Stakeholder Participation Targets the Rural Poor: China Basic Health Project

Social Development Best Practice Elements

- Multi-dimensional approach to poverty reduction aimed at enhancing opportunities, capabilities, empowerment, and security of the poor
- Institutionalized mechanisms for participation and decentralized implementation
- Ongoing monitoring and evaluation of social development outcomes by the government and community

The past 20 years have witnessed a growing disparity in health status indicators between urban and rural populations in China. The economic and social reforms that have accelerated the growth in GDP and personal income levels of the urban population have not trickled down to the rural areas. Declining government support of public health programs and the collapse of community financing of health services have meant that health services in poor rural areas have deteriorated in general. Services have declined in coverage, quality, efficiency, utilization, and financial viability.

To address this disparity, a World Bank-supported health project in China introduced a systematic but rapid process of consultation and feedback among selected beneficiary communities. The project was prepared using guidelines prepared by national and international experts. The social assessment confirmed impressions gained from less structured consultations and provided additional support for project design. Stakeholder involvement was extensive, including consultations with governmental departments of planning, finance, poverty alleviation, personnel, and education, as well as civil society groups such as the All China Women’s Federation and the Red Cross. Field visits included focus group discussions with local government representatives, village officials, and householders. The rural poor, including minority nationalities, figured prominently in such consultations.

The government and the Bank regard the project as a major initiative to test and demonstrate the implementation of national priorities in rural health sector reform for poor areas. The project aims to regain lost

This project was recognized as Best Practice in Social Development by the Social Development Department in June 2000, and received an award for Excellence in Quality at Entry from the Quality Assurance Group (QAG). The task team leader was Janet Hohnen. This best practice note was prepared by Kathleen Kuehnast.

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momentum in health status improvement among the rural poor and to improve the effectiveness, efficiency, and accessibility of services for this group.

The project consists of two parts. Part I is the Basic Health Services Project, to be implemented in 71 counties in 7 provinces. Part II is the Qinba Health Program for the 26 counties included in another Bank-supported operation, the Qinba Mountains Poverty Reduction Project.

Project Objectives

The project has the development objectives of assisting the government to achieve sustainable health improvement through:

- Improved allocation and management of health resources
- Upgraded rural health facilities
- Improved quality and effectiveness of health service programs
- Increased risk sharing and affordability of essential health care for the poor.

Rural Poverty and Poor Health in Context

The statement that “poverty leads to ill-health and ill-health leads to poverty” is an apt description of the conundrum facing China’s heavily populated rural regions. Prior to 1980, China made significant gains in health reforms, especially in reducing infant, child, and maternal mortality and increasing life expectancy. Since then, health status in poor rural areas has stagnated. In general, government expenditure on health has declined. Furthermore, the proportion of health expenditure from public funds in rural areas is much less than in urban areas. Per capita health expenditure in the officially designated poverty counties is less than half the national average, and, of that, 80 percent (twice the national average) is direct out-of-pocket payment.

The project’s objective is sustainable health improvement for the populations of poor, rural areas through prioritization of health care needs at the local level. To accomplish this, the government and the Bank had to determine how best to coordinate efforts among three administrative levels: county, township, and village. An ineffective referral system and competition for clients among the three levels led to a disjointed system largely inaccessible and unaffordable by the poor.

Moreover, the health facilities in most rural areas were planned and staffed in response to central government policies or by mandates designed around health facilities, rather than the consumers’ needs in each region. No sustainable mechanism existed for population-based or local area planning or for allocation of resources according to health priorities. For the poor, that system offered no guarantee of services, especially since many could not afford medicines or treatment protocols. Although funds were available for hospital equipment purchases as deemed important by centralized administrative decisions, financial assistance was not available for the poor. Clients who could not afford to pay did not seek health care.

