



Proceedings
of
National Seminar
on
Private Sector Participation in Public Services

March 28-30, 2016
Council for Social Development

**Convener of the Seminar
&
Editor of the Proceedings:**

Prof. K. B. Saxena

Seminar Coordinator:

Ms. Jaya Lekshmi Nair

Concept Note

The hallmark of a democratic polity lies in a morally binding social contract between government and citizens manifested in former's political commitment to pursue social goals which are widely accepted as essential human rights. The core of this contract is universal provision of public services that satisfy human needs and creation of essential conditions for individuals to lead dignified lives and realize their human potential. In India, the essentials of this social contract were built into the Constitution itself which put pressure on the State to make these services available to all its citizens. The Government chose to discharge this responsibility by making these services available through state directed, state driven and publicly financed production (facilities creation) and distribution of these services. This mode of provisioning of these services emerged naturally from and integrated well with the political economy of the time which subscribed to the state control over key sectors of the economy and regulation of the private sector therein so as to fit into the larger framework of planned development. These public services /utilities were seen as public goods to be available to all citizens free of cost and without discrimination. State, therefore, created infrastructure for these services and also undertook to distribute them to individual households. These services which included drinking water, sanitation, electricity (with user charges), education, health, supply of food grains, within the limits of its financial capacity were delivered with varying degree of efficiency, adequacy, and access to them by different social groups, and user satisfaction. Improvements were made in policy design and execution of these services on the basis of feedback gathered from their delivery. This continued by and large until the 1980s. Several sectors, despite the policies of equitable distribution, showed evidence of distortions and inefficiencies. However, instead of addressing these, a fundamental shift took place in the economy as a result of Structural Adjustment adopted by the Country. Injecting substantial privatization in both production and distribution of marketable goods and services and dismantling controls which acted as barriers to entry and growth of the private sector was proposed to be the only way out of the morass. This was expected to help Government reduce the fiscal deficit, attract private particularly foreign investment, and improve productivity and efficiency in various economic activities.

This shift also extended to State's role in production and distribution of public goods and services by transferring this responsibility in part or full to the private sector. The directional change was also rationalized as an economic solution to investment constraints and fiscal deficit and an Institutional solution to governance weaknesses in state delivered services. It was also advocated as a poverty reduction measure which would enable expansion of access to these services in the absence of state provisioning. This reform towards privatization and commercialization entailed recovery of most or all its cost from the users to enable fair return on investment. While this shift is increasingly

penetrating the Indian economy including the social sector due to International Donors' pressure, persuasion and loan conditionalities as also the influence exerted by the private sector and some economists within the country, it has essentially undermined the social contract between citizens and State. This was done by firstly undermining the state's commitment to the social contract and shifting its focus to overseeing the process of privatization rather than focusing on provisioning of services; secondly, the reforms converted the citizens into users and eroded their role of holding the service providers accountable through the democratic process. This model of economic reforms has therefore distinct advantages for the participating private agency. It enables Private sector participant to determine / influence designing and financing, construction, operation, maintenance and distribution of public services and utilities and optimize its profits.

In Indian economy this private sector participation has taken various forms such as financing of public services with recovery of cost and forcing public providers of services to partially generate their resources, so as to reduce public expenditure, outsourcing of functions by public sector agencies to private suppliers, reimbursement from public funds of services rendered by private service provider, exposing public sector producers to compete with the private sector, incremental withdrawal of public services and thereby, forcing users to access privately funded services, transfer of management of public funded service provider institutions to private sector agencies, sharing responsibility of implementation of public funded programmes with the private sector creating Private sector funded facilities in the premises of public institutions etc with a view to improving productivity and efficiency. It's most crystallized and widely advocated and used form is the Public and Private Partnership.

*A Public – Private Partnership is a contract between government and a private company under which the latter finances/ builds / operates or undertakes all three, some element of public service and gets paid over a number of years, either through charges paid by users, payments from public authority, a combination of both and non- monetary subsidies such as concessions relating to land, developed infrastructure etc, trained personnel, space for setting up services and access to established public institutions to be run privately. The contract envisages selection of service provider through competitive bidding and negotiation, mechanism of payment by public agency to private service provider, risk and revenue sharing between the two, monitoring and evaluation by the public sector agency. This partnership has taken varied forms such as.

* The discussion in the following paragraphs draw upon several sources such as Baylios and Kessler (2006); Goodman and Loveman (1991), David Hall (2014), Randal Swood (2014), Meine P Van Dyk (undated); Report of Sub group on PPP in Social Sector, Planning Commission (2004) etc which are gratefully acknowledged though not individually cited in the text due to limited nature of private circulation of this paper.

1. Public funding with private service delivery and private management.
2. Public as well as private funding with private delivery and private management.
3. Private funding with private service delivery and private management.
4. Public as well as private funding with public / private / joint management

Though PPPs have come in use since 1990s, concessions to a private agency by the Government have been extended earlier too for development of water and energy resources and transport the cost of which was paid by the consumers or the Government. This arrangement provides attractive business opportunity to private / corporate agencies as it assures a long term flow of Income guaranteed by the government itself. In India, various forms of private sector involvement in Public Services indicated above are loosely termed as public private partnership. This partnership also includes partnering with voluntary / NGO sector which are labeled as private sector without profit. In social development, this structural collaboration has been used in education, health, poverty alleviation, urban development and housing, drinking water, sanitation and waste management, electricity though its more extensive usage is in infrastructure projects.

Private-Public partnerships are widely claimed by the governments as a win win situation for both parties, private and public, which in effect they are not. This institutional arrangement has come in for strong criticism across the countries, developed as well as developing, including India. The key issues raised in their evaluation for assessing their performance in terms of stated objectives include

1. Cost of capital
2. Cost of construction
3. Efficiency of execution
4. Transaction cost
5. Uncertainties created by incomplete contracts
6. Impact on Public Policy, Public services and different social groups

In their enthusiasm for PPPs, the governments usually refrain from comparing with Public sector production and distribution of goods and services in terms of value for money and resort to them irrespective of the cost they involve. This 'value for money' objective is crucial because public services have multiple public interest objectives. On the distribution side, these objectives include availability, cost and quality of services, coverage of difficult areas and access of the poor, and particularly disadvantaged / vulnerable groups, users' capacity to pay etc. On the production side, the objective of achieving economic efficiency is paramount which can be accessed from multiple parameters such as cost of capital, extent of profit, cost of production / construction, degree of competition (cartelization), transaction cost, timely delivery, environmental impact, operational flexibility and element of risk. International evidence has shown that in terms of all these parameters,

Public investment alternative of production, development and distribution of public services (and even of infrastructure) is a superior one as it gives several advantages. Public agencies can raise cheaper capital have greater flexibilities, control and comparative efficiency due to reduced transaction cost and uncertainty of execution, and efficiency gains due to democratic accountability. This alternative also avoids fiscal instability and provides protection against risks.

The other consideration is that government agencies have been found to have poor capacity to draft, regulate and enforce contracts which is exacerbated by asymmetry of information available with the government and the private agency. Regulatory agencies to address these issues are ineffective particularly in assessing pricing of service, productivity and quality due to supply of inadequate and distorted information by private agency which results in higher pricing and low quality of delivery. PPPs also induce the state to cut back its expenditure (reduced budget provision) on these services, resort to contractual nature and insecure jobs which de motivates service providers in Public provided services. These impact the quality of services and enhance corrupt practices. Even the much touted injection of private capital to overcome resource constraints turns out to be illusory as the bulk of private investment comes from tax payers or end users. Besides, high cost of privately financed services force people to divert funds for meeting essential needs like food with its negative consequences.

Private Sector Participation in Public Services / utilities in general has also come in for strong criticism. Private sector is disinterested in services used primarily by the poor and in areas predominantly inhabited by them. It, therefore, resorts to cherry picking i.e., concentrating on services used by the better off sections and areas inhabited by them. Private sector insurers are known to do cream skinning of clients. It is risk averse and seeks guarantees for profitability. The State therefore, bears the risk which disincentivises competition. The services are overpriced and there is no guarantee of quality. The social composition of beneficiaries narrows. Equity objective (access of the poor) is hit hard as the sections which need the services most get excluded. It also leads to differentiation in quality of services among different sections of population depending upon capacity to pay. The better off sections opt out of public system which reduces pressure on Public System to improve. This arrangement also promotes greater influence of Private entities in public decision making and undermines public scrutiny and accountability. Regulation of private sector becomes ineffective due to resistance, under supply of information and high cost of monitoring. Persistent propaganda against public sector production and distribution of services erodes public trust in publicly provided services and undermines the legitimacy of the State and its responsibility.

This is not to ignore the weaknesses in state produced and delivered services particularly to the low income households, which essentially emerge from inadequate provision of funds, poor governance and social exclusion which need to be addressed. Resource constraints can only be addressed by expanding taxation and not by user fees. Governance weaknesses can be overcome by a

transparent fair and farsighted human resource management and an effective mechanism of accountability of service providers to service users / citizens. The latter needs to be pursued with input of technology, organization of users, vigorous involvement of civil society organizations and strengthening local level democratic structures (PRIs in Indian context). Social exclusion could be neutralized through a participatory evaluation mechanism to assess whether benefits have reached the vulnerable groups, public finding of basic services and strong political commitment to equitable allocation of resources towards vulnerable groups and their effective involvement in designing and implementation of programmes.

Sufficient experience has been gathered in India by now about the working of these structural arrangements of private sector participation in Public Services to assess their rationale in terms of various parameters outlined above, the Council for Social Development proposes to undertake this exercise in respect of social sector programmes through a discussion in a National Seminar on 28-30 March, 2016 at IIC, New Delhi on different variants of private sector participation and commercialization in public utilities and services with special focus on Public-private partnerships. The discussion in the seminar would cover Health, Education, Drinking Water, Sanitation and Waste Management, Urban Development including Housing and Electricity sectors and would specifically focus on:

- 1) Whether Government has provided adequate public resources and their equitable allocation to fulfill its constitutional and human rights obligations and public policy commitments?
- 2) where resource constraint and inefficiency have been cited as reasons for private sector participation in production (including maintenance) and distribution of public services and utilities, whether this shift has achieved efficiency of investment, in comparison with public sector, in terms the following parameters
 - a) [In respect of construction/production and maintenance], cost, time, quality and saving of public resources and net additional financial inputs,
 - b) [In respect of distribution], availability access, cost, quality and affordability to the users and coverage of difficult areas and disadvantaged groups.
 - c) effectiveness of regulatory mechanisms in achieving their mandatory objectives with particular reference to pricing of services and their quality.
 - d) accountability of service providers to the service users
- 3) How do alternatives to privatization practiced in some states adopted mainly as a result of social movements, compare with both public and private production and distribution of services and utilities in terms of parameters outlined above and what is their potential for replication and expansion.

it is hoped that the seminar would throw up sufficient evidence on these issues.

Inaugural Session: 28th March

The Inaugural session started with **Prof. K. B. Saxena** welcoming Chairperson, Chief Guest delivering the key note address, speakers contributing papers/making oral presentation and participants of the seminar on behalf of the Council for Social Development and Action-Aid. In his introductory remarks Prof. Saxena flagged some important reasons for conducting the seminar.

1. Public Services being discussed in the seminar are widely accepted as essential human rights. Their universal provisioning without discrimination is built into the Constitution sanctified by International covenants and validated by Supreme Court pronouncements. The programmes concerning them have formed the social sector part of the development plans. However a major shift towards market economy in the nineties has led to private sector increasingly replacing state as a provider of these services either exclusively or in collaborative with the State. This push towards privatization is being more aggressively pursued in the current dispensation and is also accompanied by fiscal consolidation with reduced expenditure on social development. Certain other important developments seek to reinforce this approach. These is a virtual abolition of the planning process with Five Year Plans being replaced by a Fifteen Year Plan, proposed removal of distinction between the plan and the non-plan expenditure, transfer of critical social sector schemes to the state governments with reduced central share of funding which has been justified on ground of increased devolution of taxable resources to states by Fourteenth Finance Commission and push towards direct benefit transfer and insurance as the preferred mode of supply of services. These developments would further aggravate already existing unequal access to and quality of these services. This situation throws up a huge challenge for protecting the interests of the poor and marginalized sections. Due to these reasons, there is a need to have a look at the performance of PPPs over the last 25 years to see whether this mode of provisioning has led to better reach and improved quality of services as claimed. Also what other barriers, if any, have emerged for the poor to access these services.
2. PPP has emerged as the most preferred form of investment for infrastructure development in the country as a result of neglect of public sector investment over a period of time. India is second in developing countries with an investment and associated investments of 15 lakh crore as per Private Participation In Infrastructure Database of UN. They have been viewed by the Government as a win win situation for both parties as they provide economic solution to investment constraints and fiscal deficit and institutional solutions to governance weakness in public delivered services. However, the PPPs are floundering and there is a high rate of

private infrastructure project failure in water and sewerage projects. The world over there is a move towards its reversal and putting public agencies back in position. There is a need for stock taking on this account in the country.

3. Operational and financial efficiency is said to be the strongest point in favour of the private sector and the reverse is considered to characterize the public provisioning of services. However, the hype around the private sector has been exposed as it is seen to be characterized by opportunistic behavior. Over the years many private sector projects have sought relief for unforeseen events as well as re-negotiation of contracts. Many other projects are stressed and stalled. This has undermined the sanctity of contracts.
4. Regulatory mechanisms which are the bedrock of impartial enforcement of laws and protection of consumer as well as environmental interests have failed to inspire confidence in their intellectual integrity, transparent functionalism and consistent objectivity which undermines their credibility. These bodies are afflicted with pliable appointments, lack of autonomy and accountability. Also economic regulation is privileged over environmental and consumer protection
5. PPPs are also characterized by governance failure. There is a huge tilt in favour of private players against public agency and 'Value for Money' has been grossly disregarded. There is a move towards separation of construction from operation and maintenance in PPP contracts relating to infrastructure which is a major driver for Value for Money. Lack of due diligence is observed in designing and monitoring of contracts.
6. PPPs have been pushed both by the government and funding agencies and are backed by huge information offensive against public sector and in favour of the private sector, through sponsored research, embedded journalism and other spaces of public discourse. As against this, the counter information in favour of the public sector is not as voluminous, consistent, sophisticated or sufficient. The seminar is intended as a small step to generate such evidence.
7. While reclaiming the public in services provisioning, there is also a need to recognize the poorly run public sector services and to make them more participatory, democratic, equitable, transparent and cost reducing and cost effective as also to take care of concerns of marginalized sections – SCs/STs Women, Children and Minorities.

This seminar aims to mobilize research based evidence on the status and impact of privatization in public services and in favour of the public sector, by deliberating over the subject with a cross-section of people from academia, research, private sector entities, government sector agencies, NGOs and people from social movements.



The inaugural remarks by **Prof. K.B. Saxena** were followed by the keynote address of **Prof. Prabhat Patnaik Professor Emeritus, JNU** on ‘**public provisioning of services in the context of democracy**’. Referring to the concept note circulated for the seminar, he problematised the subject in terms of four different conceptual issues:

1. In a democratic polity, people are not subjects but citizens who exist on the footing of equality, shape their own destiny and collectively contribute to realization of social goals of the polity. Provisioning of Public goods and services is not for the experts to decide on behalf of citizens. Experts may advise citizens but should not encroach upon people’s power to decide. To understand and use their powers, citizens need a minimum bundle of goods and services such as education, food and health. Individualization, fragmentation and social differentiation in the provisioning of these goods and services among citizens are barriers to democratic functioning and constrain realization of people’s aspirations. These barriers isolate citizens rather than bring them together. It is the responsibility of State to provide this bundle of goods and services in a manner that overcomes fragmentation, isolation and social differentiation among citizens. Further, the quality of services to citizens must not be compromised.
2. This minimum bundle of goods and services should not be in the form of commodity production i.e., these should be provided not as commodities but as direct public provisioning without any discrimination as this constitutes an essential condition of citizenship. This is particularly true in a society like ours, where the concept of citizenship goes contrary to the long history of social inequalities that we have inherited. The very idea of a fraternity of equal citizens is something which is fundamentally antithetical to the caste system which believes in institutionalized inequalities. Rights of citizens both in terms of their getting access to a minimum bundle of goods and preventing social differentiation by not having these bundle of goods delivered in the form of commodities have to be maintained. If this is not insisted upon,

then the existing social differentials would continue to get exacerbated over time instead of getting overcome as a democracy requires. This is because poor do not have sufficient resources to purchase minimum bundle of goods and services. When cost of a service increases, it leads to reduction on other items like food, clothes etc in the budget of a poorer household. Due to low purchasing power, the poor segment of citizens cannot access these bundle of services. This leads to deprivation.

3. Public provisioning of goods and services and their private production results in incompatibility because such services would have to be purchased by the government. This is problematic because private producer keeps on increasing the price of these services and if these are provided through insurance mode and government pays for premia, government budget would collapse and private producer would appropriate public resources and flourish. Therefore, public provisioning must be associated with public production to make it sustainable. In India, services are publicly provided but not publicly produced entirely. This situation is tailor-made for the private producers of these services to go on charging more and more to the state for providing these services. Therefore this system is not sustainable. If there is a mix of both public and private sectors producing these services but universal public provisioning, then over a period of time the government sector would atrophy since the private sector will be taking more and more for producing these services. The private sector would eventually replace the public sector as the former starts to appropriate public resources for its own purposes.

The universe of public goods and services is individualistic and fragmented. Whether it is education or health their supply to citizens is marked differentiation in availability, access and quality. This is on account of increasing commoditization which militates against equal citizenship. This mode of production and distribution does not make it available to all in a uniform manner. Commoditization of services no doubt gives users a choice. But it gives rise to differentiation as people with money can have better access to them and of better quality. Therefore, a minimum level of essential services should be available to all in equal measure. Beyond it, if someone wants to seek a better alternative, he/she is free to do so. But this minimum should not be provided as a commodity but as a service directly by the government as a citizen entitlement.

4. Resource constraint of state is an untenable argument for not producing public services. State is not a private individual. It has no constraint in raising resources through taxation, borrowing and divestment. India has a very low Tax - GDP ratio. If it deliberately declines to augment its tax base on ideological consideration, it abdicates its responsibility to citizens. Resource constraint argument is embedded in neo-liberal thinking of private rationality which compels an individual to spend within the limits of resources available to it lest he is trapped in indebtedness, and is deeply flawed. State cannot act as a private individual. It is supposed

to be an embodiment of social rationality. However, forcible reduction of its powers by the state to the level of private rationality emerges because the state is integrated with global financial order and the economy is open to globalised financial flows as a result of which a nation state's capacity to raise resources is constrained. But the state as an embodiment of social nationably should overcome this constraint and raise resources through taxes or borrowings or divestment. So resource constraint of state is conceptually non-existent. India's Tax-GDP ratio is the lowest in the world. There is hardly any capital gains tax or wealth tax. Hence, there is no shortage of resources, but the government does not borrow or tax because it is caught in the vortex of globalised financial flows.

This keynote address was followed by the remarks of the Chair. **Prof. Syeda Hameed** who spoke on her experience of the working of PPPs during the period she was member of the Planning Commission. She expressed concern over the virtual abolition of the planning process as there was no discussion whatsoever on the 13th Five Year Plan, and the fact that some unique features of the 12th Plan such as addressing the problems of new vulnerable groups ('Internally Displaced Persons' (IDPs), for example) had been buried. She felt that the looking at the overall situation, the country's future looked very uncertain.



She observed that experiment with PPPs as a new arrangement to deliver public services was a mixed bag. She shared examples of PPPs that were successful as well as those that weren't so successful. She referred to the 2004 PPP sub-group report of the Planning Commission which spoke about introduction of PPP in the social sectors and talked of the role of the private sector in post-earthquake Gujarat. But there were many projects that were failures. From her experience of having looked into PPPs, she related the following examples of failed PPPs:

- Power loom weavers in Bhiwandi who were agitating as the private company hadn't paid their dues.
- In Madhubani and Sitamarhi districts of Bihar, diagnostics were outsourced by government to private providers and people were unable to pay for it.
- The Barha to Bundi road in Rajasthan had a heavy levy/toll on the road and people were unable to use the road.
- Chiranjeevi scheme in Gujarat did excessive billings, performed large number of hysterectomies and unnecessary caesarean sections.
- Arogyashree scheme in Andhra Pradesh operated under PPP mode for delivering health services became unmanageable by the government.
- In Azamgarh district of Uttar Pradesh there was a partnership with ICICI Lombard for providing health services to 'bunkars' and weavers. The scheme failed miserably. Prof. Syeda Hameed had organized a meeting with the private company and the officials and had asked the Ministry of Handloom and Handicrafts not to renew the contract, yet the contract was renewed.

