INTRODUCTION

A one-day discussion forum on the World Bank’s World Development Report (WDR) on services, organised by BOND and Bretton Woods Project, attracted some 60 NGO and academic analysts and practitioners. Presentations were made by Steve Commins, Brendan Martin, Carolyn Stephens, David Norman and Belinda Calaguas, before the participants articulated their own experiences and perspectives. With a complex topic like “making services work for the poor,” which touches on such a massive range of issues, a number of people questioned how this report can be produced within the very stringent time limits and as a genuinely iterative and open-ended process. As it was expressed in some of the meeting’s closing remarks, will the report “raise the fundamental questions” and not just “recite the generic answers”, as Bank President James Wolfensohn claimed in a letter.

Scrutinizing the title word by word

Ironically, the very title of the forthcoming WDR already raises some large questions. Why the coyness of not naming it public services? Apart from philosophical differences, the schizophrenic (public-private) nature of goods like health care fuels a heated debate on where lies the boundary between public and private responsibility for such services. These important tensions deserve proper articulation.

Making services work for the poor implies the targeting of services at the poor. This presumption sets the stage for a two-tiered system of public service delivery. By default, the rich will be privileged and poorer people will have ‘safety-net’ style services. The discrepancy between a two-tiered system and a system predicated on the need to provide universal access to services highlights the importance of underlying motives and intentions.

The actor-based approach: tried and found wanting

In its early outline of the WDR the Bank team proposes a model of a triangle with “providers, clients, policy-makers” at each of its corners (and donors as an extra player in developing countries). Commentators in the meeting were concerned that this fundamentally straitjackets the report’s narratives and analysis. Criticisms of this actor-based approach include:

(i) the lenses are perceived as too narrow. The present structure doesn’t allow for the multiple, diverse understandings of experiences with service delivery.

(ii) without a sensitive and comprehensive context analysis, the actor-based approach levels the field for a ‘one-size fits all’ interpretation. Context analysis arguably lies at the heart of successful service delivery, and hence should not be seen as an add-on factor to the basic framework (see the SCUK case of community schools in Mali or the case of ‘gender-sensitive’ design and management of latrines in slum dwellings of Bombay). At the same time, the lack of clarity on which context to analyse –the variety of institutional contexts and/or the contextual forms of social capacity embodied by variety of networks- and how, gives leeway to considerable arbitrariness. As far as the ‘one size fits all’ reforms are concerned, various World Bank practices –like the ‘demand responsive approach,’ which enables the community to make its demands but only in the very narrow terms of willingness to pay, and the ‘Poverty Reduction Strategy Papers,’ which implicitly or explicitly advocate private sector participation as the only choice- suggest that blueprints for development are still very much in vogue, contrary to the World Bank’s disavowals in the WDR outline as elsewhere (see Belinda’s presentation for numerous, supportive examples).
(iii) the actor-based approach can effectively ignore thorny issues of disproportionate power and is incapable of adequately disentangling the politics of effective agenda setting which can be revealed through process analyses (see Carolyn’s presentation, in particular the case of Calcutta, where experiments have been staged to try to rebalance unequal priority setting).

Conceptual fuzziness and flawed assumptions

A variety of concepts and definitions lack clarity and consistency. For instance, there exists a conceptual difference between health, on the one hand, and health services on the other. By limiting the discussion in the main body of its outline to health services, the report fails to distinguish critical determinants of health, such as material, social and economic conditions. Similarly the linkages between access to water and other capabilities like going to school need to be critically drawn out. In addition, a broadened understanding of the varied water uses and water sources of the poor, it is argued, is not only more realistic, but necessary to overcome some of the current conceptual limitations. Also, the report’s definition of poverty needs clarification. There is a worry that the multidimensionality of poverty and the nature of inequitable access to services do not sufficiently come through. Finally, the outline completely neglects the issue of nutrition that is briefly mentioned in its introductory chapter, and overall fails to discuss the linkages between nutrition and primary health care, unequal resource allocations, powerful TNCs (like Cargill) as nutritional providers, and the right to food.

