

*2<sup>nd</sup> ICRIER-KAS Seminar*  
**'12th Five Year Plan: Challenges and Opportunities for the Social Sector'**  
27th May 2013

**Report**

The seminar on the theme: "12th Five Year Plan: Challenges and Opportunities for the Social Sector", is second in the year 2013 and fifth in the series of seminars jointly organised by ICRIER and KAS. The seminar focused on India's low human development indicators and access to education, health, etc. vis-à-vis other countries, as well as the prospects that the country's 12th Five Year Plan (2012-17) holds for improvements in this sector which are extremely critical for the realization of inclusive and faster growth.

In his welcome address, **Dr. Rajat Kathuria, Director & CE, Indian Council for Research on International Economic Relations (ICRIER)**, briefly described the role of ICRIER in tracking India's integration with the world economy while enhancing the knowledge content of policymaking. Since India's liberalisation in 1991, ICRIER too saw a change in its focus of activities to mirror the problems of the Indian economy in the globalised world such as carrying research in the areas of urbanisation and climate change. The issue of the seminar is a weighty and important topic in the context of India, a country with huge gaps in its human development achievements and rising inequalities that contribute to the 'un-sustainability' seen in its developmental progress.

**Mr. Tomislav Delinic, Resident Representative to India (Officiating), Konrad-Adenauer-Stiftung (KAS), India Office**, gave the opening remarks. KAS is a German organisation that has been in India for the past 40 years and provides for a platform of discussion on various pressing issues in India and the global economy, as well as engages in research activities. Unlike the various western nations, India is perceived as an economy with a massive demographic dividend. But there is criticism of the exiting state of affairs, with the challenge of making this large population productive. The German economy is aging, and the partnership with India could definitely hold gains for both the countries, as the latter progresses towards development and welfare outcomes.

In her keynote address **Dr. Syeda Hameed, Member, Planning Commission and Island Development Authority, Government of India** appreciated the initiative to organise seminars on socially important topics that help disseminate knowledge on the state of affairs in India while enticing people to play a role in furthering India's progress on various social fronts. In addition to hosting such seminars and talks in major cities like New Delhi, Mumbai and Kolkata, Dr. Hameed emphasised upon conducting them in other smaller cities and centres which could involve more people in the discussion while helping disseminate knowledge at the grassroots covering greater number of people. Use of Hindi as a medium too could help in involving larger

cohorts of people. Seeing the rising inequalities in the Indian economy, the primary takeaway out of such seminars should be the elusive concept of 'inclusive growth'. The unequal development in different regions and states is leading to various social issues such as poverty, lack of education and healthcare facilities and rising incidences of violence. The recent attack on politicians in Chattisgarh by Maoists in the age-group of 18-20 years is a grim indication of the neglect such regions have faced over the past many decades and the loss of innocence at a tender age. Another drawback of the rising population and inequalities is the violence against women. The crime rates in the past few years have risen dramatically with crimes against young girls being the most horrifying. Here one questions whether a large population really entails a positive demographic dividend? In the light of such acts, should development activities in such backward areas be stopped altogether?

The 11th plan called for fast and inclusive growth. Building upon the previous plan, the 12<sup>th</sup> plan is about faster, more inclusive and sustainable growth. Various monitor-able targets have been specified in the field of education and health such as to increase the mean years of schooling; eliminate social and gender gaps for SC, ST, OBC etc; reduce IMR; under-nutrition reduced to half in the age group of 0-3 years; raise household's access to banking facilities; allow direct cash transfers through Adhaar cards etc. In order to achieve each of these goals, especially those related to the minorities (eg. that calls to remove the gender gaps in education of Muslim girls), every state is required to get on board, which poses as the most difficult task to overcome. To allow the states to implement schemes as per their requirements, the centre has taken a quick decision to reduce the centrally sponsored schemes, since marginalisation largely result due to regional disparity.

The Planning Commission provides a roadmap on the various schemes. The National Health Mission (including the National Rural Health Mission) tries to create a convergence and bring health facilities to the most marginalised segments of the society. But, in terms of achievements in healthcare, participative and voluntary actions of individuals have made the maximum impact in different parts of India such as in Mewat (near Gurgaon, NCR) and many parts of Orissa. Though such cases provide for knowledge and learning on meeting healthcare outcomes, they may not always be replicable at the national level. Dealing with under-nutrition has been another major issue. Alongside, a lot needs to be still done with regard to providing poor and marginalised groups access to banking facilities.

Every part of the plan requires funding, but the allocated amount has never been enough to meet the demands. Issues regarding women and children are directed towards the Ministry of Women and Child Development. But this does not provide the right solution since we need to have more ministries, departments and sectors on board to tackle such plaguing issues in a multi-sectoral approach. Disability is another such issue.