The PPPs that were relatively successful were the following:

- In Arunachal Pradesh, a PPP scheme was undertaken with NGO, Karuna Trust, which was running primary health centres and people seemed to be satisfied with the services provided.
- In Udaipur, there was a school health programme with the Nandi Foundation. It seemed to be cost effective and children were cared for.
- 108 ambulance service was part of NRHM and ambulances were made available in remote areas and lives were saved due to timely intervention.
- In Pinjhana village in Rajasthan, Akshaya Patra offered decent meals to the poorest of the poor tribal children with care and affection.

For partnership of government with other agencies to succeed, she advocated on a '4 P' process i.e., Public Private Partnership with People's participation. She was of the view that wherever PPPs were carried out in collaboration with NGOs or non-profit foundations, the results were visibly more beneficial to the people.

The inaugural session concluded with these remarks.

Technical Session I - Health

The first technical session was devoted to Health and was chaired by **Prof. Imrana Qadeer, Distinguished Professor, CSD**. There were four presentations in the session followed by two

discussants. Prof. Qadeer said that this session was vital to this seminar as the privatization in health deals with vast number of areas. Different types of contracting of services and insurance schemes make the situation more complex. The patterns of private sector investment in public sector health care vary from state to State in India. To capture the nuances and complexities we have to understand the patterns emerging globally. While, it is important to understand the historical experience of private sector involvement in public sector health service provision, international comparisons may help to understand the Indian context better. She hoped that the deliberations in this session would generate good discussion on the way forward.



The first presentation in this session was on ‘Reinforcing Public Private Partnerships in Public Sector Hospitals: A case study of India’ by Bijoya Roy based on her work on PPPs in West Bengal.

She started with the historical account of the establishment of public health hospitals in India. After independence there was considerable expansion of public sector hospitals in terms of number and bed strength across different tiers of care. Apart from different state funded hospitals, different government departments also established hospital catering to their employees such as Railways, Defence, Labour which constituted 60% of total bed strength in the country. Lack of investment over the past decade, however, had led to significant deficit in public sector health care infrastructure in terms of buildings, technology, consumables etc. In 1990s there was a major change in State financing of health infrastructure. The first change came with World Bank project that focused on healthcare infrastructure in States such as building renovation, construction of new buildings in District and State hospitals, replacement of equipments etc. But it also suggested earmarking certain spheres of activities in public health facilities for private sector such as outsourcing of certain clinical & non-clinical services, operation & management of facilities etc. Later policies carried this further and led to expansion of Private Sector role in Public Health system and establishment of private

hospitals and nursing homes. The nineties saw the expansion of the private hospitals and nursing homes.

The paper focused on different models of PPP in the public sector hospitals and how they have reoriented their functioning. Four types of PPP have been observed in West Bengal 1) Out sourcing of non-clinical services. 2) Out sourcing of clinical supportive services 3) Private sector management and operation of public hospitals 4) Design, Build, Operate and Manage public health facilities.

These changes have implications for access to and quality of care and labour practices in Public health facilities because of which the advantages of this model remain contentious over the traditional mode of provisioning.

The Access to Services has been adversely affected by cap on the number of free tests or number of patients who can be provided free care per month. Inability to provide certified BPL certificate created difficulties for the patients to access free care at the point of service delivery. In PPP based diagnostic units in West Bengal, exemption rules were not displayed and the private providers reluctantly provided this information to the poor patients. In CHC, the empanelled private sector providers tended to establish collection centres instead of diagnostic centres. In Bihar similar trend has been observed. This kind of arrangement does have an adverse impact on quality of care in terms of 'prolonged turn-around time' and 'reporting time'. Besides, Private Providers in order to meet their revenue targets have started poaching patients from other providers including public hospitals.

As for the quality of care, the outsourced dietary services in the public hospitals of Mumbai were cheaper compared to direct provisioning but the quality of diet suffered. Patients from different wards in a tertiary hospital in Kolkata raised frequent complaints regarding the lack of timely supply of meals, repeated shortages and poor quality of food. The 4th CRM Report also found lack of clarity and adequacy in the supply of services expected from the private supplier in the contracts governing the government hospitals of Orissa where laundry, cleanliness, sanitation and security were outsourced. The resources deployed for maintaining cleanliness in toilets in common areas, canteen services, telecom assistance, signage, areas for attendants were grossly insufficient. The 8th CRM Report recommended the need to improve outsourced dietary services through NGOs in Odisha. The cleanliness and infection control is a concern for all public sector hospitals where ancillary services have been outsourced. The cost cutting through contracts in public sector hospitals are leading to understaffing by the empanelled private providers. The unfair labour practices included payment of wages below the prescribed state minimum wages, with no payment of wage for the absence on duty, no sickness leave, and poor working conditions. The cleaning equipments and consumables are limited to broom sticks and phenyl water. The operation and management of public sector hospitals by private entrepreneurs brought out several problems which negated the claim of efficiency of private sector. For example, in Management of Rajiv Gandhi Super specialty hospital by Apollo

hospital enterprise, there was 1) delay in commencement of service 2) failure to make all beds operational 3) no increase in patients 4) unutilized beds 5) absence of any profit between 2002-10 which led the government to recoup their revenue loss. In construction of hospital buildings in States of Maharashtra, Punjab, Odisha, Meghalaya, Jharkhand, Bihar and Andhra Pradesh, there were delays in completing the buildings leading to delay in operating services. Diagnostic Centre under PPP mode in Civil Hospital, Bathinda failed to start its operations even after 2 years; in between two companies were awarded contracts but declined to start services.

Finally, she elucidated how public sector hospitals are being reoriented to accommodate private interests through contractual and PPP based services. PPPs have led to multiple challenges within the public sector hospitals and is gradually reorienting them towards a new culture.

Indira Chakravarthi in the second paper of the session on the '**Impact of Privatisation of Public Health Services**' confined herself to situational analysis of private sector participation in health services in respect of Delhi and dwelt on two aspects 1) Policy and operational issues. 2) Functioning of dialysis services. With regard to the first, she first brought out the status of PPPs in respect of management of hospitals. RGSSH and JSSM (Super Specialty hospitals) in Delhi were to be run in PPP mode but the proposal was dropped as the government could not attract private partners. Later, it was decided to handover DDU Janakpuri Hospital Management to a society comprising Central and State government officials. The present status of the management is not clear. It is currently partially functional. In RGSSH, space has been provided to a private company to operate a 30 bedded outpatient dialysis facility in PPP mode. For operating CATS ambulance services, contract was awarded to Fortis (FESL) which failed to implement it leading to termination of contract. No new contract could be awarded so far. The scrutiny of documents brought out that there was no separate health policy document, no policy paper discussing problems of health services and why private sector is or could be an option to run a public hospital and no road-map for the engagement. The objectives of the PPP were not spelt out: Was it to be a temporary measure or a permanent handing over of public facilities to private sector? Also, whether it was to promote private sector in specific areas or the entire range of services? In such a situation, the areas selected for PPP as well as the functioning of PPP in dialysis services appeared to be a piece-meal, adhoc decision rather than the outcome of a well-designed, well-planned component of a larger policy for involving private providers in the health services system. With regard to the second i.e functioning of dialysis centre, in July 2013, two consortia were awarded the contract to provide dialysis services in six hospitals – three in each of two clusters. One consortium has begun operations – since July 2014 in 2 hospitals and only recently in the third (in March 2016). The other consortium of Max Nephro care wrote stating their inability to perform their obligations, and sought extension and clarification on critical aspects of the partnership. Finally, in January 2014, the Government debarred these two from participating in any tender process of the government for a period of one year. As of March 2016, this

dialysis PPP is in operation only in the three hospitals of Cluster I and is not in operation in Cluster 2 hospitals. It was evident that the procedures by which dialysis or the other services were chosen for private sector participation were not available in public domain. From information gathered, it appeared that the private sector participation in respect of two proposals was considered on the basis of tenders. One of parties showing interest sought extension and clarification while the other started operating only in three hospitals out of six awarded. The Government terminated the contract and debarred them for tendering for one year.

The conclusions that emerged from the study were that

- The areas identified for PPP appeared to be a “stand-alone” or an ad hoc measure – rather than the outcome of a well-devised, well-planned component of a larger scheme/policy for involving private providers in health services. The procedural mechanism by which dialysis services or the other services were chosen for PPP made was not available in public domain.
- The routine procedures for contracting out to private parties, namely the process of inviting tender bids were followed to select the private company but memorandum of understanding made on the operational details were not available in public domain to permit scrutiny. There is no public document to indicate the rationale for selecting dialysis and other services for partnering and why this particular option was chosen.
- The PPPs that were initiated have either not taken off at all as there were no takers, or have been abandoned, or the private partner has not abided by the contract or asked for re-negotiation, or are only partially functional, like the dialysis PPP.
- This should make the government do some serious analysis of the feasibility of relying on or partnering with the private sector, and of promoting PPPs.

Dr. Shailender K. Hooda in the third presentation of the session dealt with the ‘**Growth of Private Sector in Health Delivery and Emerging Challenges**’

While the private sector health care has existed since independence, its growth has been swift and widespread after 1990s. The structure and nature of private sector has also changed. A wide range of private sector providers are providing various services in all systems of medicine – allopathic, homeopathy, Ayurveda, Siddha and Unani. Within allopathy too, various services are available in private sector. After 1990s private sector provisioned of hospitals, OPD, and diagnostics are on the rise. There is a change in structure and ownership pattern as well. Over a period of time, private sector has become dominant in healthcare sector in terms of number of providers, hospitals beds and hospitals. Currently, 2-3rd of IPD and 3/4th of OPD services are provided in the private healthcare sector. The major reason for the growth of private sector in healthcare delivery market is inadequate

govt spending on health which is currently reported to be around 1.2% of the GDP. Other factors responsible for private sector growth are ideological shift from welfare to market approach in provisioning of health care, financial incentives to private entrepreneurs to set up health care units and giving industry status to the sector and other benefits, increase in FDI in health from 26% to 49% and promotion of both private and public health insurance schemes.



Referring to the global experience, especially of developed countries which have followed pro-market approach, the financing is provided through insurance companies, provisioning of services is effected by large hospital corporations and research is carried out by pharmaceutical and medical equipment companies. Government's role is limited to providing social insurance to the elderly / poor but at the same time drawing up of strong regulatory guidelines for the private sector. But in India proper regulation of private sector is highly lacking. The existing regulatory arrangements are inadequate which is evident from the fact that around 34 percent of the owners of private health enterprises in India had no formal education degree.

Over a period of time, there has been a shift from informal to formal and large to corporate in the organizational structure of healthcare services within the private sector in the country. Both domestic and foreign players dominate the scene. The number of charitable/trust/ society/ non-profit entities is also rising in the country. The trend is increasing the cost of health care. The cost of care (per hospitalization in a private facility around 4-8 times that of a public health facility in 2014 which was 2 times in 1986. The private sector players are also squeezing various benefits from the government. They register themselves as Charitable Trust/Society/Nonprofit entities especially to get incentives / subsidies/benefits in various forms like tax exemption, subsidized land and loan and connecting infrastructure etc. though these benefits on paper are conditional. One of the conditions is to provide specified services free of cost to persons of EWS category patients. The other is to bridge regional gap in health service provisioning and serve the rural / underserved areas. Available evidence shows

that these conditions are not fulfilled. These private entities have not come forward to fill the regional gaps in health services. Majority of them are located in urban areas and prosperous districts or districts where availability of public facilities is higher. In general, they view hospital as business to earn profit rather than a service to the poor or general population at an affordable price. A survey from Delhi shows that the charitable / trust hospitals are more market oriented than even the private hospitals. They provide services at market price.

Overall, there has also been a change in nature of health financing and strategy of health care provisioning. After independence the goal was to provide comprehensive and universal health provisioning (UHP) free of cost to all without discrimination but now it has shifted to UHC (Universal Health Care) and probably in the coming years it will take the shape of universal health assurance (UHA) where services will be provided by the private entities and government will provide financial protection through health insurance. This phenomenon is not going to work in Indian context simply because of moral hazard and problem of adverse selection in health insurance market. The private sector has not been regulated properly in the country. He advocated that state should intervene and finance health sector to provide health facilities to the population through the public health system as insurance based model of financing system is highly problematic.

Dr. Indranil Mukhopadhyay in the fourth paper of the session focused on ‘**Changing Landscape of Private Health Care Providers in India and its implications for National Level Health Policy**’. He stated that the changing role of private sector in health care is reflected in the three National Health Policy documents NHP 1983 brought out the widely prevailing private practice by government doctors and dwelt on the possible way to motivate these doctors to give up the same. NHP 2002 advocated public private partnerships in various forms, provided incentives for growth of private sector, supported supremacy of market mechanisms over state in making health care available. In the Draft NHP 2015, role of private sector has been glorified as the driver of economic growth and engaging private sector in public provisioning and financing through purchasing mechanisms has been stressed. Despite the increasing role of private sector, there is minimal evidence on its size, location, ownership structure and composition and on its increasing utilization in curative services. But the consequences of private provisioning and lack of financial protection in seeking private health care in terms of increasing impoverishment and, enhancing economic hardship are well-documented. Evidence on quality of care and efficiency in private health care is inadequate. One evidence based on a study carried out in respect of 62 major cities and presented in the paper indicated that as far as ownership is concerned, single physician run establishments accounted for 98% of all OAES. Partnership and private limited company constituted 1% and 0.2% respectively. In respect of organized health care in urban areas, out of 14121 hospitals surveyed (2010-11) 13413 hospitals were private owned with around 0.42 million beds. Corporate hospitals are large entities with average 177 beds (5.4%), Trust and charitable hospitals are also big in size with an average of 68 beds (5.6%);

Corporate hospitals have comparatively higher doctor density per bed. Almost half (48%) of private hospitals are located in five million plus cities. Two thirds of the corporate hospitals are located in five million plus cities; Mumbai alone has 16 percent of all hospitals. Urban metropolitan areas have a concentration of corporate hospitals and organized private sector health care. In rural areas, however, large part of the providers are individual practitioners in unorganized sector. Corporate hospitals are only one percent of total establishments but have five percent of beds and employ eight percent of doctors.

There has been rapid transformation towards organized forms of health care delivery in urban areas of the country. Smaller providers and individual practitioners in these areas are getting sucked into corporate networks which creates induced demand. There is cost escalation and health outcomes are oriented towards clinical condition than Public Health goals.

Government has shown lack of administrative and systemic capacities to regulate private sector health care. The NHP 2015 finds even the existing modest CEA (Clinical Establishment Act) proposals to be intrusive and outdated. While ignoring key components of regulation such as patient rights, regulation of rates, standard treatment guidelines, multi-stakeholder bodies to oversee regulation, it proposes a watered down accreditation and a non-binding voluntary mechanism as a 'first step'.

These presentations were followed by comments. **The first discussant, Dr. Amit Sengupta** said that preceding presentations by health activists and researchers were supporting macro level arguments against privatization of services in public health system. The common thread in all of them is that privatization has not been a good experiment. But we need more data to make the case against privatization water tight. The privatization in public health system has various layers. PPP is one type where clinical and non-clinical services are out sourced to private players. Handing over public health facilities to private sector is another. Provisioning of health care by private health units through insurance is yet another form of privatization. The common point in all these dimensions of privatizations is that private health sector is growing rapidly as a result of the vacuum created by absence of public sector investment. A small section of the people who can pay for services are demanding a type of service which only private sector (Max, Apollo, Fortis) can supply. Their voices are most vocal. Their view acquires the dominant argument in the discourse on the subject which helps private sector to grow. Efficiency is projected as the determinant for investment in health system and private sector is viewed as more efficient. But efficiency in public sector and private health sector are not the same thing. Efficiency in private health care is making more money and efficiency in public health care is providing more service to a large number of people and prevent them from getting sick. The two norms of judgment are totally different and not comparable and are also impossible to measure. There is a large consensus on a unified system which is publicly

financed. The real issue is whether it should be publicly financed and provisioned by public sector or publicly financed and provided by private sector in a manner that it can behave like public. If, therefore, we want to bring in private sector in public health system, it should not be motivated by the desire to make profit. It should behave like public. This brings us to the question of regulation of private health sector. But evidence across the world shows that nowhere in world adequately regulated private sector exists: In an attempt to regulate private sector to behave like public, we waste 30-40% of Public funds and we do not succeed. Therefore, the alternative is to spend more on public health. In respect of the question raised whether provisioning by NGOs could be an alternative, he stated that motivations of NGOs are not much different from the private sector except that pathways of private health care are different when private takes the form of NGO or charitable trust like karuna in Karnataka. It is a means to attract donor funding. At a macros-level, NGO / Charitable Trust Model is used as an example to show the better side of private. It continues to be private; only the mode or method is different.

The second discussant, Prof. Rama Baru stated that evidence has been presented here with a perspective on the critique of commodification of health services but stressed that arguments needed to be framed properly and there is need to look at the system approach to health service delivery. In this context, Prof. Patnaik had analyzed that primacy of public provisioning of service has to be looked at from the view point of four important features - fragmentation, individualization isolation and discrimination. They are all core values and are all relevant to the servicing of private sector health care. The crucial question here is the contestation of values. The issue should therefore be framed in the language of social science theories and historicizing its evaluation in terms of continuities and discontinuities. Privatization should not be seen as independent of public. It was very much evident in private practice of doctors employed in government run health services.

PPPs needed to be conceptualized. Neo liberalism of health care has accentuated commercialization of health services and has complicated relations between public and private. The concept of power is embroiled in this relationship. It brings out how the power behind private sector is negotiating with the power of the State to advance its interest and penetrate the public sector. This explains the push in favour of the private. The question to be asked is whether. There is level playing field between public and private?

Secondly, she stressed that architecture of PPPs should be looked into while dealing with the issue. The nature of PPPs and the levels of care and type of service are important in this context. For example, in T.B., private players involved are both formal and informal. The type of services involved are most curative which lends itself to commercialization. This arrangement complicates the situation. The issue has to be framed through the lens of democracy i.e, the citizen entitlement and accountability. Commercialization of health care fragments the idea of public health.

The third issue to be looked into is how the rules get redefined and reconstructed in terms of authority and power and how institutional ethos changes over a period of time. The power dynamics in this arrangement is blurring the boundaries between public and private. The public sector health care is getting restructured through PPPs. This raises the question of accountability. Who are providers in private sector in PPP accountable to? Structures are important as they impact on the functioning of institutions. Institutions too display thinking and behavior in their operations. It has to be seen how commercialization in public health system is changing the fundamental the ethos of public institutions and impacting the culture of working as a team. It is bringing in features and norms of private sector into behaviour and operations. The question to be asked is how much public is public health system today.

Fourthly, while evidence is important to support an argument, there is also the politics of evidence as evidence is selectively used in public policy making to project superiority of the private sector.

Fifthly, when State and market exists in an institution, what happens to the values. Market and State cannot be reconciled as the core values are antagonistic. Public investment in a commercialized framework would go astray. It would not sustain the ethos of the Public.

The discussion that followed raised questions of quality of care in public health institutions, regulation of private health sector and whether there is any role for PPPs in some areas and how private sector under its corporate social responsibility can participate in public health sector to benefit the public.

Prof. Baru stressed that when we look at the models, they should not be de-contextualized from the socio-political situation. NHS in England could not be dismantled due to strong position taken in its favour by the trade unions. While looking at the PPPs, we need to look at the role assigned to the two and the power relations. In the case of TB, for example, PPP has assigned case detection work to NGOs, while treatment and supply of medicine is done by state. Here, the role of state is strong and PPP can work better. Wherever you had a strong public health system, partnership works more efficiently. But where public health party is weak, PPPs have failed. We should look at the issue from a systems approach. Demand based model is anti theatrical to it. CSR (Corporate Social Responsibility) has very little imagination. It is conceived in terms of a narrow vision of tax benefit.

Dr. Sengupta stated it was important to differentiate between public and government. Civic consciousness is growing due to people's resistance. There is a fundamental struggle for transforming govt. service in to public service.

Prof. Imrana Qadeer concluded the session with her remarks that if you have a systems approach, then it is complexity you are dealing with. Using a demand model in a stratified society,

where state is un-thoughtfully helping the private sector expansion, regulation of private sector was unlikely to be of help. There is need to have fresh thinking on issue.

Drinking Water

The post lunch session was devoted to **Drinking Water** and chaired by **Dr. S.R. Hashim** former member of the **Planning Commission**. It began with the presentation by **Prof. Philippe Cullet**, **Senor Visiting Fellow, Centre for Policy Research, Delhi** on the topic ‘**Water for Life and the Private Sector: Conceptual and Practical Issues**’. He contextualized the concept of Public Private Partnership in drinking water and spoke about three pairs of issues, namely, public-private, property-fundamental rights, pricing / affordable-free. Elaborating on the three he explained the following:

- Public private tension underlines some of the debates that take place.
- Access to and control over water was traditionally structured around private property rights (linked to land). It had potential conflict with the recognition of fundamental right to water.
- Increasing tendency of interpreting right to water as right to affordable water and thereby leaving no space for right to ‘free water’.



