable
• Universally acceptable
• No cost or low cost
• High impact
SERVICE GUARANTEE ACT

STATUS:

*AP Government enacted a law and applied it to services related to ease of doing business.*

WHAT NEEDS TO BE DONE:

- Apply it to all fee-based services.
- Strengthen back office for delivery.
- Fee for delivery may be enhanced where needed.
- Monthly reports – public authority wise.
- Real-time delivery – integrated with core dashboard.
- Assign overall supervision to Lokayukta.
SCHOOL EDUCATION

AIM:

*Quality outcomes with no burden on parents.*

STATUS:

- 220,000 teachers in government schools.
- 38 lakh students in government schools.
- Total annual spending = Rs. 50,000-60,000/child.
- 50% primary schools have <30 children.
- Poor students migrating to private schools.
- Outcomes appallingly bad.
SCHOOL EDUCATION
Case of East Godavari

- *Misallocation of Resources in Government Schools*

<table>
<thead>
<tr>
<th>TYPE OF SCHOOLS</th>
<th>NUMBER OF STUDENTS</th>
<th>NUMBER OF SCHOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unviable Schools</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td></td>
<td>47</td>
</tr>
<tr>
<td>6-10</td>
<td></td>
<td>174</td>
</tr>
<tr>
<td>11-15</td>
<td></td>
<td>272</td>
</tr>
<tr>
<td>16-20</td>
<td></td>
<td>284</td>
</tr>
<tr>
<td>21-25</td>
<td></td>
<td>412</td>
</tr>
<tr>
<td>25-30</td>
<td></td>
<td>322</td>
</tr>
<tr>
<td>30-60</td>
<td></td>
<td>883</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2394</strong></td>
</tr>
<tr>
<td><strong>Viable Schools</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60-100</td>
<td></td>
<td>533</td>
</tr>
<tr>
<td>101-150</td>
<td></td>
<td>225</td>
</tr>
<tr>
<td>&gt;151</td>
<td></td>
<td>92</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>850</strong></td>
</tr>
</tbody>
</table>
Decline in the enrollment in the Public Schools and Increase in the enrollment in Private Schools (classes I-VIII).

Finding: From 2008-2016, there is a net migration of over 5 lakh children from government schools to private schools from classes I to VIII.
### School Education

**ASER Outcomes (Rural)**


<table>
<thead>
<tr>
<th>Year</th>
<th>Government Schools</th>
<th>Private Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>58.9</td>
<td>65.9</td>
</tr>
<tr>
<td>2012</td>
<td>64.0</td>
<td>58.8</td>
</tr>
<tr>
<td>2014</td>
<td>57.0</td>
<td>58.2</td>
</tr>
<tr>
<td>2016</td>
<td>52.4</td>
<td>60.6</td>
</tr>
</tbody>
</table>

**Children in Standard III who can do subtraction**

<table>
<thead>
<tr>
<th>Year</th>
<th>Government Schools</th>
<th>Private Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>38.8</td>
<td>66.8</td>
</tr>
<tr>
<td>2012</td>
<td>46.3</td>
<td>67.1</td>
</tr>
<tr>
<td>2014</td>
<td>31.4</td>
<td>57.8</td>
</tr>
<tr>
<td>2016</td>
<td>38.8</td>
<td>62.8</td>
</tr>
</tbody>
</table>

**Children in Standard VIII who can do division**

<table>
<thead>
<tr>
<th>Year</th>
<th>Government Schools</th>
<th>Private Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>68.4</td>
<td>77.8</td>
</tr>
<tr>
<td>2012</td>
<td>65.0</td>
<td>80.5</td>
</tr>
<tr>
<td>2014</td>
<td>53.0</td>
<td>65.7</td>
</tr>
<tr>
<td>2016</td>
<td>41.2</td>
<td>76.9</td>
</tr>
</tbody>
</table>

Sources: ASER Reports, 2007-2016.
WHAT NEEDS TO BE DONE:

