

Creating value through public-private-civic partnerships

I would like to thank the Indian School of Business and the organisers of the Net Impact Club for inviting me to this Plenary Session. I do hope the Social Responsibility Conclave helps us to generate new ideas and approaches, review some of the earlier ones and ultimately find common ground for positive action.

Ideally it makes logical sense for diverse agencies - be it the public or private sector and individuals - to join hands and work together to come up with innovate, sustainable and scalable solutions to address the complex and huge problems that we face in India. If all the parties have a passion to focus on the crying needs of our country and not focus on our differences of approaches, ideologies and methodologies, there is ample scope for public and civic sector partnership.

At times partnership is subscribed to because it is the flavor of the season and is seen as the appropriate thing to do for a good corporate. At times corporates partner to appease the Government and keep the political class on the right side. Recently the Government has increased the quotas in the education sector and there was a threat to introduce quotas in private industry. Instead of unanimously saying an emphatic 'no' to this move, industry through its associations has promised to reach out to SC/ST through "affirmative action" for "inclusive development". These moves lack genuineness and remind me of earlier slogans like 'garibi hatao' which sound laudable but achieve very little.

Bringing up the standards of the marginalised people is in the long term interest of the Corporate world. As we will grow we will need a talent pool from which to draw and without the right education we will perennially face shortages. We also need the purchasing power to go up so that the market size increases. In our own enlightened self-interest we need to bridge the gap between the rich and the poor. How long will the poor tolerate such huge differences and not resort to violence?

If there is such a glaring need to reach out, why are we doing so little?

I think there are three reasons:

- i) Corporates feel that they pay their taxes and have done their bit, it is Government's responsibility to take care of social problems. They operate from the old mind-set that says "business of business is business.
- ii) We have all become insensitive to poverty and the plight of the needy. We do not feel guilty about our splurges and wasteful consumption even as thousands go hungry.
- iii) We have lost confidence in our system and have become cynical. We do not see how our little effort can make any difference. Along with corrupt politicians, untrustworthy NGOs and unethical business practices have eroded public confidence.

For ongoing partnership to succeed there should be trust and a feeling of being wanted. In many cases civil society is harassed and hassled for all the permissions they need to seek from government. This does not foster a feeling of partnership.

During Rajiv Gandhi's time, the government itself acknowledged that due to corruption and mismanagement, nearly 85 % of its social spending does not reach the intended beneficiaries. When corruption has become the hallmark of our public life, not many would venture out with their resources.

Even if the entire corporate sector woke up and assumed responsibility to partner government, it will not be able to come anywhere to the resources of the government. When we consider that the Government between the States and Centre, spends Rs.50,000 crores per year on education alone; from this we can understand the magnitude of government opening.

Hence in my opinion, the most important role that civil society can play is to demand accountability of Government's spending. This could be best done if Business Associates audit Government spending in the social sector and not always pander to keep the Government on the right side.

It is true that the corporate sector is contributing by generating wealth and by employing thousands of people, but that certainly is not enough. It can and should go beyond the 'business of business' and contribute to the well being of the people. It should partner with government, NGOs and the people to change things for the better.

There are a few positive examples of public-private partnerships. India's first private water supply project in Tirupur executed through a joint venture between the Government of Tamil Nadu and ILFS was a path-breaking initiative. Another successful example was when in 2002 UNDP, Government of Karnataka and Ministry of non-conventional Energy sources along with active involvement of the villagers were able to benefit 2500 households in Tumkur District in Karnataka with biogas for cooking and electricity for piped water supply and home lighting. The Azim Premji foundation is doing very good work to actively promote quality education. The foundation works closely with state governments. The Bangalore Agenda Task Force was a unique partnership between citizens, corporates & administrative agencies. Corporates gave their help and in return demanded accountability from the system. While it lasted, it was a bold and creative attempt to renew the city. Unfortunately, such success stories are limited. Lethargy from the government sector and mistrust and apathy from the private sector slow down the process.

What are the key elements of successful partnerships?

