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Making Sense of Political Party Manifestos

BJP and INC are out with their manifestos for the 2019 Lok Sabha Elections. Could they have been better?

- Mourya Krishna C

Every political party pursues state power as desperately as the Knights of King Arthur searched for the Holy Grail in medieval England. Political party manifestos are an integral part of this pursuit. Manifestos are blueprints prepared by political parties to show their plans for the development and governance of a country or a province once they come to power. They throw light on a political party's thinking in the broad areas of education and healthcare, management of the economy, poverty alleviation, agriculture, infrastructure development, job creation and so on.

In early April, both the major national parties - BJP and INC came out with their manifestos. As voting is in full-swing in the long and exhausting 7-phase polling process, it may be worthwhile to look at the problems in the chosen sector, how the parties look at that sector and some better alternatives.

We look at the following sectors: [Links below can be accessed individually]

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I SCHOOL EDUCATION

Problems	<ol style="list-style-type: none"> 1. Poor learning outcomes as highlighted by ASER surveys of Pratham. Ex - 50% of Class V students cannot read Class II text 2. Teacher absenteeism, poor accountability of teachers and inadequate capacity building 3. Rigidities imposed by Right to Education Act, 2009 such as pupil-to-student ratios, no detention policy, etc. and top-down policy prescription by Union government
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BJP	INC
<ul style="list-style-type: none"> ● Establish National Institute of Teacher's Training ● Open another 200 Kendriya Vidyalalas (KVs) and Navodaya Vidyalas (NVs) by 2024 	<ul style="list-style-type: none"> ● Transfer School Education to State List, retain Higher Education in Union List ● School education from Class I to Class XII in public schools shall be compulsory and free. ● Increase the capacity, number and quality of Teacher Training Institutes set up by the government ● Double expenditure to 6% GDP by 2023-24 ● Increase the number of Kendriya Vidyalalas and Navodaya Vidyalas ● Introduce vocational training as a compulsory component of school education in Classes IX to XII
<p>Note: List is not exhaustive</p>	

Amending Right to Education Act (RTE), 2009 to make it mandatory for public schools to provide free education form Class I - XII is well-meaning. Unfortunately, no serious thinking seems to have happened to take steps to address poor learning outcomes. It evokes a sense of deja vu because it may end up reproducing the failures of RTE Act, 2009, i.e., failing to provide

quality education. ASER surveys by Pratham have time and again exposed the appalling outcomes in school education.

It is appreciable that core issues of education such as inadequate teacher capacity and excessive interference by Union government (through rigidities imposed by the RTE Act, 2009 such as No Detention Policy, unscientifically imposed pupil-to-teacher ratios, etc.) are sought to be addressed. Having more KVs and NVs is welcome. However, given that there are nearly 200 million school-going children, KVs and NVs may be able to benefit only a fraction of the total number of students.

An expenditure of 6% GDP on education is unnecessary as the present expenditure of 3% GDP if handled better can lead to better outcomes. States like AP, Telangana, Karnataka and Maharashtra spend about Rs. 40,000 - 60,000 per child per year but have only poor learning outcomes to show. Instead by encouraging quality budget private schools that charge nominal fees (Rs. 10,000-15,000 per annum), it is possible to obtain better outcomes with the current public expenditure.

The biggest omission seems to be the lack of acknowledgement of how the RTE Act's structural rigidities have adversely affected school education in India leave alone proposals to restructure the same. RTE is the biggest stumbling block for improvement of school education outcomes. RTE, has been focusing on enrolment, instead of focusing on outcomes, and prohibiting all kinds of examinations. Instead of promoting competition and choice, the law sought to create a government monopoly. The net result is a shift of enrolment of poor children into private sector, and appalling outcomes in education in general.