• All schools with fewer than 60 students should be consolidated.
• No school (except in remote tribal areas) with fewer than 60 children.
• CCE to be fully institutionalised.
• SAT type test for 5th, 7th, and 10th classes.
• Ensure integrity of examinations/evaluation.
• State Testing Board for evaluation and random testing.
• Redeploying 5% of the teachers for inspection and monitoring, e-learning.
SCHOOL EDUCATION
Public Private Partnership

STATUS:

• 43.5% of Children in AP are in Private Schools, in 2015-16 (classes I-VIII).
• Most of these parents are poor; and schools are charging about Rs. 5000-10,000/year.
• Quality of education in most private schools is poor.
• Strictly monitor and enforce quality in private schools by random testing.
• Where standards are met, let funds follow children.
• Reimburse school fee in quality schools charging less than Rs. 10,000/year.
• Out of 30 lakh children in private schools, about 15 lakh will benefit.

Sources: AP Socio-economic survey, 2016-17.
SCHOOL EDUCATION
Funds Follow Students

Over a period of 4 years, 15 lakh students can be covered.

Out of the 30 lakh students enrolled in private schools we can assume 50% of them do not need state assistance in terms of expenditure on education. The other 15 lakh students can be effectively reimbursed with no additional expenses.

<table>
<thead>
<tr>
<th>States</th>
<th>Total Teachers in Government schools (2015-16:I-VIII)</th>
<th>Student-Teacher Ratio</th>
<th>Retiring Teachers per year*</th>
<th>Average Salary of Teacher per year* (in Rs. lakhs)</th>
<th>Savings, by not filling vacancies (in Rs. crores)</th>
<th>Private Expenditure per student (in Rs)</th>
<th>Number of students additionally funded per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>2.20,000</td>
<td>17</td>
<td>4400</td>
<td>10</td>
<td>440</td>
<td>10000</td>
<td>4,40,000</td>
</tr>
</tbody>
</table>

*Source: UDISE Flash Statistics(2015-16); Assuming retirement percentage p.a is 3%.
HEALTHCARE

**Significant Accomplishments**

1. **Centralized drug supply**
   - For all government healthcare facilities.

2. **Outsourcing of Sanitation Services**
   - In Area Hospitals, District Hospitals, and Teaching Hospitals.

3. **Free essential diagnostic services**
   - Under NTR Vaidhya Pariksha.
   - Established 103 labs for to provide 60 services.
Clinical Establishments Act, 2010 (CEA)

- Andhra Pradesh wisely refrained from adopting the CEA.
- FDR has drafted a more suitable legislation –
  - Drafted in consultation with various key stakeholders in the AP.
  - Tailored for the needs of our state.
  - Allows AP to retain its legislative competence on regulating healthcare establishments.
## TYPICAL GOVERNMENT HEALTHCARE FACILITIES

*Underfunded, but Great Return on Investment*

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHC</strong></td>
<td>Government expenditure/year = Rs. 70 lakhs/year</td>
</tr>
<tr>
<td><strong>CHC</strong></td>
<td>Chilakaluripet CHC used as example</td>
</tr>
<tr>
<td></td>
<td>Government expenditure/year = Rs. 1.3-1.4 Cr</td>
</tr>
<tr>
<td></td>
<td>Estimated value of services provided = Rs. 5-8 Cr</td>
</tr>
<tr>
<td><strong>Area Hospital</strong></td>
<td>Parvathipuram Area Hospital used as example</td>
</tr>
<tr>
<td></td>
<td>Patient load = 200-220 inpatients/day (100 beds authorized); 1500-2000 outpatients/day</td>
</tr>
<tr>
<td></td>
<td>Government expenditure/year = Rs. 5 Cr</td>
</tr>
<tr>
<td></td>
<td>Estimated value of services provided = Rs. 50 Cr</td>
</tr>
<tr>
<td><strong>Teaching Hospital and College</strong></td>
<td>Government expenditure/year = Rs.60-70 Cr</td>
</tr>
<tr>
<td></td>
<td>Estimated value of services = Rs. 300-400 Cr</td>
</tr>
</tbody>
</table>

