

# RESET AND REFORM

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

In his interaction with state chief ministers on Monday, Prime Minister [Narendra Modi](#) spoke about the need for ushering in reforms that touch the lives of citizens. While details of the specific reforms the government intends to pursue, or the possible roadmap, are still to be spelt out, the ongoing crisis provides an opportunity for a conversation on re-evaluating the state's priorities. Two areas in particular deserve attention: First, the glaring inadequacies of the healthcare system in India. And second, the absence of safety nets for large sections of the labour force, including migrant labour. They need to be addressed urgently.

Public spending on healthcare in India continues to languish, falling well below levels in other countries which are at similar levels of income. Yet, over the years, there has been a tendency to favour an insurance-based model, moving away from significantly expanding the public provision of healthcare facilities. This crisis is exposing the inadequacies and limits of that model. In the Union [Budget](#) of 2020-21, central government spending on health was pegged at Rs 67,484 crore, or 2.1 per cent of its total budgetary outlay. Government spending on health, at all levels, needs to be significantly increased. Yet, merely ramping up spending is unlikely to lead to the desired outcomes as preferences for private alternatives may dominate. Thus, spending plans will have to be reconfigured to ensure a commensurate rise in the quality of public healthcare facilities, in addition to ensuring accountability for the services being offered. The focus has to shift to primary healthcare, neglect of which leads to a rise in overall healthcare costs down the line, as well as lowering health outcomes. The centralised model of healthcare spending also needs to be reexamined. As this crisis has shown, states have varying levels of institutional capacity, and going ahead, this needs to be factored in.

The [pandemic](#) has also exposed the precarious living condition of casual wage labourers, including the large migrant population, and their difficulties in accessing basic services. Dependent largely on daily wages, this section of the labour force does not have safety nets, and a drop in their incomes can push them into poverty. To address this, a social security architecture that is geared towards ensuring access to healthcare services, providing short-term relief for loss of income, and compensation for occupational hazard, needs to be urgently considered. There is need to ensure portability of benefits, such as the provision of food through the public distribution system. The long-term strategy should be to bring greater numbers into the formal workforce, which will provide them with some form of social security. The government could incentivise this shift by funding part of the social security contributions, as it has done through the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) where it pays the full employers' contribution towards their provident fund.

***The Indian Express is now on Telegram. Click [here to join our channel \(@indianexpress\)](#) and stay updated with the latest headlines***

**END**

Downloaded from [crackIAS.com](#)

© **Zuccess App** by crackIAS.com