The outline treats central public provision as a starting point or default position. As a consequence, reform is defined as the adoption of any alternative approach to service delivery. This assumption is not only empirically flawed, but also clears the way for a very crude handling of reform. For one, in the face of GATS, a state’s flexibility in policymaking and option to iterate between private and public service delivery risks serious compromise and constraints. Also, it should be stressed that reforms are costly. Indeed, in cases like Tanzania, the push for privatisation away from successful public water provision has led to disastrous effects. In other cases, a stable and sustainable central bureaucracy for effective service delivery or basic institutions of the state at sub-national levels is exactly what is called for.

A second, related assumption gives rise to the outline’s (ideological) caricature of public service employees. The outline paints a portrait of corrupt, incompetent and unaccountable public workers. This assumption is not only inaccurate, but also leads to the pursuit of wrong conclusions. At the same time, there is the strong assumption that community groups work. The outline places much confidence in the agency of a politically responsive culture and sets out solutions to problems, which sometimes appear mechanical.

Massive spending on services: an absolute necessity

The outline is predicated overwhelmingly on the insufficiency of public spending, rather than its necessity. Massive spending on services is required. Yet, the outline fails to make explicit how much extra funds are needed (say, using cost analysis of the millennium development goals), where these additional funds are needed, and where the funds should come from. Moreover, there is a sense that the outline too narrowly identifies funders with donors. Donors may also be NGOs or communities. Regrettably, it appears to conflate what is good and needed for development with what the multilateral development banks and international private sector should do. However, the case for external resources for basic education and health is much weaker - indeed, virtually all aspects of these services are neither capital nor foreign exchange intensive - and involves substantial risks for LDCs because it will inevitably come with conditionalities that will have a particular bias. In fact, the interests of least developed countries would arguably be much better served if they prepared a strategic compact whereby they themselves would undertake to provide their citizens with basic education and health and the donors would fund complementary inputs of development (transfer of skills supporting local incentives, technology).
Finally, when international donors do get involved, their actions need to be closely and independently monitored, and scrutinized to ensure coherence, coordination, genuine and multi-stakeholder dialogue, and accountability.

**Genuine citizen participation, but who and how?**

The outline embraces an idealized view of participation itself: participation as a panacea against all sorts of bureaucratic malaise. But it is vital to examine who is successfully participating in discussion, priority setting and local decision-making. Do the new ‘representative’ structures genuinely involve women, disenfranchised and illiterate citizens, or are they filled with the most articulate, local elite? At the same time, too much reliance on community organizations in broadening participation is risky. It presumes that such organizations are both representative of the poor, and offer the best way of reaching the poor. On both accounts, this belief relies on a false generalization.

The question of how citizens can participate is also important. The outline essentially deals with two forms of participation, namely voice and choice. Other forms of involvement, through trade unions (for instance, the successful social dialogue between the mayor, the public workers and their unions in the city of Indianapolis, over the terms of competitive tendering for the delivery of public services) and cooperatives (for instance, the cooperative system in the Philippines) are thus not reflected. In addition, how useful is ‘choice’ as an organizing principle if the opportunity costs of participating are high and feedback mechanisms weak? How feasible is it to provide choice of provision, for example for education for rural Malians? Also, the way new participatory schemes are pushed forwards deserves critical scrutiny. There are dangers involved with transplanting new organizational systems from one part of the world to another. Yet, donors appear to be at the forefront of the advocacy of such new ‘pre-packaged’ or ‘universal’ organizational schemes. Regrettably, a context sensitive approach to participation and an understanding of a society’s norms, culture and values is thus compromised.

Finally, the outline misrepresents the power of information. Firstly, whilst access to information clearly matters, just breaking down the barriers of asymmetric information is not enough to ensure genuine participation. The belief that if there is perfect information, then a levelled playing field has been achieved, is too simplistic. It overlooks central issues of power: How will you reconcile the interests and influence of the billion dollar service providers (TNCs) with the voice and desires of the local users? Secondly, the outline does not point out the important role of new information systems -for instance, tele-medicine to facilitate basic health care or new information systems to improve epidemiological surveillance- in effective service delivery. At the same time, the outline undervalues the significant role of indigenous or traditional knowledge systems –for instance, traditional healers can help and complement conventional health services- in effective service delivery.

