Bank helps India move towards a leprosy-free future

Two successive World Bank-assisted Leprosy Elimination Projects have helped India reduce its leprosy prevalence rate from 2.4 cases per 1,000 people in 1993 to 1.34 per 10,000 in April 2005.

Twelve-year-old Firoze Mohammad is visibly scared as he holds out his arm for Dr. H. K. Kar to examine. The boy, the son of an ironsmith from West Delhi, has just had a biopsy done to examine a lesion and is now at the Ram Manohar Lohia Hospital’s Leprosy Clinic for treatment. Dr. Kar is at pains to assure the boy and his mother that Firoze will soon be back at boisterous play after a six-month medication regimen.

Firoze is among the few residual cases afflicted with leprosy that the national leprosy screening process throws up today. Two successive World Bank-assisted Leprosy Elimination Projects have helped India reduce its leprosy prevalence rate from 2.4 cases per 1,000 people in 1993 to 1.34 per 10,000 in April 2005.
Leprosy, also known as Hansen’s disease, is a chronic disease of the skin and peripheral nerves, which causes patches on the skin, sensory loss, paralysis and loss of function of the hands, feet and eyes. The disease has a long incubation period of up to five years (and, in some cases, longer). While early treatment regimens were not entirely effective and, in some cases, entailed lifetime treatment, modern Multi-drug Treatment (MDT) regimens effectively cure the disease in six – 12 months, after which persons affected by the disease are no longer infectious.

At the close of the Second Leprosy Elimination Project (LEP II), which ran until December 2004 and offered US$ 30 million in assistance to the Government of India to increase access to leprosy diagnosis and treatment services at the grassroots, the crippling disease had been eliminated from 24 states and Union Territories of India. ‘Elimination’ refers to a recorded prevalence rate of less than one leprosy case per 10,000 people.

In 2001-02, when LEP II was initiated, 600,000 of the world’s 700,000 new leprosy cases came from India; today this number is down to 2,60,000. This has brought the Annual New Case Detection Rate (ANCDR) down from 5.45 per 10,000 in 2001 to 2.3 per 10,000 in April 2005.

“The Project has had a tremendous impact,” says Dr. Kar, the head of the department of dermatology in the Capital’s government-run Ram Manohar Lohia Hospital. “It has helped us come to a point where leprosy can be eradicated completely in the next five to 10 years.” Dr. Kar tells of how, although he still gets three to five new leprosy cases each week, he has seen the numbers drop over the last few years from 314 new patients in his hospital in 2000 to 194 in 2004.

“The Project helped India build on her past successes in the National Leprosy Control Program and with continuing government commitment for the national leprosy program, the Project’s benefits are expected to be sustainable,” says the Bank’s task leader for LEP II, Mr. Sundararajan Srinivasa Gopalan. “Some of the best features of this Project were effective decentralization of the program, excellent behavior change communication strategies and strong public-private partnerships,” he adds.

The Project sought to help India ramp up leprosy control by integrating leprosy detection and treatment into the general health services and decentralization the management of the program to the state and district levels. In a bid to take leprosy diagnosis and treatment to the grassroots, LEP II helped train primary health workers, NGOs involved in leprosy control, as well as other community workers for early detection and cure of the disease. Over 80 percent of the government general health staff has been given orientation training in dealing with leprosy. This helped cover vulnerable groups like women, tribal groups, scheduled castes, urban poor and migrants who, historically, have the least access to services.

Free medicines under the WHO-approved MDT (multi-drug therapy) program were
distributed; patients were tracked for continued treatment over the six-month dosage period; and an effective communications program initiated – using media ranging from folk and street theatre to radio and television spots – to build disease awareness as well as reduce social stigma.

One of the greatest achievements of the Project, Dr. Kar says, lies in its raising awareness levels about the disease, a crucial element in reducing infection risks. “I base this on two indicators – one, that most patients today straight to a hospital instead of languishing untreated due to social stigma etc. and second, that their compliance with the treatment regimen is total,” he says.

True enough, the five patients waiting for him even as he speaks have headed straight for the hospital – some from as far afield as Muzaffarnagar in western Uttar Pradesh (UP) and Sultanpur in east UP – as soon as they first noticed the signs of the disease. Their families are with them and leprosy seems less and less the disease that dare not take its name.

Yasmin, in Dr. Kar’s clinic, is illustration enough. Just into her 20s and a mother of two, she hurried to Delhi from Muzaffarnagar the moment she noticed patches on her forearms spreading voraciously and an inability to splay her left hand. Accompanied by her husband and her brother, she came not just for her own treatment, but for the doctor to check out a tiny patch on her baby’s back. The baby had nothing more than an allergic rash, but she was admitted to the hospital with multibacillary infection.

“It is the awareness about the disease which will save her from a getting a deformity like a claw hand,” says Dr. Kar. “But it is important that all these initiatives be sustained – the creation of public awareness; the training of private and government doctors; the free supply of drugs; the rehabilitation of deformed patients. We can’t afford to lose momentum now.”

The government is well aware of the need to maintain the pressure. “We are committed to providing the same level of service up to the end of Tenth Five Year Plan in 2007 and we aspire to carry the same into the Eleventh Five Year Plan as well,” says Dr. G. P. S. Dhillon, the director-general of the Leprosy Control Division in the Ministry of Health and Family Welfare. The National Rural Health Mission, launched in April 2005, has also included leprosy elimination as one of its components.
On the operational front, the state health departments are fully involved in leprosy eradication activities and, in fact, state health secretaries are to review the leprosy program regularly. In the districts, 552 blocks (a sub-district administration unit in India) with a prevalence rate of more than 3 cases per 10,000 persons have been identified for intensive action.

The Leprosy Elimination Project had five components:

- **Decentralization and Institutional Development** – to ensure sustainability of Project benefits by re-defining of roles of the center, states and districts; development of plans at each of these levels consistent with their revised roles; and capacity-building and re-deployment of staff.
- **Strengthening and Integrating Service Delivery** – by increasing active and passive case detection; expanding coverage of the Multi-Drug Therapy (MDT); integrating leprosy control activities with the general health system (GHS); and focusing on previously underserved populations, including women and tribals.
- **Disability Prevention** – mainly through the GHS and partnerships with non-government organizations. Activities included training GHS staff in disability prevention activities, Information, Education and Communication (IEC), and carrying out reconstructive surgery as necessary.
- **Information, Education and Communication** – focused on political advocacy, reduction of stigma and increasing demand for services; and
- **Training** – in order to re-orient program staff to the integrated approach, and provide GHS staff with new skills to detect and treat leprosy. Monitoring and surveillance efforts were also strengthened.

What is holding back growth: Infrastructure or corruption?

– The view from India Inc.

Recent government announcements have portrayed infrastructure bottlenecks as the biggest constraint on growth in India. However, the 2002 Investment Climate survey carried out jointly by the World Bank and the Confederation of Indian Industry suggests that Indian business thinks of multiple rather than single constraints, and is as worried by corruption as it is by infrastructure bottlenecks.

The Survey, the results of which are summarized in *India: Investment Climate Assessment 2004*, asked about 1,860 manufacturing establishments located in 40 cities in 12 of India’s major states what they saw as the major constraints. Thirty-four percent of respondents did indeed identify infrastructure as a constraint to growth. Other important constraints were tax and customs administration (31 percent), high taxes (28 percent), access to finance (27 percent), and macro and policy instability (also 27 percent). But corruption came out on top of the list, with 38 percent respondents marking it as a constraint.
It is not only the Bank survey which has put corruption at the top of list of constraints. A study of Karnataka undertaken in 1999 by the Public Affairs Centre found that large investors put corruption at the top of their list of “disabling factors”. For medium investors, power and corruption were the two leading sources of dissatisfaction in relation to the industrial environment: 68 percent were dissatisfied with the supply of electricity, 65 percent with corruption.1

The concern with corruption among business is not a phenomenon specific to India. The 2005 World Development Report identified corruption as the primary constraint on firms in the entire South Asia region. The only region that reported corruption to be more of a constraint than South Asia was Latin America.

Why do so many investors focus on corruption as a constraint? Probably because it can “pop up” anywhere: In infrastructure provision, in payment of tax and processing of customs, in accessing finance, and so on. While an industry can, to some extent, insulate itself from infrastructure shortfalls, for example by running its own generator, it cannot put itself beyond the reach of government tax and regulatory agencies.

Another Public Affairs Centre survey of Karnataka focused on the 14 government agencies and departments with which investors in that state interact – the tax department, pollution board, and so on. For each agency, only a minority of investors paid a bribe (the highest being the Commercial Tax Department which 30 percent of investors bribed). But, with 14 agencies interacting with business, it is hard to believe that any investor escaped paying a bribe to at least one of them.2

Of course, it can be no-one’s case that the government’s emphasis on infrastructure is misplaced. After all, it does emerge as the second most important constraint in the mind of investors. In particular, within the infrastructure sectors, the power sector appears to be the one which particularly constrains growth. Power is expensive in India compared to other countries, quality is low, and reliance on captive generation high.

One striking fact from the Investment Climate Assessment is that business loses as much as 8 percent of output due to power outages, compared to only 2 percent in each of China and in Brazil.