He went on to say that the fundamental right to water is related to the fundamental right to life which had been defined by the Supreme Court long back in 1991. Privatization of water has been talked about not as a resource but privatization of the service i.e of providing it to the users. Prof. Cullet said that scarcity of water as a resource has been the premise for promoting efficiency through ‘pricing’ and ‘cost recovery’ and spoke about the opposition between state-led measures and private sector participation. He added that there is no common ground between fundamental right to water

and private sector participation in water supply and that the discussion should not be on the point of privatization but on the steps that lead to privatization. Various types of privatization in water services are being attempted such as privatization of water services (distribution), water ATMs, water entitlement etc. He cautioned that this can lead to discrimination between people on the basis of the housing society they reside in and prepaid cards etc and these norms have already been deemed illegal in countries like United Kingdom and Wales way back in the 1990s. He ended by saying that there has been a shift from providing water to accessing water and this is after the government has provided free water to people especially in rural areas for decades.

The second speaker was Shri Gaurav Dwivedi of Action Aid, Bhopal, who spoke on ‘**Private Sector Participation in Water Services – Emerging Critical Issues**’ He said that if we look at how the right to water is being implemented, it presents a dismal picture. Privatization has passed through different phases. In the earlier phase, it was outright privatization of water distribution through projects taken up in towns like Tiruppur, Dewas, Hubli-Dharwar etc. After these projects faced problems, the other mode of privatization that is the Public Private Partnership projects began to be implemented. This model operated in Mysore, Nagpur etc besides other IFI supported reform programs, Central and State sponsored projects like JNnURM, UIDSSMT, CMUWSS in MP to name a few.

His presentation dealt with the reform measures in water sector that encourage Private Sector Participation in provision of drinking water to people such as increasing water tariffs and levy of user charges with the objective that the full cost of O&M or recurring cost is collected. This resulted in increased local taxes like property tax, imposing new charges as for instance in respect of sanitation, sewerage, and solid waste management.

Dr. Dwivedi presented a table showing that huge public financing was going into these projects while private financing was miniscule if at all it was there, and that the duration of contracts were mostly long term (25 years). It was also observed that in some contracts there was a clause that laid down that ‘no parallel competing facility would be allowed to be set up or use any type of facility to meet domestic water needs during the private concession period. This clause meant that local source like hand pumps, dugwells, borewells, could not be used and there would be dependence only on private water supply. This in effect would mean removal of public stand posts, individual or group housing connections, thereby leading to greater intra-city inequity in water distribution. He revealed that private financial investment in PPP water projects is miniscule while huge public resources are spent. The conditionalities attached to PPP totally modify right to water. It disallowed a parallel competing service and barred people from using dugwells and borewells. The supply is also disconnected for nonpayment. It involves removal of public outposts and insistence on connections.

Residents are forced to sign agreements. In case of non-supply for whatever reason, the resident has to manage on its own and no complaints are allowed. There are no service parameters.

The speaker then raised the issue of serious lack of accountability and transparency of municipal bodies as they do not address complaints or grievances related to water supply when it is privatized saying it is not their responsibility. He said that in some states like MP, regulatory authorities have been formed but are not fully functional. Added to it are the rising tariffs in the areas where PPP is in operation and lack of people's participation and public consultation, ignoring larger public opinion. Also, there was no deliberation on the lessons that could be learnt from the earlier privatization experiences. Talking about alternatives to privatization, Dwivedi said that in India currently, no public water supply utility based on principles of not for profit, universal access, low tariffs, as an alternative to privatization has emerged. Local campaigns and citizen groups are coming up and voicing their opinions about such an alternative and there is increasing trends towards re-municipalization. He stressed on learning from experiences of privatization, and increasing pressure on government for coverage of uncovered areas and access of deprived settlements to water supply.



The third speaker of the session Shri. Jammu Anand, in his presentation covered the ‘**Impact of Privatization and Liberalization on Urban Water Supply in India**’. He started with example of Nagpur which was taken as a successful model of PPP in drinking water distribution. But when this experience is looked at closely, it turns out to be a total failure leading to a demand for re-municipalization of this service. He said the things have gone worse in all respects in these seven years of privatization experience in Nagpur. He said that the user is only concerned with getting safe and cheap water and it hardly matters to him who the supplier is. Narrating the findings of the audit reports, he informed that there were on an average leakages of around 50-60 percent of water while 35% of water was unaccounted for. It is not included in leakage. Thus, non-recoverable revenue is

around 80%. The supply never matches the accrual. In the citizens' survey conducted in 2006, prior to privatization, only 4 percent of the citizens had said that their supply of water was insufficient while almost 63 percent said that they received adequate water but it would be good if the supply would increase to 5-6 hours from the existing 4 hours. None of the citizens demanded 24 hours supply of water. Where was then the need for privatization of water supply. Besides, with privatization of water supply comes monopolization of supply of equipments like meters, pipes etc from a single supplier. This does not take place explicitly but the qualifications are presented in such a manner that only a particular company would qualify to supply it. He shared the statistical data related to availability of raw water, treated water, loss to NMC (Nagpur Municipal Corporation), expenses on water resource management, availability of water, non revenue water billing etc before and after privatization with a view to pointing out that most of these parameters showed the inefficiency of the PPP project and even if an improvement was seen in some parameters, it was negligible. In 7 years, the tariff had increased four times and even after putting in crores of rupees, there was hardly any increase in billed water while unaccounted water has increased. The ailments which were cited as reasons for introducing PPP model have worsened in these seven years. Before privatization, the loss incurred by NMC was to the tune of Rs. 40 crore which has increased to Rs. 180 crore annually. Also, the PPP contract is for 25 years. Thus no government can scrap the project. The speaker suggested that municipal bodies need to be strengthened for reforming the water supply rather than the public device being handed over to a private agency. Shri Anand therefore, cautioned that as Nagpur PPP in water is cited as the most successful model the people should be cautious about accepting such an argument. This is particularly important since the Government of India has announced that it would replicate the model in all the cities under smart city mission.

The fourth speaker of the session was Dr. Nitya Jacob of Water Aid India, Delhi whose presentation was on “Can a private entity manage a common pool resource?” He started by saying that though the State controls manages and supervises the water supply, it makes extensive use of private contractors to build the system and maintain them. He said that in the debate over who owns water the answer lies in the location of the resource. In respect of a private tube-well, it is said to be the owner of the land who is free to pump out as much as he wants. Where the resource is located in government or public property, it is the state which has total control over it. He said that there was also a huge data problem in respect of the water sector. It is extremely murky, scanty and inaccurate. He spoke about private agencies entering the area of water supply and outlined four forms of PPP that are in operation-Build-Operate - Transfer, Build-Own - Operate – Transfer; Build-own operate- and the fourth is unregulated access where the resource is free for all to be harnessed as an enterprise. The experience of these projects shows that there is no control of public agencies over water extraction in a PPP proposal as was brought out in Plachimada case in Kerala. Public agencies are far from qualified in designing, monitoring and controlling projects and private agencies do not

bring any expertise on water management as a resource. Yet Jnnurm and now Smart City projects vigorously support PPPs. He said that across the globe the trend is towards remunicipalisation of water supply where it had been privatized. There is also a piece meal approach to privatization of water. As a result, all meaty and lucrative parts come under the contract of the private party while environmental aspect like waste water management which is actually not lucrative enough is left to the State municipal body and therefore water resources are totally neglected. He stressed that both government and private party must bear the risks and the water supplier must also be made responsible towards sewage collection and treatment. Some public oversight is required on the working of the private water supply companies.



The fifth speaker for the session was Prof. Pranjal Deekshit, TISS, Mumbai who spoke on the ‘(Im) possibilities of 24x7 water supply through PPP? – A case of Bhiwandi town in Maharashtra’. Prof. Deekshit argued that PPP was facing certain structural constraints which influenced the design of the PPP itself. It was flawed and neglected ground realities which hindered the progress of the PPP. The silent but firm resistance from public (manifesting in different forms), political opportunism, policy neglect and bureaucratization led to deadlocks over the PPP, further weakening of public institutions and deepening the unregulated and informal access to and use of water. He then went on to give a brief profile of Bhiwandi and transitions in water access regimes since Pre 1800 till recent time. He said that piece meal approach to infrastructure led to emergence of three types of informal access-regimes, in parallel with the formal supply, namely, unauthorized connections, water supply through tanker lorries, direct dugwell and borewell based pipelines to dyeing units. All this results in only 30.35% of revenue recovery.

The speaker then talked about the politics of neglect and the fragmented local leadership as there has been no emergence of strong leadership at ULB (Urban Local Body) level due to factions within

Muslim and Hindu communities, which in effect results in weak bargaining to access state level funds for infrastructure improvement, and neglect by state-government. In the light of the situation, he dwelt on the new scheme proposed by the BNCMC (Bhiwandi Municipal Corporation) in 2005 which included improving the distribution network, expanding the network in the city & adjoining areas which merged into municipal limits and constructing 14 new service reservoirs. He said that the scheme has not been completed due to issues relating to approval of loans from MMRDA (Maharashtra Rural Development Authority), land acquisition, revision of rates of material in the market. This provided an opportunity to the private company SPML, to enter into the field. It approached BNCMC in 2008 with a proposal of adding phase I-B to the scheme in PPP mode, involving construction of six small dams and 20 KT wires and pipe network for augmenting bulk water supply. The management contract was signed in 2010 in which the risk is divided unevenly between BNCMC and Private Party with greater risk falling on the municipality. He said that the private party would easily recover its investment with bulk water supply at a specified price of Rs. 4.3 failing which commercial use of water would be allowed while the retail water rates is Rs. 1.50. The private party has no obligation of water treatment while the tariff levying and recovery which is the riskiest factor is with the municipality. The speaker concluded by saying that all this has been due to a regulatory vacuum in respect of the agency entrusted with the task of monitoring and shaping the design of PPP agreements and the evaluation of their feasibility resulting in the skewed risk allocation, vague and ambiguous 'Terms of Reference' in the contract and continuing public resistance.

Dr. Hashim concluded the session with two important observations. He said that right to water (domestic and drinking) has been interpreted as an integral part of a right to life but its implications raise very serious issues of regulation and pricing. The National water policy of 2012 is very clear on this issue and says that economic pricing is recommended for uses other than water used for drinking and sanitation. Also, PPP have been very unsatisfactory in their implementation of contracts and an effective regulatory authority is required particularly in respect of ground water extraction. The audit of water supply in four cities brought out that there were no meters for bulk users and no water tariff. There is therefore, is a strong need for water reforms.

Municipal Waste Management

The next technical session was entirely devoted to Municipal Waste Management with **Shri M. Ramachandran former Secretary, M/o Urban Development** chairing it. Introducing the theme of the session, he said that Delhi was not offering any solution as far as the waste management is concerned. Water has various equity issues. Our experiences shows that private sector in the PPP is not going to provide any long term solutions which would require to be based on distribution of water equitably to all. There are successes and failures of the PPPs in solid waste management

programmes. But many a times, people find that there is no regulatory authority which could oversee the functioning of the PPPs and enforcement of contracts. Local bodies in our cities, as in Delhi, do not have proper capacity to design and draft PPPs. There are several urban development programmes being implemented in the city, but they all encounter huge problems with no solution in sight. For example, even after nine years of JNNURM, implementation problems afflicting it remain unresolved.



The first presentation of the session was by Dr. Pravin K. Kushwaha and Dr. Pritpal Randhawa on ‘Solid Waste Management in Delhi: Emerging System, Dominant Pathways and Sustainable Alternatives’. Initialing the presentation, Dr. Kushwaha explained that waste management was an environmental problem and its effective management is about methods and pathways to its disposal in a manner that do not throw up any visible pollution. The pathway would consist of the processes involved, specifically, in the prioritization of environmental management options, and technological interventions. Specifically, it would indicate what types of environmental health issues are formally recognized and those which remain unrecognized. The speaker also questioned the policy and governance in waste management in Delhi in the context of the dominant pathway adopted by it in waste management. He traced the waste management policy in Delhi to the pre 1995 period when only composting and disposal of waste methods were used. Later, it shifted to energy from waste method. Waste hierarchy involves material flow, integrated waste management and conversion of waste to energy. This evolution of policy passed through several stages starting with the report of Committee on the subject formed by MUD (Ministry of Urban Development), SC order, framing of rules by MUD, revision of rules, CAG report and the publication of MSW (Municipal Solid Waste Management) Rules 2000 and MSW manual. Later, private sector participation emerged in the discourse which got embedded in Jnurum Programme with tool kit of technologies. Delhi has adopted incineration based technology and centralization and privatization of waste collection and

disposal through PPP as the governance model with incentives such as free land, tipping fee and financial support. International agencies pushed the waste to the energy recovery model through PPP. The authors have questioned the policies and governance of this model. The waste management technology adopted by Delhi is old. There are also issues of governance and incentives. There is also no segregation of waste in Delhi and segregation is done by the rag/waste pickers only. This involves high health risk problems for the rag/waste pickers.

Waste is not just an environmental policy issue as it is currently being dealt with by the government agencies; it requires involvement of a large number of stakeholders and should not be limited to the government agencies and private entrepreneurs. The challenges of environmental health and social justice are distributed throughout the waste chain. Therefore, it is also an issue of social justice as workers' rights are affected by the model adopted. Privatization of WM does not replace the informal sector of waste management. New conflicts between formal and informal emerge and opportunities to resolve them are overlooked. There are multiple options for decentralization in waste management. Incentive schemes should support sustainable options. There are also possibilities for constructive engagements with people in decision-making processes such as policy making, planning, implementation and review of the objectives of waste management in Delhi. There are alternatives to the dominant pathway adopted in Delhi. Therefore, waste-to-energy should not be made the dominant discourse. Besides, a new category of waste i.e., hazardous waste has emerged which this model does not take into account. The role of workers involved in the WM chain has also to be recognized.



The second speaker of the session was Prof. Urvashi Dhamija. The title of her presentation based on her paper was ‘Role of Public Private Partnership in Municipal Solid Waste Management in Delhi – An Assessment.’ She began with Municipal Solid Waste Management Rules 2000 applicable to all cities which paved the way for innovative arrangements for improving

solid waste management services. The Rules embodied application of the familiar principles of Reduce, Reuse, Recycle and required local bodies to collect, process and dispose of waste in a way that there was maximum protection to human and environment health. The Rules called for the segregation of waste into biodegradable and non biodegradable fractions at the point of origin in the formal system. While identifying the ULBs (Urban Local Bodies) as the entity responsible for waste operations, the Rules allowed them to decide how they would ensure this. Horticulture, Construction and Demolition (C and D) waste was to be separately collected. Secondary storage was to be covered in containers and transportation in covered vehicles. Processing could be by composting through aerobic/anaerobic methods and waste to energy. Only the minimum waste could be sent to a landfills which were required to be sanitary. Unsanitary landfills were to be phased out.

Delhi's decision makers opted for Public Private Partnerships (PPPs) because these offered a scientific modern method for handling the huge quantity of waste the city produced on a daily basis, being the second largest among cities in India. With growing fears of adverse transnational impact of green house gases, the careless methods of waste disposal in developing countries had drawn much international concern. PPPs were negotiated, first for waste transportation in secured containers in 6 out of Delhi's 12 zones and for composting green waste in mechanical biological treatment plants. Subsequently PPPs were finalized for terminal treatment of 'mixed' waste in waste to energy facilities based on advanced technology and high quality pollution absorbing equipment, at three locations. In recent years, in two places in east and north Delhi, construction and demolition waste is being successfully recycled into manufactured sand and paver tiles among other products.

PPPs are understood here as long term agreements between the municipal body and the private company for multiple interrelated operations involving huge commitments from both sides of finance and other resources such as technology and land. These are different from short term contracts of local bodies with private sector organizations for specific purposes such as waste deposition.

The general impression that PPPs have contributed little to diminish filth in public spaces and only contributed to unethical money making and visible atmospheric pollution finds ample support in an analysis of the working of the PPPs in Delhi. However, what seems clear is that the basic reason for this situation is the failure of the municipality to ensure waste segregation at source and maintenance of the waste streams in segregated form till the moment of final disposal through appropriate methods.

For this to happen, a participatory framework for waste management involving a variety of stakeholders-waste generators, resident welfare associations, market associations, institutions, non government organizations, waste collectors, recyclers will need to be forged by Delhi's five municipal organizations. An investigation of 'Bhagidari' initiated by the Delhi government under Mrs Sheila Dixit's leadership from 1998 onwards could serve as a starting point for this exercise. A leaf could be

drawn from the working of municipalities in cities such as Pune to understand the importance of the leadership role of the municipal commissioner.

In recent years, steady growth in the quantum of municipal solid waste and the urgency of creating a more congenial environment for trade and business has foregrounded the enduring weaknesses in a city's solid waste management capacities as never before. Public Private Partnerships have been identified as a "game changer", for bringing in, in one stroke, relevant advanced technology, efficient processes and commitment of private and public resources for delivering facilities from which all city residents can gain. But as the survey of the PPPs in the area of waste transportation and disposal in Delhi shows, a proposal for a PPP should be approached with caution. In the absence of source segregation, it can only provide limited benefits.

The third speaker of the session was Shri Sandeep Malhotra Managing Executive of the Waste Processing Plant, Shastri Park, who confined his presentation on the Management Execution of Waste Processing Facility at Shastri Park in Delhi. He said that Delhi generated 5000 tones of construction and Demolition waste per day while India generates 25-30 million tons which is high density mostly inert and non-biodegradable material. North and East DMC have commissioned two projects for collection, transportation and North DMC for Processing in PPP mode of which one is in Shastri Park with a Plant Capacity of 2500 tons per day. This Plant has processed 20 lakh tons of C&D waste since its inception. The technology used is able to recover / recycle upto 95% of incoming waste. The remaining is sent to WTE Plant. The outputs from processing include loose soil, mixed brick base, Granular Sub-base and sand subs and recyclables. These materials are used for making concrete blocks of four sizes which meets the strength and dimensional specifications and can be used in construction of buildings and roads. It reduces pressure on land and burden on the land fill sites, enhances conservation, reduces sand mining from river bank and air pollution. Its washing water can be recycled.

The fourth speaker of the session was Smt. Richa Sharma, of 'Chintan' a NGO, who spoke on a 'PPP model in which an agency of waste picker partners with a municipal agency for collection and processing of waste'. Tracing the history of privatization in WM in Delhi, she identified three phases. First phase was during the period 2000-2005 when private parties were given contracts to collect, store and transport waste for secondary collection facilities. The second phase was during 2005-2012 in which the focus was on diverting waste from landfills to waste to energy plants and the third and the current phase started from 2012 onwards during which contracts are given to formal private agencies for door to door collection. In this phase, nature of privatization has adversely affected informal sector workers in the collection and transportation of waste in which the poorest of the poor have been historically engaged in collection part of it. However, in spite of a variety of incentives, waste to energy plants have not succeeded and the only functional plant is facing

strong protest and a legal case is underway. WTE plants have resulted in loss of income to waste pickers who are mostly children from very very poor families. These waste pickers are completely dependent on waste reaching nearby landfills and WTE plants adversely affected this work opportunity. In Okhla WTE plant, of the 400 such waste pickers only 150 were remaining in the Job with the rest losing their sources of livelihood. At the heart of this conflict is the ownership of waste that is collected either from primary or secondary locations to the land fill sites. There are no plans to include these waste pickers into formal secondary waste Management system. These waste pickers are left at the mercy of formal players who refuse them access to waste. The objective of privatization was to reduce the load on landfills. This has not been fulfilled. Both formal and informal private players are interested in valuable waste, the formal for WTE plants while the latter for recyclable items which can be sold to recyclers. The speaker strongly argued that this capital intensive PPP solution to WM should be replaced by PPPS where informal sector workers participate in the process and management of waste. Children have implemented such a model with success in partnership with Safai Sewa, an independent association of informal sector waste pickers. The activity is self-sustaining. Waste is collected, segregated, recycled and composted depending upon the character of waste. Chintan has trained 115 waste pickers to undertake various tasks and provide them with uniforms and I.D. cards. This has reduced the vulnerability of workers. They have access to medicine and use of protective equipment. The basic question to be asked in PPP in WM is who is private and which type of private we should push for?

The fifth speaker of the session was the manager of IGD, a registered company in association of DLF foundation who presented their successfully operating model of ‘Community Based and Owned Sustainable Decentralized Solid Waste Management in Rural Gurgaon’ from 2013 which involves distribution of responsibility among various stakeholders – Panchayat, District Administration, NGOs and people. It involves door to door waste collection, segregation of biodegradable and non degradable waste at source with later being segregated with recyclable waste and treatment of biodegradable waste by bacterial culture for composting. The project involves mobilisation of waste collectors for collection & segregation, creating public awareness for storage of waste at source and promoting recycling of waste and decentralized treatment of waste. The waste pickers get a user fee of Re 1/- per day from the villagers for collection and derive additional income from sale of recyclables. It is, therefore, self-sustaining. It has a potential of handling 15% of waste generated. The project involves no formal agreement or contract Government functions as a facilitator. They found that the vermi-composting was not a success but cultural treatment was successful. Bhagidari was the key. The model generates resource from within the community and use it as capital. The model can be replicated elsewhere in rural and urban areas.