Many times it may be a good strategy to have representatives from marginalised groups to put forward their views on issues and their idea of policies, than to have them enforced directly by the governing body. As an example, a place like Tilda in Chattisgarh could be an ideal meeting point of representatives of tribal groups who may collect to advise the government on various issues that concern them. This is another reason that supports the suggestion of gathering policy makers and researchers in smaller centres in order to develop “people pressure” in policy formulation. In order to see some positive outcomes, it is indispensable to exert local or people pressure on the government and create a monitoring system to enable the country to reach targets by the pre-specified deadline.

The government policies and plans in themselves may not be enough to generate associated outcomes, the support and pressure of general population is indispensable to drive the outcomes. In various flood prone areas, where government activities have been ineffective, the local youth groups have taken the task of warning the community of incoming floods and help in case flood strikes. Similar warning signals have been created in areas prone to animal / elephant attacks.

In terms of healthcare, the private sector has been providing major services with little provided by the public hospitals or health centres. Should government hence provide greater support and importance to the private health providers? Over time there has been a growing need to strengthen the healthcare provisions by the public sector by promoting AYUSH and other traditional medicine practices and practitioners. But there is a strong lobby that has not been allowing this to take place.

People working in the informal sector, such as domestic help / workers, face difficulty in getting their ‘Adhaar’ cards made, considering that they do not have any other proof of identity that is required in support. The Rashriya Swasthya Beema Yojna has been extended to include those working in the informal sector; though the issue of lack of identification proof that prevents the entire population to be a part of Adhaar Yojna is a cause of concern.

### **Presentation and Discussion Session**

The Presentation and Discussion Session was chaired by Dr. Santosh Mehrotra, Director-General, Institute of Applied Manpower Research, Planning Commission, Government of India. **Dr. Sonalde Desai, Professor, University of Maryland; and Senior Fellow, NCAER** gave her presentation on “Challenges and Opportunities for Social Sector”. According to her, the 12<sup>th</sup> plan is one of the best written plans, both thoughtful in the achievements of the 11 plan and reflective on the future strategies; while inspiring broader thinking on future policy challenges.

It is important to take note whether the problems we face today are the same as those in the past, since it is likely that they may have changed with regard to the achievements and success in the past decade. India Human Development Survey (IHDS) data from 2004-05 of males in the age group of 25-75 shows that the graduation rates rose while the fluency in the English language saw a decline. The fluency of speaking English could be one of the parameters defining quality of education. Many may have gone to small colleges lacking 'quality education' which may not reflect in rising output of educated population. On the positive side, the 2005 IHDS data for males and females also shows that the literacy rate gap among most social groups seems to have narrowed. Irrespective of some success, the education system has been unable to keep pace with the expansion in student population. Moreover, many children in families may be first generation learners. The random growth in private schools and colleges are also likely to lead to declining educational quality.

With respect to nutrition, the National Family Health Survey (NFHS) data shows that between 1992-93 and 2005-06, the percentage of children with severe to moderate stunting declined among all wealth quintiles or income classes. But the percentage decline in stunting, an indicator of improving nutrition, is highly in favour of higher income classes; leading to the challenge of dealing with rising nutritional inequality. There also is a diverging trend in vaccination coverage with the polio campaign showing a high success rate, with the DPT vaccination percentage being stagnant in the last two decades.

Another contradiction for policy is posed by improvement in women's education, but an associated decline in women employment. For every level of household, when household income increases, women's labour force participation declines. In addition, even after controlling for higher family incomes, educated women tend to withdraw from the labour force, which could be in the absence of "suitable" jobs.

It is not just the "quantity" of education that matters, but the "quality" is equally important. For nearly 10 years the ASER surveys have documented that barely 50% of the students can even read simple paragraphs. Here the concern really is a "flat-learning curve", i.e. children going to school are not improving upon their skills. Like healthcare systems, education too is getting privatised in the country since parents believe in private schools to be providing better quality of education than government schools; resulting in a rise in the preference for private schools among middle and high income households. This affects the 'quality' of education of the remaining population.

The quality divide created among the private and public hospitals too have led the poor to go outside the villages to see private doctors. Considering that nearly 80% of the healthcare provision is private, how does the people's preference for the private sector get balanced with growth in public spending as envisaged under the 12<sup>th</sup> plan?

Though the education and health indicators may be improving among the higher classes causing a rise in inequality; the modern lifestyle leads to many new challenges for the economy to deal with. With rising development, there is a fall in common communicable diseases and a massive rise in lifestyle related chronic diseases such as diabetes, obesity, hypertension, or cardiovascular diseases; that need a completely different form of strategies to deal with. Sales of antibiotics have risen rapidly over time but the growth in antibiotic resistant bacteria is another impending challenge India may have to deal with in near future.