Yet, if one listens to business, one has to conclude that, from their perspective, tackling corruption is just as, if not more, important than reducing infrastructure bottlenecks. This is not the place to outline what should go into a campaign against corruption except to note that many of the agencies which interact with businesses can be reformed, but cannot be wished away. There will always be a tax department, and there will always be regulatory agencies to ensure environmental and other standards are complied with. These functions are important, but they must be streamlined, and made more transparent, and less discretionary. India’s anti-corruption agencies need also to be strengthened and made more independent, as a recent telling article comparing anti-corruption strategies in Hong Kong, Singapore and India by Professor Jon Quah of the National University of Singapore reveals.3

However the campaign against corruption is orchestrated, it needs to receive top priority so that, the next time businesses are asked, they put corruption further down their list of constraints and complaints. 4

Stephen Howes, Lead Economist (India)

---

In AP, the Bank helps tsunami-hit fishermen return to the sea

World Bank funding has helped fishermen in the state of Andhra Pradesh go back to the sea and resume their livelihoods. The funding has done more than just enable fishermen to earn a living again, it’s also helped them psychologically to deal with the effects of last December’s devastating tsunami. Here is a snapshot of how Bank funding has helped one family cope with the aftermath of the tsunami.

Pamanji Yadagiri and his three grown up sons are now back fishing off the waters of Nellore district in coastal Andhra Pradesh. When the waves of water struck last December, their catamaran and its outboard motor had been badly damaged after being repeatedly dashed against a palm tree.

However the catamaran was repaired very soon after the disaster. The speed with which action was taken helped the traumatized family to get back on its feet very quickly. Just as importantly, it allowed Pamanji and his boys to make full use of the peak fishing season, which lasts in these waters from February to April.

For Pamanji and his family, it has been a blessing. He had recently bought his brand new catamaran with a loan from the village wholesaler. Any delay in setting out to sea to resume his livelihood would have hit the family extremely hard.

Pamanji gives credit to the village organizations and women’s self help groups which came to the family’s aid, even before government relief could reach them. Created under an ongoing US$ 543.2 million Andhra Pradesh Poverty Reduction Project supported by the World Bank, these groups have been trained to spearhead development from the grassroots upwards.

The strong networks fostered by the Project enabled these groups to reach out to every fishing family in the shortest possible time. They were quick on the ground, rallying around dazed communities in the Nellore district by the morning after the disaster. Organized and confident, and made up of villagers like themselves, these groups not only counseled the families but also helped them assess what they needed to resume their livelihoods.

“What we’re seeing on the ground now,” says Mr. Parmesh Shah, World Bank task manager of the Andhra Pradesh Rural Poverty Reduction Project, “shows that investing in social capital during good times pays off during crisis and enables communities to bounce back faster.”

For Pamanji and his fellow fishermen in the village of Kothuru, the community’s involvement in plans for their rehabilitation has been a new experience. Earlier, after a cyclone had left its trail of destruction, the fisher-folk remember receiving a hand out of food grains and a few hundred rupees to help them recover. This time though it was different. It was the first time their specific needs were taken into consideration.
The detailed assessments of the losses suffered by each family drawn up by the women’s self-help groups and village organizations have enabled the district administration to streamline relief work in the disaster-hit districts.

“This is one of the first times in the history of natural disasters that damage assessment has been done through such intensive community participation,” said Vijay Kumar, CEO of Society for the Elimination of Rural Poverty which implements the poverty reduction project. “This has resulted in greater accuracy in damage assessment. It has also arrested the chances of mistargeting, delays and the leakage of the funds.” Payments have been made by the village organizations directly by check to the repairing agencies, once the village committees have issued a satisfactory report.

The close involvement of women in disaster relief has also ensured women’s physical needs and safety, often overlooked in the hurly-burly after a disaster, was taken into consideration.

The World Bank is assisting the government of India (GOI) with a total US$ 528.5 million for tsunami recovery operations in the country. This includes a US$465 million IDA credit for reconstruction and recovery efforts in Tamil Nadu and Pondicherry, areas that were particularly hard hit by the tsunami of December 2004.

This credit, the Emergency Tsunami Reconstruction Project, will provide support to the GOI for assistance to:

(i) Tamil Nadu for reconstruction of housing and public buildings, and revival of livelihoods in fisheries, agriculture and animal husbandry;

(ii) Pondicherry for reconstruction of housing and revival of livelihoods in fisheries and agriculture; and

(iii) Both Tamil Nadu and Pondicherry for capacity building in housing reconstruction and coastal management as well as project implementation.

Besides this IDA credit of US$ 465 million, the Bank will contribute US$ 63.5 million from existing IDA credits. This will help finance:

(i) reconstruction activities in Andhra Pradesh (US$ 40 million)

(ii) restore rural water supply in Kerala (US$ 10 million)

(iii) needs in the roads sector in Tamil Nadu (US$11 million) and

(iv) a trust fund of $2.5 million to support activities consistent with the implementation of the tsunami reconstruction program.

“This was one of the rare occasions where women were in the forefront and the whole operation was done in a gender-sensitive manner,” says the World Bank’s Varalakshmi Vemuru, who co-leads the Project. “The bonding between the women also helped greatly in the psychological healing of the trauma.”
India’s first state-level Investment Climate Assessment was conducted for Orissa and a report on it was released in the state capital at a workshop organized jointly by the World Bank’s South Asia Finance and Private Sector Unit, the World Bank institute (WBI) in collaboration with the Government of Orissa’s Department of Industries.

Besides disseminating the findings of the Orissa ICA Report, the two-day workshop also served as a platform to share experiences and best practices from other Indian states as well as from other countries, for addressing the key constraints identified in the Report.

The Chief Secretary of Orissa, Dr. Subhas Pani, inaugurated the workshop which was attended by key government policy-makers, private sector representatives, research institutes, NGOs and other development partners/donors. Among those who participated in the lively discussions were officials from the state of Karnataka, senior representatives of industry associations, including the Confederation of Indian Industries and the Utkal Chamber of Commerce, and senior Bank staff.

A regional workshop for the journalists of the western region covering states like Maharashtra, Rajasthan, Madhya Pradesh and Gujarat on state budgetary issues was held in Pune at the end of May. The workshop was the fourth and final in a series organized by the National Institute of Public Finance and Policy (NIPFP) under the Bank’s non-lending Technical assistance Project on States’ Public Finance Capacity Building. Seventeen journalists from major state newspapers participated in the workshop.

Dr. Madhav Godbole, Former Home Secretary to the Government of India, in his inaugural address ‘State Finances: More Questions Than Answers’, argued that only the pressure of public opinion will help rectify fiscal matters at the state level. And the responsibility to create the ground and the climate for the purpose must, he said, be willingly and unhesitatingly taken over by the media and the civil society.

Apart from senior Bank staff, Mr. Swaminathan Ankaleshwaria Aiyar, Consulting Editor Economic Times and a consultant to the Project, participated in the workshop.
### TRAINING PROGRAM

**Public Finance for College and University Teachers**

June 6 - July 2, 2005 • New Delhi

A month-long training program in ‘Public Finance: Theory and Practice’ for state university and college teachers was organized by National Institute of Public Finance and Policy (NIPFP) in early June. This program is funded by the Bank under its non-lending technical assistance (TA) for States’ Public Finance Capacity Building.

Thirty-two university/college teachers from 15 states and union territories – Assam, Andhra Pradesh, Delhi, Maharashtra, Kerala, Rajasthan, Tamil Nadu, Karnataka, Orissa, Uttar Pradesh, Goa, West Bengal, Nagaland, Pondicherry and Jammu and Kashmir – participated in the refresher course.

The main objective of the TA is to strengthen and build capacity of local and state level institutions, academics and media in budgetary analysis and fiscal issues. Over the past two years, several workshops were held for academics and the journalists in different states under this TA.

The training program was inaugurated by Dr. C. Rangarajan, Chairman of the Economic Advisory Council of the Prime Minister, and Mr. Michael F. Carter, the World Bank’s Country Director for India. Mr. Parthasarthi Shome, Advisor to the Finance Minister, and Mr. Shantayanan Devarajan, the Bank’s Chief Economist for South Asia, also presented lectures as part of the training program.

Other experts included faculty members from NIPFP, the Delhi School of Economics, Jawaharlal Nehru University, Tata Energy Research Institute, and the Institute of Economic Growth, as well as other World Bank staff.

### WORKSHOP

**Operationalizing Pro-poor Growth in India**

9 June 2005 • New Delhi

The World Bank, UK’s Department for International Development (DFID), and the London School of Economics (LSE) jointly sponsored a workshop in which Professor Tim Besley and Dr. Robin Burgess of the LSE presented their paper ‘Operationalizing Pro-poor Growth in India’. More than 80 people heard the two authors and their two interlocutors – Dr. Ashok Lahiri, Chief Economic Advisor to the Government of India and Prof. Suresh Tendulkar of Delhi School of Economics. Dr. Deepak Nayyar, former Vice Chancellor, Delhi University, chaired the event.

The Besley-Burgess paper, one of a series of country case-studies in a global research project on pro-poor growth, analyzes trends in growth and poverty reduction in post-Independence India. It examines the heterogeneity in poverty reduction experiences across Indian states by focusing on the policy regimes that states adopted and the initial conditions which may have influenced a state’s ability to reduce poverty.