The Chair concluded the session stressing that, in solid waste management, it is imperative that there is segregation of waste at source and involvement of people. States have to have a strategy of waste management. ULBs cannot manage it.

Second Day: 29th March

On the second day of the seminar, the first technical session was devoted to School Education and was chaired by Prof. Govinda, Distinguished Professor, CSD

The chair welcomed the speakers and stated that the importance of school education was evident from the fact the more than 10 papers presentations are going to be discussed on the issue. It is an issue which touches every individual and family at some level or the other.

The first speaker of the session was Prof. Anita Rampal. The title of her oral presentation was ‘Changing Discourse on Public Education: Disquieting Developments in Delhi’s Education Policy’ she started the discussion was by stating how the discourse pertaining to public education including it, purpose and even public good (non excludable and non rival) have transformed over the years and continues to do so. She focused on how notions of ‘efficiency’, ‘accountability’, ‘purpose of public education’ and the ‘instrumentality that is associated with it’ are changing and often remain unquestioned.



She gave the example of the changes brought about in the public schools of Delhi by the Delhi government and questioned the government’s vision towards education by pointing out the problematic amendments it introduced in the RTE Act bringing back the examinations, re-introducing the detention policy, passing a bill removing parity of pay between teachers of government schools and teachers of private schools and ushering in differentiated pay slabs between teachers in private

schools which was justified on the ground that the payment should be based on the paying capacity of the child.

She said that certain states (Rajasthan, Maharashtra) have handed over government schools to business houses and, in the name of merger dislocated schools that were situated on prime land. Schools are being closed down in large numbers to achieve efficiency. The Delhi government in their latest budget has allocated Rs. 100 crores for CCTVs in classrooms and are intending to strictly monitor teachers through biometric attendance. In fact, not only teachers, the government will now monitor children through a radar on the school gate recording when a child enters and leaves the schools premises and subsequently sending this information to the parents.

The recruitment method is changing and teachers are going to have a longer probationary period before confirmation; promotions linked to children's achievement will form a part of teacher's evaluation. She stated that the advisers to the government had a completely neoliberal agenda towards education reform. An aggressive push is being made towards achieving managerial efficiency with a minimalist vision towards education for the poor through basic numeracy and literacy skills. Quality has been equated with outcomes measured through marks and achieved through standardized achievement tests. Another disconcerting development was the segregation of children based on their abilities (through 15 simple questions) as soon as they come out of standard 9. World over, there is enough evidence to show that this kind of a technocratic model of streaming students based on their abilities have failed not only children from disadvantaged groups but children otherwise. The benefits of mixed ability learning is known to all and much work has been done on the subject in other countries.

Yet another problematic move in Delhi was the reduction of 25% syllabus in an ad hoc manner. Every chapter which had progressive theme was removed including chapters on – *jan sangharsh*. The justification given was that *jan Sangharsh* brings in wrong thoughts into the minds of children, which is ironical considering that the ruling party in Delhi come to power through *jan Sangharsh*. Presently, some committees are working on these issues, considering the criticism that was faced by the Government.

These trends are aligned with the global discourses of technocracy and efficiency which go against the aims of transformative education as envisaged in all the previous policies of Government of India; obliterating the efforts of the last few decades to engage the communities in a dialogue and to empower teachers through participatory work. A hidden curriculum of marketization is being pushed based on the belief that competition would help the system.

She also mentioned that the Delhi government had announced Rs. 102 crore for teacher development in the Delhi budget which is being used to send teachers to universities of Oxford and

Cambridge for training. Further it was also announced that private coaching will be provided to better performing students. All these things reflect the underlying assumption that the government is incapable of undertaking quality reforms.

The Government is candid in stating that experts are not welcome as experts some with certain ideologies which are left, right or centre and they don't want to work with ideology. This discourse where there is undermining of one's own system, where teachers become the problem, where there is stress on surveillance, where parents are given feed back about their children's behavior, and where a watch is being kept on what the teacher is doing is divisive. Instead of building a system of trust which is crucial, instead of building a culture of autonomy where participants and stakeholders feel that they are part of the system and decision makers, this managerial discourse is dividing the system.



Prof. Rampal also spoke of bringing in volunteers within the system. Giving the example of Teach for India, she stated that enough has been written about what the Teach for America has done. The same can be said about Teach for India. A teacher is replaced by a smart student from a well resourced institute who speaks English, for a period of two years. She stressed that no attempt is being made to build the capabilities of the teachers, build a resource group and a system which will help the teachers.

The second speaker of this session was Prof. Jyotsna Jha who, in her presentation on Motivator of Private Education in India' examined the relationship of education with religion and commerce, stating that these two have been the prime motivators of private education provisioning. In the Indian context, even in ancient period, religion was a prime mover, of course giving space for

intellectual inquiry and philosophical discussions. The other motivator was trade and commerce, pushing private education.

In the colonial phase, the concept of religion for the masses was introduced for the first time although not in the manner we see today. Institutionally, Christian missionaries became a very important entity, especially when private, non-state education is examined. They were motivated primarily by faith and expansion of the faith and civilization to the masses. In the latter phase of colonial period, different strands of faith based education came about. For example – Arya Samaj, had links with Hindu religion and philosophy. Commerce played a secondary and insignificant role at this time. Faith, beliefs and philosophy were more important in extension of education.

In the post colonial period, three major strands emerged. The state became a major provider of school and higher education, where the dominant philosophy was guided by a liberal democratic frame. Although not translated into reality, the thought that education is a State responsibility existed and guided the policies to an extent. Space was also created for protection of religious minorities and private players, along with their rights. In the post independence period, Christian education became more secular and was driven by the popular belief, especially among the middle class, that it was good education. Therefore, it survived and continues to do so. This was also the time when RSS backed Shishu Shiksha Mandirs were introduced. These were more in the line of Church based schools in the colonial era, where propagation of religious doctrines was the major objective. Here too, commerce was not the prime motivation.

The third kind of school that emerged was the high fee charging schools which were secular, western and catered to the higher classes. In the last two decades, however, from around 1995 onward, things changed and there was an expansion of a new kind of private sector where commerce became much more important. Around twenty years ago, the private sector started expanding at all levels but more in higher education than school education. Two new kinds of private schools entered – low cost budget schools and extremely high cost elite schools. These elite schools unlike those of the past offer international certification and charge extremely high fees. Now we have an apartheid kind of education. At the highest level are the elite schools and at the lowest level exist the government schools with traditional private sector being the second, and the new so-called budget private schools at the third rung of this hierarchy.

Commerce has taken precedence and has become more important than ever before. Now, what is happening is that both religion and commerce are entering the state sector in various guises; these are no more the only motivators of private education. While commerce finds a place in the form of various ‘public-private partnerships’ that is just another name of outsourcing various responsibilities of the state sector to private parties, who make profit through these ventures. And religion is finding a place through revision of curricula – both overt and not so overt means such as executive directives

issued on inclusion of certain religion or political ideology motivated practices in schools. Dr. Jha emphasized the need to examine the vested interest in the sources of research and especially the kind that is undertaken in the name of 'evidence based research', as it may reveal a pattern pointing towards some unholy nexus.

The third speaker of the session was Prof. Janki Rajan who made an oral presentation on 'How public is public and how private is private in India'. She stressed on the unitary character of the private sector. she said that schooling in India is completely based on the socio economic status of the parents. Giving various examples of the 'caste system' that exists in the school education system, she reflected upon the variances in per child expenditure on education by the government. While as much as Rs. 30,000 is spent on per child in Kendriya Vidyalayas, a mere Rs. 5000 is spent on per child in MCD schools in Delhi.

She stated that school education has become one of the most capitalized spaces in the world, which can be seen through the spending on education. As per a World Bank Report, the annual spending on education of the private sector amounted to US \$ 43.2 billion whereas the same figure was \$30 million for the state. She said that the government's share in total education has gone down over the years. Despite multiple claims, there is no evidence anywhere of the private sector providing education to a heterogeneously diverse group of children. The fact remains that 50% of the children in India cannot afford private education. Private sector education is known to differentiate and segregate the society based upon the paying capacity of the parents.

Speaking about government schools, she said there is hardly any 'government' left in government schools. Most of the things like printing, supply of stationery and security are outsourced to the private sector. In fact the PWD has only 20% of the school buildings construction. The rest of the building construction has been outsourced to the private sector.

She stated that the shift towards private schools started in the 1970s and a lot of it has to do with the policy mechanism that was created in those days. For example, to run a school, an entity had to register as a public society and post registration, make a declaration that the newly created entity will work for the public. Thereafter, land was given to them free. However, the school was allowed to charge 'fee', thereby converting the public space into space for the middle class only.

She highlighted the status of teacher education, stating that the number of permanent teachers are increasingly decreasing while the number of Para teachers are increasing. In fact, for most of the schools, the ratio is almost 50:50. She commended on the peculiarity of the situation where the government itself is slowly paving the way for privatization and making little attempt to regulate it.

The fourth speaker of the session, Ms. Anjela Taneja who made her oral presentation on ‘International perspective on the growing engagement of the private sector in school education’. She stated that globally (as of 2012), 9% of the children are enrolled in private primary schools. Private primary school enrollment is particularly high in the Caribbean (32%), followed by Pacific region (17%), Latin America (16%), and the Arab states. Enrollment in private schools is practically absent in Central Asia and Central/Eastern Europe.

She focused her presentation on addressing five key questions:

1. Do private schools offer better quality education?
2. Do private schools expand educational access to the poorest?
3. Are private schools more efficient and innovative?
4. Do private schools respond to parental demand?
5. Do private schools provide a route to equitable and universal education?

She addressed these five critical questions, using the existing evidence and research on low fee private schools. Speaking on quality, she stated that it is very important to examine the source of the research funds which conclude that private schools provide a better quality education. The data that is generally used to assess the quality of education is the learning outcome data which itself is questionable. Moreover, when socio economic and parental background is taken into consideration, the results differ significantly and often it is found that there is hardly any difference between the learning outcomes of children who go to government schools and those who go to private schools. Moreover, other considerations like the additional help taken by the children who go to private schools are often neglected. For example, research evidence from Pakistan shows that most of the children attending low fee private schools take private coaching. Highlighting another research conducted in 2015, she stated that the study showed that 80% children in low fee private schools experience corporal punishment, the books used are generally those suggested by a vendor and not any set curriculum and almost 60% teachers lacked professional qualifications. In fact, the salary of the teachers was found to be as low as Rs. 2500 in some schools.

On private schools increasing access to education, she said that there is enough evidence to show that private schools are urban and development centric as rarely they are set up in remote and underserved areas. In fact, research suggests that there is a growing tendency of the private schools to mushroom in areas with good roads, better connectivity and available secondary school girls who then become low paid teachers.

Broadly, the fee component makes the schools inaccessible to the poor. Giving the example of Andhra Pradesh, she stated that education loans of children have also led to farmer suicides. Quoting global evidence, she stated that private schools are known to discriminate against blacks, lower castes

and tribals. In India, it has led to the creation of apartheid within the system as those enrolled in these schools are generally from an upper class/ cast, leaving out the others; this is negatively impacting the social cohesion.

The pedagogic methods used are not sound. For example, often rote learning is used with no emphasis on critical thinking and analytical skills. Similarly, iPads are given to teachers with a fixed lesson plan guiding the teacher and leaving them with little autonomy. There is no space for parental demand or even grievances. There is an absence of the safeguards which are otherwise provided in government schools. There is no accountability of the school management and decisions are taken solely by the management.

Thus, private schools do not provide the route to equitable universal access, creating a glass ceiling in the society against moving out of poverty. She concluded that private schools must be regulated and allowed to operate only if they:

- Do not become a source of segregation
- Provide for a true alternative choice and not affect the right to free, quality, public education.
- Preserve the humanistic nature of education.
- Obey minimum education standards adequately enforced by the State
- Develop following due process and with the participation of people

The fifth speaker of the session, Dr. Kiran Bhatta made an oral presentation on ‘Public Vs Private Provision of Elementary Education: Challenges posed by RTE’. She stated that RTE shifted Education to Part III of the Constitution giving it the status of a Fundamental Right; and Article 21-A was created, equating the right to education with the right to life with dignity. It marked a shift in status of education which now signified as an essential precondition to a life with dignity. While the primary obligation for ensuring fundamental rights lies with the State, Art 21-A recognized that the State can “by law” determine how it will fulfill its obligation. Subsequent passage of RTE Act included the private sector in its ambit, albeit with some exemptions.

The RTE seeks to address the shortfalls in the education system the bulk of which is in the public domain, but which has seen an increasing rate of exit into the private sector. RTE is based upon the commitment to provide universal primary education to all in a manner that would help them to live a life with dignity by acquiring some skill or the other. The Act doesn’t provide full clarity on what the private sector can do. This creates an ambiguity and provides maneuvering space for private sector which would allow it to commercialize education and compromise on its quality.

Next, she examined the ambiguities of PPPs with reference to four parameters i.e., horizontality, universality inclusion and justiciability. The question she posed with reference to horizontality was

whether it applies equally across public and private provision and across all forms of private and whether it condones partial application of legal provision?



In respect of universality, the question posed is whether it condones lack of neutrality across managements within the public sector. With regard to inclusion, whether it condones exemption of private minority institutions, and in respect of justiciability, who is legally obligated (accountable) in cases of public private partnership and whether there is the disproportionality in legal obligation between the two.

On horizontality, there was partial clarity on some aspects and a lot of confusion in respect of the rest. It is also not clear how does the PPP fit into the horizontality. As regards justiciability, there is no clarity on application of statutory obligation in a situation where state outsources to private management and on accountability in situations of violation between public and private partner. If accountability is not clearly defined, it would further complicate the realization of objective of universal primary education. She then raised a large number of questions which remain unanswered in the reading of the Act and therefore leave room for varied interpretations.

On the crucial issue of universality, it is not clear how the state will try to revamp the primary education system and maintain its quality and equality between public and private scheme, and between regular govt. schools and special category of schools.

There is already a hierarchy within Public Schools between different categories of public schools and there is also cost and quality difference in them as also differential based on merit in enrolment of various categories which would compromise quality. There is lack of convergence and coordination between the state government run school and special schools run by Ministry of Tribal Affairs etc.

While a lot of focus has been placed on some of the clauses of RTE Act, some others have been neglected. For example, the much larger role of the public sector has not come for scrutiny.

The Act has been remiss also in addressing the issues of privatization adequately especially the implication for accountability in situations of PPP and transfer of obligations from the public to private.

Despite adopting the right framework, the State continues to play a less than benign role in reproducing inequalities through the segregated education system that it legitimizes even within the public education system and in ignoring the special needs of minority and disadvantaged children within them.

The loopholes in the enforcement mechanisms for RTE in both private and public schools have led to gross violations of the rights of children, with worse impact on the disadvantaged children.

Lack of punitive measures in respect of violations in public schools has defeated the purpose of improving quality in public schools that would benefit the disadvantaged who populate the public schools in larger proportion.

Therefore, to realize the right to education for every child equally especially the poorest and the most marginalized, the focus of action will have to be on the public sector, and not on the private, which has neither the motivation nor the scale to deliver what is required.

The sixth speaker of the session was Prof. Geetha Nambissan who in her oral presentation on the ‘Political Economy of PPPs in Education’ deliberated critically upon PPPs and observed that privatization of the public sector education is presented as PPP by WB, ADB, Centre for British Teachers and many other global stakeholders. After 2000, there was a greater attempt at formulating PPPs for the poor as it had considerable market potential. This raises the serious question whether PPP is presenting education as right of the poor or just as a commodity to serve the interest of market.

And now privatization ties with the CSR (Corporate Social Responsibility). There is a key role for research in education. But research undertaken tends to be fixated on a single policy rather than plurality of policies. She stressed that there was no need to romanticize public as it has been exclusionary for poor for very long and who still are unable to access public institutions. Since 2009, there has been in operation School of Excellence Programme in Mumbai and International players like Mackenzie were behind it. These agencies are also involved in PPPs. Now, Private players are entering into government schools in a very systematic manner. They are coming with agenda to explore market for poor children where low cost schools could be run while making profit. For instance, Bridge international has instructed the teachers to ensure that education is imparted at a cost

of \$4 to \$6 per child. This intrusion is facilitated by deteriorating public schools. For example, Adarsh Schools used to be good schools in Punjab but today these institutions are mired in corruption.



Since privatization was not seen as a pro-poor delivery arrangement in school education, the emphasis is now on partnership. PPP legitimizes partnership and delegitimizes the government which anyways is not seen as good provider of services. However, the motive behind this partnership is a contestable matter. It is driven by profit and excludes vision to provide education as a right to poor and deprived people. This further complicates the issue of PPP in education.

Comparisons are being presented as a new mode of designing education policies. The research is conducted on randomized control trials with a view to establishing how private low cost schools are doing better than public schools. These randomized control trials do not take into consideration the plight and predicament of people who desperately want good education for their children. She concluded with the suggestion that academia needs to be methodologically equipped to research this issue. PPP is a political issue and we have to be critical about the public too and to rethink public so that private becomes an option and not a compulsion.

The seventh in the list of speakers of the session were Ambarish Rai and Sneha Palit of the RTE Cell in CSD, Shri Ambrish Rai presented an overview of Privatization of School Education in India. They observed that the state has shifted from a human rights approach to a market approach in delivery of education. Privatization boom has to be viewed in the context of political economy of this era specially starting from 1980s when we started witnessing influence of neoliberal agenda on our policies.

There are limitations of RTE Act. It's a document which is a compromise between what the civil society and peoples' movements were demanding and what the State conceded. But the Government is not implementing even this compromised document. The social atmosphere is against the public school education system – Attempts are being made to change the RTE Act or to dilute it as much as possible. Kothari report had noted that we should build the public education system so that the parents do not have to look to private institutions. This has not been realized.

RTE forum in CSD recently did a stock taking of RTE implementation and released a document in a seminar in which Vice President addressed. There was a strong demand to check the growing private sector in public education system. But there is still no clarity on how this can be done.

RTE Forum is a collective of NGOs, INGOs, educationists, teachers' unions, and right based activists working in 19 states of India since 2010. RTE forum had a role in bringing together people on a common platform to raise the issue of quality education for all. Tracking and monitoring the status of implementation of the RTE Act is another responsibility that the forum is committed to perform. Every year, a Report of Status of Implementation of RTE is presented to the Government and released to the public.

Sneha Palit stated that the growth of government schools is much lower than the growth of private schools. As a result, the enrolment in government schools will also be much lower than in private schools. Moreover, most of government schools are in rural areas whereas the private schools are concentrated in urban areas. The quality of teaching and slow pace of expansion in the case of primary schools should be seen in the conceptual frame of government policy on education which subscribes to private partnership for expansion of education sector and has also effected cuts in the budgetary allocation for education. In doing so, Government believes that private can efficiently and successfully replace the public. Besides the budget cuts in the allocation for SSA, unavailable teachers in public schools has also impacted the quality of education imparted in them. The grievance redressal system is dysfunctional due to delays in constitution of school committees, filling up of positions in the NCPCR, declining trend in complaints received. No low fee schools are being shut on the complaints of non-compliance of RTE whereas government schools are being shut down on such complaints. The reason given was low enrolment in such schools. A myth has also been created through propaganda that private schools offer better teaching. But studies have shown that there is hardly any difference in the learning levels in private schools from that of public schools especially if you take into account the socio-economic background of children and level of education of parents.

Lack of regulation is among the important factors accelerating the growth of Private sector schools. The number of unrecognized schools is increasing. There are more than 36205 unrecognized private schools and madarasas reported to be operational in the country. A study by Azim Premji Foundation found that out of 34, 756 private schools only 5 were shut down due to non-

compliance if RTE requirement. Closure / merger of government schools is another factor which forces the students to join private schools in the affected areas.

The eight and the last speaker of the session was Shri Nilay Ranjan who presented his paper on ‘CSR in School Education with reference to the work being done by Aditya Birla Group.’ He observed that there was a huge crisis in provision of education in rural areas, especially tribal areas due to poor infrastructure as well as non availability of teachers. His company under CSR decided to address the problem and on which work was started last year. In Bombay, the Company commissioned a study on why children were dropping out. The study brought out that teachers were not teaching as per the concepts and children were demotivated. Company’s CSR group saw the answer sheets and found that major problem was in two subjects- math and science. This group asked Akshay Patra to provide mid day meal in 500 selected schools. Next year, it focused on meeting infrastructural gaps and in coming years it would gradually progress towards meeting other defeciencies IITs help has been taken in focusing on E learning. This work is being done in MP, Rajasthan, Chhattisgarha, Jharkhand, Orissa and other tribal areas.

