



FINANCIAL MANAGEMENT UNDER NRHM IN SOUTHERN STATE OF INDIA: ANALYSIS OF ITS TRENDS AND PATTERNS

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Abstract

Health is one of the important indicators reflecting the quality of human life. It is a basic need along with food, shelter, clothing and education. There is always a positive correlation between the health status of the people and economic development of the country. It is also one of the key variables that determine growth with human face. The study is aimed at analyzing the Trends of financial management under NRHM in Southern state of India, and to explain the components wise financial management under NRHM in southern states of India. The entire study is based on secondary data. The study has covered the period from 2005-06 to 2013-14. The study finds out the Total fund allocation release and expenditure under NRHM in southern states of India, Kerala has performed better which as compared to other southern states in India with expenditure percentage is 117.26 per cent it is more than the release fund percentage with share is 108.66 followed by Tamil Nadu during the period of 2005-06 to 2013-14. Components wise fund utilization under NRHM in southern states of India, Karnataka state has highest utilisation on RCH Flex and NRHM Flex pool and Tamil Nadu has highest utilisation on Infrastructure and maintenance but Kerala state has consistent utilisation on all components under NRHM during 2005-06 to 2013-14.

Key Words: NRHM, Fund Allocation and Utilization.

INTRODUCTION

Health is one of the important indicators reflecting the Quality of human life. It is a basic need along with food, shelter, clothing and also education. There is always a positive correlation between the health status of the people and economic development of the country. It is also one of the key variables that determine growth with human face. Since India's independence, the Government of India (GoI) has been trying to enhance the healthcare services provided to its people by focusing on improving the primary health care system and also by enabling the entry of private sector to the health care sector. At present the health sector in India comprises the healthcare activities provided by public, private and voluntary institutions. Despite the combined efforts of these sectors, the health status of the country, as a whole, has not improved to the extent desired. Though India's population is growing, the public health expenditure in India has been comparatively low over the years. According to the estimate of the World Bank in 2005, 41.6% of India's total population falls below the international poverty line of US\$ 1.25 a day which means almost half of India's population is among the poor for whom the available health care services are very expensive. Over the years, public expenditure on health care has been declining. It was 1.3% of India's Gross Domestic Product (GDP) in 1990 which declined to 0.9% by 1999. Then it increased slightly to 1.3% between 2001-2011. Because GoI implemented one of the health related flagship programme that is National Rural Health Mission (NRHM). It was launched by the Hon'ble Prime Minister Dr Manmohan Singh in New Delhi on 12th April 2005 in the country, with a special focus on 18 states. It is the biggest ever health project in the health sector in the last 50 years. It recognizes the importance of health care in the process of economic and social development and improving the quality of lives of our citizens. It provides effective health care to rural population throughout the country with focus on 18 states which have weak public health indicators and weak infrastructures, and with an objective of increasing government health sector financing from 0.9 percent to 2-3 percent of GDP by 2012 and was to carry out necessary architectural correction in the basic care delivery system to improve the availability of and access to quality health care by people, especially who are residing at rural areas, the women and children, the poor and marginalized sections of the society (NRHM document, 2005).

This paper tries to analyse the financial management under NRHM in southern states of India. This paper has covered the 4 southern states namely Andhra Pradesh, Karnataka, Kerala and Tamil Nadu, Kerala state has better performance, compared to other southern states in India for Fund allocation and Utilisation followed by Tamil Nadu. Andhra Pradesh has low performance on financial management under NRHM in southern states during the period of 2005-06 to 2013-14.

REVIEW OF LITERATURE

A study by Mehrotra (2008) found that Uttar Pradesh there could be a similar turnaround in Uttar Pradesh health system as well, given that in terms of health infrastructure it is in most cases better endowed than Bihar. A study by Ashtekar (2008)



found that states that NRHM programme was unsuccessful due to failure of decentralization, lack of inter-sectoral co-operation and weakness in traditional health supports. In a study by Duggal (2009) examined the allocation for health in union budget and state expenditure with focus on NRHM. The Central allocated resources to the states on NRHM for increasing health spending, but the allocated resources are not properly utilized and decentralized at a bottom level in the states. A study by George (2009) examined the possibilities and challenges within the leprosy disease control programme which was integrated in NRHM scheme. A study by Gayithri (2012) analysed the district level fund flow and expenditure under NRHM in Karnataka, that the health expenditure as a percentage to GSDP, state budget and social services declining until the NRHM programme was launched, then after increased its respective share. The better off districts were getting more allocation of fund as compared to worse off districts in Karnataka.