### WORKSHOP

**Procurement Reforms in India**

10 June 2005 • New Delhi

A day long workshop organized by the Bank brought together senior policymakers from the Comptroller and Auditor General’s office, the Central Vigilance Commission, the ministries of home, finance
The World Bank in collaboration with the Department of Posts, Government of India, and with the support of the Swiss Agency for Development and Cooperation, organized a two-day seminar on Transformation of India Post for Vision 2020 with a theme of developing efficient service delivery (postal, financial, ICT) within the context of a commercially viable postal institution.

The seminar was very well attended and brought together representatives from diverse sectors that included the government, postal administrations from India and abroad, private and public sector participants, NGOs and microfinance institutions. The objective of this seminar was to share domestic and international experiences to help define a long term vision for India Post, a strategy for its transformation, and an action plan on the specific steps that need to be taken. The seminar also intended to contribute to the thought process within India Post on how the department’s services can be offered more efficiently, its retail network leveraged fully, and, its range of services expanded.

Presentations made at the seminar can be viewed on the Bank’s India website at www.worldbank.org.in

**WORKSHOP**

**Bihar’s Development Strategy**

18 June 2005 - Patna

The development challenges facing Bihar are now legion – stagnating growth, weakened institutions, and a nearly-disintegrated system of service delivery. However, there are also many instances of successful development programs which could well be scaled up to build the state’s future development.

The workshop on Bihar’s Development Strategy organized jointly by the Government of Bihar, the Planning Commission, and the World Bank focused on just this theme. The workshop brought together policy-makers from the state and Central level, academics, NGOs donor agencies, the media and the private sector to identify the challenges and opportunities facing Bihar. More than 180 participants worked at moving beyond identifying Bihar’s problems and towards providing solutions.

The Workshop was inaugurated by the Governor of Bihar, Mr. Buta Singh; the Bank’s Country Director for India, Mr. Michael Carter, presented the opening remarks, while the keynote address was presented by the Member of the Planning Commission, Mr. Anwarul Hoda.

The World Bank in collaboration with the Department of Posts, Government of India, and with the support of the Swiss Agency for Development and Cooperation, organized a two-day seminar on Transformation of India Post for Vision 2020 with a theme of developing efficient service delivery (postal, financial, ICT) within the context of a commercially viable postal institution.

Debating also the recommendations of the Government of India’s Task Force on procurement reforms, the participants exchanged several ideas on what else needed to be done. Among the suggestions that emerged were the need for setting up a dedicated unit for handling procurement policy issues nationally; the creation of a credible mechanism for addressing complaints, and; the need for a Central Procurement Law – the General Financial Rules (GFR) that currently govern public procurement – that could be adopted by states.

**SEMINAR**

**Transformation of India Posts**

15-16 June 2005 - New Delhi

Above & right: Participants at the workshop on procurement reforms

and railways, as well as finance secretaries of various states and PSU officials to discuss overhauling the procurement system in India.

The development challenges facing Bihar are now legion – stagnating growth, weakened institutions, and a nearly-disintegrated system of service delivery. However, there are also many instances of successful development programs which could well be scaled up to build the state’s future development.

The workshop on Bihar’s Development Strategy organized jointly by the Government of Bihar, the Planning Commission, and the World Bank focused on just this theme. The workshop brought together policy-makers from the state and Central level, academics, NGOs donor agencies, the media and the private sector to identify the challenges and opportunities facing Bihar. More than 180 participants worked at moving beyond identifying Bihar’s problems and towards providing solutions.

The Workshop was inaugurated by the Governor of Bihar, Mr. Buta Singh; the Bank’s Country Director for India, Mr. Michael Carter, presented the opening remarks, while the keynote address was presented by the Member of the Planning Commission, Mr. Anwarul Hoda.
The discussion focused on three themes:
(i) what is holding back growth in Bihar,
(ii) how can Bihar improve the delivery of services, and
(iii) what are the priorities for institutional strengthening.

The World Bank’s report, *Bihar: Towards a Development Strategy* was also released at the workshop. The report suggests that a development strategy for Bihar will require a multidimensional approach across sectors and institutions.

The Government of Bihar also released its ‘Partnership Matrix for the Development of Bihar’ at the workshop. The matrix, identifies areas for potential support from the World Bank and other donors program.

Speaking at the workshop, Michael Carter, Country Director India, said “...I would like to emphasize that Bihar and the lagging states are a high priority for the World Bank... and we look forward to a long-term partnership with the Government of Bihar in supporting the implementation of their development strategy”.

Presentations made during the Workshop can be viewed on the Bank’s India website at [www.worldbank.org.in](http://www.worldbank.org.in)

See also page 15

### WORKSHOP

**Assessing the Investment Climate in Karnataka**  
Karnataka • 21 June 2005 • Bangalore

Karnataka is among the five most investment-friendly Indian states, but it still faces challenges, especially in the key area of infrastructure improvement. The World Bank, in collaboration with the Confederation of Indian Industry, organized a workshop on ‘Assessing the Investment Climate in Karnataka’ to discuss and debate the key constraints and challenges facing Karnataka’s private sector.

Speaking on the occasion, the Bank’s Country Director for India, Mr. Michael Carter, said, “In the case of Karnataka, our assessment shows that respondents ranked regulation & corruption and infrastructure as the top constraints affecting productivity and growth”.

The discussions were centred on the Karnataka-specific findings of two World Bank group publications, the *India Investment Climate Assessment 2004* and the *Doing Business Report 2005*. The *Investment Climate Assessment* of 2004 is largely based on a survey jointly carried out by the World Bank and the Confederation of Indian Industry (CII) during March to July 2003. In Karnataka, 200 firms across four cities (Bangalore, Mangalore, Mysore, Hubli-Dharwad) were surveyed.

Presentations made during the workshop can be viewed online at [http://www.worldbank.org.in](http://www.worldbank.org.in)


The Administrative Staff College of India (ASCI) and the World Bank joined forces to sponsor a national conference on ‘Intergovernmental Finance and Fiscal Responsibility’ at the ASCI campus in Hyderabad.

According to Mr. Vinaya Swaroop, the Bank’s Lead Economist (Public Finance) in the World Bank and one of the conference organizers, “The Twelfth Finance Commission requirement that all states pass fiscal responsibility legislation provides a new framework within which states can address their fiscal problems which remain a serious stumbling block in the path of India’s development. The Conference offered a forum for officials from state governments to share knowledge on principles and practices of fiscal responsibility. It enabled learning from both cross-India and international experiences on what makes for successful implementation of fiscal reform with a fiscal responsibility legislative framework.”

Close to 100 senior central and state government officials, as well as a number of prominent academics and international experts attended the three-day conference. The inaugural session of the Conference featured the chief minister of Andhra Pradesh, Dr. Y. S. Rajasekhara Reddy, the Chairman of the Prime Minister’s Economic Advisory Council and former Chairman of the Twelfth Finance Commission, Dr. C. Rangarajan, and the Chief Economic Advisor in the Ministry of Finance, Dr. Ashok Lahiri. Dr. S.K. Rao, the Director of ASCI and Mr. Michael Carter, World Bank Country Director for India, also addressed participants.

Mr. Carter, in his remarks to the opening session, stressed the “negative developmental impact of poor fiscal performance” and the importance of “institutionalizing fiscal reforms through a legislative approach”. However, he cautioned that “strong political commitment and effective implementation are also required.”

Indian policy-making and politics have always been dominated by discussions of poverty; hence, measures of poverty attract a great deal of attention and debate. One of the most debated questions touches on how much did poverty decline in the 1990s, a period of liberalization and rapid growth.

The World Bank in partnership with the Indian Planning Commission, the India Development Foundation, and Macmillan India sponsored the launch of The Great Indian Poverty Debate, edited by Angus Deaton, Professor of Economics at Princeton University, and Valerie Kozel, senior economist at the World Bank. Dr. Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission, gave the keynote address and the opening session was chaired by Dr. Shanta Devarajan, the Bank’s Chief Economist for South Asia.

The poverty debate covered by this volume started up in the late 1990s when poverty measures based on the National Sample Surveys – the data used for all official measurement of poverty in India – began showing a slower decline in poverty than that suggested by the growth in the measure of average consumption from the National Income Accounts statistics. The debate was fuelled by the release of the data from the 1999/2000 National Sample Survey, which included design changes that made it difficult to compare its results with earlier surveys. The official estimates from the 1999/2000 Survey, which were published in February 2001, showed a very large decline in poverty rates, and did nothing to settle the debate. In response, the World Bank and the
Above & previous page: Chairman of the Planning Commission, Dr. Montek Singh Ahluwalia, flanked by Prof. Angus Deaton and Ms. Valerie Kozel. The Bank’s Chief Economist for South Asia, Dr. Shanta Devarajan is to the far right

Planning Commission jointly organized a workshop in January 2002. The research papers contained in The Great Indian Poverty Debate were all presented here.

“The volume highlights the many sides to this debate, and its release now is very timely because of the lessons that it suggests for the evolution of poverty measurement in India, particularly as we await the data from the next major round of the National Sample Survey that will be available to researchers in early 2006,” says Mr. Shekhar Shah, Economic Advisor for South Asia at the World Bank.