During discussion that followed and in response to the question raised, Ms. Bhattya observed that the dominant notion is that the public sector cannot deliver as it is corrupt and non-functional. It was necessary to look back and do research on why public sector has not been able to deliver. In education, there is much less research on institutional failure and there is need to focus on it and develop that body of knowledge which might help in countering the onslaught of private sector.

Prof. Nambissan argued that the problem was not mere delivering of good education but world class education for \$5 or more which the private sector claims to provide. CSR has great potential but they are not talking to educationists and willing to do it on their own. Birla Group would soon go on the Pearson who are sitting ready to appropriate Birla group. The problem is that there is no research on the quality of the private low cost school education. The low cost education is an entirely unsustainable education system. It cannot survive. These schools contract out all the services, from provision of lunch to security and other services. While the private sector is consolidating its position, educationist community is not coming together in the same manner to defend the public education system and expose the myth of efficiency and quality of private sector schools.

Shri Ambarish Rai said that the first priority was to raise the issue of budget cuts in educational programmes and then raise other questions. The State does not have faith in its own schools and it is always depriving them of necessary facilities. Second, there is need to expose the business companies running the private schools from low cost to elite schools. Third, there is need to make school education a political issue and to achieve that activists and academics need to collaborate. This has to be raised in the Parliament Privatization is flourishing because the public is abandoning its own space and yielding it to the private.

Nilay Ranjan responded to the critique of CSR and argued that keeping quiet was no solution. It is important to work for changing the system. The concept of a school is still undefined in this country. The government itself has promoted a hierarchy in public schools. There are KVS for its employees but ordinary poorly equipped schools for ordinary persons. He urged that we should not damn the good private institutions who are offering good education free of cost. The double speak is dangerous. Government has declared that they have provided schools everywhere and the need now was to focus on quality. That's what his company is doing under CSR.

The Chair concluded the session with thanks of the speakers and stressed on the need to reinvigorate efforts to influence Public Policy to improve public education.

Urban Development

The next technical session was devoted to Urban Development and was chaired by Prof. K. T. Ravendran, former Director, School of Planning and Architecture. The speakers in the session were **Dr. Dunu Roy, Prof. Jamal Ansari, Dr. Debolina Kundu and Shri Indu Prakesh Singh.** The chair sought to focus on the changing role of planning where the major issue is to protect public interest while at the same time ensuring that development is not impeded. Lack for resources drives them towards PPP to fulfil financial and human resource gaps and shortages. But the government agencies are not sufficiently trained and equipped to deal with corporate mode of execution in a PPP project. Therefore, they are unable to protect public interest in this arrangement. The critical issue in a PPP is how does one convert private profit motive to public interest and public benefit? PPPs have floundered in some cases in India. Housing is one such sector. Government facilitates / promotes private developers at the cost of the tax payer so that they can deliver services. But they have failed. It is three way loss and no gain. Main issues are both moral and managerial.



The first speaker of the session was Dr. Dunu Roy who in his power point presentation on the ‘Private and the City’ sought to lay bare the contradiction between the public and private in a PPP. Tracing the history of PPP in official discourses, he said that the PPP (Private Public Partnership) model first became a part of policy under the JnNURM (Jawaharlal Nehru National Urban Renewal Mission). PPP is a complex arrangement as many factors and partners are hidden within it. It touches upon a host of different urban schemes for housing services, and livelihoods of people. It is also linked to Master Plans and Development Plans at the city level; Economic Policy and Transport Policy at the national level; and World Trade Organization agreements at the international level. One example of the evolving PPP model is Mahindra Motors. The Company starts with manufacturing Jeeps, diversifies into Mahindra Acres, and then moves on to Mahindra Infrastructure. This transition within the private corporation itself indicates the mobility in corporate capital and why it needs to move from jeeps to infrastructure. This is not possible unless there is a profit motive that is in-built into the PPP model which was first experimented in the Tenth Plan. The Eleventh Plan then stated that the Governments was committed to almost doubling infrastructure spending from 5% to 9% of GDP which would require an estimated \$500 billion investment. But it does not have the resources. So “these activities are best left in the realm of the private sector in the unfettered markets” and as the city is the ‘engine of growth,’ it will attract the private sector. The Eleventh Plan further indicates that the PPPs should be “formulated and executed in public interest with a view to achieving additional capacity and deliver of public services at reasonable cost.” Hence, the government reserves for itself the regulatory power so as to ensure that the partnership supplements “scarce public resources – while improving efficiency and reducing costs.” The end review of the JnNURM done by the private sector, the government, as well as by citizens’ groups, indicated that there was a lack of proper analysis of poor performance of the private sector but one of the main reasons was “low private investment.” For the 65 cities, it was anticipated that Rs. 75,000 crores will come from the private sector, but in actual fact, Government put in Rs. 80,000 cores and the private sector invested only Rs. 11,000 crores.



Under the Twelfth Plan, the concept of the city changed from ‘engines of growth’ to the ‘smart cities’. But again, the same concept has been propounded that the “private sector is expected to contribute at least half of the over Rs 1 trillion investment.” All the plans have the identical vision of “inclusive secure, and effectively governed” offering “highest quality of living”, providing “best-in-class civic services” enabling” seamless mobility”, and “nurturing clean, resilient and sustainable environment.” Each Smart City plan has two components: a) Pan City

project for the engine city; and b) a limited area for Area Based Development. There are also three categories of development for such cities:- 1) Retrofitting (up to 500 acres); 2) Greenfield projects (up to 250 acres); 3) Redevelopment (up to 50 acres). Thus, ostensibly, there is no one-size-fits-all concept.

However, examining the reports of the 20 Smart Cities which are available online, it can be seen that Area Based Development projects occupy only 4% of the total city area (17% in Kakinada is an exception); but corner 71% of the investment. The reality is that the areas within the city which have been selected for investment are those which already have good infrastructure and, therefore, excellent scope for a return on investment. Private contribution to total investment is not mentioned for the plan for the three cities in Madhya Pradesh and one in Punjab. But, for the remaining 16 cities, apart from Bhubaneswar and to some extent the two Gujarat cities, the private investment figure hovers, around 16%, much lower than the 50% which was asked for in the Twelfth Plan document. The government funds will come from a range of schemes other than Smart Cities – from AMRUT Solar Cities, and PM Awas Yojana, to Integrated Power Development, Swachh Bharat, and Disaster Recovery. But all ensuing revenues will go through automated systems directly to the Special Purpose Vehicle (SPV) set up under the Smart City as a corporate entity. In other words, the actual plans are completely in contradiction with the avowed objective of the Eleventh Plan that states “Public private partnerships must aim at bringing private resources into public projects not public resources into private projects.”

Hence, the critical question remains Can Private capital ever be regulated or forced to cater to the public interest? If not, why, then, is there is a need to undertake PPPs, even after the lesson learnt from the performance of JnNURM, and now from the Smart City plans? Is there not a greater need for accountability of the government?

In response of a question on the role of a special purpose vehicle, Dr. Roy replied that the official review of the JnNURM says that Mission failed because the Urban Local Bodies did not have the capability to implement it. Hence, the recommendation was to build up the capacity and, for the next phase 2 of JnNURM, 10% of the money was reserved for capacity building. But, with the Smart Cities scheme, the ULBs have now been fully junked as being without capacity, and so the SPV has replaced the ULB, as it is supposed to be free from political manipulation.

The second speaker of the session was Prof. Jamal H. Ansari who in his presentation dealt with ‘Public Private Partnership in Urban Land Development in Delhi’.

His starting point was the first Master Plan for Delhi that was enforced in 1962, Private developers who were operating in the capital city before 1962 were debarred from undertaking large scale land development projects because it was felt that private sector worked for profit and as such

they were not paying attention to the low income group. Thus, all the responsibility of urban land development and housing was passed on to the newly created Delhi Development Authority. The private developers shifted their operations to areas outside Delhi primarily to Gurgaon.

Though DDA achieved a lot in the past 60 years in terms of urban development, the rate at which it generated the supply of developed land was very much short of the required rate. Moreover, like the private sector; DDA rather than focusing on lower income groups, also concentrated on upper income population. Experience of the last sixty years bears out that the policy of relying on a single public sector agency for supply of serviced urban land has been highly flawed.

Responding to the oft raised question. Why is there a need for private sector, he said that Amendments made in the Land Acquisition Act 1894 in 1967 and then in 1984 increased compensation liability of Delhi Development Authority for whom it became difficult to undertake large scale land development projects. Policy makers then proposed that private developers should be encouraged to engage in large scale assembly, development and disposal of land. The private sector would have their own financial resources and can assemble land through direct purchase from farmers. Haryana Development and Regulation of Urban Areas Act 1975 and Rules 1976 played an important role. in this assumption. Under this Act, Haryana invited private sector to undertake large scale assembly, development and disposal of urban land. According to the Act, the Haryana Urban Development Authority (HUDA) is responsible for provision of off-site infrastructure in association with other development agencies in the government sector and the developers are required to provide the on-site infrastructure. The direct impact of this policy is that if X amount of land has been developed by HUDA, another Y amount has been contributed by the private sector, thus increasing supply of developed land. The experience has also established that private developers who assemble land through direct purchase generally pay five times the rates at which HUDA pays compensation to farmers under the provisions of the Land Acquisition Act. Prof. Ansari then discussed the strength and weaknesses of public sector and private sector and proposed a PPP model for Development of Land in the rural fringe of Delhi with suggested roles for DDA and the private sector where DDA prepares the master plan for Delhi and details out zonal development plans, establishes zoning and sub-division regulations and specifies spatial standards, constructs high quality citywide infrastructure, assembles land through direct negotiations with the farmers for developing sectors as identified in the zonal plans and monitors the quality of development and ensures that consumers are not cheated and developers deliver as promised. The private developers will assemble land through direct negotiations with farmers and pool land with DDA for developing sectors as identified in the zonal plans and develop infrastructure land, construction of building (FAR) and related business. Professor Ansari suggested another PPP Model for Redevelopment of Existing Urbanized Areas where the initiative is left to the occupants of land themselves.

He concluded that Public sector is not able to work alone to meet the fast escalating demand for developed urban land and cover the increasing backlog. There is a need for them to join hands with private sector to increase the pace of urban land development. Public Private Partnership Models so far may have had problems but then these problems should be looked into and sorted out rather than discarding the model itself.

The third speaker of the session was Dr. Debolina Kundu who made an oral presentation on ‘Engagement of Private Sector in Urban Development Programmes’. She started with highlighting that 400 million people will be added to urban area by 2050. Therefore, providing urban infrastructure is a challenging task to sustain economic growth in India, and provide public services to the people. This was estimated to require investment of USD 1.2 trillion, just in capital expenditure alone in our cities during a period of next 20 years. As against this India’s per capita annual capital spending in urban areas was only USD 17 while China spends USD 116, UK spends USD 391. There is therefore, a significant need to shift from exclusive government financed model to PPP model in urban development.

She then highlighted the past experiences of PPP in urban sector. In 2014, Jawaharlal Nehru National Urban Renewal Mission was launched which had PPP as one of the mandatory reforms. Actual central assistance of INR 36,398 crore was released for infrastructure projects in both large and medium scale cities. Implementing agencies were expected to leverage the sanctioned funds to attract greater private sector investments through PPPs that enables sharing of risks between the private and public sector. However, out of 2900 urban projects sanctioned, only 49 projects had some elements of PPP and the capital investment by private sector in them was just about INR 1,066 crores. The factor which prevented large scale participation of private sector in these projects was the low user charges, which impacted on the viability. The review of water sector projects PPPs brought out that the PPP design did not build adequate incentives for the operator to optimize capital expenditure or undertake rigorous technical scrutiny and introduce innovation to address the challenges of service delivery in the context of existing Indian cities.

Five new urban development schemes also encourage PPP models. One is the Swacch Bahart Mission launched in 2014 with a target to construct 1.04 crore units of individual household toilets, 5.08 lakh units of community and public toilets in urban areas. There was no provision of Central government incentive support for public toilets. States and ULBs are encouraged to identify land for public toilets, and leverage this land and advertisements to encourage the private sector to construct and manage public toilets through a PPP agreement. The second scheme AMRUT launched as a successor of JNnURM in 2015, with the aim of capacity building of Mission reform implementation and infrastructure development. State/UTs have been advised to explore the possibility of using PPP as the preferred execution model. The third scheme is HRIDAY launched in 2014 to preserve the

character and soul of heritage cities and facilitate inclusive heritage linked urban development by exploring various avenues including involving private sector for select 2 cities. There is a provision for private funding, where management and services under HRIDAY scheme can be undertaken by private entities that are directly or indirectly benefiting from the project. The fourth scheme is Pradhan Mantri Awas Yojana (PMAY) with a aim of Housing for All by 2022 in which every family will have a pucca house with water connection, toilet facilities, 24x7 electricity supply and where central grant of INR 1.5 lakh per house on an average will be available from the slum rehabilitation programme but the rest of the funding is to be organized by the State/ UTs, ULBs and private developers. It has a target to build 20 million housing units for slum dwellers, economically weaker sections and low income groups by the end of mission period. Providing houses to all eligible families/beneficiaries by 2022 in all statutory towns would be effected in three phases.

The Fifth new scheme is Smart Cities Mission launched in 2015 to improve the quality of life of the people and to attract more investments into the cities, promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. In this scheme, while 20% of the funding required in these cities would come from the government, the rest 80% is expected to be contributed by the private sector.

She concluded the presentation by highlighting the challenges in investment, particularly private investment as the industry is seeking assurance about return on investment. What is lacking in most of the proposals is a clear picture on creditworthiness or bankability of the cities themselves and their institutional capabilities.

The fourth speaker of the session was Shri Indu Prakash Singh who confined his presentation to the Experience of Privatization in Running Shelters for Homeless'. There were 45 organizations running the 200 shelters for homeless and in each shelter there are three care takers. The process of tendering for selection of organizations was adopted. A large number of NGOs and security agencies participated in tendering. The security agencies got 50 odd shelters. These shelters were located in the area of Bangla Sabhib in Delhi. There were complaints against them relating to the behavior of caretakers. The men running the shelter would get drunk and run to the shelter of women and abused women. A few months ago a 6 years old girl was raped in one shelter premises. The complaints to authorities, however, brought no relief. Arvind Kejriwal Chief Minister of Delhi was approached to intervene who directed officials to take over the management from security agencies. The government was also approached to reform the tendering process and provide for a public hearing.

The public hearing was conducted on 03 Sept., 2015 where woman mentioned the problems they experienced in shelters and stated that streets are much safer than the shelters, as they were badly managed by the private sector.

The report of public hearing was presented to Chief Minister who took strong action but it took time. The entire experience of privatization from the prospective of homeless shelters in Delhi indicates that privatization did not work.

The discussion that followed on the presentations sought information on the special purpose vehicle, for Implementation of Programmes linkage of 74th amendment with Smart Cities and whether there was any third model for developing land other than by the governments and the private sector. With regard to SPV, **Dr. Dunu Roy** responded that review of the JNnURM showed that the ULBs did not have capability to implement schemes sanctioned under it. Therefore, building capacity of ULBs was suggested and in the second phase of JNnURM 10% of the money was reserved for capacity building. But with the change of government, JNnURM has been replaced by Smart Cities in which programme ULBs have been junked because they don't have capacity to perform. SPV is preferred institutional mode of execution as it is free from political control. It replaces the ULBs.

On the second issue, **Prof. Ansari** replied that 74th Amendment emphasizes delegating more powers and responsibilities to ULBs PPP models can work with ULBs too. But with the creation of SPV, the 74th constitutional amendment is being ignored and questioned the very conceptual design of Smart City. If ULBs don't have any say in management of resources, how will the arrangement make the whole city smart?

Regarding the third model of land development, **Prof. Ansari** said that PPP model does not say that the entire city has to be developed by private partners. But once private partners are invited to participate in management of resources, it has to be accepted that they are for profit. If that is not acceptable, they should not be invited. The public cannot work by itself. There is need for an institutional arrangement to partner with government. There is a need for taking strengths and weaknesses from both public and private sectors and develop a good model. Dr. Roy asked why invite private sector at all. Let public construct and build their own houses. They can build in a much cheaper way.

Shri Kulwant Singh said the question we need to ask is whether what the private is providing is for public interest. and whether the kind of infrastructure private is building is public friendly? Many houses constructed by builders are vacant. He added that the PPP model was not sustainable.

Prof. K.T. Ravendran concluded the session with the remark that governance was not covered in the discussion but is very crucial Governance is involved in PPP too and the governance has shown many weaknesses. The role of the government is very critical even in the operation of PPPs.

Sanitation

The next session was devoted to Sanitation and was chaired by Dr. Pankaj Jain, former Secretary, Department of Drinking Water and Sanitation Government of India and Current CEO, Sulabh International

Dr. Jain, started his opening remarks with emphases on the need to improve sanitation services in the country and the world as well. Nearly 2.5 billion people out of 7 billion population defecate in the open and 7 lakh children die every year of Diarrhea. Open defecation is one of the major reasons for the disease. He discussed at length the success story of Sulabh International, a NGO working for providing sanitation facilities in urban India. Its innovative and highly cheap lavatory system (it costs less than Rs. 10,000 in construction in comparison to Rs. 30,000-40,000 incurred in normal lavatory, and has almost zero maintenance cost). An intriguing question raised by him was that in spite of easy and readily available systems for hygienic lavatories, the practice of open defecation has been going unabated which in his view is linked to mindset issue. The government is making a large number of toilets but they are not being used. The government is trying its best but there is a need of more players to popularize the use of toilets. Here the role of private sector comes in. There should be a movement for motivating people to use lavatories. NGOs can undertake this task. Further, since government does not have much fund to invest on improving sanitation infrastructure, private players through Corporate Social Responsibility can undertake this task. Unlike other sectors, sanitation is a social sector programme with no or very little profit in it. The role of private sector here would not be commercial but social.



The first speaker of this session, Dr. Kulwant Singh presented his paper on ‘Role of Private Sector for Providing Urban Basic Services’. He stated the Government of India had initiated several programmes that aim at ensuring universal access to toilet for each family by October 2019; 100% individual piped water supply for all households including informal settlements; and 100% daily

collection, transportation, treatment and disposal of solid waste in all statutory towns and cities. However, there are high levels of infrastructure deficits in India. For instance, in 2011, there were 50.6% households without treated tap water within premises and 67.3% households were without latrines within their premises connected to piped sewer. 24.2% households did not have facility of solid waste collection while 55.5% households were without waste water connected to covered drainage. Although it is a responsibility of the urban local bodies with the support of the state governments to provide these services (mentioned in the 12th schedule of the Constitution); the government agencies have their limitations in respect of arranging finances for urban development (housing, infrastructure and services). With the current spending levels estimated to be no more than 25 percent of the requirements, private sector also can bridge this gap by investing resources and in the provision of these services. The latter will not only bring in finance, but also the better management strategies and technology. There is, therefore a need to encourage Private sector to construct and manage public toilets through PPP agreement. In several cities of India, which include Nagpur, Hubli-Dharwad, Alandur, Goral, private sector has been engaged in providing urban services.

The second speaker of the session, Prof. K.K. Pandey in his presentation on ‘Partnerships for Urban Sanitation: Indian Experience and Feedback’ reiterated the need for improved sanitation for inclusive, sustainable and environment friendly growth and argued that improvement in sanitation infrastructure can be achieved through participatory development. The gap in urban sanitation in India is fairly extensive and government agencies have lack of fund. In this scenario, multiple sources of financing and harnessing vast potential of private sector are emerging as recognized policy instruments for filling this gap. He also argued that budgetary allocation alone cannot provide the requisite amount of funds for improved sanitation. Moreover, the earmarked funds in the past are also not fully utilized by the agencies particularly the urban and rural local government. Therefore, enhanced availability of funds and larger access (outreach) associated with effective demand are the two most essential issues for financing sanitation in India.

The third speaker of the session, **Dr. Pradeep Shinde** presented his paper **‘Does NGOrganisation of Slum Sanitation lead to Depoliticization?’**, in which he discussed Slum Sanitation Programmes in a Mumbai slum’ and brought out through his field study conducted in Dharavi, a slum area in Mumbai how the model of Community Based Organization (CBO) as a management agency for it is problematic. The logic of the CBO model lies in the assumption that slum-dwellers will have a say in handling their everyday sanitation problems by forming a CBO from among them instead of relying entirely on the Brihanmumbai Municipal Corporation (BMC). Although the engagement thus envisaged by the local government appears to be based on an egalitarian form of politics, in reality, it increasingly curtails the space for the political assertion of slum-dwellers in the everyday slum sanitation work carried out by a plethora of BMC hired private contractors engaged by the CBOs for this work. There is a nexus between CBOs and contractors.