We have a vast number of schemes but do not know whether they are designed to succeed or not. Policies result from diverse pressures but may not often match instruments to outcomes. The RTE act envisages age specific placement of children and mandates automatic promotion to the next class. Higher or compulsory education cannot be a reflection of skill; leading to a question of having skill or age specific placement? Moreover, social inclusion in education is geared at people at metric and post-metric levels with inequality in educational inequalities existing among the forward castes, Dalits, Muslims and tribals; with the predicted probability of the ability to read and subtract (arithmetic skills) being lower for the Dalits, Tribals and the Muslims.

We have the PDS and National Food Security Act to target government subsidy on specific groups. Here too the problem is incurred on identifying the poor, since poverty may be transient rather than chronic; self-reported to gain a subsidy even if not belonging to the BPL category; or certified by local authorities as an act of nepotism. This leads to huge “leakages” in the system of helping the poor with many non-poor holding a BPL card and benefitting through various government schemes. Considering that targeting of food subsidies is very tough, the focus should be on alternate strategies for meeting nutritional security needs.

As a review of the success on the 12<sup>th</sup> five year plan in meeting with the four broad benchmarks, Dr. Desai comments on dealing with challenges of past success as poor (have not recognised success or its consequences); the quality focus and identification with new challenges as moderate; and the policy realism, non-existent.

The presentation was followed by a discussion among some prominent panellists including Dr. Nisha Agrawal, CEO, OXFAM India; Dr. Amir Ullah Khan, President, Glocal University; and Ms. Caitlin Wiesen, Country Director, UNDP India.

**Dr. Nisha Agrawal, CEO, OXFAM India**, pointed out that there exists a wide gap between planning and implementation. It is time to start focusing on the implementation part and along with funding government schemes, it is important to fund NGOs in the poorest states of India to help achieve the desired developmental outcomes. What is important is to look at the strategies

that work and that don't, and feed the learning back into the policy dialogue for higher success. India is lagging on the success of social indicators due to the lack of the "quantity" of facilities, let alone their "quality" which will take a long time to improve. Even though the RTE Act is in place, the government is yet to succeed in even providing for equal education opportunities and access.

Public Expenditure has been rising but as a share of GDP it is very low in comparison to other developed nations. To make things worse, the social sector is largely unregulated. In the case of healthcare, a large number of individuals do not have any access to basic health services or medicines.

Though it has been emphasised by previous speakers that the initiative of common people can help the policies to succeed; it is first the task of the government to provide the right infrastructure that can allow any successful implementation to take place. The current levels of funding may be low but they too are not reaching the targeted population. The solution to most of the social issues lies in decentralisation to allow the state government and NGOs to undertake work at the grassroots.

Rising gaps in malnutrition, marginalisation of communities (eg. tribal girls) and violence against women are driving the country more and more towards multidimensional inequality. In order to obtain the desired policy outcomes, it is important to connect the five year plans with the Millennium Development Goals (MDGs) and facilitate dialogue among policymakers associated with both. The lack of data should not be blamed for being unable to track policy outcomes. Rather, systems of data collection must be geared up on priority.

**Dr. Amir Ullah Khan, President, Glocal University** highlighted that in all the issues brought in the discussions, there was no mention of 'family planning' that has a direct impact on the status and health of women, as well as the nutrition of women and children. In India there are 40 million pregnancies in a year. Diseases and deficiencies (such as Anaemia) result in just 27 million live births. Out of these about 15 million are 'unwanted'. The major issue here is the lack of contraceptives, their knowledge and the right facilities. The unmet need for family planning presented as a percent of the currently married women is the highest in Bihar and UP with the Indian average standing at 13%. A conundrum is faced in the issue of vaccinations. About 50% of the vaccines are manufactured in India, but nearly 50% of the children in the country are not vaccinated. The per capita health spending in India is very low, far below that of other BRICS nations standing at 4.1% of GDP. India's share of global burden too is very high (averaging at about 20%) with respect to maternal / neonatal deaths, low birth weight, not receiving DPT, stunting, and wasting. UP, Bihar, MP and Rajasthan are at the top with the highest share of children who are underweight, maternal deaths, and lack of immunization.

With respect to Sanitation, more number of toilets have been built and provided for, yet upto 90% of open defecation is observed among most villages in India. The rising violence and falling social indicators can be said to be the cause and effect of the uneven development and increasing inequalities.