The book launch was followed by a presentation by the editors and ended with a panel discussion on strategic directions for poverty alleviation in India and their implications for measurement.

VIDEOCONFERENCE & REPORT LAUNCH
India and the Knowledge Economy
28 June 2005
Washington • New Delhi

One of the world’s largest economies, India has made enormous strides in its economic and social development in the past two decades. But according to a new World Bank report, India and the Knowledge Economy: Leveraging Strengths and Opportunities, India can increase its economic productivity and the well-being of its population by making more effective use of knowledge.

“This report serves as an important Bank input into the domestic consultation and reform process which will move India further into the global knowledge economy of the twenty-first century,” said Mr. Michael Carter, the Bank’s Country Director for India. “The World Bank recognizes that making effective use of knowledge in any country requires developing appropriate policies and institutions to promote entrepreneurship and efficient use of knowledge.”

Participating in the launch function over videoconference from Washington, Ms. Anuja Utz, co-author of the report, said: “To create a sustained cadre of ‘knowledge workers,’ India needs to make its education system more demand driven to meet the emerging needs of the economy and to keep its highly qualified people in the country. This means raising the quality of all higher education institutions, not just a few world-class ones, such as the Indian Institutes of Technology.”

See also page 16
Forthcoming Events

**DOCUMENTATION & CONFERENCE**

Economic Liberalization & Reforms in India

The World Bank will be providing financial assistance to the Observer Research Foundation (ORF) for a project which will document the development of economic liberalization and reforms in India. The project, which is conceptualized as a series of case studies from various eminent experts in their respective fields, will culminate in a conference followed by the publication of a book.

The research project aims to trace the development of and draw meaningful conclusions from the reform program so as to explain better why some strategies worked and why others did not. The project will cover some of the key sectors in the economy and policy areas, including trade, finance, macro-economic policy, infrastructure, and education. Dr. S. Narayan, former Secretary, Department of Economic Affairs and advisor to the Prime Minister is the project coordinator.

For more information, please contact Shatanjaya Dasgupta of the World Bank at sdasgupta2@worldbank.org

**WORKSHOP**

Public Expenditure Management in Health and Education

17-18 August 2005 • Bhubaneswar

The two-day Workshop will be held with support from the World Bank and the UK’s Department for International Development (DfID) and with the participation of the World Bank Institute.

Recent Project Approvals

**Maharashtra Water Sector Improvement Project**

Delhi, 23 June, 2005

The World Bank approved a loan of US$ 325 million to assist the Government of Maharashtra strengthen its capacity for multisectoral planning, development, and sustainable management of its water resources; and to improve irrigation services and thereby increasing agricultural productivity in the state.

**Tsunami Emergency Reconstruction Project**

Delhi, 12 May, 2005

The World Bank and the Asian Development Bank (ADB) today signed agreements with the Government of India extending an International Development Association (IDA) credit of US$ 465 million from the World Bank and a total assistance of US$ 205 million from the ADB (US$ 100 million as loan, US$ 100 million as grant and US$ 5 million from the Japan Fund for Poverty Reduction) towards post-tsunami reconstruction and recovery efforts in India. The total World Bank financing of US$ 528.5 million will support rural water supply rehabilitation in Kerala, livelihood restoration in Andhra Pradesh, and housing and transport infrastructure restoration in Tamil Nadu and Pondicherry. The financing will also support studies for longer-term coastal management.

A sum of US$ 40 million is allocated to Andhra Pradesh, US$ 10 million to Kerala, US$ 42 million to Pondicherry and US$ 434 million to Tamil Nadu. The World Bank grant of US$ 2.5 million will support studies and training in Tamil Nadu and Pondicherry.
New Additions to the Public Information Center

This is a select listing of recent World Bank publications, working papers, operational documents and other information resources that are now available at the New Delhi Office Public Information Center. Policy Research Working Papers, Project Appraisal Documents, Project Information Documents and other reports can be downloaded in pdf format from ‘Documents and Reports’ at www.worldbank.org

India Publications

India’s Financial Sector: Recent Reforms, Future Challenges
Edited by Priya Basu
English 224 pages
Published June 2005
ISBN: 1403 92737 5

India has introduced wide-ranging and impressive reforms in the financial sector since the early 1990s. These reforms have helped improve financial sector soundness and depth, and led to an impressive growth in financial resources. However, the private sector has not received credit at the levels one would expect. Large segments of the economy, such as small and medium enterprises and rural households, remain excluded from access to formal finance.

Much more needs to be done to improve the efficiency with which financial resources are allocated to finance the higher levels of investment necessary for sustained growth and poverty reduction.

The papers in this volume highlight a formidable reform agenda, pointing to the need for a progressive reduction in fiscal deficits, dealing with the country’s public sector banks and financial institutions, introducing more effective legal, regulatory, supervisory and risk management systems, further developing capital markets, pension reforms, and measures to improve access to finance for the underserved.

Bihar: Towards a Development Strategy

The challenge of development in Bihar is enormous – persistent poverty, complex social stratification, unsatisfactory infrastructure and weak governance are well-known problems. The people of Bihar also struggle against an image problem that is deeply damaging to Bihar’s growth prospects. An effort is needed to change this perception, and to search for real solutions and strategies to meets Bihar’s development challenge.
This report aims to initiate a dialogue with policymakers in Bihar on the state’s complex and challenging development issues. For effective contribution to the dialogue, the assessment candidly recognizes Bihar’s constraints but clearly support Bihar’s own development goals and objectives.

The main message of this report is one of hope. There are many success stories not well known outside Bihar that demonstrate its strong potential, and could, in fact, provide lessons for other regions. A boost to economic growth, improved social indicators, and poverty reduction will require a multi-dimensional development strategy that builds on Bihar’s successes and draws on the underlying resilience and strengths of its people. The ideas and recommendations in the report are preliminary in nature, hence the title – Bihar: Towards a Development Strategy.

India and the Knowledge Economy: Leveraging Strengths and Opportunities

Report No. 31783
(Sector Report)
Tamil Nadu is the fifth largest economy and the seventh most populous state in India. With the third highest Human Development Index amongst 29 Indian states, it is well on track to meet the major Millennium Development Goals. The state has a relatively high poverty head count of about 20 percent and intra-state disparities exist in the progress toward the attainment of the Millennium Development Goals.

A fiscal crisis that peaked in 1999-00 to 2000-01 and slowdown in economic growth since the late 1990s threaten the prospects for sustained poverty reduction. Repeated droughts and growing water shortages heighten the importance of structural transformation that would reduce the vulnerability of the economy.

Spurred by the fiscal crisis and slowing growth, the Government of Tamil Nadu started implementing wide-ranging fiscal and structural reforms from late 2001 to 2003/04. The reform program made a good beginning with a positive impact on fiscal adjustment. However, policy reversals in 2004 in critical reforms, such as the rollback of power tariff increase, free power for agriculture and an untargeted Public Distribution System have the potential of impeding the expenditure restructuring effort.

Tamil Nadu faces a challenging growth agenda. The reform agenda deals with not only regulatory policies and practices concerning factor markets but also regulation of entry/exit and tax policy and administration. Further, removing substantial infrastructure bottlenecks top the reform agenda. Overcoming the constraints faced by the agricultural sector in Tamil Nadu will require appropriate policies and investments in improving the efficiency of water use; increasing the effectiveness of public expenditure and agricultural extension and spurring the development of agricultural markets. Of critical importance is the sequencing and prioritization of reforms, and the careful management of trade-offs in reform gains, costs, and risks.

The report presents a synthesis of five policy notes prepared by World Bank staff in collaboration with the Government of Tamil Nadu to support its reform program between 2002 and 2004. The five policy notes span fiscal reform and sustainability, improving investment climate, agriculture development, governance challenges, and poverty profile. The report reflects the status of policy dialogue up to March 2004 with a few selected updates.
**WPS3646**  
**Scaling-up microfinance for India’s rural poor**  
By Priya Basu and Pradeep Srivastava  
June 2005

This paper reviews the current level and pattern of access to finance for India’s rural poor and examines some of the key microfinance approaches in India, taking a close look at the most dominant among these, the Self Help Group (SHG)-Bank Linkage initiative. It empirically analyzes the success with which SHG-Bank Linkage has been able to reach the poor, examines the reasons behind this, and the lessons learned.

The analysis draws heavily on a recent Rural Access Finance Survey of 6,000 households in India undertaken by the authors. The main findings and implications of the paper are as follows: India’s rural poor currently have very little access to finance from formal sources. Microfinance approaches have tried to fill the gap. Among these, the growth of SHG-Bank Linkage has been particularly remarkable, but outreach remains modest in terms of the proportion of poor households served.

The paper recommends that, if SHG-Bank Linkage is to be scaled up to offer mass access to finance for the rural poor, then more attention will need to be paid toward the promotion of high quality SHGs that are sustainable, clear targeting of clients, and ensuring that banks linked to SHGs price loans at cost-covering levels.