These contractors are generally local politicians who exploit sanitation workers in multiple ways. The employment contract of workers engaged for sanitation work is not even a week-long. They are hired as volunteers and not workers earning a living. The contractors hire far less number of workers than what are actually required to clean these slum areas. Slum dwellers cannot complain to local corporators or MLAs about these malpractices as the prompt reply they get from them is that these CBOs are their own bodies and they have to solve and sort out these problems among themselves. The paper argued that the whole idea of democratization of slum sanitation work and social mobilisation of slum dwellers is being threatened, distorted and diluted by the very entry of CBOs which slum-dwellers call 'NGOs'.



The fourth speaker of the session was **Dr. Manjur Ali** who in his presentation titled, **‘Is there a “Flush of Fund” for Sanitation and Water’** stated that clean water and sanitation has begun to be considered integral to other people oriented issues like health and which need a multi-sectoral approach. Better managed water resources, access to safe drinking water and sanitation and health and well being all inter-related and supplement each other to achieve social goals in this sector. The main argument of the paper, however, was that there has been a marked change in the fiscal architecture of the economy with the acceptance of the 14th Finance Commission’s (FFC) recommendations by the Union government and 42 percent of divisible pool of resources is now going to the States. However, 14 out of 25 major states have not increased their total expenditure in social sector as percentage of their GSDP in 2015-16 (BE) when compared to the previous year. Reiterating the need to increase the flow of finances towards sanitation, he stated that CSR can be a major funding option when the states are declining to increase budget allocation for the sector.

The chair concluded the session with the remark that there was a general consensus that Government needed to increase Public spending on the sector and CSR could be harnessed to fill the gap in funding.

Third Day: 30th March

The first technical session of the last day of the seminar was devoted to Urban Housing and chaired by Prof. Amitabh Kundu Former Professor, JNU. Prof. Kundu, referred to the key goals that were to be achieved by 2022 and remarked that the government should have a long term perspective of attaining the goals and it should be reflected in their planning and programmatic interventions right now.

The first speaker of the session was Prof. Amita Bhide, who presented her paper on 'Expanding Housing Rights through a Privatizing State'. She stressed on the sudden expansion of housing rights in India and gave a brief account of the withdrawal of state in various sectors. Her presentation reflected on the changing trajectories of the role of state and the market in the country with respect to housing.

1970s was a period which saw the zenith of state intervention in land and housing markets and yet there was no cogent housing policy in place at that time and no legal right to housing. On the contrary, from 2000 onwards the state became a facilitator of the real estate market rather than a developer and this was accompanied by a spate of housing policies from 1998 onwards. The varied policy framework includes National Housing Policy 1994, 1998, Urban Housing And Habitat Policy 2006, Affordable Housing Policy 2007, State Housing Policies beginning from 2006, and there has been time-bound assurance about housing for all by 2022. It is this shift that is remarkable and forms the backdrop for analysis of PPPs in housing.



There is no explicit housing right in Constitution, but there has been liberal interpretation of the Right to Life to mean a life with dignity which includes right to a house. But this jurisprudence has been widely varying since 1990. The laws that have been facilitating state intervention in housing and land markets have been either repealed or considerably revised. The state intervention in housing has been significantly reduced.

With regard to regulation of finance, till the late 1980, provision of housing finance was limited to the state and public sector. Later, it was expanded by creation of institutions like HUDCO, HDFC and the National Housing Bank. Today we have a liberalized set up with 100% FDI into the housing sector since 2005. Still, the penetration of organized housing finance is less than 10% at the retail level.

Construction in housing is a highly fragmented sector and there are thousands of local small operators whose strength is network and knowledge of local land systems. There are very few State developers and even lesser national developers after FDI has been allowed. There are 2 regimes that operate in housing sector. One that relies on networks, porous laws and rules and the other that demands much more clarity on land titles, laws, rules and institutional protocols that are in line with international codes and practices.

In land and planning, there is a high level of regulation even now which ranges from the municipal level to the state level and increasingly the central level as well. For instance, we have the CRZ regulations, environmental regulations and the newly introduced real estate regulations. These regulations are very porous and at the same time non-transparent to the outsiders. They have enabled highly localized networks of builders, developers, bureaucrats, politicians and even criminals to operate.

As for trends in policies & schemes, till 1960s there were several social housing programmes. The State took a lot of onus on itself to protect the interests of the vulnerable sections of people. It also created institutions and schemes to protect vulnerable sections. The 1970s was a phase when the intervention in the housing sector had broadened. However, it covered the entire housing sector, rather than just about the vulnerable sections. During this phase Housing Boards and Housing Finance Institutions were created. The Urban Land Ceiling Act was introduced in 1976, which facilitated state acquisition of private land at a very low rate of compensation. Still from independence to now, at the national level, support to planned housing is less than 2% of the national budget. The utilization of it is even lower. Thus, in the state intervention in land and housing markets through control, the delivery of the public interest was very low.

Then came the phase of facilitation in the late 1980s and there was articulation of a series of housing policies. The first such policy, the 1998 housing policy which was subjected to public

discussion, went through 13 revisions. Through these amendments, the concept of housing got expanded to include finance and planning as well which emerged as different phases of facilitation. The current phase is the market support phase, where there are a large number of housing policies and projects in respect of urban poor settlements and there are several affordable housing projects too. The ground reality is that the formal sector of housing whether it is the middle class or the upper class has been appropriated by people who have some connection with power, , in terms of land or housing units that are constructed. In contrast to this, more than 60% of the people have found own solutions to housing problems outside the framework of public housing and formal housing and these houses are not considered adequate, legal or formal by the state. These are people and houses outside the mainstream but in reality they form the mainstream. PPP in this context is much more about expansion of the outreach and penetration of the market through a state led approach.

In this background, 4 different approaches to intervention in housing were analyzed by the speaker to explain what is happening today. The Ist such approach was construction of houses for the Poor through cross subsidization. This was effected through setting up an autonomous of agency for execution, Maharashtra Housing and Area Development Authority (MHADA) a public sector institution and a statutory body replacing the Bombay Housing Board introduced through an act in 1972. The agency gets land from the govt. with a mandate to construct not less than 50% houses for economically weaker sections and lower income groups. Its performance has been low much less than 5% of housing need in the State at its peak and the benefits of even this housing have been appropriated by a layer above the vulnerable and lower income groups. After the onset of privatization, there is no new land available, budget support to the MHADA has been significantly reduced. The performance has also significantly come down. It has to construct more LIG/MIG housing to cross subsidise EWS housing and has also to increase the price of houses constructed.

The second approach is that of PMAY – which is about providing affordable housing in partnership with the private sector. So far, there had been no market based solution that served the lower income group which had been under served by the state sector as well. Gujarat and some of the southern states are experimenting with market based low income group housing schemes without any subsidy or state supported programmes. Some small and medium operators are engaged in market based low income housing in the urban peripheries. But affordability is a serious constraint.

The third approach is state supported affordable housing projects with incentives by the central government and the state governments. These projects were brought under the PMAY. Till March, 2016, 5 lakh houses were sanctioned under the affordable housing partnership. But interestingly, the definition of EWS or LIG has been revised to include persons with a salary of less than 6 lakh per year. No successful projects have emerged out of these programmes and schemes. But the

apprehension is that affordable housing may become a method of boosting the crony relationship in the real estate sector by way of privatizing the urban land using the poor people as a front.

The Fourth approach was BSUP (Basic Services for Urban Poor) & IHSDP (Integrated Housing and Slum Development Programme) as inclusive arm of JNNURM, the flagship urban development programme of the UPA government in which there was provision for taking up of housing projects by attracting private sector finance. None of these projects were able to get private sector investment at all. The projects under them are virtual resettlements of existing slums. There are two issues of concerns in this approach. There is unsettlement of sub-optimal occupation of land by poor in the centre of cities; the second is that these schemes are introducing a housing market in slums. In Maharashtra, this approach is turning State into an entrepreneur at the cost of a slum land, which is sought to be freed. From 1991 till date, only 26,000 houses have been constructed under the slum rehabilitation scheme and about 50,000 through resettlement programme. These schemes have resulted in displacement of the eligible claimants; an entire parallel document creating industry has emerged and high proportion of violence has been witnessed on the slum dwellers which are being divided and subdivided, leading to fragmentation of the community spirit.

Privatization movement looks at housing as a private good and a finished product. State sanctioned construction is being privileged over auto-construction. State is transferring responsibility of providing housing to private sector, and incentivizing it for doing so and linking housing to housing finance. The overall trend is of state led expansion of markets enabling geographical restructuring of cities where housing for all suffers. These moves reflect not a reduced but an enhanced role of state in facilitating shifting of poor from the core areas of the cities which they are in occupation with non-property relations to the peripheries.

The chair remarked that the speaker had brought to light that State sanctioned housing projects were creating houses as a private good. We need to ask ourselves whether such housing interventions result in sanitization of the urban sector by pushing slums outside the city.

The second speaker of the session was Dr. Gautam Bhan who made his presentation on 'House' and 'Housing'. He distinguished the two concepts. A 'house' is a unit which can be a product or a commodity while 'housing' is a closed unit. Closure of the unit is very important. The average Indian low income households takes about 15-17 years to complete a house. Its form has the ability to expand with the requirement of the family.

Housing is looked at as a citizenship negotiation with the state i.e., a cluster not in its physical forms, quality or adequacy but as a site where citizens can seek entitlements such as employment possibilities and transport network.

So the notion that better housing can be delivered as a policy paradigm that will make people choose a housing unit from an inadequate cluster is fundamentally misrecognition of the way the low income households choose housing and the tradeoffs that they use in doing so. This explains why occupancy ratio of houses constructed under JNNURM is 25-30% and why they leave built houses and reoccupy slums. Therefore, supply of services in a settlement such as drinking water, drainage is more effective as a housing programme than construction of a housing unit.

This also brings up the distinction between formal State construction and auto-construction. The former is a physical unit with some rights and legitimacy. The latter is a housing unit slowly acquiring other rights and facilities such as road, water, electricity through political negotiation. In view of a large gap between the cost of a house and its affordability in terms of income, auto constructed housing should be thought of as a policy measure where gradual expansion of facilities can take place. Even where State directly provides a constructed unit, it should be auto-constructed wherein gaps in facilities are gradually provided. The problem in government's approach to housing is that affordable housing is inadequate and adequate housing is unaffordable. But this doesn't mean that affordable housing which is inadequate is not housing. It certainly is housing. Our policy frames must not use arbitrary notions of norms, densities, lay outs, carpet sizes in order to impose a definition of a housing unit. Housing standards should be reached out on an incremental basis. The current formulation of PMAY has moved away considerably from mere housing construction to improvement. He also observed that affordable housing is one where the cost of a house is not more than 5 times the annual income of a household. But most houses constructed have a much higher cost and are therefore unaffordable to 60-70% of urban households even in a developed state let alone the poorer ones.

Under PMAY, income criteria for EWS housing have been tripled while there is no comparable wage increases. Therefore, housing provided would be unaffordable. Unlike Rajiv Awas Yojna, in PMAY, there is no model for in situ upgradation or service improvement, no model for incremental housing. The pre-condition for the incremental household is a clear title. The minute you create a pre-condition on clear title, you are precisely excluding the auto-constructed neighborhood and precisely the insecure tenure that defines your housing shortage. If we had more secure tenure regimes, we would not have the kind of housing inadequacies we had, because households would have invested in the improvement of their houses.

A policy that imagines the private provision of housing units as a sole and primary need misrecognises the question of affordability and the challenges that are being faced with regard to it. This will deeply skew the already skewed policy landscapes towards metropolitan housing markets. This is because the PPP model where you give TDR and FSI incentives do not exist outside large

metropolitan markings. No builder would be willing to build the housing outside the city with such incentives.

Our attempt, therefore, must not be to pitch public and private provision modes against each other. Our attempts must be to take the logics of what should be privately provided, and what should be protected and improved as auto-constructive but to decide what is that upper market of low income affordability where there is a housing gap and how it should be leveraged so that we can break the segmentation of the housing market, whether or not incomes and wages increase in the latter.

The chair thanked Dr. Bhan for enlarging the framework of discussion from houses to housing. When we link citizenship with housing, the negotiation for employment, access to basic amenities, etc. are issues within it which have to be addressed. There are 4 verticals in PMAY, which have been mentioned by both the speakers. What is the space for auto-constructed houses in this? Is there any provision of giving tenurial rights to occupants? Out of the 4 verticals – which one has the greater possibility of leakage has to be discussed and empirically verified. I personally believe that the interest subvention is one, which allows the upper middle class to come in, in a much easier manner than the other 3 verticals. But it has to be empirically investigated.

The third speaker of the session was Shri A.K. Jain who presented his paper on ‘Housing for All’. He gave an overview of the scenario of Housing in India with particular focus on cities and poor people in the cities. He outlined the housing shortage in India which is 18.78 million dwelling units, 96% of which pertains of EWS and LIG segments and provided details of Pradhan Mantri Awas Yojana (2015) which aims to wipe out this shortage by 2022. He argued that the classification of households based on income and categorization of housing into EWS, LIG, MIG etc. need to be reviewed, as it leaves out the migrants, students, single /working women, etc. The definition of the housing would be more inclusive, if it also covers hostels, dormitories, transit camps, night shelters, senior citizen homes, etc. Further, the bulk of the poor cannot afford subsidized dwelling unit on ownership basis and to pay the EMI. As such, rental housing needs to be given a dedicated thrust. He also stressed that about 80% of housing shortage is due to congestion, dilapidation and over-crowding. This calls for redevelopment, rehabilitation and retrofitting strategies, rather than greenfield development. The suggested strategy would also retain the livelihoods and social integrity of communities and also reduce the burden of land acquisition.

As social housing is a non-profit sector, it is necessary to think beyond the public-private binary and develop a third option where the local community is the driver, and housing is not considered as a commodity and Public and private sectors pro-actively participate in community led housing programmes which synchronies with poverty reduction, livelihoods, facilities, gender equity and security. Evolving differential and evolutionary planning norms and housing design based on community participation can leverage housing supply. Adoption of innovative technologies and

optimizing the building resources are necessary for the efficient use and economy of materials, time and money. Reforms in planning and building regulations are essential for effectively lowering the costs, saving of time and for optimum use of resources, especially the land. Land being a critical resource needs to be assembled by alternative ways, such as land pooling and compulsory reservation.

Financing of social housing can be four layered – Central Government (under PMAY), State Government, Housing Agency and the individuals. Discounted land cost and compulsory land reservation, part commercial and mixed use, optimum utilization of Floor Area Ratio and densities, rebate and exemptions in income tax, sales tax, VAT rental income, excise duty and stamp duty, mortgage funding, macro and micro financing and building materials / components banking etc. can be some important triggers and tools of housing finance.

There is a huge gap between policy planning and delivery. The PMAY envisages building 30 lakh houses per year, while only 1623 houses have been built and 7 lakh sanctioned after a year of the announcement of the scheme. This requires: Removing the barriers, such as availability of land and finance, delays in approval of plans and change of land use, primitive construction methods; Changing the strategy from mass housing to housing by the masses, resorting to action planning, rigorous project monitoring and accountability reforms in development control regulation, building bye-laws and financing rules and regulations; incorporating smart, IT based technologies in processes and exploring new ways of financing, skill and capacity development.

The fourth speaker of the session was Dr. Ashok Pankaj who in his paper on ‘Private or Public – Housing Matters for All’ reflected on how housing could add to the socio-economic mobility of poor people based on a study conducted in small city of Madhya Pradesh (Ratlam). His study was based on 2 kinds of housing viz. housing in a slum cluster and housing constructed under CSR. The changes in the condition of the two types of beneficiary households were compared over a period of 10 years. One of the key differences between the two emerged in respect of the participatory citizenship. In CSR housing, people have better access to public utilities which create a sense of participation as a part of the society. While on the other hand, people living in slum areas feel neglected, bypassed and lack a sense of citizenship. The other was in respect of amenities. One of the amenities was education which in respect of children in the age of 5-6 years is much better in CSR houses than children living in slums areas due to the surroundings. The other was drinking water. In slums, this creates a major problem as sometimes tanker comes but most of the time it would not. At times, people go inside the tank and pollute the water which they drink and have health problem as a result. The third is the ease of getting a ration card, voter identity card under CSR houses. The fourth is access to commercial banks which is much higher in CSR cluster due to clear paper work. Social life is also better in CSR housing society compared to people living in slums due

to assess to basic facilities. In slum areas, there is frequent fighting between residents due to drinking habits, lack of education, scarcity of resources, such as water etc.

The fifth was social dimension of living. Political participation was much higher in CSR than in the slum clusters. Every household incurs some expenditure on alcohol consumption in slum clusters in comparison to that in CSR housing. Violence against women is almost negligible in CSR housing society in comparison to that in the slums. He concluded that by providing better housing conditions, one can create better living conditions for the people living in slums and promote better citizenship.

Prof. Kundu commented that Housing Shortage Committee estimated a shortage 1878 million urban houses. This not housing shortage but inadequate housing. Out of it, 6.7 million houses are afflicted with congestion. By incremental housing i.e., adding an additional room or the basic amenities, this shortage can be met. He felt that excessive housing storage is being projected. Overall, housing shortage has come down from the 10th plan to the 11th plan. Total housing shortage is 60 million houses of which 40 million is in rural and 20 million is urban areas. Out of the latter, 12 million dwelling units are vacant. How to bring this segment of housing into the housing market thus, of the 18.78 million urban housing shortage, 11 million dwelling units are vacant and 1 million houses are those which are occupied but still locked. In total, 12 million units are vacant. Is there any policy to bring these houses into housing markets, he asked? Affordability is an issue in respect of vacant houses.



Deepak Parekh Committee mentioned that instalment to be paid should be Rs. 2200 per month for a poor household. This is unrealistic? If people earn Rs. 5000 per month as income, how can they afford to pay Rs. 2200 per month? Installment should not be more than Rs. 700 to Rs. 800 per month. EWS category has an annual income of 1 to 3 lakh of which 80% is spent on food and energy. The amount spent for housing should not be more than 10%. Secondly, in all the 4 verticals of PMAY,

there is requirement of involvement of corporate sector, which is not a necessary factor for meeting housing shortage. Through loan, people can largely construct a house for themselves without involving corporate agencies. But as far as other three verticals are concerned, certainly there is a role for private sector facilitation and private sector has welcomed this move as they find an opportunity in this.

KPGM has predicted that the total fund that will be required for the housing sector is 1 trillion dollars whereas allocation in the housing sector is not even 5-7% of the total amount. If 93% of the finance for housing has to come from the private corporate sector, one has to accept that this agenda will be driven by the private sector and not by public interest. There is therefore, incoherence in public policy.

97% of the housing shortage is in EWS and the LIG categories of which 95% is in EWS alone. This being the composition of housing shortage, State and Central allocation put together will be around just 10%. This cannot address the core issue because 95% of housing finance is going to MIG categories.

During the discussion that followed, a question was asked from **Dr. Pankaj** about the share of CSR and slum clusters in housing to which he replied that there was not much change in the existing ratio of slums as new slums have not been added. Earlier, People came as migrant labourers and gradually moved to the slum areas. But, later on, this stopped as they now preferred to go back to their villages after work. One can see people coming from surrounding villages and standing in selected location waiting for people to hire them. But if they do not get any work, they prefer to go back instead of settling down in the city. Another reason is that now municipal authorities do not allow slum settlements.

To another question about clarification of the concept of auto construction Dr. Gautam Bhan replied, auto construction comes as a phrase from Latin American urban studies. Two things about it are important i.e., auto construction represents a built-form made in some tension with legal regimes of planning and property laws. It's not just the self-construction and its infrastructure, but its tension with unclear claims to land and property. It's a powerful concept, as it represents the way that majority of residents have actually found housing. So it means that our notion of thinking of housing market has to be very different because our market is not legible in those terms. Here one pays attention to peoples' own investment in housing, to temporality and long-term nature and to the tension with plans and with formal property rights.

To yet another question that since corporate provider is not the answer to meet housing shortage and also govt. finances are meager and there is need to find a viable strategy to meet the 97% houses of housing shortage why should not the poor be allowed to build their own houses with support of

loan or by some sort of payment guarantee by a semi govt group or a collective agency so that banks do not hesitate in granting loan? Secondly, why MHADA which had access to land was not able to construct adequate number of EWS category houses? Was it because of cross subsidization or any other reason? **Prof. Amita Bhide** replied that the original law has not changed. The input cost for MHADA constructed house has significantly enhanced. In the case of Mumbai, there has been no land left with MHADA since the last 10 years and similar is the case with several other cities of Maharashtra. So, when there is no land, MHADA has only to depend upon redevelopment of available land as a mode by signing joint ventures with private sector. Due to this, the input cost has increased. Also, the budget allocation from the state has reduced. And this is an organization which is not provided any subsidy from the state which means that they have to meet the entire cost of construction. This is the reason why MHADA has increased the price of the houses. In several cities, MHADA has exhausted the land it had.