Prescription:

1. Focus policy on learning outcomes based on three parameters - ability to read and perform arithmetic operations properly, ability to

communicate and ability to draw logical conclusions from facts and information

2. Incentivize low-cost quality private budget schools to provide education to students from BPL families and reimburse the fee besides providing monthly transport subsidies

II HEALTHCARE

Problems	<ol style="list-style-type: none"> 1. Low public health expenditure on healthcare at about 1% GDP 2. Poor state of affairs of primary healthcare centres 3. High out-of-pocket expenditure (OOPE) - healthcare constitutes 65% OOPE and an estimated 60 million people are driven into poverty due to this
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BJP	INC
<ul style="list-style-type: none"> ● Provision of telemedicine and diagnostic facilities at wellness centres (under Ayushman Bharat) ● Separate essential medical devices list ● Setup Medical College or Postgraduate Medical College in every district ● Double the number of MBBS and Specialist doctors in the country ● Accelerate the reforms in paramedical education sector ● Full immunization coverage to children and pregnant women by 2022 ● A Special Mission to eliminate TB from India by 2025 	<ul style="list-style-type: none"> ● Expenditure on healthcare to be doubled to 3% GDP by 2023-24 ● Enact the Right to Healthcare Act that will guarantee to every citizen ● Free public hospitals-model instead of insurance model to promote healthcare ● Implement the Clinical Establishments Act, 2010 to bring accountability to the functioning of private and public clinical establishments ● Promote and eventually mandate digitization of medical records ● National Telemedicine Policy based on international best practices ● Dispense with the NEET examination and substitute it with a State-level examination of equivalent standard
<p>Note: List is not exhaustive</p>	

Increasing expenditure is desperately required to boost healthcare in India. The public healthcare expenditure of major economies like the USA, Canada, UK, Japan, France and Australia is more than 5% GDP. Other emerging

economies such as China, Brazil and South Africa spend around 3%-5% GDP on public healthcare.

Healthcare based on insurance model suffers from implementation and penetration issues. A tendency for overtreatment has also been observed. The colossal failure of the USA's healthcare model despite a public healthcare expenditure of 14% GDP is a case in point. Therefore, proposals to move away from the insurance model make sense. Next, maintenance of digital medical records is the need of the hour as data in healthcare sector is too fragmented. Next, dispensing with NEET could erode the standards of students entering into medical colleges. Therefore, it must be reconsidered.

Right to Healthcare Act sounds desirable yet implementation hurdles remain due to dilapidated public health infrastructure. Therefore, unless public healthcare infrastructure is fixed, accessibility and affordability will remain problematic.

Prescription:

1. Strengthen primary healthcare institutions and promote preventive healthcare
2. Commit to higher healthcare expenditure and follow through on it to promote better outcomes
3. Promote effective decentralization of healthcare to avoid chaos between the Union and State governments

III AGRICULTURE

Problems	<ul style="list-style-type: none"> - Agriculture Produce Marketing Committee (APMC) Act imposes unreasonable restrictions on sale of agricultural produce - Essential Commodities Act (ECA) impedes private investments - Presence of middlemen between farm gate and fork plate eat away at least 70% of the value of the produce (FICCI Report) - Lack of a conducive FDI policy in multi-brand retail sector disincentivizes players like Walmart, Tesco from investing in improving supply chains in agriculture
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BJP	INC
<ul style="list-style-type: none"> ● Income support to all the farmers in the country ● Loans at 0% interest rate upon prompt payment of principal amount ● Pension scheme for small and marginal farmers on attaining 60 years of age ● Rs. 25 trillion investment in Agri-rural sector to enhance productivity ● Establish National Warehousing Grid along National Highways ● Village Storage Scheme - to enable farmers to store agri-produce near their villages & loans at cheaper rates on the basis of storage receipt of the agri-produce ● Creation of 10,000 FPOs by 2022 ● To cater to the needs of big cities we will set up a mechanism of direct marketing of vegetables, fruits, dairy and shery products through farmers' cooperative organizations so as to ensure beer price return to the farmers ● Promotion of fisheries 	<ul style="list-style-type: none"> ● Waive outstanding farm loans in states ● Establish a permanent National Development on Agricultural Development & Farming to advise govt on improving agriculture ● Commission on Marginal Farmers & Agricultural Labour to advise govt on improving incomes of these sections ● Repeal APMC Act and make trade in agriculture free of restrictions ● The Essential Commodities Act, 1955 belongs to the age of controls. Replace the Act by an enabling law that can be invoked only in the case of emergencies ● Policy to enable construction of modern warehouses, cold storage and food processing facilities in every block of India ● Separate Kisan Budget ● A separate Ministry of Fisheries and Welfare of Fisherfolk ● A National Fisherfolk Commission to promote fishing and the welfare of fisherfolk ● Recognise inland fishing and aquaculture as 'agriculture' and extend to them all the benefits available to agriculture ● Double the funding in 5 years for teaching, R&D, agriculture-related pure sciences and applied science and technology in the agricultural sector
<p>Note: List is not exhaustive</p>	

