

# **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 – 52<sup>nd</sup> and 60<sup>th</sup> 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

# **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

<b>State</b>	<b>1987</b>	<b>1998</b>	<b>2006</b>
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 13/11/52	9.73	6.43*	4.78

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\* 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