Innovations in Governance – A Discussion

Rajesh Chakrabarti
“(Bihar) has a claim to be the ancient heart of India. These days it is seen as the armpit... (It) has become a byword for the worst of India: of widespread and inescapable poverty; of corrupt politicians indistinguishable from the mafia dons they patronize; of a caste-ridden social order that has retained the worst feudal cruelties; of terrorist attacks by groups of ‘Naxalite’ Maoists; of chronic misrule that has allowed infrastructure to crumble, the education and health systems to collapse, and law and order to evaporate.”

—An Area of Darkness, Economist, Feb 19th 2004

"(R)arely has a failed state escaped political bankruptcy so fast. ... Bihar is far better today than it was in November 2005, when Mr Kumar came to power. Today Bihar has pot-holes, where formerly it didn’t have roads. Businessmen grumble that they cannot raise money to invest in the state, whereas before they spirited their capital out of it. People complain that Mr Kumar’s government has fallen short of its ambitious development plans. But at least it has ambitions... The biggest risk to him may be the rising expectations of his constituents. But that is also the measure of his success."

--- ‘The Bihari Enlightenment’, Economist, 28th January 2010
Bihar, circa 2005

• Relative decline of Bihar in the 90’s:
  – Bihar’s PCY as % of India’s – 1985: 59%; 2005: <26%.
  – Only state in India with de-urbanization:
    urban population: 1981: 13%; 2001: 10%
  – Law and Order in shambles; Kidnapping for ransom an “industry”
The “turnaround” during 2005-2010

- **Law and Order:**
  - Road dacoity: 2004: 287, 2008: 146

- **Road building:**
  - 2004-05: Km of road built: 385, Expenditure incurred: 236
  - 2009-10: Km of road built: 3474, Expenditure incurred: 3045
  - Travel times have fallen by more than 50% between most parts of the state.
The “Turnaround” (contd.)

• **Health and Education**: 2004-05 2010-11
  - Avg. Footfall per month in health care facilities: 39 5200
  - Institutional child delivery: 45,000 1.246 million
  - Routine immunization: < 20% 67% (above all-India avg.)
  - Out-of-school children in 2011 reduced by 85% from 2005,
  - Drop-out rate in 2011 was a sixth of what it was in 2005.
  - The teacher student ratio had dropped by 40%

• **Investment and Economy**:
  - 2000-05: Bihar’s GDP growth ½ of India’s;
  - 2005-10: About 1.5 times India’s growth rate
  - Highest or second highest growth rate in last two years
  - Investments up 15 times (as share of national investment) between 2004 and 2010 (but from abysmally low levels of 0.1% to 1.5%).
**HOW WAS IT DONE?**

**Innovations, Innovations, Innovations**

- What were some of the major innovations?

- Why did so many innovations happen? The enabling (and compelling) environment

**Harder questions:**

- *Can it be replicated elsewhere?*

- *Is the change permanent?*
Law and Order

• Runaway situation
  – The reality and more importantly the perception of a breakdown
  – Gangs, caste, politics, a culture of violence
  – “Bahubalis”, criminal-legislators
  – Police force demoralized, outnumbered

• Way out?
  – Tougher laws
  – More funds for law enforcement
The Agents and the Approach

- No political interference
- Focus on prosecution rather than investigation
  - “Speedy trials”
  - Arms act
  - SAP
How do you make roads appear?

- Changing registration and contracting rules
- Taking on the road building cartel
- Getting out-of-state builders
- Controlling corruption; quality check;
- Monitoring, with technology
Social Infrastructure: Health

- Funding from National Rural Health Mission (NRHM)
  - Free drugs
  - Incentives for institutional delivery
- Focusing on PHCs
- Monitoring doctor attendance
- Public-private partnership approach
Social Infrastructure: Education

- Enabling access to schools
- Filling teacher gap
- Monitoring teacher attendance
- Monitoring schedule in higher education
Courting Investment

• Single Window Policy
• SIPB
• Tour by eminent industrialists
  – Scared away small investors
• Challenges – Land and Power
The role of leadership

• Empowerment of bureaucracy
  – Flip side: “Afsarshahi (Officer Rule)”

• Constant monitoring

• Complete focus on governance
  – Not clear that is electorally optimal

• Direct contact with people

• Pragmatism at poll-time (NOT a recommendation)
  – Caste arithmetic
  – Dual attitude towards criminals
Elections, 2010

• Landslide victory
• But vote share analysis shows:
  – ~3% rise for the NDA
  – ~9% drop for the opposition
• Was it a verdict for development?
• Depends how you read it
Thank you!

For more, read....