- a) There is clarity about the expectations, roles and responsibilities of the partners involved in the development projects

- b) They are based on trust and goodwill, which is sustained through transparent operations.
- c) Wherever possible, such projects need to be designed as viable business models, where we move away from the charity mode.

Successful projects don't believe in the ' free' philosophy that has become the bane of our public life. They have brought in user charges so that the community of users gets the feel of true value and ownership. Madhya Pradesh Government was able to revitalise its creaky public health system through the Rog Kalyan Samitis by adopting such an approach

Partnerships have to be clearly worked out to make use of the best that each partner can bring to the table: seed capital and legislative frameworks by the government, technology and expertise from the private sector, programmes to promote awareness and community involvement by NGOs and other civic forums.

Social sector covers several areas. Let me focus a little more on education -- an area I am slightly familiar with. As indicated earlier, Government spends large amounts on education which represents 3.8% of GDP. International evidence reminds us that it is not how much the government spends but how that money is spent, how judiciously it is utilised that determine the quality of education. China spends 2.6% on education and South Korea 3.2% and both have done better than India.

Surveys have brought out that money spent in running Municipal Schools is far greater than private unaided and aided schools. In 1996, in Uttar Pradesh, it was documented that it costs per month per student:

Rs.999/- per student in private unaided schools,
Rs.1827/- in private aided schools and
Rs.2008/- in government schools

Currently, Bangalore Municipal Corporation spends Rs.1700/- per student per month whereas in good private schools, it costs far less.

At times the dilemma is that in the name of partnership, are we rescuing the government and end up duplicating work which ought to be done by the government? E.g. since government does not provide quality education even though it spends huge amounts, do we demand quality in education which will take a long time to achieve or in the short run reach out to the poor and run supplementary educational centres? There are no simple and easy answers.

I am involved with an NGO called Akanksha, which was started fifteen years ago by a dynamic, young lady named Shaheen Mistri. About eight years ago, we brought it to Pune and today we have twenty education centres in Pune and thirty in Mumbai. In these centres, for 2 ½ hours we engage with slum children who attend municipal schools but learn very little. Through two paid teachers and help of volunteers, we teach them English, Maths, Creativity, Values and also encourage them to have a good time. We have been able to instill in these children tremendous confidence and hope, and a will to give back to their community.

Three years ago, with its first batch of alumni proving to us that change is possible, Akanksha began to think about how we could be of help in reforming the school system. We have adopted 10 government and aided schools in Mumbai and Pune.

Reforming the school system and building Akanksha centres requires effective teachers, and this is the challenge we have been trying to address. This year, we have recruited twenty young adults from low-income communities who know basic English, have passed school and have the drive to become teachers. We will put them through three years of intensive training to become Akanksha teachers. Our hope is to expand this program and create effective teachers of high integrity who can begin to change the way students go through school.

As part of CSR Thermax is working with the Pune Municipal Corporation (PMC). The plan is for the PMC to hand over one school to be run by the company. The PMC will provide the building and Thermax will appoint the Principal and teachers. If this experiment works we can demonstrate what a difference quality education can make in the lives of people. With more successful examples, the Government may realise that it is better to give financial coupons to the poor (equivalent of what they spend on education for each child) and let the parents decide which schools their children be sent to.

Having a school or enrolling children may not ensure that children get quality education. An all-India survey carried out by the NGO, Pratham found out that in States like Uttar Pradesh, 41% of children even though they attended school, could not read a single paragraph. Their parents were unaware of this because they themselves are illiterate. A humbling revelation, as it reminds us of the complex nature of challenges before us. Operation blackboard or a primary health centre may still be a dream for thousands, but even after they arrive it takes great effort to make them render meaningful service and bring about desired results.

We can and should come together to banish poverty, illiteracy and disease. Can we learn something from the Grameen bank experience of Bangladesh? What began as a search for microcredit became a nation-wide initiative empowering women, energising rural crafts and sources of livelihood. And one person's initiative found support among people and the governing structures. Success was possible only through partnerships. If Bangladesh, among the poorest of the poor could devise such creative partnerships for improving people's lives, we should be at least be able to emulate and follow it, if not better it.

Thank You