

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 its prime objective of strengthening the private sector in Health – 52nd and 60th Round of NSSO surveys provides proof

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

| State | 1987 | 1998 | 2006 |
|----------------|-------------|-------------|-------------|
| Andhra Pradesh | 7.88 | 5.44 | 3.57 |
| Karnataka | 8.23 | 5.85 | 3.73 |
| Maharashtra | 9.38 | 4.29 | 3.55 |
| Orissa | 8.50 | 4.82 | 4.34 |
| Punjab | 10.52 | 4.93 | 3.31 |
| Rajasthan | 14.48 | 7.97 | 4.65 |
| Tamil Nadu | 10.04 | 6.28 | 4.76 |
| Uttar Pradesh | 9.08 | 6.03* | 4.94 |
| West Bengal | 9.73 | 6.43* | 4.78 |

* 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