

KCP Perspective

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Putting Knowledge to Work

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Message from the KCP Chairman

In an effort to continue to disseminate the knowledge created through research and analytical work within the Knowledge for Change Program (KCP) framework, we have decided to issue a newsletter to examine past work and assess the impact that these completed research projects have had on development policies worldwide. The idea is to give the reader a perspective on how the knowledge created by the KCP has been used to serve the poor and contribute to sustainable and inclusive growth.

In this first issue of the 'KCP Perspective', we are looking at two innovative and groundbreaking KCP research topics that have influenced the way we go about development, specifically the policy changes that these projects have stimulated that directly affect the poor.

The first, 'Increasing Access to Land by the Rural Poor in India' was very influential in changing the way we look at land market reforms as a development tool. The report has led to similar projects in other regions, including Sub-Saharan Africa, and also served as an important basis for India's 11th 5-year Economic Plan.

The second example encompasses a series of research projects that culminated in the publication of the World Development Report 2004 'Making Services Work for Poor People'. This pioneering research has fundamentally changed the way we look at how public services are delivered. Even years after

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Increasing Access to Land by the Rural Poor in India

Where is the Most Expensive Land in the World Relative to GDP Per Capita?

Relative to GDP per capita, land prices in India are among the most expensive in the world. Inefficiencies and corruption in land administration, together with land market distortions, have helped raise Indian land prices relative to average incomes to the highest among all countries. For the rural poor, whose main livelihood depends on agriculture, this translates into difficulty in gaining access to land, which prevents them from fully utilizing their productive potential and maximizing their economic output.

Although there have been a series of land reforms in several Indian states since the country's independence in 1947, land policy and regulations to increase tenure security have had the unintended effect of reducing access by the landless. Problems with quality and accessibility of land records pose severe constraints to India's future economic development since they: (i) constrain the operation of land markets and rural-urban migration; (ii) curtail access to credit and the emergence of a financial system secured against mortgages; and (iii) foster endemic corruption and clog up courts with litigations and disputes. Although land ownership policies are the subject of a lively debate in India, the lack of empirical evidence on these topics implies that the discussions are often dominated by ideological overtones. Now, with the help of high-quality research and evidence, land policies that improve access to land for the poor are being developed in India, leading to greater productivity of land use.

The KCP-funded project '**Increasing Access to Land by the Rural Poor in India**' led by Klaus Deininger and a World Bank team, in collaboration with India's National Council of Applied Economic Research (NCAER), drew out possible policy options and their implications from a nationally representative panel data set that spans the 1969–99 period. From this, they assessed how the local land markets function and the consequences of land reform, identifying several actions for policymakers to undertake.

Key Findings from Empirical Analysis

The project used analytical and empirical evidence to provide rigorous empirical analysis of **(i) the functioning of land markets; (ii) the long-term impact of land reforms, and (iii) the impact of recent initiatives to improve land records to inform policy and identify actions that need to be undertaken.** To ensure that the results could be fed into the broader national policy dialogue, Indian researchers were included in the research team. The participation of NCAER researchers facilitated the analysis of the results by providing insight over local conditions and also strengthened NCAER's research portfolio on land policy issues.



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The project found that land rental markets do work in favor of the poor and that restricting them will reduce productivity and equity. Land rental also increases productivity of land use by transferring land holdings to those with higher levels of agricultural ability; 61 percent of households who rent land have a head of household with at least a primary education and is therefore much more likely to engage in salaried employment. Liberalization of rental markets, which continues to be outlawed in most states, will thus be critical for India to facilitate economic diversification and ensure that high rates of overall growth will benefit rural people as well. In fact, a number of states have now passed legislation to make land leasing easier.

The overall impact of land reforms has been highly positive. Both tenancy reform and ceiling legislation are found to have made significant contributions to the accumulation of human capital and to the growth of income and assets. However, in many cases beneficiaries have not yet been given full title to the land, undermining investment opportunities and preventing beneficiaries from making the best use of their asset. Giving beneficiaries full ownership could thus benefit everyone—and could be combined with new ways of improving land access for the destitute. Also, recent reforms of inheritance legislation that allowed land to be bequeathed to women have had a positive impact, although reforms still fell short of establishing full equality.

Experience from innovative efforts undertaken by various states, including computerization of records, illustrates the scope for improving the conditions which allow poor households to make full use of their economic potential. Efforts to build on this achievement by integrating registry and surveying records are now underway.