At the same time, the paper argues that, in an economy as vast and varied as India’s, there is scope for diverse microfinance approaches to coexist. Private sector microfinanciers need to acquire greater professionalism, and the government can help by creating a flexible architecture for microfinance innovations, including through a more enabling policy, legal, and regulatory framework.

Finally, the paper argues that, while microfinance can, at minimum, serve as a quick way to deliver finance to the poor, the medium-term strategy to scale-up access to finance for the poor should be to “graduate” microfinance clients to formal financial institutions.

**WPS3640**  
**Is a guaranteed living wage a good anti-poverty policy?**  
By Rinku Murgai and Martin Ravallion  
June 2005

Minimum wages are generally thought to be unenforceable in developing rural economies. But there is one solution – a workfare scheme in which the government acts as the employer of last resort. Is this a cost-effective policy against poverty? Using a microeconometric model of the casual labor market in rural India, the authors find that a guaranteed wage rate sufficient for a typical poor family to reach the poverty line would bring the annual poverty rate down from 34 percent to 25 percent at a fiscal cost representing 3-4 percent of GDP when run for the whole year.

Confining the scheme to the lean season (three months) would bring the annual poverty rate down to 31 percent at a cost of 1.3 percent of GDP. While the gains from a guaranteed wage rate would be better targeted than a uniform (untargeted) cash transfer, the extra costs of the wage policy imply that it would have less impact on poverty.

**WPS3596**  
**Household savings and residential mobility in informal settlements**  
By Uwe Deichmann, Somik V. Lall and Ajay Suri  
May 2005

Strategies to help the one billion people worldwide who live in informal settlements have mainly focused on slum upgrading, sites and services programs, and tenure security. In contrast, there has been less attention on what enables slum-dwellers’ transition to formal housing, which has the dual benefits of improved service access and escape from social stigma.

In this paper the authors investigate residential mobility among slum-dwellers in Bhopal, India. Their analysis
shows that one in five households succeeds in getting out of a slum settlement, and a major determinant is the household’s ability to save on a regular basis. Due to limited outreach of institutional housing finance, most slum-dwellers rely solely on household savings for purchasing a house. These findings underscore the urgent need to improve savings instruments for slumdwellers and for downmarket housing finance to reach the poorest residents of rapidly growing cities in developing countries.

WPS3574

Wage differentials between the public and private sector in India

By Elena Glinskaya and Michael Lokshin

April 2005

Are public workers in India underpaid? To answer this question Glinskaya and Lokshin use 50th and 55th National Sampling Survey Organization (NSSO) data and ascertain labor market opportunities for workers in the public sector by employing econometric techniques to control for the differences in human capital and other characteristics (age, education, etc.) of the workforce employed in the public and private sectors. Results show that even after adjusting for differences in human capital characteristics the public sector wage premium ranges from 62% to 102%, over private-formal, and between 164% and 259% over casual-informal sectors. The wage premium tends to be higher for low-skilled workers and there is considerable evidence of an increase in the wage differential over time. Moreover, India has one of the largest differentials between wages of private workers and workers in the formal private sector. Differentials as high as in India were found in only two African countries (Ghana and Côte d’Ivoire) and in some regions of Brazil.

While it is quite possible (even likely) that NSSO data has relatively few of the most skilled workers in India’s labor market-managers, lawyers, accountants – those who tend to work in the internationally competitive labor market – managers, lawyers, accountants – those who tend to work in the internationally competitive labor market. In this paper the authors focus on public wages so that the most skilled workers could be competitively attracted to the public sector, while at the same time the low-skilled workers would be paid according to their alternative opportunities in the private sector.

It is an outcome of these conflicting objectives and binding constraints that India’s public sector is prohibitively expensive (as this research and trends in fiscal deficit have shown). If ‘business as usual’ continues, India’s public sector will not be in a position to facilitate economic development and deliver essential services at a reasonable cost.

Other Publications

Migrant Labor Remittances in South Asia

By Samuel Munzele Maimbo, Richard Adams, Nikos Passas and Reena Aggarwal

Price: $ 20.00

English Paperback

Published June 2005


SKU: 16183

According to a recent World Bank study of remittances, Bangladesh, India, Pakistan and Sri Lanka are all among the top 20 receivers of remittances, with estimated receipts of US$3.2 billion, US$8.4 billion and US$ 1.5 billion respectively. Migrant Labor Remittances in South Asia identifies and discusses the key issues affecting the remittance industry in South Asia. It examines the development and implementation of policies, processes, and infrastructure to foster a development-oriented transfer of financial resources between migrants in developed economies and their families in the region. Rather than duplicate previous remittances work, this title only focuses on the region’s distinguishing characteristics, namely:

● A large migrant population of semi-skilled and unskilled workers largely concentrated in the Arabian Gulf countries, particularly Saudi Arabia and the United Arab Emirates.

● The presence of dedicated public institutions and government financial incentives aimed at facilitating and providing incentives for temporary migration and remittance inflows.

● The existence of large state bank branch networks with immense potential for a more effective and efficient remittance financial market.

● The widespread usage of trade related informal remittance channels by both legal and illegal migrants.

Remittances: Development Impact and Future Prospects

Edited by Samuel Munzele Maimbo and Dilip Ratha

Price: $ 30.00

English Paperback

396 pages

Published June 2005

ISBN: 0-8213-5794-8

SKU: 15794

New research shows the astonishing scope of remittances, with formally documented flows now estimated at $90 billion for 2003. Globally, remittances now constitute the largest...
source of financial flows to developing countries after Foreign Direct Investment (FDI), and indeed in many countries they now exceed FDI flows.

This book explores policy options for enhancing the poverty alleviation impact of remittance money in recipient countries, and addresses concerns about increasing migration and inequality. It looks at new technologies that allow remittance service providers to reduce direct transaction costs and open new channels, enhancing convenience for remitters and improving levels of transparency and accountability for regulators and policy makers.

Voice for the World’s Poor: Selected Speeches and Writings of World Bank President James D. Wolfensohn, 1995-2005

Voice for the World’s Poor brings together the most important and inspiring speeches and writings by James Wolfensohn during his time as World Bank president. Spanning all 10 years of his presidency (1995-2005), the book presents Wolfensohn’s most stimulating and thought-provoking ideas on critical global issues including poverty, debt relief, corruption, HIV/AIDS, climate change, human rights, and globalization. Written during some of the most tumultuous times in recent history, Wolfensohn addresses and examines key global events and issues, from Bosnia’s reconstruction, the Asian financial crisis, and the rise of the anti-globalization movement to the terrorist attacks of September 11, 2001, the aftermath of the Iraq war, and the outpouring of help for the victims of the tsunami of December, 2004.


Balancing the Development Agenda examines the evolution of the World Bank and its operations during the presidency of James D. Wolfensohn. It examines the modernization of this global economic institution which is now focused on home-grown development planning where borrowing countries are in the ‘driver’s sea’ of their own development. It takes a closer look at the major development challenges addressed by the Bank during the past decade such as debt relief, corruption, and HIV/AIDS and provides a timeline of events that have shaped the Bank.

At the Frontlines of Development: Reflections from the World Bank

In this book, former World Bank country directors recount their experiences, both as managers of the World Bank’s programs in global economic hotspots of the 1990s as well as throughout their careers in development economics. These essay details, among many stories of development in the 1990s, how China and India lifted hundreds of millions out of poverty, while Russia collapsed; how Bosnia and Herzegovina and Mozambique remade their war-ravaged economies; and how Thailand, Turkey, and Argentina fell into financial crisis. These remarkable stories, told in first-person by the country directors who were there to witness them, provide candid assessments of development in the 1990s – what succeeded, what failed, and what lessons emerged.

Little Data Book 2005

Now in its seventh edition, the Little Data Book 2005 is a pocket-sized ready reference on key development data for over 200 countries. Profiles of each country include 54 key indicators including population figures, GNI, GDP, FDI figures and much more.

Drawing on data from the World Bank’s World Development Indicators 2005, the Little Data Book provides quick reference to the latest available data for World Bank member countries as well as other economies with populations of over 30,000. Separate tables summarize data for the World, by Region (East Asia and Pacific, Middle East and Africa, etc.), and Income Group. A helpful Glossary of Terms defines each indicator.
The World Bank in India • July 2005

The Market for Aid

By Michael U. Klein and Tim Harford
Price: $ 18.00
English Paperback
143 pages
Published June 2005 by International Finance Corporation
SKU: 16228

Michael Klein and Tim Harford analyze some of the hot topics in the aid industry today. They argue that the aid industry is changing, old models of aid are under pressure, and both donors and recipients will ask more and more of aid agencies in the future. The chaos of competition and the search for new ideas are frightening to some and risk harming the people whom the industry is supposed to benefit. Yet at the same time there is a tremendous opportunity for harnessing competition to improve performance and find better ways of helping the poor. Klein and Harford argue for rigorous methods of evaluation and creative use of the private sector to produce a more effective aid industry in which new experiments are encouraged.

Power, Rights, and Poverty: Concepts and Connections

Edited by Ruth Alsop
Price: $ 20.00
English Paperback
168 pages
Published June 2005
ISBN: 0-8213-6310-7
SKU: 16310

While the terms ‘power’ and ‘rights’ are increasingly incorporated into the language of development agencies they have yet to fully permeate the practice of poverty reduction. Acknowledging that this partly results from a lack of clarity over the concepts of power and rights and partly from questions of how to operationalize these ideas, the World Bank and UK’s Department for International Development co-sponsored a series of short papers for focusing on enhancing understanding of the relationships between power, rights, and poverty reductions. This publication brings together edited papers, along with a selection of supplementary materials.

