



3

Governance and public service delivery

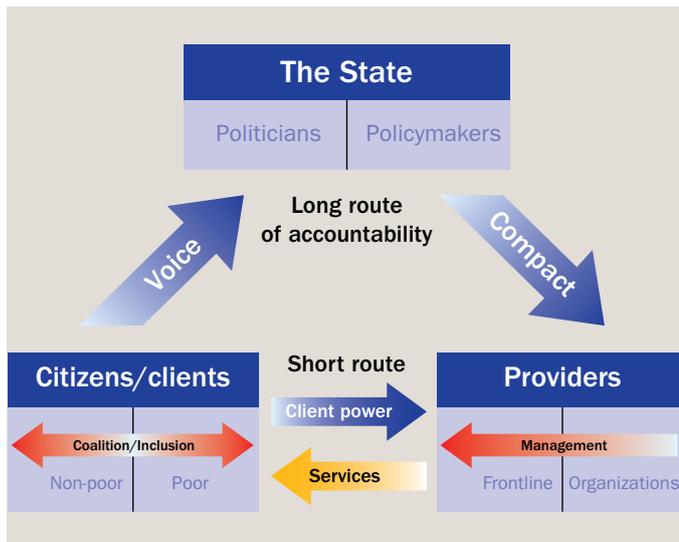


Introduction

The Life in Transition Survey provides a rich source of information about the experience and perceptions of citizens with respect to their interactions with public services. The data yield new insights on:

- How well transition countries are doing in terms of citizen satisfaction with public service delivery.
- Factors that affect how levels of satisfaction vary across different population subgroups.
- Key measures that can help governments improve satisfaction with service delivery.

Chart 3.1
Accountability relationships



Source: World Bank (2003).

LiTS II shows satisfaction with public service delivery in the transition region to be relatively high and, despite the adverse impact of the global economic crisis, to have risen since 2006 in most countries. However, satisfaction with public services in the transition region is lower than in the western European comparator countries. This chapter provides some evidence that may help to explain why this is so, notably, the higher reported prevalence of unofficial payments and relatively underdeveloped mechanisms for grievance redress compared to the western comparators.

This chapter first outlines a conceptual framework for studying accountability relationships between policy-makers, service providers and citizens, and provides an overview of the coverage of governance and service delivery in LiTS II. It then presents the key findings on satisfaction and service delivery emerging from analysis of the survey data, and concludes by discussing measures that governments in the transition region can implement to further enhance citizens' satisfaction with public service delivery.

Conceptual framework

There is a growing recognition among policy-makers and providers that measuring inputs and outputs alone is not enough to understand how service delivery works in practice. Rather, the traditions and institutions under which authority is exercised for the common good – “governance” – also play a crucial role. Better governance is an essential ingredient of reforms targeted at improving service delivery outcomes (for example, better health status, enhanced learning outcomes, etc).¹

The governance and service delivery agenda was the subject of the 2004 World Development Report *Making Services Work for Poor People* (World Bank, 2003), which defined a framework for analysing the accountability relationships between a triangle of policy-makers, providers and citizens (see Chart 3.1).

Within this framework, policies can either be implemented through a “long route of accountability”, whereby citizens elect policy-makers who in turn influence service delivery through providers, or a “short route of accountability”, through which citizens may directly influence, participate in and/or supervise service delivery by providers. In order for both channels to work effectively, citizens' opinions regarding their levels of satisfaction with the quality and efficiency of the public services that they receive from providers provide an important feedback mechanism (see Box 3.1).

Coverage of governance and citizen feedback

The importance of regular citizen feedback on the quality and efficiency of public service delivery has particular resonance in the transition region, where the relationship among policy-makers, service providers and citizens has been transformed dramatically over the past two decades of political and economic transition and, for some countries, EU accession.

¹For the purposes of this chapter, we define better governance as improvements in incentives for performance and institutional arrangements for holding service providers accountable.

Life in Transition

Transition countries have undertaken wide-ranging service delivery reforms that have influenced institutional relationships, altered incentives for service providers at the institutional and individual levels, and changed the ways in which citizens participate in, and experience, service delivery. All of these developments have led to changes in the ways in which people interact with the state, as well as their perceptions and levels of trust.

