

Centre for Budget and Policy Studies

Seminar on

‘Making public services work for the poor - A Karnataka experience’

29th October 2013, Hotel Capitol, Rajbhavan Road, Bangalore

Background Note

CBPS has been engaged in research on various issues related to public service delivery and governance. In the past few years, we have conducted studies focusing on expenditure and delivery in social sectors such as education, health and water on the one hand and on issues related to decentralisation and devolution at various levels of governance on the other. This year we are organising a one day seminar to present some of our recent research and through them go deeper into the discussions that have surrounded the issue of making public service work for the poor, with special focus on Karnataka. We hope that the deliberations will enrich the on-going debate and inform public policy choices. The one day seminar will have one inaugural, four technical and a brief closing sessions. We have invited the state Chief Minister, Mr. Siddaramaiah to deliver the inaugural address. Each of the four technical sessions will have one CBPS presentation. Each presentation will be followed by remarks from a known expert from the area who in addition to making comments on the presentation would also share her/ his own views/ knowledge to the subject.

Session 1: MGNREGS and its role in enhancing financial inclusion and land development

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Government of India’s welfare scheme, launched in 2005, assures 100 days of guaranteed employment in rural areas at the statutory minimum wage to every household whose adult members volunteer to do unskilled manual work. It was introduced with the aim of enhancing livelihood security, creating useful assets in rural areas, reducing rural-urban migration, empowering women, and creating equity in society. In addition, the scheme was also expected to result in enhanced financial inclusion as payment of wages was mandated to be paid only to bank accounts of beneficiaries. As works under the scheme could be undertaken on private lands of eligible owners, it was also supposed to improve productivity of private lands.

CBPS undertook two studies commissioned by the Department of Rural Development and Panchayati Raj, Government of Karnataka that looked at the aspects of financial inclusion and land development. It is seen from the first study that MGNREGS leads to financial inclusion only in a limited way and a great deal more needs to be done in terms of providing banking services through the business correspondent/ facilitator model. In the latter, improvement in land productivity by works undertaken on lands owned by marginal and small farmers of socially backward categories was studied. The study finds that though marginal lands have been upgraded and common lands developed significantly, there are many lapses in implementation.

Session 2: Case studies in local governance

Of the three levels of local government, the Gram Panchayat (GP) is the lowest tier and the one closest to the people. Article 40 of the Constitution envisages the GP functioning as a dynamic unit of local self governance. However, there are many questions raised about how real is the quantum of devolution. During 2005-06, the Ministry of Panchayati Raj (MoPR),

Government of India introduced the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) to incentivize States and Union Territories (UTs) to devolve powers to local bodies and has now begun an initiative to document the best practices in the award winning gram panchayats. CBPS undertook some of these studies in the states of Karnataka and Tamil Nadu to look at the factors that led to these GPs outperforming many others and will present the cases and some common learnings that emerge from these cases.

Session 3: Right to Education: Challenges of implementation

Free elementary education of all children below 14 years is now guaranteed as a fundamental right under the Indian Constitution. While the landmark Right to Education (RTE) Act defined the quality parameters for elementary education by detailing norms and standards for publicly funded schooling, it also went a step further to enlist the support of private schools to make neighbourhood schooling a reality. The Act has made it mandatory for all private schools to accept 25 percent of the intake at the entry-level from weaker and disadvantaged sections. We will be presenting our findings from a number of studies that we have undertaken in the recent past on the issue of RTE in Karnataka. What emerges is that the governance challenges of implementing RTE are enormous and call for serious institutional changes to enhance accountability at all levels.

Session 4: Rationalisation of health insurance schemes in Karnataka

The last presentation will focus on the issue of universal coverage of government health insurance. While the government is committed to provide affordable healthcare to all, health financing is critical to cover the health needs of people. A new generation of healthcare financing in terms of Government Sponsored Health Insurance Schemes (GSHIS) has also emerged to safeguard poor households from health shocks. However, various health insurance schemes have overlaps leading to confusion for the beneficiary and inefficiency in the delivery system. CBPS has undertaken a theoretical simulation of integration of government sponsored health insurance schemes in Karnataka, namely, the Rashtriya Swasthya Bima Yojana (RSBY), Yeshasvini Health Insurance Scheme (YHIS) and Vajpayee Arogyashree Scheme (VAS). This study weighs various options of management and delivery, provides financial estimates and reports that integration of these schemes may lead to efficient allocation of limited public resources.

Closing Session: Reflections on the day's proceedings

We have requested one of our discussants, Prof. Vimala Ramachandran, who has worked in all these areas to share how she read the main messages while listening to the presentations and the discussions through the day.