Ecuador’s impressive fiscal performance of 2003 is encouraging, but fragile. Its fiscal stress and poor budget management is deeply rooted in a governance system benefiting the elites. This report focuses on the challenge for the government to provide more effective, efficient, sustainable and equitable assistance to the poor.

Creating Fiscal Space for Poverty Reduction in Ecuador: A Fiscal Management and Public Expenditure Review

By World Bank
Price: $ 30.00
English Paperback 278 pages
Published June 2005

In its fourth annual edition, The Little Green Data Book 2005 is a pocket-sized ready reference on key environmental data for over 200 countries. Key indicators are organized under the headings of agriculture, forestry, biodiversity, energy, emission and pollution, and water and sanitation.

Drawing on data from the World Bank’s World Development Indicators 2005, The Little Green Data Book provides quick reference to the latest available environmental data for World Bank member countries as well as other economies with populations of over 30,000.

Spending Wisely: Buying Health Services for the Poor

Edited by Alexander S. Preker, and John C. Langenbrunner
Price: $ 35.00
English 430 pages
Published June 2005
SKU: 15918

Focusing on the strategic purchasing and contracting of services from non-governmental providers, this title reviews ways to make public spending on health care more efficient and equitable in developing countries. It recommends that:

- experiments and pilot projects for improving public sector hospitals should focus on mission clarity and organizational simplification;
- programs for improving the composition of utilization should experiment with payments to consumers and with health labor force composition and training; and
- initiatives to attract providers to rural areas should use explicit deferred compensation contracts to improve monitoring.

The Little Green Data Book 2005

By World Bank
Price: $ 15.00
English Paperback
Published April 2005
ISBN: 0-8213-6076-0
SKU: 16076

In its fourth annual edition, The Little Green Data Book 2005 is a pocket-sized ready reference on key environmental data for over 200 countries. Key indicators are organized under the headings of agriculture, forestry, biodiversity, energy, emission and pollution, and water and sanitation.

Drawing on data from the World Bank’s World Development Indicators 2005, The Little Green Data Book provides quick reference to the latest available environmental data for World Bank member countries as well as other economies with populations of over 30,000.

By William G. Battaile Jr.
Price: $15.00
English Paperback
128 pages
Published June 2005
ISBN: 0-8213-6219-4
SKU: 16219

The Independent Evaluation Office (IEO) of the International Monetary Fund (IMF) and the Operations Evaluation Department (OED) of the World Bank – both independent units reporting to their respective institutions’ Executive Boards – recently completed parallel evaluations of the Poverty Reduction Strategy (PRS) Initiative, with particular attention to the role and effectiveness of World Bank and IMF support.

A key source of evidence for the evaluations was a set of 10 country case studies, most completed in the second half of 2003, of countries that had completed a Poverty Reduction Strategy Paper (PRSP). This volume contains summaries of those case studies.

Connecting Sub-Saharan Africa: A World Bank Group Strategy for Information and Communication Technology Sector Development

By Pierre Guislain, Mavis A. Ampah, Laurent Besançon, Cécile Niang and Alexandre Sérot
Price: $20.00
English Paperback
62 pages
Published June 2005
ISBN: 0-8213-6150-3
SKU: 16150

Connecting Sub-Saharan Africa outlines a strategy for information and communication technologies (ICT) development in Sub-Saharan Africa that will further the reform agenda to facilitate deployment of ICT infrastructure, and encourage the development community to support African governments in this regard.

It provides strategies for developing and enhancing the capacity of Africa’s ICT institutions – including regulators, ministries, and regional bodies – to lead the development of an interconnected region and implement sustainable regional strategies for integration and knowledge-sharing. Of particular concern is the ability to bring rural areas into the national, regional, and global economies, thus creating new opportunities for the world’s poorest citizens.

International Political Risk Management, Volume 3: Looking to the Future

Edited by Theodore H. Moran and Gerald T. West
Price: $30.00
English Paperback 6.125 x 9.25
Published June 2005
ISBN: 0-8213-6154-6 SKU: 16154

International Political Risk Management: Looking to the Future is the third in a series of volumes based on the MIGA-Georgetown University Symposium in International Political Risk Management. Like its predecessors, this volume offers expert assessments of needs, trends, and challenges in the international political risk insurance industry. These assessments come from a dozen senior practitioners from the investor, financial, insurance, broker, and analytical communities.

Agricultural Growth for the Poor: An Agenda for Development

By World Bank
Price: $20.00
English Paperback
Published June 2005
ISBN: 0-8213-6067-1 SKU: 16067

The majority of the world’s poor depend directly or indirectly on agriculture. Despite the strong linkages between broad-based agricultural growth and poverty reduction, international support to agriculture sharply declined from the late 1980s. The need to raise agriculture’s prominence in the development agenda has never been greater. This book seeks to articulate the World Bank’s Rural Strategy on agriculture to the wider development community. It provides decision makers with the rationale for supporting agriculture by presenting the lessons learned on the policies, institutions, and priority investments that can sustain pro-poor agricultural growth.

Old-Age Income Support in the 21st Century: An International Perspective on Pension Systems and Reform

By Robert Holzmann and Richard Hinz
Price: $25.00
English Paperback
242 pages
Published May 2005 by World Bank

The past decade has brought an increasing recognition to the importance of pension systems to the economic stability of nations and the security of their aging populations. During this time, the World Bank has taken a leading role in addressing this challenge through its support for pension reforms around the world.
Old-Age Income Support in the 21st Century is an update on the World Bank’s perspective on pension reform. The Bank has been involved in pension reforms in nearly 60 countries, and the demand for its support continues to grow. This book incorporates lessons learned from recent Bank experiences and research that have significantly increased knowledge and insight regarding how best to proceed in the future.

Labor Markets and Social Policy in Central and Eastern Europe: The Accession and Beyond
Edited by Nicholas Barr
Price: $35.00
English Paperback
266 pages
Published May 2005
ISBN: 0-8213-6119-8
SKU: 16119

Labor Markets and Social Policy in Central and Eastern Europe summarises social policy reform during the transition and EU accession and analyses the social policy challenges which continue to face both old and new member states. This book is a sequel to Labor Markets and Social Policy in Central and Eastern Europe: The Transition and Beyond, also edited by Nicholas Barr (ISBN 0-19-520998-2. US$ 22).

East Asia Decentralizes
By World Bank
Price: $30.00
English Paperback
278 pages
Published May 2005
ISBN: 0-8213-6059-0
SKU: 16059

The past two decades have witnessed a fundamental transformation in the structure of government across East Asia. Prior to 1990 most East Asian countries were highly centralized; today, decentralization is ubiquitous throughout the region. From China to Thailand, sub-national governments are now responsible for the delivery of critical services and account for a significant proportion of total public expenditure. In just two decades, local and regional authorities have emerged as the organizational fulcrum on which much of the weight of development now falls. East Asia Decentralizes is the first attempt to look systematically at this phenomenon throughout East Asia.

Extractive Industries and Sustainable Development: An Evaluation of the World Bank Group’s Experience
By Andres Liebenthal
Price: $22.00
English Paperback
Published May 2005
ISBN: 0-8213-5710-7
SKU: 15710

How effectively has the World Bank Group assisted its clients in enhancing the contribution of the extractive industries to sustainable development? This evaluation finds that, on the whole, Bank extractive industries projects have produced positive economic and financial results, though compliance with its environmental and social safeguards remains a challenge. Its research has broadened and deepened understanding of the causes for the disappointing performance of resource-rich countries. Its guidelines for the mitigation of adverse environmental and social impacts have been widely used and appreciated. More recently, it has begun to address the challenge of country governance with a variety of instruments.

The World Bank Group can, however, do much to improve its performance in enhancing the extractive industry sector’s contribution to sustainable development and poverty reduction. The report identifies three main areas for improvement – formulating an integrated strategy, strengthening implementation and engagement of stakeholders.

Self-Assessment in Managing for Results: Conducting Self-Assessment for Development Practitioners
By Rosalia Rodriguez-Garcia and Elizabeth M. White
Price: $10.00
English Paperback
52 pages
Published May 2005
ISBN: 0-8213-6148-1
SKU: 16148

The global development community is increasingly recognizing the need for development assistance to achieve results on the ground. This in turn has highlighted the strategic value of performance information at the operational level. The challenges are to provide quality and timely information for decision-making at critical points, and to help development practitioners incorporate the use of outcome information into their business practices.

Self-Assessment in Managing for Results provides some of the tools for a systematic analytical evaluative process that improves planning and management.
State and Trends of the Carbon Market 2004

By Franck Lecocq
Price: $ 10.00
English Paperback 42 pages
Published May 2005
ISBN: 0-8213-6117-1 SKU: 16117

State and Trends of the Carbon Market 2004 examines the status of the emerging market for greenhouse gases emissions allowances and greenhouse gases emission reduction projects – the so-called ‘carbon market’. Based on a database of 354 transactions, this study shows that the market has been growing steadily over the past years, with demand still heavily concentrated and supply shifting from Latin America to Asia. It also explores the determinants of the price of carbon, showing that, in the absence of a standard contract for the purchase of emission reductions, the structure of the transaction has a strong impact on the price.

