Chapter 6

Against the grain: New pathways for essential services in India

By Benny Kuruvilla

In India, irrespective of the political dispensation in power at the central level, the last 25 years have seen an entrenchment of neoliberal policies that divest state provision from, and privilege the private sector in, essential services. This is despite mounting evidence that point to the failure of the corporate private sector in providing quality, efficient, affordable and accountable services to all sections of the population. India today has one of the most privatised health care systems in the world with private health care comprising 80 per cent of outpatient and 60 per cent of inpatient care.[1] The abject neglect of the public sector has led to the rapid growth of a corporate hospital-based system that is largely unregulated, unethical and expensive. The privatisation of electricity distribution in the states of Odisha and Delhi has failed with the private companies unable to reduce losses, address corruption and improve efficiency and services. The entire energy distribution in the state of Odisha has already reverted back to the state, with the cancellation of Reliance Infrastructure's license.[2] While vibrant citizen-led campaigns stalled attempts at privatising water distribution in Delhi (2005) and Mumbai (2007), the municipal employees' union and citizens are calling for a cancellation of the public-private partnership (PPP) in Nagpur, Maharashtra.[3]

Despite the pro-private sector approach of the central government, India's vibrant federal decision-making processes provide state governments with considerable policy flexibility to enact pro-people policies. This chapter attempts to capture recent positive developments that have created new public entities at the state level; in the arena of community health services and food security in the states of Delhi and Tamil Nadu. We also touch upon two cases of remunicipalisation: in the state of Kerala

in the field of primary education; and the state taking over after a failed attempt at running the Delhi airport metro through a PPP model.

Community health clinics in Delhi

The *Aam Aadmi* Party (AAP, Common Man's Party), a new entrant to electoral politics, won an incredible victory in the Delhi elections bagging 67 out of 70 state assembly seats in February 2015. By July 2015, the AAP government began the process of delivering on one of its main pre-election promises – affordable primary health care – by setting up 1,000 *Mohalla* (community) clinics across Delhi.[4] The Mohalla clinics are the last but crucial rung in a three-tiered health system proposed by the AAP Government. In addition to the Mohalla clinics, poly (multi-speciality) clinics and speciality hospitals comprise the secondary and tertiary levels.

As of February 2017, some 110 clinics (a figure much lower than the promised 1,000) were functional across some of the poorest areas in Delhi. The clinics have been set up by the Public Works Department at a cost of roughly 2 million rupees (US$30,000) each.[5] This reduced cost, compared to a government dispensary (that costs about US$450,000), is due to its smaller size and use of pre-fabricated, semi-permanent portable cabins that can be easily set up virtually anywhere. The AAP government had announced, in November 2015, an allocation of 2.09 billion rupees (US$31.4 million) for the proposed 1,000 clinics.[6] Much of this was unspent as of December 2016. Subsequently, in the 2017-2018 budget presented on March 8, 2017, the total allocation for the health sector was 57.3 billion rupees (US$860 million).[7] The increased budgetary allocations are seen as a clear commitment by the Government to setting up the remaining 890 clinics.

Each clinic has a doctor, nurse, pharmacist and a lab technician. The doctors consultation, medicines and laboratory tests are provided completely free of charge to the patients irrespective of their economic status. While

most of the doctors are private practitioners, some are from the state health department. The empanelled private doctors are paid 30 rupees (US$0.45) per patient. The lab technicians are equipped to collect samples for more than 200 tests. Since they were set up in the second half of 2015, the Delhi Government claims that more than 2.6 million of its poorest residents have received free quality health care.[8]

Delhi health clinic
Patients at a Mohalla clinic in New Delhi

Being a relatively new initiative, detailed studies are not yet available to assess its efficacy. Nevertheless, from a public health perspective there are some serious shortcomings to the Mohalla clinic model. For one, the reliance on private doctors without augmenting the intake of government doctors could lead to an excessive reliance on the private sector. This tilt toward the private sector is further underlined by much of sample examinations being outsourced to private laboratories. Also, the remuneration of medical personnel should be delinked from the number of patients.

There are already reports of inflated doctor bills to the public exchequer from some clinics.[9] A recent article in the *Lancet* medical journal points out that one of the serious limitations of the AAP's health policy is the focus on curative care and neglect of preventive and promotive care.[10] The latter implies attention to a range of social and environmental interventions that can improve the health of Delhi's poorest citizens.