These are themes which LiTS II is uniquely positioned to address: the survey enables new regional analysis on the links between the ways in which people use, experience and interact with public services, their perceptions and trust in providers and institutions, and the quality of service delivery itself (see Box 3.2).

Key LiTS II findings

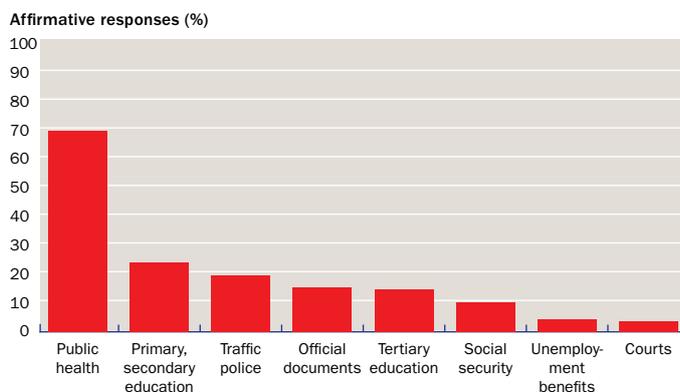
The following analysis focuses on responses to three sets of questions relating to eight different public services: the traffic police, requesting official documents (such as passport or birth certificate), the civil courts, primary or secondary education, vocational education, the public health system, requesting unemployment benefits, and requesting other social security benefits. For each service, respondents were asked: "In your opinion, how often is it necessary for people like you to have to make unofficial payments/gifts in these situations", with responses recorded on a five-point scale: 1= never, 2=seldom, 3=sometimes, 4=usually and 5=always. Respondents were then asked: "During the past 12 months, have you or any members of your household used these services?" Lastly, all respondents who indicated that a household member had used a service during the past 12 months were asked: "How satisfied were you with the quality and the efficiency of the service/interaction?"

Responses were again recorded on a five-point scale: 1=very dissatisfied, 2=dissatisfied, 3=indifferent, 4=satisfied and 5=very satisfied.

Utilisation

The proportion of respondents who interacted with service providers varied considerably according to the type of service (see Chart 3.2). By far the most frequently accessed service was the public health system (70 per cent in the previous 12 months). Utilisation rates for other services were much lower. The next highest usage rates were for primary/secondary public education (23 per cent), interaction with traffic police (20 per cent) and requests for official documents (14 per cent).

Chart 3.2
Utilisation of public services



Source: LiTS II (2010).
Note: these scores and all other regional averages in this chapter are based on weighted averages according to the population size of each country.

Box 3.1

Uses and limitations of citizen satisfaction data

Better data on governance and satisfaction with service delivery can serve three different purposes. First, service delivery data can serve as a "call to action" for governments if the data reveal outcomes that fall short of expectations. Second, data can serve a diagnostic function: while there is increased recognition that the quality of governance and service delivery affects delivery outcomes, the empirical evidence on those links remains limited. Increased data availability can also allow for better measurement of policies and outcomes and for impact evaluation. Lastly, data on peoples' satisfaction with their experience and perceptions of quality can help complement more objective measures of service delivery (for example, from facilities surveys) to help policy-makers and

development practitioners track the progress of country programmes and strategies.

There are a number of caveats in the interpretation of satisfaction data. The presence of "externalities" (for example, additional social benefits of education, public health and so on) may mean that user satisfaction does not capture the full extent of desired social outcomes. Also, even if individuals and society share the same goal – such as improvements in student learning – some people may have been conditioned to have low expectations, leading them to report high satisfaction despite poor service delivery outcomes. A third reason for caution is the problem of asymmetrical information, for example in the health sector, where doctors have

technical information and expertise that patients lack.

Lastly, it is important to note that reported satisfaction may be disconnected from actual quality of services if people do not have a basis for comparison, or information, about what level of quality and service they should be expecting. For example, the high satisfaction rates in LiTS II contrast strikingly with recent findings on education quality outcomes from the Programme for International Student Assessment (PISA) survey. While 58 per cent of respondents in the Kyrgyz Republic report satisfaction with education in LiTS II, the 2009 PISA survey found that 83 per cent of 15-year olds were functionally illiterate (they scored below PISA level 2).