Enterprise Size, Financing Patterns, and Credit Constraints in Brazil: Analysis of Data from the Investment Climate Assessment Survey

By Anjali Kumar and Manuela Francisco
Price: $ 10.00
English Paperback 68 pages
Published April 2005
ISBN: 0-8213-6129-5 SKU: 16129

Enterprise Size, Financing Patterns, and Credit Constraints in Brazil investigates the importance of firm size with respect to accessing credit. The principal findings are that size strongly affects access to credit compared to firm performance, and other factors, such as management education, location or the industrial sector to which the firm belongs. Additional findings are that the impact of size on access to credit is greater for longer term loans and that public financial institutions are more likely to lend to large firms.

Putting Social Development to Work for the Poor: An OED Review of World Bank Activities

By Ronald Steven Parker
Price: $ 25.00
English Paperback 127 pages
Published April 2005
ISBN: 0-8213-5886-3 SKU: 15886

Putting Social Development to Work for the Poor finds that there is a strong positive association between including social development themes and project success. However, the Bank’s social development resources are deployed in ways that are not optimally supportive of its social development goals. To improve development outcomes, the report says the Bank needs to:

(i) demonstrate the value of incorporating social development themes in its work to its own staff as well as its borrowers;
(ii) develop capacity to identify critically needed social knowledge and to facilitate its flow;
(iii) provide staff with consistent access to essential social information to build social development into project designs and ensure that social development concerns are addressed during implementation (this will likely involve making greater use of in-country capacity);
(iv) ensure that stated Bank or policy priorities receive adequate treatment across Regions and countries, and throughout the project cycle; and
(v) identify, and promote integration within, thematic combinations that improve outcomes.

Economic Growth in the 1990s: Learning from a Decade of Reform

By World Bank
Price: $ 35.00
English Paperback
Published April 2005

This book is part of a larger effort undertaken by the World Bank to understand the development experience of the 1990s, an extraordinary eventful decade. Each of the project’s three volumes serves a different purpose. This volume, Economic Growth in the 1990s: Learning from a Decade of Reform, provides comprehensive analysis of the decade’s development experience and examines the impact of key policy and institutional reforms of growth.

Development Challenges in the 1990s: Leading Policymakers Speak from Experience

Edited by Tim Besley and N. Roberto Zagha
Price: $ 35.00
English Paperback
237 pages
Published April 2005
ISBN: 0-8213-5872-3 SKU: 15872

The 1990s was a decade of historical significance with numerous and remarkable changes. It was also a time of considerable reforms that strengthened the policy framework in a large number of countries. This book brings together the insights and experiences of some of the world’s leading policy-makers and global thought leaders.
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Date</th>
<th>Project ID</th>
<th>Report No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab Rural Water Supply and Sanitation Project</td>
<td>21 June 2005</td>
<td>P090592</td>
<td>AC1410 (Integrated Safeguards Data Sheet) AB1528 (Project Information Document)</td>
</tr>
<tr>
<td>Karnataka Health Systems Project</td>
<td>4 May 2005</td>
<td>P071160</td>
<td>AC1139 (Integrated Safeguards Data Sheet) IPP126 (Indigenous Peoples Plan)</td>
</tr>
<tr>
<td>Second National Tuberculosis Control Project</td>
<td>10 June 2005</td>
<td>P078539</td>
<td>AB1484 (Project Information Document) AC1412 (Integrated Safeguards Data Sheet) IPP127 (Indigenous Peoples Plan) E1162 (Environmental Assessment)</td>
</tr>
<tr>
<td>Madhya Pradesh Forestry Development Project</td>
<td>28 April 2005</td>
<td>P010506</td>
<td>32246 (Project Performance Assessment Report)</td>
</tr>
<tr>
<td>Proposed Trust Fund for Tsunami Disaster Recovery</td>
<td>26 April 2005</td>
<td></td>
<td>32212 (Board Report)</td>
</tr>
<tr>
<td>National Agricultural Innovation Project</td>
<td>23 April 2005</td>
<td>P092735</td>
<td>AC1490 (Integrated Safeguards Data Sheet) AB1541 (Project Information Document)</td>
</tr>
<tr>
<td>Maharashtra Water Sector Improvement Project</td>
<td>26 May 2005</td>
<td>P084790</td>
<td>31997 (Project Appraisal Document)</td>
</tr>
<tr>
<td>Tamil Nadu Water Resources Consolidation Project</td>
<td>31 May 2005</td>
<td>P010476</td>
<td>31721 (Implementation Completion Report)</td>
</tr>
<tr>
<td>Uttar Pradesh Power Sector Restructuring Project</td>
<td>24 May 2005</td>
<td>P035172</td>
<td>32423 (Implementation Completion Report)</td>
</tr>
<tr>
<td>Second Ozone Depleting Substances Project</td>
<td>18 May 2005</td>
<td>P031829</td>
<td>32391 (Implementation Completion Report)</td>
</tr>
<tr>
<td>Maharashtra Emergency Earthquake Rehabilitation Project</td>
<td>21 April 2005</td>
<td>P034162</td>
<td>32515 (Project Performance Assessment Report)</td>
</tr>
<tr>
<td>Second Andhra Pradesh Economic Reform Project</td>
<td>31 March 2005</td>
<td>P075191</td>
<td>30927 (Implementation Completion Report)</td>
</tr>
<tr>
<td>Report Number</td>
<td>Title</td>
<td>Authors</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>3652</td>
<td>Growth spillover effects and regional development patterns: The case of Chinese provinces</td>
<td>Luo Xubei</td>
<td></td>
</tr>
<tr>
<td>3650</td>
<td>Institutional and policy analysis of river basin management: The Alto-Tiete river basin, Sao Paulo, Brazil</td>
<td>Rosa Maria Formiga Johnsson; Karin Kemper</td>
<td></td>
</tr>
<tr>
<td>3649</td>
<td>Institutional and policy analysis of river basin management: The Jaguaribe river basin, Ceara, Brazil</td>
<td>Rosa Maria Formiga Johnsson and Karin Kemper</td>
<td></td>
</tr>
<tr>
<td>3648</td>
<td>Insurance and liquidity: Panel evidence</td>
<td>Rashmi Shankar</td>
<td></td>
</tr>
<tr>
<td>3647</td>
<td>Improving child nutrition outcomes in India: Can the integrated child development services be more effective?</td>
<td>Monica Das Gupta, Michael Lokshin, Michele Gragnolati and Oleksiy Ivaschenko</td>
<td></td>
</tr>
<tr>
<td>3646</td>
<td>Scaling-up microfinance for India’s rural poor</td>
<td>Priya Basu and Pradeep Srivastava</td>
<td></td>
</tr>
<tr>
<td>3644</td>
<td>The economic consequences of health shocks</td>
<td>Adam Wagstaff</td>
<td></td>
</tr>
<tr>
<td>3643</td>
<td>A ‘research’ database on infrastructure economic performance</td>
<td>Ana Goicoechea and Antonio Estache</td>
<td></td>
</tr>
<tr>
<td>3642</td>
<td>Advances in negotiation theory: Bargaining, coalitions, and fairness</td>
<td>Alessandra Sgobbi, Carmen Marchiori and Carlo Carraro</td>
<td></td>
</tr>
<tr>
<td>3641</td>
<td>Applications of negotiation theory to water issues</td>
<td>Alessandra Sgobbi, Carmen Marchiori and Carlo Carraro</td>
<td></td>
</tr>
<tr>
<td>3640</td>
<td>Is a guaranteed living wage a good anti-poverty policy?</td>
<td>Rinku Murgai and Martin Ravallion</td>
<td></td>
</tr>
<tr>
<td>3639</td>
<td>Finances of Egyptian listed firms</td>
<td>Inessa Love</td>
<td></td>
</tr>
<tr>
<td>3638</td>
<td>Workers’ remittances to developing countries: A survey with central banks on selected public policy issues</td>
<td>Jose de Luna Martinez</td>
<td></td>
</tr>
<tr>
<td>3637</td>
<td>Decentralization of river basin management: A global analysis</td>
<td>William Fru, Gisele Sine, Michele Diez, William Blomquist, Karin Kemper and Ariel Dinar</td>
<td></td>
</tr>
<tr>
<td>3636</td>
<td>Comparison of institutional arrangements for river basin management in eight basins</td>
<td>Karin Kemper, Ariel Dinar and William Blomquist</td>
<td></td>
</tr>
<tr>
<td>3635</td>
<td>The role of tropical forests in supporting biodiversity and hydrological integrity: A synoptic overview</td>
<td>Ellen M. Douglas, Kate Sebastian, Charles J. Vorosmarty, Stanley Wood and Kenneth M. Chomitz</td>
<td></td>
</tr>
<tr>
<td>3634</td>
<td>Quantifying the rural-urban gradient in Latin America and the Caribbean</td>
<td>Kenneth M Chomitz, Piet Buys and Timothy S. Thomas</td>
<td></td>
</tr>
<tr>
<td>3633</td>
<td>Investment and saving in China</td>
<td>Louis Kuijs</td>
<td></td>
</tr>
<tr>
<td>3632</td>
<td>Corporate governance and bank performance: A joint analysis of the static, selection, and dynamic effects of domestic, foreign, and state ownership</td>
<td>Gregory F. Udell, Leora Klapper, Robert Cull, George R. G. Clarke and Allen N. Berger</td>
<td></td>
</tr>
<tr>
<td>3631</td>
<td>Poverty traps, aid, and growth</td>
<td>Aart Kraay and Claudio Raddatz</td>
<td></td>
</tr>
<tr>
<td>3630</td>
<td>Governance Matters IV: Governance indicators for 1996-2004, Volume 1 of 2</td>
<td>Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi</td>
<td></td>
</tr>
<tr>
<td>3629</td>
<td>Fiscal space for investment in infrastructure in Colombia</td>
<td>Rodrigo Suescun</td>
<td></td>
</tr>
<tr>
<td>3628</td>
<td>Deposit insurance around the world: A comprehensive database</td>
<td>Luc Laeven, Baybars Karacaoglu and Asli Demirguc-Kunt</td>
<td></td>
</tr>
<tr>
<td>3627</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3626</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3625</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3624</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3623</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3622</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3620</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3619</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reforming the posts: Abandoning the monopoly-supported postal universal service obligation in developing countries
By Charles Kenny