According to **Ms. Caitlin Wiesen, Country Director, UNDP India**, India's ability to meet the MDG targets seemed dismal. India has been performing poorly with respect to its human development achievements with rising incidence of malnutrition. India's Human Development Index has seen a rise of only 21% since the last two decades and at a rank of 136 of 187 countries in 2012, it lags far behind the other BRICS and IBSA nations in many respects. On the inequality front too India is only second to Afghanistan and behind many other emerging nations such as BRICS, IBSA and South Asian countries. India loses 29.3% of its HDI value on account of inequality in human development outcomes.

For India to rapidly improve on its human development outcomes, it needs to address the rising inequality, focus on women's education and capacity development, making governance structures more accountable, and encouraging participation for greater inclusion.

Much is talked about India's demographic opportunities considering that it shall be the youngest nation in 2020 and will continue to be so until the year 2040. The questions now arise as to how one promotes "skilling" in the face of jobless growth, since there are a considerable number of people employed in the informal sector. Moreover, even in the formal sector, how does one incentive them and conduct training to help raise their skill levels? The 'girl youth' has not been given enough opportunities to allow her to be a part of the development process, thereby missing upon the opportunities for skilling and the environment that facilitates learning. In addition, it is important to reach out to the tribal youth in order to curb the problem of violence which can only come through social inclusion and trainings that are specially designed for such groups.

With rising exclusion of girl child and crime rates amongst women, it has become necessary to promote gender equality. There is immense scope of enhancing women's role in the unorganised sector, which employs a large number of women from a modest background. Women's contribution too should be given more credit and more jobs created with enhanced incomes from businesses and enterprises.

The 12<sup>th</sup> five year plan is largely about social inclusion, which must be promoted in a rights based framework. We need to address particular vulnerabilities, gaps in health and education and lack of social protection schemes. The marginalised groups need to be reached out to, and represented in dialogues.

The discussion was followed by comments from **Dr. Santosh Mehrotra, Director-General, Institute of Applied Manpower Research, Planning Commission, Government of India.** During the 10<sup>th</sup> five year plan (2002-07), India achieved a growth rate of 7.7%. This coincided with a period of growth in the international economy. Yet, despite the crisis of 2008 India came out with a growth rate of 7.9% per annum during the 11<sup>th</sup> plan. Poverty too has seen a decline rate of 0.5% p.a. to 2 % p.a.

Based on India's Human Development Report (HDR), there have been some achievements of social inclusion reported for the three most marginalised groups- SC, ST and Muslims, with their social indicators improving faster than the national average. Though at a slow pace, convergence is definitely taking place.

A number of challenges still remain. In the healthcare sector, there is a shortage of doctors and monitoring and managing the RMPs made tough due to the lack of funds for their training. To have a functional PHC in rural areas, one requires facilities 24X7 and availability of adequate RMPs. The current medical training for doctors is for a total of five years after which they prefer to work in urban than rural hospitals. Rashtriya Swasthya Beema Yojna too has not met with any success. There has been a growing trend of unwanted pregnancies and rising demand of modern contraception. The capacity to deal with all of the above challenges is yet to be developed.

Development in 'extremist' affected areas is another big challenge. If one does not address such development challenges timely, it becomes tougher to deal with the associated violence in such areas, making it more difficult to engage these groups in any talks or dialogues.

According to census 2011, only 25% of the population has access to toilets. Those created for BPL families have never been used for the purpose due to the mind-sets. The toilets are being used for storage of food and fodder with people still defecating out in the open. The aims of the Total Sanitation Campaign have not been recognised. What is required is the dissemination of proper knowledge about the health impacts of such practices and the impending need to change them for better. The government may continue to implement schemes and subsidising facilities, but the infrastructure may never be used.

In the field of education, even though enrolments have risen, the quality has been declining. This conundrum has been there for decades. In a 2004 World Bank survey of teacher absentees, it was found that 25% of our teachers are absent; and most present were not found to be teaching. Parents are hence pulling their children out of schools since they are not really learning anything. Hence, the problem here too is of a different kind: the school infrastructure is there but the learning part is missing.



Coming to the issue of employment, in manufacturing sector employment fell, and so did the employment in agriculture. Services sector saw a rise in employment but at a declining rate. With an overall fall in employment in the three sectors, people have largely been employed in the construction sector that has seen rising investments and building or realty development.

The Food Security Bill Exists in India, but the major issue lies in identifying the poor. The poverty figures and poverty lines defined by the Tendulkar committee (Rs. 32 per person per day) are only estimates and cannot tell specifically who is poor and who is not. Another problem lies with the functioning of the Public Distribution Systems (PDS). Even if the food bill and targeting is improved, with no improvement in the distribution systems, the desired outcome can never be achieved.