### PHC
- Average population served in plains areas = about 60,000
- Average annual spending per PHC = **Rs. 70 lakhs**

### Government High School
- Average population served per high school = 11,520
- Average annual spend per high school = **Rs. 1.8 Cr**
3 MAIN CHALLENGES

Weak Primary Care System

Overcrowded & Underfunded Government Hospitals

Underpaid Healthcare Personnel
2 SOLUTIONS

Increase Healthcare Expenditure

Establish Primary Care Networks
SOLUTION 1
Increase Government Health Expenditure

- Per year funding increase of Rs. 3 lakhs/bed for 2 years for government health facilities can exponentially increase the value of services provided.

- Funding would go towards:
  1. Higher wages for healthcare personnel (doctors, nurses, ANMs, etc.)
  2. Better equipment (X-ray machines, lab equipment, etc.)
  3. Better infrastructure and more beds where needed
  4. Blood banks (based on need)
  5. Increased pharmaceutical supply (based on need)

<table>
<thead>
<tr>
<th>CURRENT WAGES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialist doctor (at recruitment)</td>
<td>Rs. 45,000/month</td>
</tr>
<tr>
<td>Contract nurses</td>
<td>Rs. 16,000/month, no maternity leave or health insurance</td>
</tr>
<tr>
<td>Contract ANMs</td>
<td>Rs. 12,000/month, no maternity leave or health insurance</td>
</tr>
<tr>
<td>Senior residents</td>
<td>Rs. 33,000/month, but remuneration often delayed for months or years</td>
</tr>
</tbody>
</table>

Service Guarantee | School Education | Healthcare | Local Courts | Agriculture | Local Governments |
SOLUTION 2
Strengthen Primary Care Services

- Establish Primary Care Networks In 500 Towns:
  - Network of 10 doctors to provide primary care for 70,000-100,000 population.
  - People register their families with one of the **doctor of their choice** in the network.
  - Network doctors will be remunerated on per capita basis for their registered persons (Rs. 400/capita/year).

  **1500 families registered/doctor or 6000 persons/doctor**

  **Rs. 24 lakhs/year or Rs. 2 lakhs/month**

  - 1 month onboarding training on family care for doctors.
  - Contracted doctors to establish a clinic and hire support staff to assist in care delivery.
  - Population can seek care from government hospitals only on referral, except in case of emergencies.

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**SERVICES PROVIDED**

<table>
<thead>
<tr>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family care and outpatient care</td>
</tr>
<tr>
<td>MCH care (except deliveries)</td>
</tr>
<tr>
<td>Monitor NCDs</td>
</tr>
<tr>
<td>Simple lab tests</td>
</tr>
<tr>
<td>Dispensing drugs supplied by government</td>
</tr>
<tr>
<td>Hospital recordkeeping</td>
</tr>
</tbody>
</table>

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Service Guarantee | School Education | Healthcare | Local Courts | Agriculture | Local Governments

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16
HEALTHCARE
Additional Funding Required

| FOR PRIMARY CARE | Primary Care Networks | = Rs. 400 * 3 Cr |
|                 | • Per capita payment of Rs. 400/year | = Rs. 1,200 Cr |
|                 | • Assuming 3 crore registered population |
|                 | Additional expenditure on pharmaceuticals | = Rs. 100 Cr |
| FOR HOSPITAL CARE | Increasing wages for existing primary care staff | = Rs. 100 Cr |
| Increase in per bed expenditure | = Rs. 3 lakhs * 20000 |
| • Phased increase by Rs. 3 lakhs/year over the next 2 years | = Rs. 600 Cr/year |
| • Approximately 20,000 beds in government hospitals in AP |
| TOTAL | | Rs. 2,000 Cr |

Rs. 2,000 crores is merely 0.27% of the GSDP.