Source: Fiszbein, Ringold and Rogers (2010); Das and Hammer (2007). Calculations based on the OECD PISA 2009 database.

Satisfaction

The public education system (both primary/secondary and vocational) received the most favourable survey ratings. Over 70 per cent of respondents were either satisfied or very satisfied with the quality and efficiency of the services (see Chart 3.3). Similarly, 60 per cent or more were satisfied when making requests for official documents and social security or when receiving medical treatment in the public health system. By contrast, civil courts and traffic police received the lowest service satisfaction ratings, with about 40 per cent of respondents dissatisfied with the quality and efficiency of the service interaction.

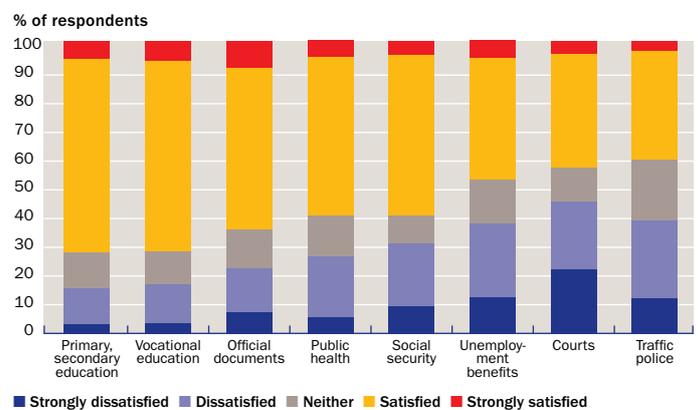
Among transition countries, overall satisfaction levels tended to be somewhat higher among the new EU member states and Turkey (see Table 3.1), and generally lower among the Commonwealth of Independent States (CIS), although there is considerable variation within subregions, for example, between Estonia and Romania, Georgia and Azerbaijan or Russia and Ukraine. Interestingly, some relatively poor transition countries (such as Georgia and Moldova) rate quite well for overall satisfaction with the quality and efficiency of public services. Another noteworthy finding is that while satisfaction with service delivery in transition countries is fairly high overall, it is generally considerably lower than prevailing levels in the western European comparator countries. Possible reasons for these differences at country level are discussed later in this chapter.

As illustrated by Chart 3.4, there is a negative correlation at the country level between usage rates and the level of satisfaction with delivery for several public services: countries where a relatively high proportion of respondents report using public services during the past 12 months tend to have lower satisfaction rates than countries where the reverse is true. It

could be that heavy utilisation rates place a heavy burden on availability (in terms, for example, of staff time, medicines or teaching materials), thereby reducing the capacity to provide high-quality services and compromising perceptions of quality.

This gap between utilisation and satisfaction could signal deficits in the quality and availability of certain types of services. For example, health reforms in many transition countries aim to strengthen the supply of primary care and referral systems to higher levels of care. Where these systems are not in place, there may be over-utilisation of hospital or emergency care at the expense of more efficient preventative services. In the case of education, dissatisfaction may also reflect concerns about quality and the ability of schools to prepare students for the labour market.

Chart 3.3
Satisfaction with service delivery



Source: LiTS II (2010).

Box 3.2

Main dimensions of service delivery in LiTS II

Overall satisfaction with government performance:

Respondents were asked to rate the overall performance of their national, regional, and local governments using a five-point scale (ranging from 1: very bad to 5: very good), and whether they felt the overall performance of these three administrative tiers had worsened, stayed the same or improved in the previous three years.

Utilisation: Respondents were asked if any household member had interacted with, or used, a range of public services during the previous year, including traffic police, courts, education, health, unemployment and social security benefits, and whether they requested public documents (such as a passport or marriage certificate).

Satisfaction with service delivery: Respondents were asked if they were satisfied with the quality and efficiency of the service interaction. Satisfaction data can be a proxy for measuring actual quality of services, as well as an indicator of the extent to which services are responsive to the needs and preferences of clients. They can also help to assess the effects of service delivery reforms, such as decentralisation.