Global monetary conditions versus country-specific factors in the determination of emerging market debt spreads
By Mansoor Dailami, Paul R Masson and Jean Jose Padou

Evaluating anti-poverty programs
By Martin Ravallion

Pesticide poisoning of farm workers: Implications of blood test results from Vietnam
By Susmita Dasgupta, Craig Meisner, David Wheeler, Nhan Thi Lam and Khuc Xuyen

The impact of regulation on growth and informality: Country evidence
By Norman V. Loayza, Ana Maria Oviedo and Luis Serven

Trade policy, income risk, and welfare
By Tom Krebs, Pravin Krishna and William Maloney

Assessing the impact of the investment climate on productivity using firm-level data: Methodology and the cases of Guatemala, Honduras, and Nicaragua
By J. Luis Guasch and Alvaro Escribano

Leadership and the independent regulator
By Mark A. Jamison

State bank transformation in Brazil: Choices and consequences
By Thorsten Beck, Juan Miguel Crivelli and William Summerhill

Preventing and responding to gender-based violence in middle and low-income countries: A global review and analysis
By Sarah Bott, Andrew Morrison and Mary Ellsberg

Beyond tariffs and quotas: Why don’t African manufacturers export more?
By George R.G. Clarke

Would multilateral trade reform benefit Sub-Saharan Africans?
By Kym Anderson, Will Martin and Dominique van der Mensbrugghe

Keeping animal spirits asleep: The case of Chile
By Sebastian Saez

WTO safeguards and trade liberalization: Lessons from the Argentine footwear case
By Elias Baracat and Julio J. Nogues

Scrublining public expenditures: Assessing the performance of public accounts committees
By Rick Stapenhillur, Vinod Sahgal, William Woodley and Riccardo Pelizzo

Institutional and policy analysis of river basin management: The tarcoles river basin, Costa Rica
By William Blomquist, Maureen Ballester, Anjali Bhat and Karin Kemper

Institutional and policy analysis of river basin management: The Brantas river basin, East Java, Indonesia
By Anjali Bhat, Kikkeri Ramu and Karin Kemper

Effects of primary, secondary, and tertiary education on economic growth: evidence from Guatemala, Vol. 1 and Data Set Vol. 2
By Josef L. Loening

Why governments should stop non-social subsidies: Measuring their consequences for rural Latin America
By Ramon Lopez

Application of safeguards and anti-dumping duties in Colombia
By Mauricio Reina and Sandra Zuluaga

Agricultural trade reform and the Doha development agenda
By Shantayanan Devarajan, Stuti Khemani and Shekhar Shah

Measuring microfinance access: Building on existing cross-country data
By Patrick Honohan

Cognitive development among young children in Ecuador: The roles of wealth, health and parenting
By Christina Paxson and Norbert Schady

The effect of school type on academic achievement: Evidence from Indonesia
By David Newhouse and Kathleen Beegle

Decentralization and service delivery
By Jishnu Das, Stefan Dercon, James Habaryarmana and Pramila Krishnan

Teacher shocks and student learning: Evidence from Zambia
By Jishnu Das, Stefan Dercon, James Habaryarmana and Pramila Krishnan
<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>3588</td>
<td>The contribution of skilled immigration and international graduate students to U.S. innovation</td>
<td>Gnanaraj Chellaraj, Keith E. Maskus and Aaditya Mattoo</td>
</tr>
<tr>
<td>3587</td>
<td>Political economy of antidumping and safeguards in Argentina</td>
<td>Julio J. Nogues and Elias Baracat</td>
</tr>
<tr>
<td>3586</td>
<td>Capital markets and e-fraud: policy note and concept paper for future study</td>
<td>Tom Kellermann and Valerie McNevin</td>
</tr>
<tr>
<td>3585</td>
<td>Comparative review of microfinance regulatory framework issues in Benin, Ghana, and Tanzania</td>
<td>Joselito Gallardo, Korotoumou Ouattara, Bikki Randhawa and William F. Steel</td>
</tr>
<tr>
<td>3584</td>
<td>Business cycle synchronization and regional integration: A case study for Central America</td>
<td>Norbert Fiess</td>
</tr>
<tr>
<td>3583</td>
<td>Labor market dynamics in developing countries: Comparative analysis using continuous time Markov processes</td>
<td>Mariano Bosch and William Maloney</td>
</tr>
<tr>
<td>3582</td>
<td>Does temporary migration have to be permanent?</td>
<td>Mohammad Amin and Aaditya Mattoo</td>
</tr>
<tr>
<td>3581</td>
<td>Brain waste? Educated immigrants in the U.S. labor market</td>
<td>Aaditya Mattoo, Ileana Cristina Neagu and Caglar Ozden</td>
</tr>
<tr>
<td>3580</td>
<td>On the contribution of demographic change to aggregate poverty measures for the developing world</td>
<td>Martin Ravallion</td>
</tr>
<tr>
<td>3579</td>
<td>A poverty-inequality trade-off?</td>
<td>Martin Ravallion</td>
</tr>
<tr>
<td>3574</td>
<td>Wage differentials between the public and private sector in India</td>
<td>Elena Glinskaya and Michael Lokshin</td>
</tr>
<tr>
<td>3571</td>
<td>Activities, employment, and wages in rural and semi-urban Mexico</td>
<td>Dorte Verner</td>
</tr>
</tbody>
</table>
Public Information Center
70 Lodi Estate
New Delhi - 110 003
Tel: 011-2461 7241
Fax: 011-2461 9393
Contact: Hema Balasubramanian
hbalasubramanian@worldbank.org

Media and Information Inquiries
Contact: Sudip Mozumder
Email: smozumder@worldbank.org
Tel: 011-2641 7241 (Ext. 210)
Fax: 011-2461 9393

The World Bank Websites
Main: http://www.worldbank.org
India: http://www.worldbank.org.in
Hindi: http://www.vishwabank.org
Telugu: http://www.prapanchabank.org
Kannada: http://www.vishwabanbu.org

Public Information Kiosks outside New Delhi

Bangalore
The British Library
Prestige Takt
23 Kasturba Cross Road
Bangalore - 560 001
Tel: 080-221 3485

Hyderabad
The British Library
Sarovar Centre, 5-9-22
Secretariat Road
Hyderabad - 500 063
Tel: 040-2323 0774
Fax: 040-2329 8273

Ahmedabad
The British Library
Bhaikaka Bhavan
Law Garden, Ellisbridge
Ahmedabad - 380 006
Tel: 079-2646 4693
Fax: 079-2646 9493

World Bank Depository Libraries in India

- Annamalai University Annamalainagar
- Centre for Studies in Social Sciences Kolkata
- Giri Institute of Development Studies Lucknow
- Gokhale Institute of Politics and Economics Pune
- Guru Nanak Dev University Amritsar
- Indian Institute of Management Ahmedabad
- Indian Institute of Public Administration New Delhi
- Institute of Development Studies Jaipur
- Institute of Economic Growth New Delhi
- Institute of Financial Management and Research Chennai
- Institute of Social and Economic Change Bangalore
- Karnataka University Dharwad
- Kerala University Library Thiruvananthapuram
- Centre for Economic and Social Studies Hyderabad
- Pt. Ravishankar Shukla University Raipur
- Punjabi University Patiala
- University of Bombay Mumbai
- Uttaranchal Academy of Administration Nainital
- The British Library Ahmedabad
- The British Library Bangalore
- The British Library Hyderabad

Rights and Permissions: The material in this work is copyrighted. No part of this work may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or inclusion in any information storage and retrieval system, without the prior written permission of the World Bank. The World Bank encourages dissemination of its work and will normally grant permission promptly.

Designed by Thoughtscape Design Studio, Delhi and printed by Ajanta Offset & Packagings Ltd, Delhi, July 2005