Key Achievements and Dissemination

The project's goal of stimulating a more empirically-focused and informed policy debate was achieved by influencing progress in three areas, namely (i) the quality of research output; (ii) the direction of policy dialogue, and (iii) capacity building. The project resulted in the preparation of high-quality research papers on land markets that have been published in journals such as the *European Economic Review*, the *World Bank Economic Review*, and the *Journal of Human Resources*. The draft papers produced by the project were instrumental in convincing World Bank operations to launch the flagship Economic and Sector Work (ESW) on land issues in India, which has now been published as a book titled "India Land Policies for Growth and Poverty Reduction." At the national level, the impact of the project was reflected in the key resolutions adopted in the country's 11th 5-year plan explicitly calling for the abandonment of rental restrictions and for the launch of a number of pilot programs to explore the feasibility of an integrated approach to land administration. At the state level, impacts have



been made regarding reducing restrictions on land rental: a number of states, including Karnataka and Andhra Pradesh, have drafted legislation to eliminate such restrictions on land rental, while West Bengal is currently discussing a scheme that would allow tenants to buy out their landlords. The project has provided the basis for capacity building of and continued collaboration with NCAER on topics such as women's inheritance of land, land markets, and decentralization.

From an operational perspective, the project was intended to provide the intellectual backing for the World Bank to establish itself as a credible partner on land policy. To this end, the project has broken new ground for the World Bank to provide assistance in a critical area for India's long-term development. Despite the positive results of this national initiative, progress varies across states. The team hopes that the project will eventually achieve consistent results across a larger number of states. Perhaps the lessons learned from this project will soon be applied to other countries in the region as well.

Questions about this research and its findings may be directed to Klaus Deininger (kdeininger@worldbank.org)

The completion report for this project is available at the KCP website: www.worldbank.org/kcp (TF051294)

Key Research Outputs of the Project

World Bank (2007). *India: Land policies for growth and poverty reduction* New Delhi: World Bank Agriculture and Rural Development Sector Unit South Asia Region and Oxford University Press.

Deininger, K., Jin, S., & Nagarajan, H. K. (2006). *Land reforms, poverty reduction,*



and economic growth: Evidence from India, revision submitted to Journal of Development Studies.

Deininger, K., Jin, S., & Nagarajan, H. K. (2007a). *Determinants and consequences of land sales market participation: Panel evidence from India*, submitted to Economic Development and Cultural Change.

Deininger, K., Jin, S., & Nagarajan, H. K. (2007b). *Efficiency and equity impacts of rural land market restrictions: Evidence from India*. European Economic Review, forthcoming.

KCP Projects on Service Delivery for the Poor¹

Background

Between 2002 and 2005, a core team of DEC researchers and academics launched a series of multi-country research projects on quantitatively measuring various aspects of service delivery, propelling research on public service delivery into mainstream discussions on how to improve human development outcomes. There were six KCP projects (see project list in this article) that produced several research papers which, together with additional research and analysis, led to the landmark report on 'Making Services Work for Poor People.' This report was also the basis of the World Development Report (WDR) 2004 with the same title. Ever since then, both researchers and policy makers have started to look at public service delivery through a new lens.

The Power of Asking the Right Questions

The key achievement of the KCP projects was a shift in thinking about public service delivery; before this watershed work,

policy makers largely approached improving public service delivery as a question of providing more financial resources or technical solutions. Halsey Rogers, a World Bank Lead Economist who participated in the task team of one of the projects, says that the main driver of the shift in thinking has been changing the focus of the research questions. "The innovative aspect of the projects is reflected in the research questions that can be explored empirically at the micro-level," says Halsey Rogers. "These questions relate to incentives, frontline provider behavior, and key relationships between policymakers, providers, and clients."

Backed by new micro-level data on basic service delivery—made available through an innovative survey tool called Quantitative Service Delivery Survey (QSDS)—the six KCP projects on service delivery analyzed the determinants and effects of provider behaviors, such as provider absence, and shed light on the incentives that might improve them. The specific case of absenteeism is a particularly stark example. As a result of the systematic and quantitative data that were collected, the issue of absenteeism and its detrimental effects on public services were brought out in the public light. Some impacts were almost immediate. In Bangladesh, for example, the Director-General for Health made a highly-publicized surprise visit to a public hospital to investigate absenteeism, which led to the transfer of truant doctors to less desirable posts. Other impacts took longer to emerge. For example, Uganda implemented a follow-up survey in 2007 to measure progress on teacher absenteeism since 2002. The latest external evaluation of World Bank research noted that it was "particularly impressed" with the absenteeism research, saying that it had "provided the documentation for a widespread problem that was not well understood, either

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the research was completed, it still continues to reshape development policies inside and outside the World Bank by focusing on deficiencies in the delivery systems, bringing issues of absenteeism to light, and stressing accountability as a tool for improving public services.