To another question whether giving tenurial rights under JNNURM to slum dwellers or the poor on their existing locations is the first step towards meeting the shortage of economically weaker section housing, **Dr. Ashok Pankaj** replied that in Ratlam city, out of the 4 slums that were studied, in three, state govt. had already given the patta (tenure) but one slum is located on the railway track. This land is actually sandwiched between the railway line and the highway. State govt. wants to give patta to this land too but they often receive threats from the railway authority. They now want to shift them to some other safe place. But this conferment of tenurial rights to occupants has not taken place in other States.

Dr. Gautam Bhan intervened to say that the best example for large scale improvement in access to housing with auto-construction is that of Thailand. Thailand ran a national large scale in-situ upgrading programme. This programme really tried to incentivize improvement by communities by securing tenure to them for their houses. As a result, in one generation, you could see the scale of improvement that no other housing construction programme had achieved. You could really witness a galvanization of self help effort that is responding to the demand but respectful of capacities. This programme was suggested as a blueprint for the Rajiv Awas Yojana. But Rajiv Awas Yojana changed dramatically from beginning to end with new guidelines getting added. Things such as rental, incremental etc. were added later. Our job should be to push PMAY to add a new model akin to Thailand Programme which would give better results.

Prof. Amita Bhide said in the case of tenurial right, the official discourse has been of slums as a unsafe place. There has never been any mention about insecurities of tenure generated in respect of government operated schemes. In several states, JNNURM tried to side step the tenurial security by giving or creating houses for people who have some proof of other occupation.

In term of technology, IIT Madras is doing a lot of work for mass production of housing. But mass production will work only where one has resolved other set of issues. Currently, construction cost represents 15-20% of the overall cost of a house which means that the essential issues that we are talking about are actually linked to land. A number of participants mentioned about private sector's dubious role in urban housing. She replied that housing is very complex issue. It is not just the issue of finance or the issue of design or technology. It is more a social issue. The immediate need is to modify PMAY to meet the housing shortage.

Prof. Amitabh Kundu said that the culture of violence cannot be linked to poverty syndrome as there is no statistical evidence to show any direct relationship. But, at the same time, we should know that India has the largest youth population and this will further go up. There is a strong need for employment generation. People should tell the Government. what they need. They should tell that the dwelling units should be made by people themselves. If people construct their own house, the subsidy will go to them. Is it possible that the builders only build the houses and hand over them to a public agency for a fair targeted distribution, he asked? But builders would never agree to such an arrangement. In the circumstances, the subsidy goes to the builders.

Electricity

The theme of the next session was Electricity which was chaired by **Dr. Ashok Parthasarathi former Adviser to the PM on Science and Technology**. Dr. Parthasarathi welcomed the seminar on public utilities and stressed that more discussion is needed to influence the public discourse in the context of growing advocacy in favour of privatization of public utilities among the elite. He emphasized that more work is needed to examine the impact of private involvement in power sector both in transmission and distribution amongst others. In this context, Delhi's privatized electricity distribution needs in depth scrutiny or some sort of audit of the three discos.

The first speaker of the session was Dr. Ashok Rao who presented his paper on 'Crisis in Power Sector-Banking on the wrong tree'. He started with the complaint that fundamentals of electricity are usually not understood. It has to be distinguished from other public utility sectors. Electricity is a product which can only be produced when it is consumed. It cannot be stored except in small batteries. It's production is a capital intensive process having extremely high gestation period of 5-7 years from extraction to transmission and ultimately consumption. In short, the principle characteristics of electrical power are that it is a sector where a matching of supply with demand is required, it cannot be stored economically. It has varying demand throughout the year and is relatively price inelastic. Therefore, unless investment precedes consumption, black-outs would make matters difficult for both the consumer and the investor. Furthermore, the barometer of

planning needs to revolve around a long-term perspective over the market-dependent short term demand and supply.



He then traced history of power system in the country. During the colonial period, electricity was privately produced. Its distribution was limited to urban areas. Electricity Act enacted after independence created space both for public and private sector in production Electricity had to be taken from production centres to village and household units. However, in 2003, this Act was amended to ensure that investment in electricity production provides 3% rate of return. This implied that state would subsidise the producer if this return was not realized from its operation. But State violated this legal requirement which led to the collapse of State Electricity Boards. The Structural Adjustment Programme adopted by the Government consequent on an IMF loan, had a massive impact on the electricity sector. In-fact, the World Bank's policy document that came out in 1992 laid out newer terms that the developing countries were forced to follow. In practical terms, policies of the World Bank translated into the splitting up or 'unbundling' of previously State run energy utilities into separate generation, transmission and distribution companies, which were then privatized and which had to operate commercially in order to gain access to finance and compete in the global capital markets for this purpose. This was done through a legislation replacing the earlier one. As a result, the Electricity Bill 2003 on the model of a Bill introduced in Bangladesh and Indonesia was introduced to facilitate multi-seller / multi-buyer system and above-all to privatize the power sector. Its overall objective is to ensure the unbundling of the sector and express a legislative intent to privatize and create a regulator independent of both the executive and the legislature. This was justified by the government on the ground of resource crunch which threatened to paralyze the power sector and consequently the country.

The claim of Govt. of India that this change would attract-huge investment and help in meeting rising power demand for growth turned out to be hollow. In reality, under the garb of foreign investments the lion's share of investment was Indian. Of \$2,850 million invested in Dhabol Power Project more than \$ 2000 million was lent or guaranteed by Indian Financial Institutions, most of which were in the public sector. The Dhabol Power Plant (Stage 1 upto 748 MW) remained shut for more than 40 months after Maharashtra State Electricity Board (MSEB) charged it with violation of its contractual obligations. The Stage II of the plant is unfinished and construction halted midway, the entire plant of 2,192 MW is now junk. The Indian financial institutions-IDBI and IFCI that had advanced loans are now helplessly watching over Rs. 10,000 crores turn into non-performing asset.

In the recent times, the same mistakes were replicated as private investment in generation of Ultra Mega Power Projects (UMPPs) were launched in 2005-2006 with Tata and Reliance being major private entities. In the Tata Mundhra plant, the company has under different pretexts revised the tariffs that are in complete violation of the terms and conditions they won the contract on. On the other hand, Sasan power plant of Reliance did not take off the ground owing to the de-allocation of the Chhatrasal coal block. Relating to the present, he brought to the notice two ill-conceived schemes, to be continued regardless of the debacles, by the Central government. The first one introduced by the finance minister ensures the government returns to UMPP all over again and the Power Minister coming out with Uday scheme that would gradually transform the power sector 'in some way'.

Furthermore, he elaborated that distribution and transmission have also not escaped this fate at all. Here public assets have been handed over on a platter without putting much thought over it. The continuing war with Discoms in Delhi provides a glaring example of it.

He concluded with the observation that the institutions that have proved to be successful and delivered the goods have been conveniently brushed aside under a flawed pretext to attract investments in favor of a model designed by external agencies. Last but not the least he urged for everyone to understand the misconstrued notion of privatizing profits and nationalizing losses.

The second speaker of the session was Dr. Ashwini Chitins from Prayas (Energy Group), Pune. In her paper on 'Privatization of electricity generation – what did not work and what worked' she started off by giving a walk-through on the happenings in the power sector. She briefly spoke about the PPP era, Electricity Act 2003, UMPP, thermal capacity and the latest happenings in introduction of renewable energy.

Then she elaborated on some of the issues by giving a historical perspective of the Independent Power Policy when the generation sector was opened for private and foreign investments. She was lamenting about these projects as they were not very transparent or open for public scrutiny nor were the projects selected on any sort of bidding. To illustrate the point, the example of Enron's Dabhol

project was discussed as being amongst the select few that did materialize in the 200 odd MoU's but at a heavy cost.

Under the Electricity Act 2003, capacity addition based on competitive bidding using standard bidding documents was introduced. Electricity generation was de-licensed except for Nuclear and Large Hydro. Captive generation for own consumption, trading of electricity and merchant sale of power were amongst the other related changes. The Act also established regulatory commissions at state and central level with an explicit mandate to decide tariffs and to adjudicate on disputes between the generating companies and distribution licensees.

In the recent past, Ultra Mega Power Projects were launched with much fan-fare and it indeed made a promising start. There were large projects (4000 MW or more) and all the preparatory work such as clearance, partial land acquisition, providing fuel and water linkages was to be done by government to make the projects more attractive for bidders. The reason for this was that it was felt that competition in generation is stifled because of the hassles involved in getting such preparatory work done. However, the idea was short-lived, as can be gauged from the four awarded UMPPS. Mundra UMPPs, which is developed by Tata Power, is demanding tariff increase over and above the PPA agreed tariff. Reliance Power won all the three UMPP Contracts. Out of three Reliance UMPPs, Sasan has been grappling with multiple litigations pertaining to mine allocation, use of additional coal and increase in tariff arrogated at . For the remaining two in Tilaiya and Krishnapatnam, there has been no progress and the company has sought termination of the contracts. Recent efforts to call bids for newer UMPPs have fared abysmally. Private sector responses for both the bids have been tepid with NTPC becoming the sole bidder on one occasion and bidding in partnership with BHEL on the other.

Post UMPP, there was a discussion of the regulatory framework in the electricity sector. The major problem, the speaker pointed out, was the role of the regulator and the limited scope of regulation. The key issues that should have been scrutinized by the regulator range from reviewing the capacity contracted, initiating a public process for reviewing the tariff and cross-checking the tariffs if they exceed the contracted terms.

Above all, the governance and policy issues raised point towards a grim picture of the power sector in the country. Primary amongst them seem to be the lack of adherence to transparency and accountability provisions. Furthermore, the revision in bidding document to make fuel cost an entirely pass-through component in the bids defeats the purpose. Furthermore, the sector has increasingly become more litigation prone.

The speaker also argued that the demand assessment and planning continues to be neglected despite failures from IPP era and the increased complexity owing to the changing industry structure.

Also, the fuel sector policy is ad-hoc both for linkages and captive blocks. Furthermore, there is an absence of an institutional structure that ensures proper contract enforcement and delivery of coal of agreed quality and quantity. With regard to actual addition in capacity, there has been doubling of coal based generation capacity and the renewable energy has increased almost 10 times. Also, the contribution of private sector in the addition of capacity was raised. Primary amongst its contribution was over 38% of the total installed capacity, addition of more than half coal fired plants since 2003 and above-all having over 90% stake in the existing and upcoming renewable energy sector projects.

Another aspect of the failures in thermal power generation is that there are only a few players dominating the market and hence there is not much competition as such. Only public financial institutions have been funding the capacity addition and thus, there has been no significant additional resources brought in, which has been the aim behind privatization. Lastly, inter-linked sectors such as coal, gas, water, environment and governance processes for allocating and monitoring linked resource have been completely disregarded.

In the end, although the speaker accepted that evaluating generation costs is a complex process, the manner in which all the processes have been sidestepped does not augur well for the sector at all. She summed it up on a pessimistic note pointing towards the fact that the distribution companies can pass on all costs to consumers and the generation reforms have failed to have an impact. The sad outcomes of this is that generation costs continued to be high making it difficult to provide good quality sustainable access to electricity to a vast number of rural and poor people. She was critical of the regulatory institution for not being vigilant enough to take into cognizance the various challenges.

The third speaker of the session was Dr. S.K. Dube who made an oral presentation on ‘Environmental Management in NTPC’. He stated that the NTPC’s environmental practices were second to none. The company was one of the first in having a well-defined environment policy. The motto of “Going Higher on Generation, lowering Green House Gas Intensity” was mentioned in emphasizing the faithful adherence to its goals.

He was of the opinion that company’s pro-active approach to environment, optimum utilization of equipment, adoption of latest technologies and continual environment improvement as mentioned in its policy document has in fact set the standards for the corporations in India. The fact that the policy document was introduced as early as 1995 only underscores NTPC’s responsibility towards building a more sustainable future for our future generations.

The most important feature in the policy has been the maximization in ash utilization and ensuring a green belt all around the plant to maintain in ecological balance. He also shared many pictures of how it has been done. The aim of gradually reducing environmental the impact of the plant has been a feather in cap and the company has set the standard for the corporations in the

country. Also, it has the unique distinction of providing a safe working area for its own employees. It has been very quick to introduce international practices, occupational standards and safety across the board.



The devices used by it to control air and water pollution, ash water recycling system, dry ash extraction system amongst others and additional measures ranging from Environment Management, Waste Management, amongst others is unique to the company.

The fourth speaker of the session was Shri Neeraj Kapoor who shared his experience on ‘R&R and CSR in NTPC.’ He pointed out that various stakeholders in the project such as government, opinion makers, financial institutions, NGOs and project affected persons contribute towards making a project successful.

The speaker mentioned that NTPC’s Policy document talks about 3 major things: Initial Community Development, CSR-Community Development, and Resettlement and Rehabilitation of persons displaced as a result of land acquisition. They ensure that these dimensions of the projects are pursued with dogged persistence till the end. But he flagged that the road ahead is rather long. Now with the changes in CSR rules and regulations, NTPC has widened the scope of its contribution towards society. It has started to participate actively in the social sectors and has strived to improve the quality of life in the neighbourhood. It has started to contribute to the education sector with the Balwadis, Navodaya Vidyalayas and incubation of newer ITI’s and skill development centres. Also, mobile health clinics, DRCs amongst others have been given emphasis in its contribution towards health sector.

He stressed that the road ahead is rocky and the need to equip oneself to discharge this responsibility is paramount. Also, he underlined father of the nation's assertion about the need for corporations to become trustees of society.

The Chairperson concluded the session by urging the participants to think critically about issues raised. The need of the hour was to shape-up the public discourse, making the civil society more proactive and ensuring that the governments were made more open to scrutiny.

Higher Education

The next session was devoted to Higher Education and chaired by Prof. G.K. Das, former Vice-Chancellor Utkal University.

The first speaker of the session was Dr. Dinesh Abrol, who in his oral presentation titled 'Technical Education and Extreme Privatization' highlighted seven broad issues:

First, what are those needs and demands of citizens regarding education that needs to be fulfilled? How should these demand be fulfilled? Should it be through universalization of education or through compulsory provision up to a level specified?

Second, who can supply in a 'cost effective' manner these services? What is our assessment of the performance of public and private sectors in this regard?



Third, what is that minimal bundle of services which public sector should supply and whether the services provided are adequate in quality? What has been the quality of these services in the past?

Four, when the service is not of universal nature, who deserves the service most and how public funding is to be used to provide it and ensure its credibility.

Five, since the purpose and legitimacy of public funding needs to be assessed explicitly for the three missions – education, research and outreach and implicitly in its role in nation building, how effective has been the system of technical and higher education in its delivery?

Six, when the crisis of financing and governance is unfolding, the challenge is one of intervening creatively in respect of the vision and strategy, demand articulation, policy coordination with a view to push transformative change.

Seven, the politics of policymaking on production and provisioning of technical education needs to be built around the spaces opening up around the purpose of the service itself.

Over and above these issues, one should also examine the related changes in the reproduction of three missions, (education, research and outreach) changes in the values of recipients of education and institutions of public sphere, crisis emanating from lack of demand and changes in funding and governance.

What we see today is the massive expansion of technical education through private players. The majority of seats in technical education institutions are filled in private sector institutions. This privatization started in 1980s with expansion of technical institutions through self-financing colleges.. This was accompanied by privatization of public funded institutions through the adoption of cost-recovery measures along with decline of public funding of higher education in general. The next phase was establishment of private universities. This expansion in private sector is now facing systemic crisis of production and provisioning on account of unemployable trained manpower and slowing down of global economy. The rapid commercialization of technical education institutions and rising costs of fees, loans, inherently weakens our right to education as it excludes majority of poor who do not have the financial means to attain technical education. Furthermore, professionals who get technical education are more committed towards earning money than contributing to the society and the nation.

Higher education in India is also shaped by conflicting ideas about the scope and purpose of higher education and also the normative role of state in promoting higher education, influence of political processes and social processes in promoting higher education. What should be the role of state in promoting higher education? Should higher education be left to the market or to be controlled by the state. If it should be the later, does the State have necessary infrastructure and finance to promote and manage higher education without the help of private players?

Addressing the rural-urban disparity as well as regional diversity is essential to deal with the problems of higher education in India. Bridging gender and social divide is a political challenge for policymaking. Some of the solutions to overcome challenges of higher education in India suggested by the speaker included. 1) Developing best teachers, 2) Sustaining student support systems, 3) Promoting cultural integration 4) Working out basis of partnership with private sector institutions, 5) Social control through system of financing of technical and higher education, 6) providing Internationalization but not through FDI, 7) Engaging with industry for employability, 8) Promoting research and innovation.

The Challenges of integrated scholarship in Education, R&D and Outreach consist of low expenditure on higher education sector with R&D activities getting a share of 4.2%, combining research with appropriate outreach, narrow scope and quality of teaching and weak institutions of research & extension, deteriorating working conditions despite increased teaching load, privatization of public higher education, ever increasing demands of accountability, faculty shortage, and unrelenting criticism in media.

The speaker concluded with emphasis on political intervention for systemic transformation of engineering and medical and management institutions. This requires pace setting role of the public sector (central and state institutions) and tackling the challenge of integration of skill development higher educational institutions and promoting online courses, opportunities for technology enabled learning. Overall, the role of state and social movements is critical in promoting higher education in India.

The second speaker of the session was **Prof. Saumen Chattopadhyay** who presented his paper on **‘Public Private Partnerships in Education: An Examination of the Role of the Private Sector in Financing of Higher Education’**. He observed that education has been one of the biggest tools of social transformation and therefore it has been the driving force for achieving social justice. PPP model in education is being promoted to transform the process of education with enhanced quality performance and skill development. At the same time, the Government is in favour of reduced spending of public money on education and for allowing private players to step in to compensate for inefficient use of resources and delivering good quality of education.

However, these assumptions regarding PPP model are questionable in many ways. The resource constraint argument is contestable as, given a very conservative estimate of the size of the black economy at 20 percent of GDP, six percent of additional resources can be mobilized only by bringing half of the black income under tax net. Second, the concept of efficiency is not applicable to education where cost and quality are positively correlated. Minimization of cost and maximization of efficiency would be inimical to delivery of quality education. Moreover, Private entities have no competence or motivation other than pursuit of profit. Private sector would not invest money if

education is not a business proposal and therefore the private sector cannot achieve efficiency without cutting cost and enhancing profit? In practice it has been established that private sector takes recourse to both

The author stated that, at least, four models could be envisaged for PPP in education with private sector.

- as an investor in land and building – Basic Infrastructure Model
- as an employer of the teachers – Out sourcing Model
- producer and deliverer of services – Reverse outsourcing model
- buyer of services: recovery of cost : Equity and Hybrid Model

From these different models of PPP, it becomes amply clear that the question of agency is compromised and with it the quality and impartiality in educational institutions is also likely to be compromised. Students are not consumers and by addressing them as mere consumers and education as commodity, the whole notion of critical enquiry is downgraded.

The grounds on which PPPs have been promoted are achieving efficiency and quality. The speaker asked if private financing can deliver quality education and replied that inputs from private sources are of varied quality and therefore cannot provide uniform quality of education across institution. Better inputs provide better quality. Is quality in higher education quantifiable? If it is quantifiable, what implications it would have for the process of teaching-learning, purpose of education, and the ethos of a university? Besides, the concept of quality in higher education is contestable. How quality is to be measured? Would the private sector have adequate knowledge and sensitivity towards what education is and what a university stands for. In the absence of proper vision, education can only be transformed as a commodity for the purpose of profit making.

Private participation would have also have a deleterious effect on pursuit of research because, after all, university is essentially for knowledge generation and knowledge dissemination. If the university remains deeply engaged in focusing on recovering of cost to defray the expenses, it cannot focus on the long term challenges faced by the society and dedication of resources for fundamental research? What would be the final outcome of such education in terms of transforming society. Is education a mere tool for skill development or does it also have social responsibilities to discharge? The implementation of new public management (NPM) would severely affect the academic freedom and autonomy and would affect the collegiality in the Institution.

The speaker argued that the concept of efficiency is not tenable in higher education and hence the rationale behind PPP is questionable. The concept of efficiency itself needs to be examined. There is a tradeoff here between saving of government resources and inclusiveness in education. By saving

government money and handing over education to private players, can we say that inclusive character of education will be maintained. i.e., students from deprived and marginalized backgrounds would be able to access education in a manner which they do now? The answer of these question is in the negative.

