

**Background** Year after year, sixty million Indians slip below the poverty line because of health expenses. Main reason for this is attributed to the fragile Indian health system, which is not equitable both theoretically and functionally. Several efforts in form of policy and project interventions have been instrumental in addressing this crisis. In this paper, we analyse the interaction between the World Bank led Health System Development Project (HSDP) and several Indian states. Our aim is to understand the processes of reform with a particular focus on changing state governance mechanisms.

**Methods** We conducted our health policy and systems research in four Indian states that have implemented HSDP: Tamil Nadu, Karnataka, West Bengal and Uttar Pradesh. We purposively selected these states for the sample to include good (Tamil Nadu), moderate (Karnataka and West Bengal) and poor (Uttar Pradesh) performing states over the entire intervention period (1989 till date). Narrative systematic review of literature involving project documents, policy/working papers, budget reports, reviewed journals/books and publicly available information sources were consulted. National Sample Survey Organisation rounds 52, 60 and 71 were considered to reflect on private health expenditure. Primary data, collected through semi-structured interviews, elicited the views of key informants.

**Findings** The HSDP has been implemented in three phases: HSDP-I (1989 till 1996–1997), HSDP-II (1997–1998 till 2004) and HSD&RP/HSAF/HSS (2004 till date). The first phase was characterised by selective interventions with a vertical approach, while the entire project was designed on the basis of population control activity. In the second phase, HSDP entered into the public system management for policy reform. This shift was reflected by the budget reallocation (fiscal space management) and by the strategy of engaging private sector in the initiatives. The third phase is remarkable for introducing insurance and public-private partnership models.

The HSDP-I and HSDP-II projects were more about infra-structural upgradation, whereas the recent project strategies are more focused on elaborating policy guidelines within the service sector, such as the Public Private Partnership cell, the Empowered Procurement Wing, and the Governance and Accountability Plan. Remarkably, the Bank has not been in favour of introducing all mechanisms to all states. For instance, Uttar Pradesh was not recommended for the insurance component until the 2008 implementation period. West Bengal and Karnataka have been studied thoroughly to see policy outcomes in relation to the policy inputs offered over the project tenure. Preliminary analysis shows that indicator-wise performance is similar in Karnataka and West Bengal, rating 'average' in terms of key health yardsticks, but both doing comparatively better than the national standard. Strikingly, West Bengal, despite being non-recipient of the Bank fund through HSDP (after 2004), is doing reasonably well compared to Karnataka. It is also evident that people access more public facilities in West Bengal than in Karnataka to avail hospitalisation.

**Discussion** Achievements of various HSDPs reported so far are not exactly exemplary replicable references, but definitely remarkable in restructuring the health sector in the country. The most important characteristic change that HSDP has brought is the remodelling of the health sector. Examples abound, including sector-wide approach, decentralisation, privatisation of certain services, insurance, private investment, and engaging contractual labour. As these reform measures imply changes in the organisational structure, they have lasting consequences. State governments are adaptive to these changes and even level up their skills to advance the reform process. West Bengal

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### THE WORLD BANK AND HEALTH SYSTEMS STRENGTHENING: EXPERIENCES FROM FOUR INDIAN STATES

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provides a prime example, by advancing the reform on its own after the completion of HSDP-II in 2004. Nevertheless, the induced reforms were not always conversant with the contextual requirements. Hence, in several states the impact of strategic changes brought less than expected or at time even adverse outcomes (Punjab being an example). Project designs have introduced or modified the mechanisms to build and/or strengthen the existing service system using controllable variables (only under the broad themes of financing and provisioning). But they failed to tackle the linkages between larger environment and the health system, which are indeed socially contextualized, politically factored and economically determined.

HSDP provides an opportunity to study and identify the existing challenges for strengthening the Indian health systems. The triggering question is whether these HSDP projects are truly system strengthening initiatives by nature. Initial findings have failed to infer a comprehensive definition of the project system and its delimitation (or boundaries). Critical analysis of system conceptualisation for HSDP remains wanting in project/policy documents.

*No competing interest.*