Proposals to repeal APMC Act and use the ECA only sparingly must be appreciated. The former has led to menace of middlemen and multiple market levies, and eaten into the profits of farmers while the latter has impeded private investments due to restrictions on production and stock

limits, among others. Emphasis on investments in infrastructure including warehouses, cold storage and food processing, and allied sectors like fisheries is a good sign. Promotion of farmer’s cooperatives will enable the farmers to collectively realize their interests but only if they are insulated from political interference.

However, announcements of grant of farm loan waivers are fiscally imprudent and populist. It does not address the real problems plaguing agriculture.

Prescription:

1. Repeal APMC Act and ECA completely so that farmers are able to realize better value for their produce and private investments into agricultural sector are not impeded due to production and stock limits
2. Massive investments in organized retail chains are necessary to stimulate our agriculture, stabilize prices, create jobs and promote exports. FDI policies can be made conducive to encourage large-pocketed private retail companies like Walmart and Tesco
3. Refrain from consumption expenditure (loan waivers etc.) and focus on production subsidies that create productive assets (warehouses, processing units, etc.) and improve productivity

IV INDUSTRIAL PROMOTION AND JOB CREATION

Problems	<ul style="list-style-type: none"> - Rigid and complex land and labor laws - Weak manufacturing base - Dearth of gainful employment - Low employability of graduates and high unemployment rate
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BJP	INC
<p># Industrial Promotion</p> <ul style="list-style-type: none"> ● A new industrial policy in order to gear up for technologies like artificial intelligence and electric 	<p># Industrial Promotion</p> <ul style="list-style-type: none"> ● Increase share of manufacturing from 16% to 25% of GDP in next 5 years ● Setup New Industrial Towns in

<p>mobility</p> <ul style="list-style-type: none"> ● Invest in creating clusters/networks that can take on the world's best ● Digitization of land records on a mission mode & model law for conclusive titling <p># Skilling</p> <ul style="list-style-type: none"> ● 'National Policy for Reskilling and Upskilling' to evolve a exible and industry- responsive workforce <p># Entrepreneurship</p> <ul style="list-style-type: none"> ● Easy regulatory requirements for start-ups, setting up new incubators ● Collateral-free credit up to 50 lakh for entrepreneurs ● Financial support to the micro, small and medium industries and for employment generation in the North-eastern state <p># MSMEs</p> <ul style="list-style-type: none"> ● Credit Guarantee Scheme - aim to take the credit figure to Rs. 1,00,000 crore by 2024 ● The Technology Centres, other skilling centres of MSMEs and NSICs incubation centres alone would provide focussed and high level skilling to more than 6 lakh people per year ● 'Van Dhan Vikas Kendras' - Primary processing and value addition units for forest produce to improve employment and increase income of tribals 	<p>collaboration with state govts</p> <ul style="list-style-type: none"> ● 'Make for the world policy' wherein domestic and foreign companies will be invited to invest in 'Exclusive Export only' zones; pay no indirect taxes; pay low corporate tax ● Promote manufacture and export of India's traditional products like handlooms and handicrafts and generate employment <p># Job Creation</p> <ul style="list-style-type: none"> ● 4 lakh vacancies across Union govt, CPSEs, Judiciary, Parliament to be filled by March 2020 ● New Seva Mitra positions (estimated at 10 lakh) in every Gram Panchayat and every Urban Local Body to ensure the effective delivery of government services to citizens ● Expand ASHA programme and appoint a second ASHA worker in all villages with population > 2,500 ● Tourism Development Bank to provide low cost credit for investment in tourism-related businesses. Lower rates of corporate and personal income tax on tourism-related businesses ● MSMEs - regulatory forbearance - They will be exempt from all applicable laws and regulations (except the Minimum Wages Act and tax laws) for a period of 3 years from 1 April 2019 or, in the case of new businesses, the date of commencement of business. This means freedom from 'Inspector Raj' until they stabilise
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Note: List is not exhaustive

Focus on new industrial policy in tune with the emergence of Artificial Intelligence, IoT, etc. is much needed to adapt to today's world of technological disruptions. But the focus on manufacturing (to increase its share of GDP) is old wine in new bottle. Mere policy announcement without reforms in the areas of land and labor may not yield the desired result.