Perceptions of service quality: Respondents were asked about their perceptions of the quality of education and health services. Regarding education, the survey inquired about any lack of textbooks and supplies, poor teaching, teacher absenteeism, overcrowded classrooms and poor conditions of facilities. Similarly for health, it asked about doctor absenteeism, treatment by staff, availability of medicines, waiting times

and cleanliness of facilities. The answers to these questions provide a snapshot of people's experiences with services and can act as another measure of service quality.

Unofficial payments: Respondents were asked if they had to make unofficial payments and why – allowing for a more detailed analysis of the incidence and causes of informal payments than is usually possible from household surveys.

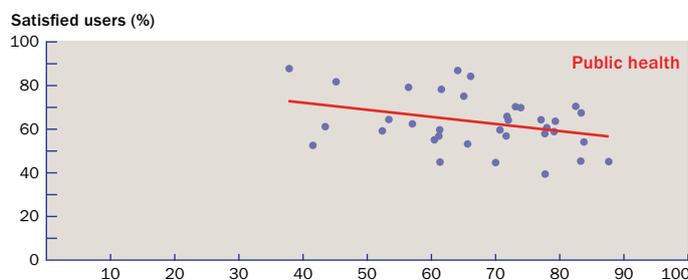
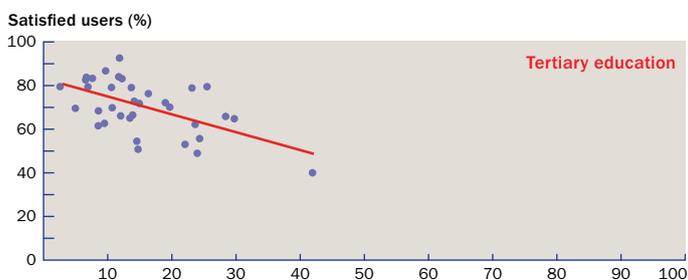
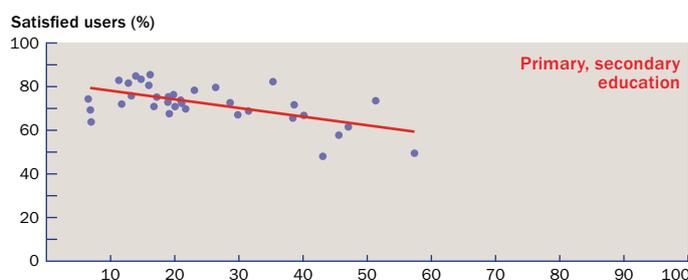
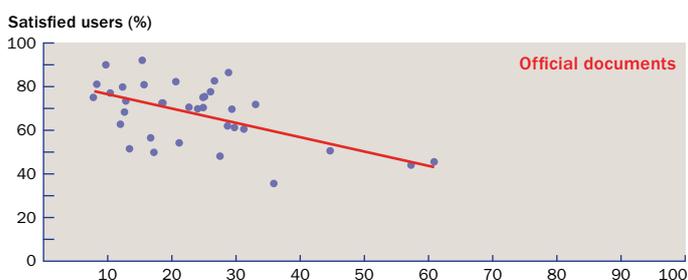
Grievance redress mechanisms: A new feature of the 2010 LiTS is a set of questions related to grievance redress mechanisms in health and education. The survey asks whether people know where to file a complaint if they were dissatisfied with education and health services, whether they filed a complaint, received a response, and were satisfied with the response.