**Privatisation, user fees, World Bank practices and WDR rhetoric**

The World Bank is not neutral when it comes to the privatisation of public services. In the face of this, will the WDR raise the sharp and crucial questions, which challenge some of the ways the WB is doing business?

The outline’s tentative endorsement of privatisation as a way forward is understandable, yet very worrisome. Understandable, as this market mechanical solution is the result of a vigorous use of the actor-based approach. In fact, it also fits with the narrow socio-economic parameters which confine the report’s thinking about ‘making services work for the poor’ (As a result of these parameters, the outline also makes no mention of the unjust imbalances of wealth and power that perpetuate perverse subsidies, like the training subsidy in the health sector provided by the poor countries to the rich. Indeed, Philippine nurses are being poached by the UK health system,
whilst Britain is losing many of its nurses to the US). Hence, many speakers appealed to the authors of the forthcoming WDR to radically challenge the international social and economic order at the same time as it proposes a shake-up of national institutional relations. Without sufficient convincing evidence that privatisation and the shift from public to private monopolies yield efficiency and equity gains, support of privatisation practices is unwarranted, and may impose unexamined risks and costs on the government and public.

Cases of private sector involvement (Eg. Aguas Argentinas) elucidate the necessity and difficulty of regulating the privatised services. Private provision of public services has tended to fall short of expectation (as honestly observed in sections of the outline) due to the State’s incapacity to enforce contracts and guarantee an equitable, affordable and sustainable system for all. Indeed, renegotiations expose the poor. At the same time, policymakers are often limited by the interests and priorities of the private providers. Also, the nature of risks involved in the service delivery – for instance, the health system and the fears of being sued for indefinite compensation – has a pernicious effect on policymaking, thus impacting on the public’s options.

Finally, deliberations over the private sector involvement would be better served by an unpacking who is the ‘private provider’. What is his size (turnover, investment), foreign or domestic, profit and if yes, where do the profits go, or non-profit, how are the employment practices say in terms of labour standards, etc? How is the sector organized and how does it engage with the local people (For instance, Manila Water, where a private joint venture has worked in a decentralized manner and established water user associations in urban, poor areas, with some sharing of service responsibilities)? If profits or a surplus are realised then will they be reinvested in the expansion of services? Can shareholders (often resident in another country) really be counted on to support the balanced provision of services for poorer people?

Whilst the outline claims that “user fees can empower,” the empirical evidence suggests the contrary. Moreover, if basic education, access to water and health are basic human rights (which they are), is it fair to make people pay for these services? In fact, a rights-based approach is likely to inspire a broadened treatment of the variety of possible service provision modalities. But there lies a danger in attaching all demands to a human rights discourse, as many facets of public services (social, economic and labour rights) are beyond the conventional human rights. Finally, the outline is urged to research the evidence on the successful use of cross-subsidies and well-functioning schemes of selective user fees.

CONCLUSION

Given the political and time constraints faced by the Bank team it is very likely that many of the points and criticisms raised during the one-day consultation will not be taken up. If so this will reinforce questions about whether and how the Bank should produce such reports at all. Debate on services provision and the Bank’s role therein will nevertheless continue. The one-day arena for discussions proved extremely useful and engaging in its own right.

What next? The WDR team will continue its consultation-tour across the globe (Several speakers have urged for more transparency in the consultation procedure: How are the participants in these consultation sessions selected? Who says what?) A first version of the WDR 2004 will be drawn up by the start of the next year. Several internal consultations with developing countries are scheduled throughout the month of January. A first draft for public commentary is expected to be ready by the beginning of February 2003 and will then be downloadable from the World Bank website. The final version of the report will be published in September just in time for both the Annual Meetings of the Bank and Fund and the next round of multilateral trade talks in Cancun.