The literature above reviewed focuses on budget for health with regard to NRHM, States of Northern in India and district level spending on NRHM in Karnataka and indicators of health which covering very limited period by taking particular aspects. No study have been come across the macro issues of NRHM southern states in India, that's why this paper concentration on financing management Under NRHM in Southern states in India.

OBJECTIVES OF THE STUDY

1. To analyses the Trends of financial management under NRHM in Southern state in India.
2. To explain the components wise financial management under NRHM in Southern state in India.

RESEARCH METHODOLOGY

The study is based on secondary data collected from National Health Mission, Government of Indian; NRHM Document 2005, and government reports like Performance Evaluation Study of NRHM in Karnataka Draft Analytical Report 2012, and www.NRHM.nic .in website. Study purpose used simple statistical tools like percentage average and CAGR for analysing the allocation and expenditure trends under NRHM.

RESULT AND DISCUSSIONS

Fund Allocation and utilisation Under NRHM in Southern states of India

Government of India gives its more importance to health care sector that's why government is implementing on important health related programme namely National Rural health mission. Government spent on very huge amount on this programme. Fund allocation and Expenditure under NRHM in southern states of India AndhraPradesh, Karnataka, Kerala and TamilNadu have increasing trend from 2005-06 to 2013-14. In the year 2005-06 fund allocation under NRHM in AndhraPradesh , Karnataka, Kerala and TamilNadu with amount of 309.93, 213.74, 119.23 and 238.52 Crores it has increased to 1068.22, 738.54, 386.57 and 898.62 crore respectively in the year 2013-14. In those states which have CAGR for Expenditure is 16.5, 17.5, 20.86 and 22.92 it is more than release CAGR with the percentage 11.61, 12.35, 13.38 and 14.09 respectively during the period of 2005-06 to 2013-14. Andrapradesh state has highest NRHM Fund allocation but status of health indicators lower than the kerala because fund utilization is better than the other southern states. Kerala state has highest life expectancy and very less IMR and MMR compared to other states,

Table – 1, Fund Allocation and utilisation Under NRHM in Southern states of India.

(In Crores)

Year	AndhraPradesh					Karnataka				
	Allocation	Release	Expenditure	Utilization	Exp as % to Release	Allocation	Release	Expenditure	Utilization	Exp as % to Release
2005-06	309.93	302.84	216.44	69.84	71.47	213.74	197.45	153.5	71.82	77.74
2006-07	423.83	383.97	405.91	95.77	105.71	302.74	253.8	194.34	64.19	76.57
2007-08	628.43	608.94	505.18	80.39	82.96	393.94	297.32	275.29	69.88	92.59



2008-09	663.37	638.73	700.13	105.54	109.61	461.83	437.84	428.94	92.88	97.97
2009-10	717.3	708.32	764.91	106.64	107.99	505.17	436.86	680.64	134.73	155.80
2010-11	816.11	810.23	693.92	85.03	85.64	551.81	586.39	700.62	126.97	119.48
2011-12	931.81	934.12	709.05	76.09	75.91	612.69	659.09	738.56	120.54	112.06
2012-13	1088.44	837.67	950.61	87.34	113.48	716	644.83	783.01	109.36	121.43
2013-14	1068.22	813.73	855.32	80.07	105.11	738.54	563	655.44	88.75	116.42
CAGR	14.74	11.61	16.5			14.77	12.35	17.5		
	Kerala					TamilNadu				
Year	Allocation	Release	Expenditure	Utilization	Exp as % to Release	Allocation	Release	Expenditure	Utilization	Exp as % to Release
2005-06	119.23	110.08	102.62	86.07	93.22	238.52	251.21	206.17	86.44	82.07
2006-07	173.98	151.4	39.5	22.70	26.09	336.87	332.64	321.48	95.43	96.65
2007-08	236.4	293.86	144.03	60.93	49.01	430.31	546.56	392.74	91.27	71.86
2008-09	235.61	222.88	331.2	140.57	148.60	515.7	501.6	534.42	103.63	106.54
2009-10	284.34	237.62	385.19	135.47	162.10	568.67	639.11	691.93	121.68	108.26
2010-11	308.59	253.41	385.95	125.07	152.30	659.92	702.09	825.22	125.05	117.54
2011-12	345.37	582.51	428.16	123.97	73.50	765.42	774.89	917.15	119.82	118.36
2012-13	379.23	490.55	514.32	135.62	104.85	867.98	948.14	778.97	89.75	82.16
2013-14	386.57	340.74	564.64	146.06	165.71	898.62	822.59	1320.88	146.99	160.58
CAGR	13.96	13.38	20.86			15.88	14.09	22.92		