Table 3.1
Satisfaction with public service delivery by country

Country	Per cent of respondents satisfied with quality and efficiency of public service delivery							
	Public health system	Primary / Secondary education	Traffic police	Official documents	Vocational education	Social security benefits	Unemployment benefits	Civil courts
Estonia	78	83	61	90	84	73	70	76
Georgia	75	82	75	92	83	28	-	36
Turkey	79	72	39	75	72	38	55	49
Latvia	70	83	53	80	79	74	74	35
Moldova	67	80	39	82	79	59	39	65
Slovenia	70	71	50	75	70	70	67	65
Croatia	70	76	64	72	65	69	54	35
Lithuania	64	69	56	72	79	67	78	44
Poland	62	85	52	81	83	49	39	57
Belarus	59	74	50	73	79	60	66	54
Hungary	59	74	64	73	70	60	61	38
Montenegro	60	73	51	71	72	53	28	42
Slovak Rep.	64	78	49	70	76	42	37	45
Uzbekistan	64	74	43	54	65	48	14	29
Russia	58	75	41	68	79	74	59	51
Czech Rep.	66	73	45	70	68	43	47	44
Bosnia and Herzegovina	55	70	56	75	63	31	15	69
Armenia	61	72	44	70	70	43	39	30
Bulgaria	61	75	26	52	84	59	48	17
Serbia	60	68	43	61	66	50	47	26
Romania	57	76	49	63	67	49	53	33
Tajikistan	57	62	36	62	51	42	38	29
Kazakhstan	54	69	40	50	62	50	43	27
Mongolia	53	67	14	48	66	34	36	17
Ukraine	45	72	22	57	73	57	41	34
FYR Macedonia	45	66	41	44	53	30	33	42
Kyrgyz Rep.	53	58	21	36	56	46	44	5
Albania	45	67	29	51	49	31	29	47
Western Europe	80	76	55	80	78	67	52	40

Source: LITS II (2010).
Note: Countries are ranked in order of average satisfaction rates across all eight public services.

Chart 3.4
Satisfaction vs. utilisation rates by public service type



Source: LITS II (2010).

Grievance redress

About 67 per cent of respondents who had used health services during the previous 12 months reported at least one problem with service delivery, and for education services the figure was 50 per cent. The biggest problems reported for health were long waiting times, lack of drugs and payment for services that should be free (see Chart 3.5). In the case of education, the main problems were lack of textbooks/supplies, payments for services that should be free and poor condition of facilities.

Grievance redress mechanisms in transition countries are relatively underdeveloped compared to the western European comparator countries (see Box 3.3). Fewer than half of respondents in the transition countries know where to file a complaint about health and education services (the highest level of awareness being in Turkey and the lowest in Central Asia), compared to 60 per cent for education and 50 per cent for health in western Europe. While 16 per cent and 11 per cent of respondents, respectively, reported that they had filed complaints for education and health in the comparator countries, only 5 per cent did so in transition countries for either service. Most people in the transition region who filed a complaint did get a response (although to a lesser extent in Central Asia and south-eastern Europe), and about two-thirds were satisfied with the response that they received (and more so in Russia).

Unofficial payments

When LiTS II respondents were asked how often it is necessary for people to make unofficial payments to access public services, a large majority said that such payments were never needed. Nevertheless, the proportion reporting that payments were usually or always needed was notably higher for the public health system than for other services (see Chart 3.6).

Box 3.3

Complaints handling and service delivery

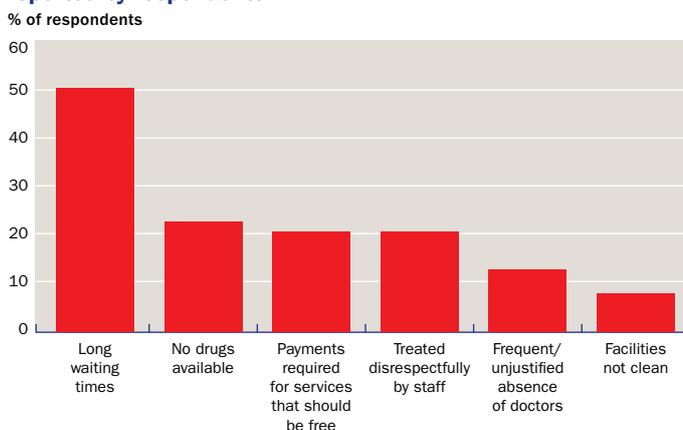
Grievance redress or complaints mechanisms refer to the institutions and channels that people can use to express their preferences and hold providers to account. They can also provide feedback to policy-makers on service performance. Various forms of redress mechanisms have long traditions in Europe. For example, Sweden first installed an independent ombudsman function in the late nineteenth century. More recently, the adoption of complaints handling systems spread in the countries of the Organisation for Economic Co-operation and Development (OECD) in the 1990s as governments looked increasingly to private sector practices to improve the standards of public service provision. Studies on the private sector highlighted that the presence of a complaints system in businesses was associated with better performance.

