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'The system is designed not to deliver'

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*Considered one of the top Indian economists today, **Abhijit Vinayak Banerjee**, Ford Foundation International professor in economics at the Massachusetts Institute of Technology, is rooted in details. A passionate empiricist, Prof Banerjee co-founded the Abdul Latif Jameel Poverty Action Lab at the institute. Along with his colleagues, he has delved deep into the implementation of the flagship social sector programmes of the government. In particular, they studied delivery of government-sponsored primary education and primary health programmes in Udaipur, Rajasthan and came to some shocking conclusions. In an interview during his recent visit to New Delhi, he overturned conventional wisdom about successes and failures of the government's social welfare programmes*
Excerpts:

What needs to be done to improve delivery and implementation of government programmes?

Political orientation must change for any meaningful transition to take place. There are huge vested interests operating in this segment that do not want to usher in change. The system is undermined from inside. The incentive structures are skewed. Politicians such as the former chief minister of Rajasthan Ashok Gehlot who took on the bureaucratic machinery to improve delivery became unpopular and lost elections subsequently.

In one sense, the system is not designed to work, i.e., deliver the goods, as employees are the top priority of the system. Political will needs to be generated, and that can happen when the interests of the middle class coincide with those of the poor. If there is demand from the non-poor, the likelihood of the administration taking action is greater.

For instance, availability of railway tickets gets a priority over streamlining the public distribution system (PDS). If concerns of the poor can be tied up with that of a segment that can complain, government will respond faster.

A significant part of what the government does is what the market will not do and what people voluntarily will not do. The government has to grapple with loss of credibility and suspicion. It must first find out what works, experiment before scaling up for a nationwide implementation. It must take credit *ex post*, not promising too much and delivering too little in the end.

You favour universal schemes to targeted ones. Are you suggesting that programmes such as targeted PDS should be abandoned?

Targeting does not work. It leads to corruption. Universalising is more effective. I favour direct cash transfer to people. Technology should be used more aggressively. The administration of the old age pension system in South Africa is an example of cash transfer system that has worked with active use of technology. The government should not shy away from giving money.

It makes more sense to get rid of all the schemes and programmes for poverty removal stop topping up expenditure on existing schemes and instead give money to people directly. Let us not forget poor people live a stressful life and that they are busy. In some parts of the country, women have to spend three hours to fetch water from distant sources or collect firewood. We must streamline processes for them.

Your study of government-sponsored health and primary education programmes found that delivery fell short of promises. What are the problems with these programmes?

We found absenteeism of medical personnel in community health centres and primary health centres were as high as 36%. To some extent, low attendance of staff at the health centres is related to the fact that fewer people are turning up at these centres for treatment. People have lost their confidence in the public healthcare system. The situation is worse at lower levels of the healthcare system.

People have simply checked out of the system as they did not get satisfactory attention at the government run health centres. The failure of the healthcare programmes can be gauged from its poor outcome — full immunisation are still below 45% for the country as a whole according to the National Family Health Survey.

The primary education programme too has not really delivered. Many households have not heard of the Sarva Shiksha Abhiyan. And the teachers are very powerful. To improve the system, not only do we need to regulate the doctors and the teachers, a behaviour change on the part of the people is also required.

Training alone will not help. A new demand for public goods should first be created. The 'market intervention' in this case would take it in a completely different direction altogether. Therefore the government must step in.

Your studies found that the government had a better track record with building physical infrastructure than provision of welfare programmes. Would you suggest that the government focus on what it does best?

It is impressive with the way some of the construction under the Pradhan Mantri Gram Sadak Yojana (PMSGY) is carried out with precision. One can track down the construction based on the map right down to the taluk level. However, that is not to say that the government should move out of areas where its delivery is weak.

If the government moves out of these services (education, healthcare), no one else, including the market, will provide these services. Government must figure out how those services can be delivered.

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