We hope that this inaugural newsletter will provide you with a better understanding of the benefits and value of our research and demonstrate the important role that the KCP has played in bringing about change and development in developing countries. We hope that you enjoy learning how we are 'putting knowledge to work'.

Justin Yifu Lin

Senior Vice President and Chief Economist
The World Bank

by researchers, or by policymakers in the countries themselves" and that this documentation is "an important first step in addressing the issue." The findings are also being used to train the next generation of development practitioners and researchers, as the papers from the project appear on syllabi of development courses at a number of leading universities, including the University of California – Berkeley, the University of Chicago, and Harvard.

¹ Project list: 'Piloting A Micro Survey Approach to Health Care Provisions in Poor Countries' TF051009; 'Background Studies for WDR 2004' TF051183; 'Perspectives on Making Services Work for Poor People' TF051186; 'User Fees in Health Care: An Evaluation of Two Near Natural Experiments of Abolition of User Fees in Africa' TF051762; 'Evaluating Frontline Service Delivery : Management and Analysis' TF052376; 'Incentives, Choice and Accountability in Basic Education Services: Piloting a Micro Survey Approach' TF051764.



Among the six KCP projects on this topic, the following project illustrates how specific research findings can have a lasting impact on operational and country policies of the World Bank as well as the entire development community.

‘Incentives, Choice and Accountability in Basic Education Services: Piloting a Micro Survey Approach.’

This project, led by Deon Filmer, a Lead Economist in the World Bank’s research department, implemented a micro survey approach to analyze service delivery in basic education in four countries in Africa and Asia: Lao PDR, Pakistan, Papua New Guinea, and Zambia.

The methodology of the project involved establishing extensive Quantitative Service Delivery Survey (QSDS) data from schools—the frontline public service delivery point—in conjunction with other sources of data. For example, in Papua New Guinea, the QSDS data, in combination with a poverty mapping exercise, enabled the analysis of the interactions between various indicators such as remoteness (an especially salient issue in Papua New Guinea), community participation, school fees, school quality, teacher absenteeism,

and learning outcomes. This approach allowed for analysis of the role of poverty, the extent of the ghost-teacher phenomenon, and the correlates of test scores.

The insights gained by combining quantitative data at the school level with other sources of data shed light on the determinants of service delivery outcomes, and ultimately on the policy priorities that improve outcomes. In each case, the results fed directly into the World Bank’s country work on poverty and education. In Lao PDR, the results were featured in the country’s 2005 “Laos Poverty Assessment from Valleys to Hilltops: 15 Years of Poverty Reduction,” as well as into the 2006 “Laos Public Expenditure Review.” In Pakistan, the project was integrated into the World Bank’s work on education more generally, and is featured in most World Bank discussions about education reform in Pakistan. In Papua New Guinea, the work was an integral part of the World Bank’s 2004 poverty assessment, and influenced the development of the subsequent multi-donor Human Development Strategy document. In Zambia, the impact of teacher absenteeism on student learning was published online² as an easy-to-manipulate, web-based database that allows the results to be accessed directly by users both inside and outside the World Bank.

Ongoing Impact of the KCP Projects

The impact of the KCP funded work goes beyond the specific countries in which the surveys were implemented.

One impact was methodological. This work developed—and demonstrated the usefulness—of large-scale quantitative surveys that took the service delivery providers as the unit of observation. It showed how new insights could be gleaned from these types of surveys—especially when they could be linked to surveys of the users of surveys.

The main impact was even broader. The six KCP projects on public service delivery fed into a stream of work that formed the basis for the World Development Report in 2004 *Making Services Work for Poor People*. As a result, these projects have helped advance knowledge in how to make progress toward achieving the Millennium Development Goals (MDGs) and have influenced the World Bank’s regional activities, as well as those of other development agencies. Within the World Bank, at both the project level as well as the “strategic” level (as embodied in sector strategies, for example), this has meant a move away from input driven approaches to more programmatic efforts that emphasize the *incentives* faced by various actors, the relationships of *accountability* between them, and the *systems* in which these operate.

Questions about this research and its findings may be directed to:

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² <http://go.worldbank.org/XRJLDS7FI0>