These concerns notwithstanding, for Delhi's poorest citizens who earlier had to rely on expensive private clinics or even quack doctors, the Mohalla clinic is a big hit.[11] The significant number of patients flocking to these clinics takes the AAP government closer to its promise of providing free primary health care to all citizens in Delhi. The Mohalla clinic model is being closely watched in health policy circles across the country and abroad. With further improvements, that eschew the current reliance on the PPP approach, it does have the potential to trigger a departure from the dangerous and expensive reliance on the private sector, and to prove that a publicly financed and publicly provisioned primary health care system is the most appropriate route to universal health care.

Food security and the budget 'Amma' Canteen in Tamil Nadu

The state of Tamil Nadu has been a pioneer in advancing social schemes in India. The world's largest school feeding programme, the mid-day meal scheme that provides a free nutritive lunch daily to some 120 million school children across India was initiated in the state as early as the 1920s.[12] The *Amma Unavagam* (canteen) is only the latest in a long list of innovative policies that have benefited the poor and marginalised.

The former Chief Minister of Tamil Nadu Jayalalitha, popularly referred to as *Amma* (Mother), set up the canteens in February 2013. They were first piloted by the Chennai Municipal Corporation in all 200 wards (zones) of the city. In a few months, given the tremendous response, the number was increased to over 300 in Chennai itself. By 2016, they had spread to

other municipalities in the state and the latest estimate puts the number of canteens at 657 across nine districts of Tamil Nadu.

All canteens are run by the respective municipal corporations and function out of government properties. The state government provides a total grant of 3 billion rupees (US$45 million) to the various municipalities for the operational expenses of the 657 canteens.[13] There is a further subsidy by the Tamil Nadu Civil Supplies Corporation to the municipalities for the purchase of rice and pulses. Despite these subsidies, given the incredibly low cost of meals (see Table below), around 50 per cent of the cost of running these canteens is borne by municipal authorities. None of the canteens make a profit.

The canteens open at 7h00 and run until 21h00 in three shifts serving breakfast, lunch and dinner. The menu and cost of meals are given in the Table below.[14]

Meal	Item	Price
Breakfast	Idli (steamed rice cake) with sambhar (lentil curry)	Rupees 1 (US$0.01)
	Pongal (a dish made of rice, beans, coconut, milk and jaggery)	Rupees 5 (US$0.07)
Lunch	Lemon rice	Rupees 5 (US$0.07)
	Sambhar rice	Rupees 5
	Curry leaf rice	Rupees 5
	Curd rice	Rupees 3
Dinner	2 Chapattis (wheat bread) with dal (lentil curry) or vegetable curry	Rupees 3 (US$0.04)

Amma canteen in Tamil nadu

Women cook the day's meals at an Amma canteen in Tamil Nadu

The canteens are an all-women enterprise with the standard ones employing up to 13 people and the bigger ones (that are housed in state hospitals) having a staff strength of up to 25. The women (from the poorest sections of society) employed at the canteen get a monthly salary of Rupees 9000 (US$135) from the municipality. It is estimated that on average each canteen caters to some 500 people daily, which adds up to 328,500 nutritive meals across the state.[15] Government officials calculate that by 2017, the 300 canteens in Chennai city alone will serve up to 500 million Idlis for breakfast.[16]

A rural agrarian crisis has led to a massive migration into cities across India.[17] The lack of decent jobs in cities has resulted in a high incidence of hunger and malnutrition among migrant populations. Over the last four years, the Amma canteens in Tamil Nadu have played a substantive role in ensuring that not just the migrant poor, but daily wage earners and other marginalised communities have access to three meals daily for as little as Rupees 20 (US$0.30). Clearly, the canteens have been a remark-

able success, contributing to sustainable jobs for thousands of women and ensuring nutritional and food security to millions of poor citizens across urban Tamil Nadu. There is now a demand to expand the scheme to semi-urban and small towns in the state. It has also inspired several other state governments such as Odisha, Delhi, Rajasthan, Uttarakhand and Andhra Pradesh to initiate similar budget canteens.

Box 1

Kerala: State government takes over loss-making private schools

The Left Democratic Front (LDF) a coalition of left parties won the Kerala State elections in May 2016. Within two months of assuming power, the Government initiated a policy to take over private primary schools that were being shut down by management on the pretext of being loss-making entities. It is reported that there are more than 1,000 aided private schools across the state facing closure. These are schools run by private management with some aid from the state government and are deemed financially unsustainable due to low enrolment of students.