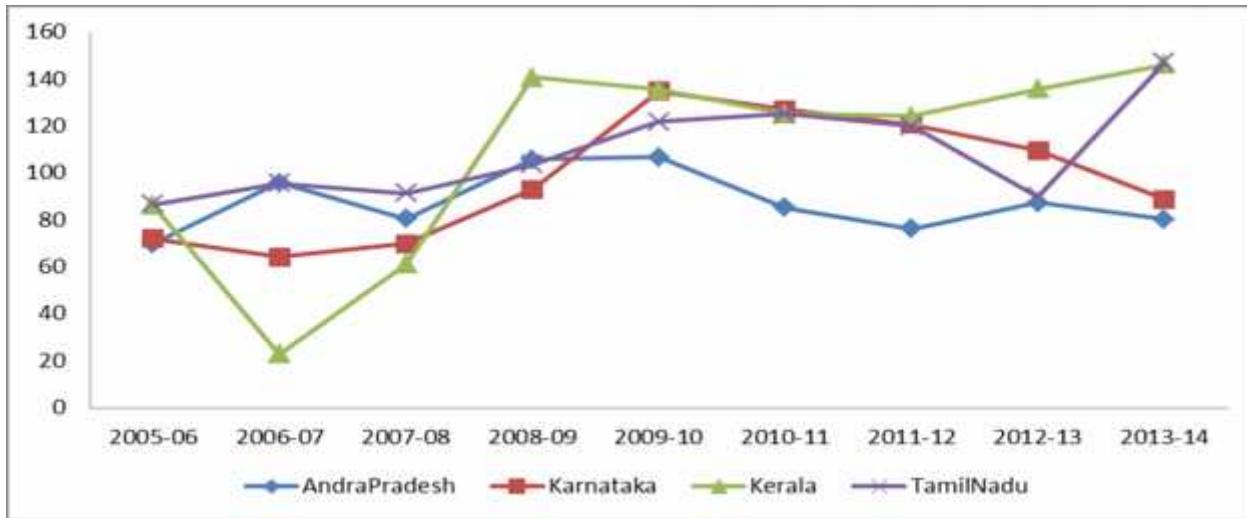
Source: NRHM.nic.in MIS Report 2014 Oct.

Fund Utilisation under NRHM in Southern States of India

Chart 1 indicates the Fund utilisation under NRHM in southern state of India, AndhraPradesh has increased utilisation from 69.84 percent in the year 2005-06 to 106.64 percent in the year 2009-10 then its declined to 80.07 percent in the year 2013-14. Karnataka state also has increasing trend for fund utilisation under NRHM in 2005-06 from 71.82 percent it increased drastically to 1434.73 percent in the year 2009-10 after the year it has declined to 88.75 percent in the year 2013-14. But Kerala state has better utilization under NRHM fund in the year 2005-06 the percentage is 86.07 it increased to 146.06 in the year 2013-14. In the case of TamilNadu state NRHM fund utilisation increased from 86.44 percent to 146.99 percent during the period of 2005-06 to 2013-14, overall Kerala state has better performances as compared to other southern states With more than 100 percent of utilization but AndhraPradesh and Karnataka fund utilization is less than 100 percent during the period of 2005-06 to 2013-14. That's way AP Karnataka government concentrates on fund utilization for NRHM fund.



