World Bank and Health Sector in India

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Why World Bank in Social Sectors

• Leveraging opportunities for the entry/expansion of the private sector

• Loans for social sector have strong component of private sector involvement – health, education, sanitation, water supply, etc.

• Social policy redirected towards a more privatised approach and reducing State participation to selective and targeted actions

• Note: World Bank influence extends beyond its loans and brings in line other donors and govt. budgets
World Bank and Health Sector

• Initially India Population Projects which focused on family planning and kept the health departments obsession of population control alive

• Post 1992 strategy driven by SAP and directed towards structural changes in the health sector via HSDPs and Disease program funding

• Clear evidence to suggest that the World Bank succeeded in it prime objective of strengthening the private sector in Health – 52\textsuperscript{nd} and 60\textsuperscript{th} Round of NSSO surveys provides proof
NSSO Survey Results

Statement 24
Per 1000 distribution of cases of hospitalised treatment by type of hospital during 2004, 1995-96 and 1986-87

<table>
<thead>
<tr>
<th>type of hospital</th>
<th>rural (60th)</th>
<th>rural (52nd)</th>
<th>rural (42nd)</th>
<th>urban (60th)</th>
<th>urban (52nd)</th>
<th>urban (42nd)</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>government</td>
<td>417</td>
<td>438</td>
<td>597</td>
<td>382</td>
<td>431</td>
<td>603</td>
<td></td>
</tr>
<tr>
<td>non-government</td>
<td>583</td>
<td>562</td>
<td>403</td>
<td>618</td>
<td>569</td>
<td>397</td>
<td></td>
</tr>
<tr>
<td>all hospitals</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td></td>
</tr>
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Changes in the post-SAP Phase

• Health sector clear linkages with SAP macroeconomic reforms

• Changing trajectory of health policy towards selective and targeted approach by State

• Declining public investment and expenditures in health as a consequence of SAP

• User fees introduced/increased in public facilities post World Bank HSDPs

• Increased stake and utilisation of the private health sector – OPD, IPD and institutional deliveries
# Health Expenditure as Percent of Govt. expenditure in HSDP states

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<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>7.88</td>
<td>5.44</td>
<td>3.57</td>
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<tr>
<td>Karnataka</td>
<td>8.23</td>
<td>5.85</td>
<td>3.73</td>
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<td>Maharashtra</td>
<td>9.38</td>
<td>4.29</td>
<td>3.55</td>
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<tr>
<td>Orissa</td>
<td>8.50</td>
<td>4.82</td>
<td>4.34</td>
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<tr>
<td>Punjab</td>
<td>10.52</td>
<td>4.93</td>
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<td>Rajasthan</td>
<td>14.48</td>
<td>7.97</td>
<td>4.65</td>
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<tr>
<td>Tamil Nadu</td>
<td>10.04</td>
<td>6.28</td>
<td>4.76</td>
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<tr>
<td>Uttar Pradesh</td>
<td>9.08</td>
<td>6.03*</td>
<td>4.94</td>
</tr>
<tr>
<td>West Bengal</td>
<td>9.73</td>
<td>6.43*</td>
<td>4.78</td>
</tr>
</tbody>
</table>

* Data for 1996
Ground Impact of these Changes

• Deterioration of public health facilities

• Reduced access of especially the poor and those in rural areas to public health services

• Poorest increasingly not accessing healthcare due to financial reasons

• Even after payment of user fees services remain inadequate

• Private health sector booming and in emergencies poor use private services by getting deeply indebted - pauperisation
What the Tribunal should seek

• World Bank lending has led to decline in commitment of public resources to health spending

• Why HSDP investments in secondary care have failed to make these public hospitals deliver goods and especially to the poor

• What has been the volume of leverage for the private sector as a result of HSDP and World Bank promoted Health Policies
Why World Bank should Stop Lending in Health

- World Bank policies and lending in health have created distortions in the health sector
- Its loans have redirected public budgets away from comprehensive and universal approach to healthcare
- The impact of the lending has lead to State reducing their own funding commitments
- It has destroyed the credibility of the public health system
- It has provided fillip to the growth of the private health sector