The third speaker of the session was Pradeep Kumar Choudhary who presented his paper on the ‘Private Sector in Medical Education and Human Resource Development for Health in India’. He started with stressing on a strong linkage between the availability of doctors and the health status of population and the need for balancing the two in India. The role of human resources for health (particularly doctors) is also critical in achieving the targets of SDGs on health (SDG3). But of far greater importance is the current availability of health workforce which is half of the global average not to speak of meeting challenge of eliminating communicable diseases by 2020. Besides, more than the 57% of the allopathic doctors engaged in practice do not have any medical qualification and just 18.8 per cent of qualified workers are working in rural areas. The involvement of private sector is suggested to meet the gap by establishing medical and nursing colleges. However, the unregulated growth of medical education and poorly implemented regulations relating to admissions, faculty strength and infrastructure in the private institutions adversely impact the quality of training in India’s medical institutions. Many private medical colleges are owned and managed by the politicians and businessmen without any medical background and are viewed as a business. These Institutions charge huge capitation fee and dispense poor quality of education. But hardly any assessment has been done on the growth of medical education in India – particularly at the regional / state level and in the private sector. Lack of evidence on the availability and quality of doctors produced from private medical colleges pose a huge challenge in addressing the problem of health services in India.

There has been a phenomenal growth of Private medical education in India with its share increasing from 3.6 percent to 54.3% between 1950 till 2014. The annual average growth rate of private medical institutions is 8.7 per cent compared to 3 per cent in government sector. Out of the 385 medical institutions in India in 2014, around two-thirds were established after 1990 and are largely in private sector. The reasons for this expansion include lower public spending on health sector and particularly on the component of medical education, training and research which vacuum was filled by private sector facilitated by neoliberalisation of economy and rapid growth of medical tourism in India.

The regional spread of medical education is very skewed. States from the southern region have an excess of medical colleges, while many states from the eastern and northern regions which also have poor health indicators face an acute shortage. This regional disparity results in poor health indicators in these States. Therefore, it is necessary to address this issue of regional inequality in both education and healthcare facilities.

There are also gross inequalities in the availability of health personnel at the sub-national level. Higher density of doctors in the southern and western states shows the link between production and availability of doctors. Rural-urban divide is another dimension of this divide. Density of doctors (per 10,000 population) in urban areas is four times higher when compared to rural areas. Students from private medical institutions are more likely to end up working in urban areas, even though rural areas need them the most.

Quality of medical education is also skewed. There is shortage of qualified doctors, teachers and training staff in most private medical institutions. Private colleges with larger intake of students are unable to provide adequate number of teachers and professionals because of which the quality is often compromised. Participation of doctors in research, training and other outreach activities is neglected which is evident from the fact that during 1990-1994, 20 per cent of medical colleges had not published a single paper. Commercialization of education in general and medical education in particular has deteriorated the quality of health services in India. The role of Medical Council of India (MCI) in establishing medical institutions, maintaining high standards in them and recognition of medical qualifications has come in for strong criticism. It also lacks effectiveness in the absence of autonomy and authority,

He concluded by emphasizing that the corporatization of health services through commercialization of medical institutions is responsible for lowering the quality of personnel resulting in poor health services across the states. It is important to understand the political economy of regional spread of private medical colleges in the country that leads to this inequality. There is also an urgent need to establish medical colleges in rural and semi-rural regions – Uttar Pradesh has shown some interest in this regard.

There is also a strong need for a rigorous assessment of private sector in medical education in respect of which not only regulatory norms need to be strengthened but also the reorientation of medical colleges for production of quality medical graduates to meet domestic needs particularly in the underserved areas. There is also a need to redefine the role of MCI and revamp its organization - a long standing demand that has not yet been met.

Valedictory Session

The last session of the Seminar was the Valedictory Session presided over by Prof. Manoranjan Mohanty. He stressed on the need for the State to provide a bundle of commodities and services to its people through public sector. This seminar had sessions on health, education, waste management, electricity etc. which focused deeply on the PPPs in these sectors. It has also been witnessed that there has been huge growth of private sector in our country in the last two decades. The private sector, initially, was to work with the public sector, but at later stage,

Government provided direct role to this sector to supply basic needs to a large chunk of the population. This has created a new crisis and we have to think how we are going to deal with it.

The first speaker of the session was Prof Satish Deshpande who spoke on the ‘Challenges, in the Sector of Education’. He said there were various challenges that have emerged in the sector of education and they are related to the kind of education that is imparted under the public and private educational institutions in India. The central problem of higher education is the unequal class rooms. Both the educational systems Public and Private now seemingly have discreet segments. While the private higher education is accessed by the elite with resources, public sector institutions have students from resource deficit areas and background. There is no teacher parity, trained and untrained between them. There is also no one curriculum and syllabus. In public sector education, it results in the problem of weak students, who at the same time, are not bad students. Their low performance is related to resource deficit areas / institutions where sufficient investment has not been made to improve infrastructure & faculty of educational institution. But in private institutions, there are lesser disparities regarding this aspect. Earlier, it was considered that state provided education was good and privately provided education was bad. There is no assurance that it would be so now. This is because there are vast ranges of private institutions all of which are not necessarily catering to the rich segment of students. The inequality in class room is most acutely felt in public sector institutions.

There are also complaints that Institutions are not treating students properly. This is precisely because the higher education is in a pathetic condition due to lack of investment. There is also privatization of schooling. It is striking that the old institutions are breaking. There is a general feeling that State provided education is for the poor and private educational institution are for rich. We live in a time of these contradictions. These associations are getting overturned. Private Institutions are no longer for affluent in India. It is also not the case that private means always better quality. The most robust indication of socio-economic status of a household is whether it is sending children to government schools or private schools. We have not paid attention to schooling from which the students come to receive higher education. Inequality at the level of schools gives rise to inequality at the level of higher education.

Access to public institutions has been democratized only due to reservation being implemented, but it still needs to deal with the problem democratically i.e by providing necessary support to students to bridge this inequality in cultural resources, quality of schooling which impacts on the student’s ability to reduce it. AT the same time there are pressures being built on the elite schools where poor cannot hope to reach to democratize as early as possible. We have not paid attention to these linkages. Pedagogical aspect has also not been given attention. Pressure of the unequal classroom is enormous both on students and the teachers. At the student level, there is a high dropout and failure at the school level. At the teachers’ level, the solution is sought from individual teachers

that they should take special classes and structured bridge courses are also introduced. But such initiatives are hard to institutionalize and they die out. What is considered good and desirable at the school level is in the private sector. But what is considered good & desirable in higher education is in public sector. The supreme challenge is how to bring the two education systems together to bridge this divide.



The Valedictory Session was delivered by Prof. Deepak Nayyar former Vice Chancellor, Delhi University: He began by placing the subject in the perspective of economic theory. The services under discussion in the seminar all ‘public goods’. The definition of public good in economics is limited. However, the common usage is broader. Standard examples of public goods are street lights, parks and national defense and once upon a time roads. Such goods cannot be supplied by the private sector because pricing of these goods is very difficult. This problem was addressed by governments by either purchasing goods from private producers and distributing them or government subsidizing private sector to produce them and supply them either free or on payment of minimal charges. Now this reality has undergone a dramatic change as the governments has raised user charges and private sector have entered the field and charged market prices of services and commodities.

The underlying fact under this transition is government failure. This increasing role of private sector is also due to the withdrawal of government in public provisioning and private sector filling in the vacuum so created. But historically, it was the market failure which necessitated the entry of government in provisioning of these services. Education, Health, Drinking Water and Sanitation are not rivalrous commodities. They are essential and basic human needs provisioning of which make

people as citizens. Well being of people depends upon both private and social consumption. The latter is what government should provide.

The government withdrawal is regressive in nature as it reduces the development of poor. The private sector is also not performing as it was thought of. Quality of education in most private rural schools (leaving aside the elite ones) is low with inadequately qualified and paid teachers and poor infrastructure. In higher education there is proliferation of private institutions with indifferent quality of teaching. Private hospitals (except the elite ones) are far worse than the public hospitals. They engage in unethical practices and charge high cost. There is absence of regulation and accountability. It is also exclusionary. The people in the country are forced to go to private educational institutions and health centres with the expectation of better services as the government sector has failed to provide it. As a result, we are experiencing the worst of both the worlds, public and private. This is also reflected in the outcomes. Health indicators in India are worse than most of the developing countries. Quality of education in government sectors is abysmal. The expenditure on health and education in India is the lowest in the emerging countries. In sum, the public provisioning is not enough in India.

As a result to get these services, if poor go to private services providers, they sacrifice their consumption elsewhere. In most of the developed countries, schooling and higher education and other basic services are financed by the government. So, why cannot our governments do it?

There is a critical role of the government in providing public services. The government must allocate more resources to the concerned sectors for this purpose. The government must increase capacity of public provisioning. The outlays must translate into outcomes. Accountability to local communities must be institutionalized. Government must not abdicate its responsibility. Private sector can never be a substitute to public sector. There is a fallacy that efficient market can do what government cannot do. Ineffective government can produce ineffective market. The solution to government failure and market failure lies in correcting both failures. One should check the other. Education and Health are essential for well being of the nation. This well being is lost in the dominant ideological thrust of privatization.

The chair concluded the session by stressing that there is an active role of state in USA in provisioning of health and educational services. In China too, right up to 1980, state was the sole provider of both those services. There were neighborhood schools and grass root level health providers. This created the basis for success of economic growth later. Later, elite demand created differentiation in provisioning of services. Still, minimum level of health and education is decentralized and provided by the government at the local level. Economic liberalization is responsible for slide towards privatization of these services. The collapse of communism in USSR and changed global thinking led to the ideological shift everywhere driven by default of the public

sector. He suggested the idea of community colleges which would take care of the dropouts. Present educational system caters to those who are very good and ignores average students. It is Darwinian in nature and is devastating to those who are unable to succeed in this unequal competition. Besides, learning outcomes even in elite schools are worrisome. We certainly do not need differentiation at school level, though some differentiation in higher education can be put up with. PPPs are a non-starter. They have turned out to be socialization of cost and privatization of benefits.



With these remarks **Prof. K.B. Saxena** closed the session and thanked the guest speakers and the chair. With the end of the session, the three day seminar also come to a close. He thanked the President & Director CSD for providing financial assistance and logistical support. He also thanked the other staff of CSD for their assistance in attending to the organizational matters and rapporteurs of different sessions in taking notes of important points in discussion. He expressed his gratitude to Action Aid for meeting part of the cost on travel of outside participants. Finally, he thanked the resource persons for contributing papers, making presentations and chairing the sessions and, lastly, to participants for their sustained interest throughout the seminar. He also announced that the subject would be followed up by more intensive discussion, sector wise, over a period of time and a publication based on the papers contributed.

Programme Schedule of the Seminar

Day I - March 28		
Time	Session & Sector	Speakers
9.00		Registration
9.30 - 10.30	Inaugural Session	Chair: Prof. Syeda Hameed, Former Member, Planning Commission
		Welcome and Introductory Remarks: Prof. K.B. Saxena
		Key Note Address: Prof. Prabhat Patnaik
		Presidential Address: Prof. Syeda Hameed
10.30 -11.00		Tea / Coffee
11.00 – 13.00	Session - I: Health	Chair: Prof. Imrana Qadeer
		<i>Reorienting Public Sector Hospitals through Public Private Partnerships: A Case study of India</i> - Dr. Bijoya Roy, Centre for Women's Development Studies, New Delhi
		<i>The impact of privatization of public health services: evidence from three states, Bihar, Chhattisgarh, and Delhi</i> - Dr. Indira Chakravarthi, Dr. Ganapathy Murugan & Dr. Sulakshana Nandi, Public Health Resource Society , New Delhi
		<i>Health in the Era of Neo-liberalism: Growth of Private Sector in Health Service Delivery and Emerging Challenges</i> - Dr. Shailender K.Hooda, Institute for Studies in Industrial Development, New Delhi
	<i>Changing Landscape of Private Health Care Providers in India: implications for National Level Health Policy</i> - Dr. Indranil Mukhopadhyay, Public Health Foundation of India, New Delhi	
	Discussants	Prof. Rama Baru, JNU, New Delhi
		Dr. Amit Sengupta: <i>Alternatives to Privatisation</i>
13.00 – 13.45		Lunch
13.45 – 15.45	Session - II: Drinking Water	Chair: Dr. S.R.Hashim
		<i>Water for Life and the Private Sector: Conceptual and Practical Issues</i> - Prof. Philippe Cullet, Centre for Policy Research, New Delhi

		<p><i>"Private Sector Participation in Water Services - Emerging Critical Issues"</i> - Mr. Gaurav Dwivedi, ActionAid Association, Bhopal, Madhya Pradesh & Mr. Rehmat, Manthan Adhyan Kendra</p>
		<p><i>Impact of Privatisation and Liberalisation on Urban Water: Experiences in India</i> - Mr. Jammu Anand, Nagpur</p>
		<p><i>Can a private entity manage a common pool resource?</i> - Dr. Nitya Jacob, Water Aid India, New Delhi</p>
		<p><i>(Im) possibilities of 24x7 water supply through PPP? – A case of Bhiwandi town in Maharashtra</i> - Prof. Pranjal Deekshit, TISS, Mumbai</p>
		<p>Chair: Shri M. Ramachandran</p>
		<p><i>Solid Waste Management in Delhi: Emerging System, Dominant Pathways and Sustainable Alternatives</i> - Dr. Pravin K Kushwaha & Dr. Pritpal Randhawa, Centre for Studies in Science Policy, JNU, New Delhi</p>
		<p><i>Role of Public Private Partnerships in municipal solid waste management in Delhi- An assessment</i> - Prof. Urvashi Dhamija, Formerly Associate Professor, Department of Political Science, Miranda House, University of Delhi</p>
		<p><i>Public-Private Partnership in Waste Processing and Disposal</i> - Sandeep Malhotra - Head, C&D Waste Processing Plant, Shastri Park, East Delhi</p>
		<p><i>Public-Private-Partnership in Municipal Solid Waste Management in Delhi – An Analysis</i> - Ms. Richa Chaturvedi, Manager, Manager, A Voice for Waste Program, Chintan Environmental Research and Action Group, New Delhi</p>
		<p><i>An Efficacious and Innovative Model of Solid Waste Management for Urban Centers with People’s Participation: A Program to be Scaled-up with Public-Private Sponsorships</i> - Dr. Surendra Kumar Mishra, / Pawan Kumar Varma / Sunil Mehra, Institute for Global Development</p>
15.45 – 17.15	<p>Session - III: Municipal Waste Management</p>	
17.15 - 17.45		<p>Tea / Coffee</p>
<p>Day II - March 29</p>		
		<p>Chair: Prof. R. Govinda</p>
		<p><i>Righting the Discourse of Public Education, in Times of Privation and Privatisation'</i> - Prof. Anita Rampal, Delhi University, New Delhi</p>
		<p><i>Private Sector Participation in Public Services: The Case of Education in India</i> - Prof. Jyotsna Jha, Centre for Budget and Policy Studies, Bangalore</p>
9.00 – 10.30	<p>Session - IV: School Education</p>	

		<p><i>How private is private; how public is public in the education sector in India</i> - Prof. Janaki Rajan, Jamia Milia Islamia University, New Delhi</p>
		<p>Private Gain and Public Loss: International Perspective on Private Schools Ms. Anjela Taneja, Global Campaign for Education, New Delhi</p>
		<p>Privatisation in Teachers' Education and Training Prof. Poonam Batra, Centre Institute of Education, Delhi University, New Delhi</p>
10.30 – 11.00		Tea / Coffee
11.00 – 13.00	Session - IV: School Education (cont)	<p><i>Multi-Stakeholder Partnership in School Education: Case Study of Rajasthan</i> -Dr. Poornima M, Associate Fellow, Council for Social Development, New Delhi</p>
		<p><i>RTE: challenges for private provision</i> - Dr. Kiran Bhaty, Senior Fellow, Centre for Policy Research, New Delhi</p>
		<p><i>The 'Public', 'Private' and Schooling of the Poor in India.</i> - Prof. Geetha Nambissan, Zakir Hussain Centre for Educational Studies, JNU</p>
		<p><i>"Impact of privatization on Right to Education"</i> - Sri. Ambarish Rai & Ms. Sneha Palit, RTE, New delhi</p>
		<p><i>Public Private Partnership in School Education: A case Study of Idea CSR Initiative in Education</i> - Sri. Nilay Ranjan, HEAD, CSR, Aditya Birla Group, Mumbai</p>
13.00 – 14.00		Lunch
14.00 - 15.30	Session - V: Urban Development	<p>Chair: Prof. K.T.Raveendran</p>
		<p><i>Engines of Growth: What Burns? What Grows?</i> - Dr. Dunu Roy, Hazard Centre, New Delhi</p>
		<p><i>Public -Private Partnerships in the Development of Urban Land</i> - Dr. Jamal H. Ansari, Former Director, School of Planning and Architecture</p>
		<p>Financial Implications of Urban Development Reforms in India Sri. Sanjay Vijayvergiya, Independent Analyst and Consultant</p>
		<p><i>Engagement of Private Sector in New Urban Development Programmes : Implications on Equitable Distribution</i> - Dr. Debolina Kundu, Associate Professor, National Institute of Urban Affairs</p>

		<i>A NEW Delhi, with Open Arms welcoming the CityMakers</i> - Sri. indu Prakash singh, Leader – Urban Knowledge Activist Hub, Action Aid, New Delhi
15.30 – 17.30	Session - VI: Sanitation	Chair: Dr. Pankaj Jain
		<i>Role of Private Sector for Providing Urban Basic Services</i> - Dr. Kulwant Singh, Hony. Advisor, Urban Basic Services, United Nations Human Settlements Programme (UN-HABITAT)
		<i>Partnerships for Urban Sanitation: Indian Experience and Feedback</i> - Prof. K.K.Pandey, Professor of Urban Management, Indian Institute of Public Administration, New Delhi
		<i>Does NGOization of Slum Sanitation lead to Depoliticization?: Slum Sanitation Programmes in a Mumbai Slum</i> - Dr. Pradeep Shinde, Assistant Professor, Centre for Informal Centre & Labour Studies (CIS & LS), JNU
		<i>'Is there "Flush of Fund" for Sanitation and Water'</i> - Dr. Manjur Ali, Research Officer, Centre for Budget and Governance Accountability (CBGA), New Delhi
17.30 - 18.00		Tea / Coffee
Day III - March 30		
9.00 - 10.30	Session - VII: Urban Housing	Chair: Prof. Amitabh Kundu
		<i>Expanding Housing Rights Through a Privatising State?</i> - Prof. Amita Bhide, Professor and Dean, School of Habitat Studies, TISS, Mumbai
		<i>A House or Housing?: The Challenges of "Housing for All by 2022"</i> - Dr. Gautam Bhan, Senior Consultant, Indian Institute for Human Settlements
		<i>Housing for All -Thinking Beyond Public-Private Binary</i> - Dr. A.K.Jain
		<i>Public or Private, Housing Matters A Lot for Urban Poor: A Field View from Ratlam (MP)</i> - Dr. Ashok Pankaj, Senior Fellow, CSD
	Discussant	Dr. P.K.Jain
10.30 – 11.00		Tea / Coffee Break
11.00 - 13.00	Session - VIII: Electricity	Chair: Dr. Ashok Parthasarathi
		<i>Crisis in Power Sector: Barking the Wrong Tree</i> - Mr. Ashok Rao, Delhi
		<i>Privatisation of electricity generation – what did not work and what worked</i> - Ms. Ashwini Chitnis, Prayas, Pune

		<p>"PPP in electricity distribution - Challenges and opportunities" - Mr. Saurabh Prasad</p> <p><i>Certain Issues in Environment Management in Thermal Power Station and Sharing NTPC Experiences on R&R & CSR - Dr. S.K.Dube, Senior Fellow, TERI, New Delhi & Shri Neeraj Kapoor, GM - R&R, NTPC Limited</i></p>
13.00 – 14.00		Lunch
14.00 – 16.00	Session - IX: Higher Education	Chair: Prof. Gour Kishore Das
		<i>Technical education faces the challenge of extreme privatization</i> - Prof. Dinesh Abrol, Professor, Institute of Studies in Industrial Development, New Delhi
		<i>Public-Private Partnerships in Education: An Examination of the Role of the Private Sector in Financing of Higher Education</i> - Prof. Saumen Chattopadhyay, Zakir Husain Centre for Educational Studies (ZHCES), JNU, New Delhi
		<i>Private Sector in Medical Education and Human Resource Development for Health in India: Issues and Challenges</i> - Dr. Pradeep Kumar Choudhury, Zakir Husain Centre for Educational Studies (ZHCES), New Delhi JNU
		<i>'Shift from 'publicisation' to privatization: Implications for quality of higher education in India'</i> - Dr. Anupam Pachauri , Centre for Policy Research in Higher Education (CPRHE), NUEPA, New Delhi
16.00 – 17.30	Concluding Session	Chair: Prof. Manoranjan Mohanty
		Prof. Sateesh Deshpande
		Prof. Deepak Nayyar
17.30 - 18.00		Tea / Coffee

Seminar Convener: Prof. K. B. Saxena

Seminar Coordinator: Ms. Jaya Lekshmi Nair