

Why India fails to deliver health and education

The tragic death of scores of children recently at the BRD Medical College hospital in Gorakhpur has reopened the discussion on India's weak state capacity. In the last 70 years, the Indian state has clearly failed at delivering quality education and public health to its citizens. This raises a couple of troubling questions: 1) Why have democratic institutions not been able to generate sufficient pressure upon successive governments to deliver better health and education services? 2) Why has high economic growth in the last quarter-century not created an improvement in government provision of services?

The work of Monica Das Gupta of the Maryland Population Research Center has been quoted in this newspaper earlier in the context of the first question. But it is worth reiterating her arguments because they are crucial to finding the answers to the second question as well. In general, democratic institutions in India have negatively affected the provision of public health because—as Das Gupta writes—“electorates typically prefer public funds to be used to provide private goods (such as medical care), rather than public goods (such as sanitary measures to protect the health of the population as a whole).” In fact, she notes, the non-democratic regimes of East Asia were more successful in delivering quality public health services. Going further, Das Gupta blames “elite capture” which helps divert public funds meant for primary healthcare towards provision of tertiary medical services.

This brings us to the second question. It should be noted that there is not much evidence to link higher economic growth to better institutions. The causality is better established in the other direction. However, there is some evidence that higher economic growth may actually lead to degradation in governance quality. A 2002 paper by Daniel Kaufmann and Aart Kraay came to this very conclusion and the duo speculated that “elite influence and state capture” might be the reason that a virtuous cycle between economic growth and quality of governance doesn't manifest.

If neither democratic institutions nor economic growth guarantees higher state capacity, what does? A deeper understanding of state capacity itself would be required to reach some conclusions. In his 16th UNU-WIDER (United Nations University-World Institute for Development Economics Research) annual lecture, Lant Pritchett of Harvard University goes into the details of the state capacity question. The key for us here is the distinction that Pritchett draws between “thick accountability” and “thin accountability”. For an organization, thin accountability is based on measures of objective performance and is judicable. On the other hand, thick accountability comprises justification of organizational actions to internal culture and external stakeholders.

For example, thin accountability will have parameters like the attendance record of teachers in schools and nurses in hospitals, and thick accountability will involve quality of diagnosis of a patient and the learning outcome of students. It is evident that an organization with weak capacity may well be able to deliver on thin accountability metrics but will always struggle with thick accountability.

Setting the curriculum for schools is, therefore, something states with a weak capacity will be able to deliver much better than ensuring teaching standards. In healthcare, similarly, tertiary healthcare service is easier than making doctors deliver in primary healthcare centres. Now, one can clearly see that both weak electoral demand and weak state capacity are reinforcing the same consequence, which, in healthcare for instance, is prioritization of tertiary medical services over primary healthcare.

The actual puzzle is that the same Indian state which struggles at primary healthcare and

education is able to organize the world's largest elections, enrol billions of people in a biometric Aadhaar programme, and send *Mangalyaan* to orbit Mars—the only nation to do it in the first attempt. Pritchett's insights can explain most of these isolated achievements. The parameters of accountability in these cases—number of voters in elections, number of registrants in Aadhaar, the cost of an orbiter mission—are objective and judicable. Moreover, these organizations have all been driven by a mission-oriented focus. The culture of internal accountability in a mission-oriented organization is much better. In a 2005 paper, Timothy Besley and Maitreesh Ghatak established that matching the missions of citizens (principal) with those of the public bureaucracies (agent) reduces the need for pecuniary incentives for the latter. In any case, incentives can work only when, as Pritchett says, the contingent facts in the incentive formula are judicable.

What makes a good Reserve Bank of India governor or a good Isro (Indian Space Research Organisation) chairman is not amenable to judicable facts but the two organizations have still been able to consistently get capable and worthy leaders. The same goes, broadly speaking, for judges in the Supreme Court and high courts. This is, at least partly, the result of a successful infusion of a sense of mission in these organizations. But the engendering of such attitudes in an organization takes time and is not always successful. This will involve creating a few initial successes, replicating, repeating and multiplying them. And then crafting organizational narratives around those successes. The governments at the centre and in the states should embark on this task with a “missionary” focus.

Can India's economic growth continue even with weak state capacity? Tell us at views@livemint.com

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