One of the most problematic issues facing the rural health sector was the lack of capacity to monitor and assess local public health problems. As a result, the health system was unresponsive to demographic or disease trends. It did not have the necessary data to develop preventive measures to address public health concerns.

Involvement of Key Stakeholders

Given the number of social and institutional concerns in the China Health Project, the involvement of key stakeholders at all levels of the project was essential. The development of a responsive, population-oriented health care system meant that understanding the
diverse needs of the beneficiaries was central to the long-term success of the project. Due to its innovative and comprehensive nature and its special attention to poor communities, the China Health Project represents an important example of responsive social development.

Consultations with Minority Nationalities

The proportion of minority nationalities is particularly high in the project’s provinces of Qinghai, Guishou, and Gansu, with 42.8 percent, 36.8 percent, and 9.4 percent respectively. The social assessment specifically identified minority nationalities as stakeholders.

Therefore, the inclusion of “nationality” as a specific data variable in the project survey instruments for baseline, mid-term, and project completion assessments will provide unprecedented, comprehensive and comparative analysis of issues for minority nationalities.

Ensuring Health Services Reach the Poor

One of the more innovative approaches for addressing the problems of the poor in the China Health Project is the establishment of a “poverty fund” in each participating township. The fund provides the means to reimburse the health service providers for whole or partial payment in the delivery of preventive services and inpatient care for the poorest 5 percent of households. The project will fund start-up costs and will be managed at the township level and supervised by the county health bureau.

Framework for an Ongoing Social Assessment

The project incorporated extensive participation and a thorough social assessment in both the preparation and the implementation phases. This approach provided excellent on-the-ground information about beneficiary needs and ensured transparency in communication and decisionmaking among the government agents and health bureaus. It also transferred skills in conducting social assessments within the health sector from national experts to each project province.

During project preparation, a range of stakeholders at each administrative level exchanged views with other relevant groups. The agencies consulted included health, planning, finance, poverty alleviation, civil affairs, personnel, and education.

A household survey was piloted in three counties as a part of the baseline analysis, and eventually was completed in all 71 counties of the Qinba Health Services Project. A survey is also conducted for those counties that are part of the Qinba Health Program in the 26 counties of the Qinba Mountains Poverty Reduction Project.

The project used participatory consultation to obtain consumer feedback from beneficiary communities. The introduction of a systematic but rapid process of consultation and feedback from beneficiary communities is an important social development achievement. The success of this process highlights the importance of consumer feedback for the development of health--and other social--services.

How Stakeholder Consultations Improve Project Design

The extensive social analysis used in the China Health Project is not just an inquiry to identify problems in a dysfunctional health delivery system. It has initiated a long-term process aimed at changing fundamental patterns of behavior, communication, and trust among key stakeholders in different levels of government, down to poor households.

The process of gathering information from the key stakeholders in the China Health Project provided pertinent information for the initial planning cycle. It also ensured that institutional arrangements were realistic relative to the concerns of the local population in those regions.
By involving stakeholders in the planning process, the project also strengthened the organizational capacity of the stakeholder participants at the government and local household levels.

The social assessment helped to obtain information about beneficiary needs, and strengthened communication among groups that had no previous experience of exchanging views and reaching consensus.

Disaggregation of social impacts on the poor and vulnerable groups according to income, gender, nationality, and location dimensions facilitated better targeting of health services.

Participating counties have benefited by improving the skills and capacity of the local health workforce, as well as by providing experience to county governments and health bureaus to plan, implement, and monitor health sector investments and programs in a decentralized manner.

The project also provided technical and financial assistance to monitor the impact and outcomes of rural health policy reform.

**Conclusion**

Responsive social development has its risks. Even in such an innovative and comprehensive project, maintaining a balance between improvement of health facilities versus population-based health care remains a challenge. Without adequate technical support and supervision, or without adequate funds in the county poverty fund to reimburse health care providers for their services given to the poor, this balance could ultimately break down and erode the lines of communication and trust established by the project.