*Increasing in healthcare expenditure by Rs. 2,000 crores/year would significantly improve care and patient satisfaction.*
LOCAL COURTS
With Emphasis on Women’s Safety

AIM:
• Local Courts or “Gram Nyayalayas” can provide speedy relief and justice with summary procedures in simple cases at low cost, especially in crimes related to women.

STATUS:
• Gram Nyayalayas Act enacted in 2009 by Parliament.
• In March 2017, Govt of AP released Rs. 33 crores for setting up rural courts and improving judicial infrastructure.
• However, no courts have been set up in AP yet.

WHAT NEEDS TO BE DONE:
• Local courts law to be amended to cover minor offences against women (eve teasing, stalking, etc.) and urban population.
• A draft bill is available.
• One local court constituted for every mandal, and one per every 50,000 population in urban areas will ensure accessible, affordable, speedy justice.
Median farmer income in AP is below the national average.
AGRICULTURAL TRADE
Imports Rising and Exports Falling

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports ($ bn)</th>
<th>Imports ($ bn)</th>
<th>Trade Surplus ($ bn)</th>
<th>US Dollar Average (in Rupees)</th>
<th>Trade Surplus (in Crore Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>43.23</td>
<td>15.52</td>
<td>27.71</td>
<td>60.5</td>
<td>1,67,645.5</td>
</tr>
<tr>
<td>2014-15</td>
<td>35.57</td>
<td>19.57</td>
<td>16.00</td>
<td>61.1</td>
<td>97,760</td>
</tr>
<tr>
<td>2015-16</td>
<td>29.17</td>
<td>20.70</td>
<td>8.47</td>
<td>65.4</td>
<td>55,393.8</td>
</tr>
<tr>
<td>2016-17</td>
<td>33.87</td>
<td>25.63</td>
<td>8.24</td>
<td>67.07</td>
<td>55,265.68</td>
</tr>
</tbody>
</table>

Sources: Ministry of Commerce, GoI; Centre for Monitoring Indian Economy.

Our surplus in agricultural trade has fallen by >Rs. 1.12 lakh crores ($19 billion).
AGRICULTURE

Case for Import Duties and Farmers’ Bonus

Large imports without protection to domestic producers has led to price crash.

RESULT:
• Black gram price has crashed from Rs.16,000/quintal in 2016 to Rs.4000/quintal now.

WHAT NEEDS TO BE DONE:
• If 30-40% duty is imposed on imports and bonus is given to farmers with that revenue, then a sum of Rs. 382/quintal can be transferred.

BENEFITS:
• Price can be maintained
• Domestic production will rise
• In three years, there will be no need for imports
• Govt. can transfer bonus to farmers with no fiscal pressure.

### PULSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Production (MMT)</th>
<th>Imports (MMT)</th>
<th>Value of Imports (Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>19.2</td>
<td>3.6</td>
<td>12,792</td>
</tr>
<tr>
<td>2014-15</td>
<td>17.1</td>
<td>4.5</td>
<td>17,062</td>
</tr>
<tr>
<td>2015-16</td>
<td>16.3</td>
<td>5.8</td>
<td>25,691</td>
</tr>
<tr>
<td>2016-17</td>
<td>22.4</td>
<td>6.6</td>
<td>28,524</td>
</tr>
</tbody>
</table>

### OIL SEEDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Production</th>
<th>Import of Edible Oils</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oil Seeds (in MMT)</td>
<td>Edible Oil (MMT)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quantity (in MMT)</td>
</tr>
<tr>
<td>2013-14</td>
<td>32.74</td>
<td>7.11</td>
</tr>
<tr>
<td>2015-16</td>
<td>25.30</td>
<td>5.82</td>
</tr>
<tr>
<td>2016-17</td>
<td>32.52</td>
<td>7.05</td>
</tr>
</tbody>
</table>

AGRICULTURAL CRISIS
Need for Storage and Pledge Loans

Warehousing
• APSWC godown capacity – 6 lakh tonnes
• AMCs - 1055 godowns with 7.98 lakh
• Private Capacity – 5.5 lakh tonnes
• Additional Requirement – 5 lakh tonnes

Cold Storages
• The Current Capacity in Andhra Pradesh is 15.7 lakh tonne.