Filling 4 lakh government vacancies is no simple task. Increasing size of the government will only add greater fiscal burden for the state as government employees especially in Group C and D jobs in India are overpaid. Moreover, this cannot be seen as a substitute for job creation.

Public Service Delivery is the Achilles heel in today's governance. Appointing Seva Mitras dedicated towards improving public service delivery appears thoughtful.

Simplifying credit access and reducing regulatory hurdles for the MSME sector will go a long way in creating jobs as well as boosting the productivity of MSMEs as they account for 40% of India's exports and more than 30% of India's GDP.

Prescription:

1. Amend labor laws to make it easier for firms to hire and fire. For example, the Industrial Disputes Act places restrictions on firing employees leading to problems of personnel management for firms
2. Amend the Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013 to ensure the right balance between investors and communities affected by land acquisition. At present, the cost of land acquisition is exorbitant

V POVERTY ALLEVIATION

Problems	- Inclusion and exclusion errors in beneficiary identification
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	- Leakages in anti-poverty welfare schemes
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BJP	INC
<ul style="list-style-type: none"> ● Bring percentage of population below poverty line to single digits in 5 years ● Pucca houses for families living in kaccha houses or without access to housing by 2022 ● Widen food security cover to provide subsidised sugar (at Rs 13 per kg per family per month) to 80 crore poor and lower-middle-income people/families 	<ul style="list-style-type: none"> ● Ensure 10 crore people to be lifted out of poverty between 2019-2024 and wipe out poverty by 2030 ● Nyuntam Aay Yojana (NYAY): <ol style="list-style-type: none"> 1. Target population 5 crore families who constitute the poorest 20% of population 2. Guaranteed cash transfer of Rs. 72,000 a year to each family ● Current merit subsidy schemes that are intended to achieve specific objectives will be continued
<p>Note: List is not exhaustive</p>	

1/5th of the world's poor are in India and therefore, anti-poverty programmes merit serious attention. Both the parties are aiming for the stars given their ambitious poverty reduction targets while they may fall well-short of even landing on the moon. The much talked about income support scheme seeks to directly deposit money into bank accounts of the poor. This can certainly reduce leakages that have become integral to our welfare schemes. However, serious challenges remain - narrow fiscal space, selective beneficiary identification which may leave out poor families in the 21st quintile and fear of disincentivizing work.

Prescription:

1. Remove non-merit subsidies like food, fertilizer and kerosene subsidies and use the amount saved for income transfer
2. Be generous in targeting the poor, i.e., a wider beneficiary pool but with a monthly income transfer that doesn't disincentivize work

Indian politics suffers from two major fault lines - voting on the basis of denomination and unabashed influence of money power in elections. As long as these prevail, discussions on manifestos may remain confined only to a coterie of intellectuals, media persons and urban classes. Given this, voting will continue to remain based on affiliation to primordial identities and political parties that spend the highest money on vote-buying will have greater likelihood of coming to power. Yet this should not deter one from examining the manifesto and using this as an opportunity to hold the political parties accountable.

Amidst the structural flaws mentioned above, there remains a case for optimism as some of the thinking that has gone behind crafting some portions of both these manifestos shows that the political parties are vested in delivering good governance. At other places in the manifestos, however, there is serious disdain for the voters due to bankruptcy of thought and a sense of complacency.

Deng Xiao Ping was right when he said that it did not matter whether a cat is white or black as long as it caught mice. Therefore, whether it is the BJP or the INC, whoever comes to power, as long as good governance is delivered through quality and affordable education and healthcare, subsidies that create productive assets or improve productivity, agriculture that is viable and remunerative, economic growth that brings gainful jobs, among others, everything else will matter little. To this extent, as citizens, we must hold the newly elected government accountable to deliver better outcomes in the aforementioned sectors rather than making do with untenable promises and encouraging vote-bank politics. ▪