Chart – 1, Fund Utilisation under NRHM in Southern states of India

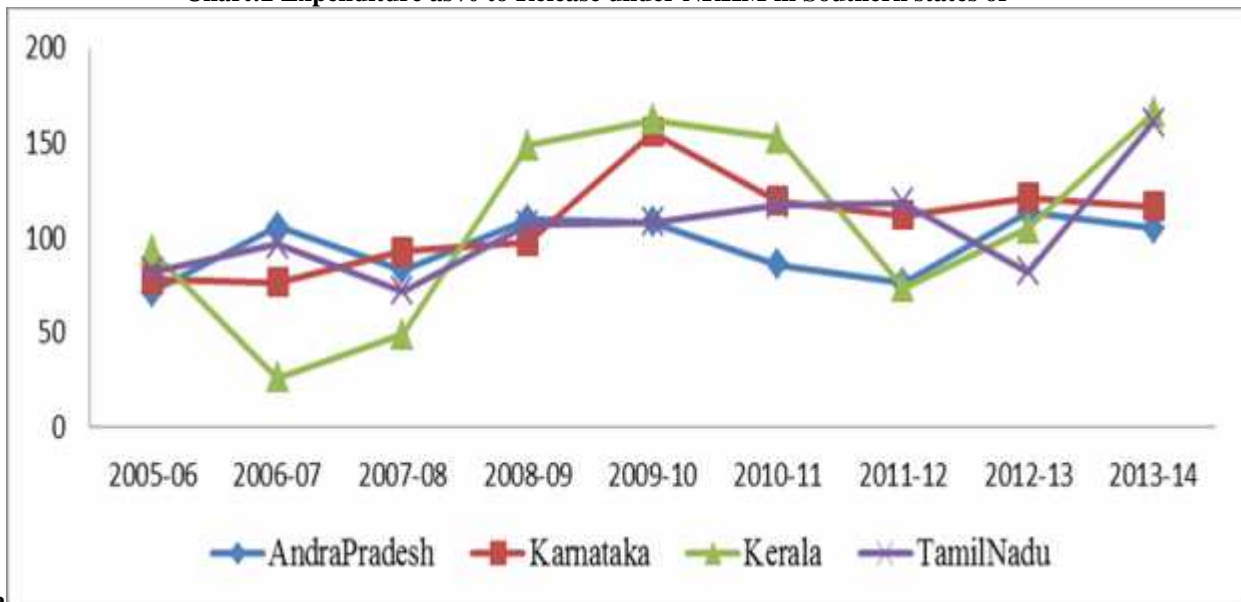


Source: NRHM.nic.in MIS Report 2014 Oct.

Expenditure as% to Release under NRHM in Southern states of India

Chart 2 indicates the Expenditure as percentage to release under NRHM in southern states of India. AndhraPradesh has increasing trend from 2005-06 with the percentage of 71.47 it is increased to 105.11 percent in the year 2013-14 and it was seen that it also has the highest percentage in the year 2012-13 with 113.48, Karanataka state also has increasing trend for **Expenditure** as% to Release under NRHM from 77.74 percent in the year 2005-06 to 116.42 percent in the year 2013-14. It was also seen that Karnataka state has done highest percentage in 2009-10 with percentage of 155.80, in case of Kerala state it has increase expenditure as percentage to release from 93.22 percent in the year 2005-06 to 165.71 percent in the year 2013-14, and Tamilandu also has increasing ternd it increased from 82.07 percent to 160.58 percent dring the period of 2005-06 to 2013-14. Overall Kerala state has better performance which as compared to other southern states of India.

Chart:2 Expenditure as% to Release under NRHM in Southern states of



India

Source: NRHM.nic.in MIS Report 2014 Oct.



Total Fund allocation Release and Expenditure under NRHM in Southern states of India From 2005-06 to 2013-14

Table 2 shows the total fund allocation release and expenditure under NRHM in Southern states of India From 2005-06 to 2013-14. AndhraPradesh has low percentage of release and expenditure compared to allocation with percentage of 90.84 and 87.28 percent it is lower than 100 percent allocation during the period from 2005-06 to 2013-14, and its lower than other southern states of India.