Pledge Loans:
• If credit is guaranteed on stored produce, farmers can avoid distress sale and wait for cyclical upturn.
AGRICULTURE
The Menace of Middlemen

Retail chains should be welcomed and encouraged on a large scale.

AP has the golden opportunity to become the procurement center for the whole country and an exports center to the world.

Benefits of Retail Chains

- Market chain compressed
- Farmers will get 70% of consumer price
- Boost to logistics and value addition
- Consumer price will be moderate
- Price volatility eliminated
- Employment generation
- India can leverage our strengths and capture global markets

Source: FICCI, Feeding a Billion - Role of Food Processing Industry
AGRICULTURAL REFORMS

Land Ceiling & Investments

• Average size of landholding in AP is declining –
  *From an average of 1.13 hectares in 2005-06 to 1.06 hectares in 2010-11.*

• Current tenancy laws and land ceilings laws act as a deterrent for corporate investments and building scale.

• The current land ceilings vary from 10-18 acres for irrigated lands with two crops to 35-54 acres for dry lands.

• Need for infusion of investments that can bring technology, enterprise, management, and market access.

WHAT NEEDS TO BE DONE:

• A comprehensive overhaul of land laws to allow scale, capital, and technology.

Source: Andhra Pradesh Socio-economic Survey, 2016-17.
AGRICULTURAL REFORMS
Dryland Farming And MNREGS

• Predominance of drylands in Andhra Pradesh
  • Net Sown Area (NSA) is 61.13 lakh ha
  • Net irrigated area is 29.27 lakh ha
  • Over 50% of the Net Sown Area lacks irrigation and is rainfed.

• Utilizing NREGA exclusively for Watershed management activities
  • Rain water harvesting (digging farm ponds on a massive scale)
  • Ground water recharge
  • Soil conservation

Source: Agriculture Dashboard (2016-17), Government of Andhra Pradesh.
AGRICULTURAL REFORMS

Fertiliser Subsidy

• Direct Benefit Transfer (DBT) in Fertiliser distribution may not be feasible because –
  • Land records are not updated.
  • Fertilizer usage varies with individual’s land holding and cropping pattern.
  • Can lead to corruption due to certification required for getting fertiliser.
LOCAL GOVERNMENTS

Devolution

Union to States:
- Union Budget (2017-18) = 21,46,735 Cr.
- Transfers to States = Rs. 10,85,075 Cr; devolved to the state governments.
  - 50.5% of total Budget
  - 67% of total Non-Debt Receipts
  - 71% of Revenue Receipts

State to Local Bodies:
- Andhra Pradesh Budget 2017-18 is 1,56,999 Cr, which means the Expenditure Per Capita is 30,000 Rupees.
- Transfers to PRIs by the state is mere 32 Rupees, which is 0.1% of total expenditure per capita. It is even lesser for ULBs, which are given a mere 12 Rupees.

Transfers to PRIs, ULBs in Rupees

<table>
<thead>
<tr>
<th>Type of Local Body</th>
<th>Transfer Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gram Panchayats</td>
<td>8/person/year</td>
</tr>
<tr>
<td>Mandal Parishads</td>
<td>16/person/year</td>
</tr>
<tr>
<td>Zilla Parishads</td>
<td>8/person/year</td>
</tr>
<tr>
<td>Urban Local Bodies</td>
<td>12/person/year</td>
</tr>
</tbody>
</table>

Source: 3rd State Finance Commission Recommendations
LOCAL GOVERNMENT

WHAT NEEDS TO BE DONE:

• Devolving 1000 Rupees per head would involve the transfer of -
  1460 Crore per annum for Urban Areas
  3470 Crore per annum for Rural Areas

• Transfer responsibilities and reduce expenditure of various
departments at State level correspondingly.

• Special emphasis on small towns infrastructure, education,
  healthcare, and quality of life to promote local job creation.

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