The management of a 133-year-old privately owned, aided Upper Primary (UP) school in Malaparamba in North Kerala attempted to shut down the school in 2014. They began demolishing parts of the school building to turn the premises into a real estate venture. A school protection committee comprising students' organisations, parents and the general public protested. They stalled the attempt and collected funds from the local community to rebuild the demolished building in just two months. Despite this valiant effort to keep the school open, the Kerala High Court issued a verdict in favour of the private management in May 2016 and ordered the closure of the school by June 2016.[18] The teachers and students were then shifted to a temporary venue where classes continued.

Responding to the continued campaign by the school protection committee, the LDF government remunicipalised the closed school in November 2016.[19] The Education Minister made the announcement in front of the students and declared a grant of 10 million rupees (US$150,000) for a new school building. The school has been renamed as 'Government UP School, Malaparamba'. Three other schools that were closed in similar circumstances were also taken over by the state. The LDF government is now in the process of amending the Kerala Education Rules to ensure that it can easily take over all loss-making private schools facing closure.

Box II

Delhi: De-privatisation of Airport Metro Line

The Delhi Airport Express Metro Line was completed in 2011 at a cost of 57 billion rupees (US$857 million). It was the first metro rail project in India to be undertaken on a PPP model with the state-run Delhi Metro Rail Corporation (DMRC) partnering with one of India's largest private sector firms, Reliance Infrastructure. Reliance easily won the PPP project for a 30-year concession through an aggressive bid, agreeing to pay DMRC an annual fee of 510 million rupees (US$7.6 million) plus 1 per cent of annual gross revenues both of which would be increased progressively. Contrast this with the losing bidder, a joint consortium of General-Electric and Larsen & Toubro, who asked instead for an annual subsidy and a long-term interest free loan from the DMRC if it won the contract.[20] Reliance formed the Delhi Airport Metro Express Private Limited (DAMEPL) to implement and run the 22.7-km line from the city's business centre to the international terminal of the Delhi airport.

The project began to quickly unravel in less than two years. Initially DAMEPL suspended the service for six months (July 2012-January 2013) citing technical problems and then in June 2013, they terminated the contract citing inability to fulfil the concession agreement with DMRC. The reasons for this fiasco are many. For one, DAMEPL clearly overestimated the returns and underestimated the complexities in running a capital-intensive infrastructure project. The bid was made on the assumption that the projected traffic would be around 42,500 passengers a day. Reality was closer to an average of 17,000 per day. Further the fare of 180 rupees (US$2.70) for a one-way ride from the city centre to the airport terminal dissuaded potential passengers who could also use the airport line to commute from their residence to offices near the city centre. The development of an Aero-city complex in the vicinity of the International Airport that would be a hub for business, entertainment and tourism did not materialise. DAMEPL reported financial losses of up to 40 million rupees a month (US$600,000) and used excuses such as non-fulfilment of contractual obligations by DMRC to exit the project.[21]

Subsequently from July 2013, DMRC took over the metro line. In the three years that the project has been with the public authorities, efficiency has improved (with better frequency and convenient timings) and with cheaper fares, the traffic reached a peak of 50,000 passengers in a single day in August 2016. The fare for a one-way ride as of March 2017 is 60 rupees (US$0.90), a third of the DAMEPL rates.[22] With millions of dollars in loans still to be repaid to the project lenders, both DMRC and DAMEPL are now in arbitration to settle the case.

Clearly, what these cases indicate is that despite the continued onslaught of neoliberal policies in India, regional governments continue to have the policy space, if they have the political will, to go against the grain. In the case of Kerala, it was a popular struggle led by the students and local community that allowed a progressive government to enact policies for remunicipalisation in primary education. Delhi and Tamil Nadu are relatively wealthier states in India with adequate finances for ambitious schemes to ensure community health and food security. But one of the key challenges in expanding public services will be the question of fiscal resources. With the central government enacting new unified taxation policies such as the Goods and Services Tax (GST) that will roll out in 2017, the ability of state governments to enact progressive tax policies will be compromised.[23] Nevertheless, what gives reason for hope is that the many popular struggles across the country to defend, expand and reclaim essential services are also integrated into broader struggles to transform the neoliberal state.

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Endnotes

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