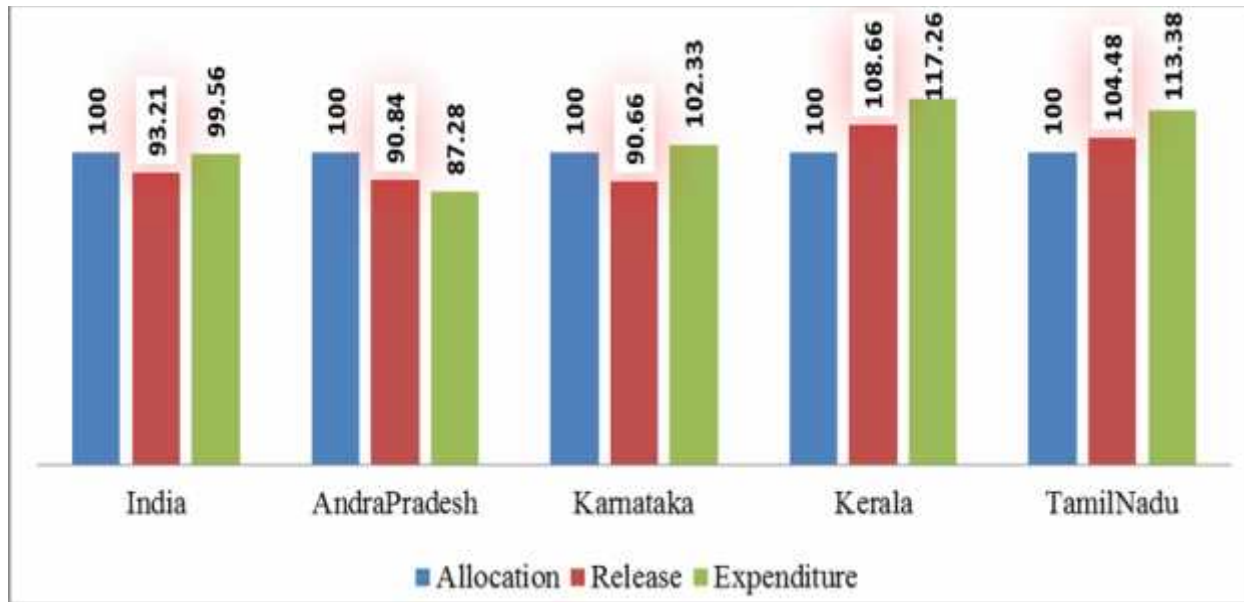
Table - 2 Total Fund allocation Release and Expenditure under NRHM in Southern states of India From 2005-06 to 2013-14

(In Percentage and Crores)					
Components	India	AndraPradesh	Karnataka	Kerala	TamilNadu
Allocation	100% (105013.9)	100% (6647.44)	100% (4496.44)	100% (2469.32)	100% (5282.01)
Release	93.21% (97884.33)	90.84% (6038.55)	90.66% (4076.58)	108.66% (2683.05)	104.48% (5518.83)
Expenditure	99.56% (104552.7)	87.28% (5801.47)	102.33% (4601.34)	117.26% (2895.61)	113.38% (5988.96)

Source: NRHM.nic.in MIS Report 2014 Oct.

ut Kerala state has better release and expenditure compared to allocation with 108.66 percent on release and expenditure 117.26 percent on expenditure it is more than 100 percent allocation. And followed by TamilNadu which has 113.38 percent it's more than release and allocation. In case of Karnataka expenditure percentage is 102.33, it is more than release and allocation percentage during the year 2005-06 to 2013-14. Overall Kerala state has better performance of the fund release and expenditure followed by Tamilnadu. See the chart 3.

Chart - 3 As a percentages of Total Fund allocation Release and Expenditure under NRHM in Southern states of India From 2005-06 to 2013-14



Source: NRHM.nic.in MIS Report 2014 Oct.

Components wise Fund allocation and Utilisation under NRHM in Southern states of India. From 2005-06 to 2013-14.

Table 4 show that AndhraPradesh has highest fund allocated to infrastructure with the amount of 2239.73 crores and less amount 184.24 crore fund was allocated to IPPI components during the 2005-06 to 2013-14 and Karnataka state allocated 1560.55 crores to infrastructure followed by 1269.14 crore to NRHM flexi pool and very less amount was allocated to IPPI components with amount of 90.22 during the same period. In case of Kerala state it gave more importance to fund allocated



to infrastructure with amount of 802.34 crore and Tamilnadu state also allocated highest amount of infrastructure with amount of 1816.08 during the 2005-06 to 2013-14, but components wise expenditure Andhra Pradesh and Karnataka have low expenditure compared to Kerala and TamilNadu during the period of 2005-06 to 2013-14.

Table - 4, Components wise Fund allocation and Utilisation under NRHM in Southern states of India. From 2005-06 to 2013-14.

(in crores)										
Components	AndhraPradesh					Karnataka				
	Allocation	Release	Expenditure	Utilization	Exp as % to Release	Allocation	Release	Expenditure	Utilization	Exp as % to Release
RCH Flexipool	1794.35	1644.62	1554.21	86.62	94.50	1233.92	1162.8	1212.13	98.23	104.24
NRHM Flexipool	1799.26	1778.01	1845.85	102.59	103.82	1269.14	1219.83	1731.16	136.40	141.92
Infrastructure & Maintenance	2239.73	1945.75	1804.85	80.58	92.76	1560.55	1331.76	1354.46	86.79	101.70
IPPI (Pulse Polio)	184.24	169.74	164.01	89.02	96.62	90.22	85.64	82.65	91.61	96.51
Disease Control Programme (NDCP)	630.84	164.01	432.52	68.56	263.72	384.11	299.14	262.3	68.29	87.68
	Kerala					TamilNadu				
Components	Allocation	Release	Expenditure	Utilization	Exp as % to Release	Allocation	Release	Expenditure	Utilization	Exp as % to Release
RCH Flexipool	735.63	643.12	708.23	96.28	110.12	1450.64	1357.39	1330.62	91.73	98.03



NRHM Flexipool	739.59	868.58	970.52	131.22	111.74	1494.97	1609.23	1698.64	113.62	105.56
Infrastructure & Maintenance	802.34	983.25	1033.25	128.78	105.09	1816.08	2100.23	2535.72	139.63	120.74
IPPI (Pulse Polio)	30.18	29.86	35.41	117.33	118.59	77.35	67.15	62.5	80.80	93.08
Disease Control Programme (NDCP)	179.58	158.24	148.21	82.53	93.66	442.97	384	361.48	81.60	94.14

Source: NRHM.nic.in MIS Report 2014 Oct.

Components wise Fund Utilisation under NRHM in Southern states of India. From 2005-06 to 2013-14.

The chart 4 indicates the components wise fund utilisation under NRHM in southern states. In Karnataka from 2005-06 to 2013-14 in RCH flexipool Karnataka state fund utilisation is highest with the share of 98.23 and Andhra Pradesh is lowest with the share of 86.62 during the 2005-06 to 2013-14, and NRHM flexipool again Karnataka state has highest utilization with the share of 136.4 per cent and lowest is Andhra Pradesh, but in infrastructure components TamilNadu state has highest utilization of NRHM fund with the share of 139.63 Andhra Pradesh has lowest utilization with 80.58 percent and Kerala state has highest utilization of IPPI and NDCP components with share of 117.33 and 82.53 respectively during the period of 2005-06 to 2013-14.

Chart – 4, Components wise Fund Utilisation under NRHM in Southern states of India. From 2005-06 to 2013-14.

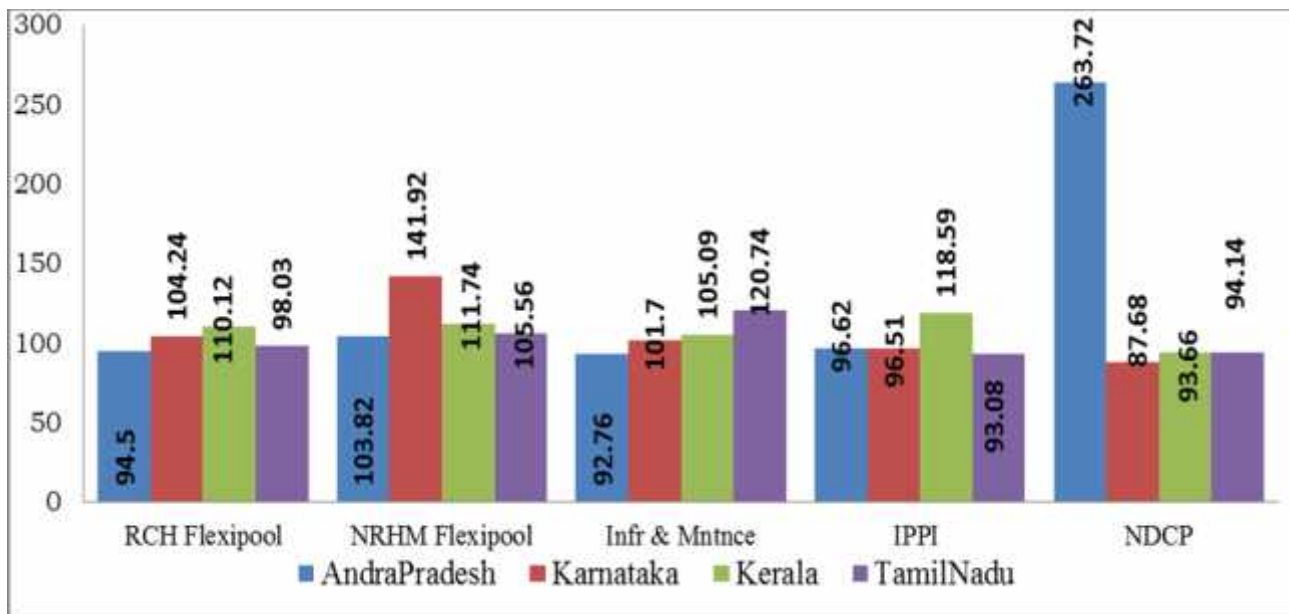
Source: NRHM.nic.in MIS Report 2014 Oct.



Components wise Expenditure as% to Release under NRHM in Southern states of India. From 2005-06 to 2013-14.

Components wise expenditure as percentage to release under NRHM in southern state of India. Chart 5 indicates that Kerala state has highest expenditure as % to release to RCH Flex pool with share of 110.12 and Andhra Pradesh is doing lowest with share of 94.5 during the period of 2005-06 to 2013-14 and Karnataka state has highest expenditure as percentage release on NRHM flexi pool with share of 141.92 per cent and Andhra Pradesh is lowest with share of 103.82 percent but infrastructure components wise expenditure as percentage to release Tamilnadu has topped with the share of 120.74 percent and Andhra Pradesh has lowest in case of IPPI components Kerala has highest expenditure as percentage to release and in NDCP components, Andhra Pradesh has highest expenditure as percentage to release with the share of 263.72 percent during the period of 2005-06 to 2013-14. Overall Kerala state has better performance of fund utilisation and expenditure as percentage to release under NRHM compared to all southern states of India.

Chart -5, Components wise Expenditure as% to Release under NRHM in Southern states of India. From 2005-06 to 2013-14.



Source: NRHM.nic.in MIS Report 2014 Oct.

FINDINGS OF THE STUDY

1. CAGR for fund allocation under NRHM in southern state of India Tamilnadu has highest percentage with 15.88 followed by Karnataka 14.77 Andhra Pradesh 14.74 and Kerala state has lowest with 13.96 percent during the period 2005-06 to 2013-14.
2. All the four states have expenditure CAGR more than allocation and release during the 2005-06 to 2013-14.
3. Fund utilisation under NRHM in southern state. Kerala has consistently increasing trend from 22.70 percent to 146.06 percent during the period of 2006-07 to 2013-14.
4. After 2008-09 Expenditure as percentage to release under NRHM. Kerala, Karnataka and TamilaNadu have more than 100 per cent expenditure as percentage to release under NRHM except AndhraPradesh during the year 2008-09 to 2013-14.
5. Total fund allocation release and expenditure under NRHM in southern state of India Kerala has better performed compared other southern states in India with the expenditure percentage of 117.26 per cent it is more than release fund percentage with share of 108.66 followed by Tamil Nadu during the period of 2005-06 to 2013-14.
6. Components wise fund utilization under NRHM in southern states of India Karnataka state has highest utilisation on RCH Flex and NRHM Flex pool and Tamil Nadu has highest utilisation on Infrastructure and maintenance but Kerala state has consistent utilisation on all components under NRHM during 2005-06 to 2013-14.



7. Components wise expenditure as percentage to release under NRHM in southern states Kerala state has better performance compared to other southern states of India.

SUGETIONS AND CONCLUSIONS

Government of India gives the importance to health expenditure but in present situation it is very less compared to other developed countries. Percentage of health expenditure in GDP term it is only near 4 percent, government should increase it to atleast 6 percent of GDP. National Rural Health Mission was implemented with the objective of increasing the health expenditure and giving good service for rural people. Andrapradesh has highest fund allocation but utilization is lower than other southern states but kerala state has very less amount of NRHM fund allocation but Utilisation is more than allocation and Release its more than the other southern states. Almost all southern\ states have low amount of NRHM fund That's way government of India gives more importance of allocation for NRHM programe. Kerala state has better performance in NRHM fund utilisaton but the performance AndhraPradesh is not satisfactory compared to other southern states of India. Karnataka state also gives more concentrating on fund utilization. And Government gives to more funds for NRHM Programme because expenditure is more than allocation and it is helpful to achieve the 2002 population policy objectives and help to improve human standard of living.

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