There are a number of specific objectives associated with the use of complaints handling in the public sector: promoting accountability in the delivery of services; measuring the quality of service provision and the effectiveness of policy; and harnessing experience to improve service delivery. Complaints handling systems take diverse forms, including customer complaints procedures; administrative appeals and tribunals systems; independent complaints handlers or ombudsmen; and judicial review (and other forms of legal action). High numbers of complaints may not necessarily reflect poor quality of services, but rather the accessibility of complaints systems and greater interaction between providers and citizens.

Transition countries have begun introducing complaints-handling mechanisms to improve service delivery. For example, as part of its health reform efforts, the Turkish government introduced Patients Rights Units in all hospitals which allow citizens to submit complaints related to access to care.

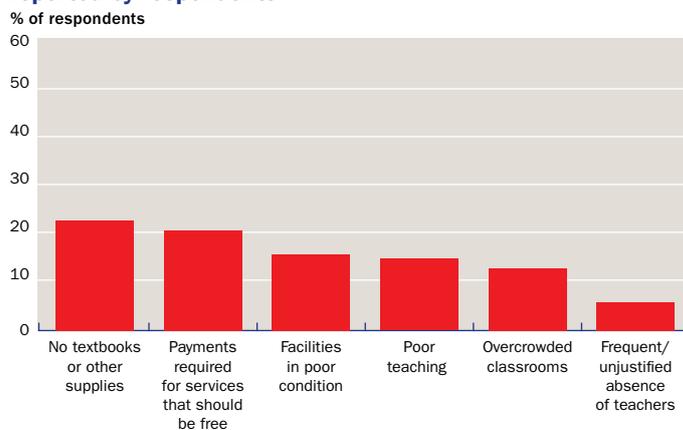
Sources: Johnson and Mehra (2002); Lister, et al. (2008).

Chart 3.5a
Problems with public health provision in the previous 12 months reported by respondents



Source: LiTS II (2010).

Chart 3.5b
Problems with education provision in the previous 12 months reported by respondents



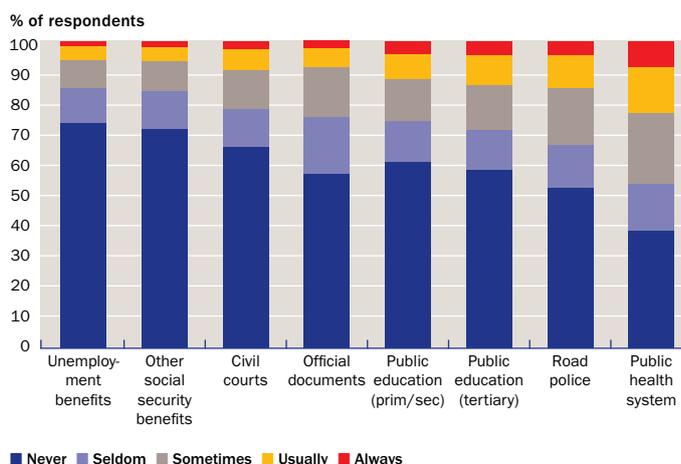
Source: LiTS II (2010).

Life in Transition

The reported prevalence of unofficial payments in transition countries is higher than in most western European comparators. Within the transition region, it is generally lower in the EU countries and south-eastern Europe and higher in Central Asia and the South Caucasus, although once again there is variation within subregions (see Table 3.2). The reported prevalence of unofficial payments in the transition countries is higher than in most western European comparator countries.

LiTS II respondents were also asked why they had made unofficial payments for services that should have been free: 43 per cent of respondents in the western European comparator countries said they had made payments to express their gratitude to service providers, compared with only 19 per cent in transition countries (see Chart 3.7). By contrast, 41 per cent in the western comparators said they made the payments either because they were “asked to pay” or they “were not asked to pay, but knew that an unofficial payment was expected,” compared to 60 per cent in the transition countries.

Chart 3.6
Prevalence of unofficial payments or gifts



Source: LiTS II (2010).

Note: This chart shows the responses to the question:

“In your opinion, how often do people like you have to make unofficial payments or gifts in these situations?”.

Table 3.2

Reported prevalence of unofficial payments by country

Country	Per cent of respondents that report unofficial payments are usually or always needed							
	Public health system	Primary / Secondary education	Traffic police	Official documents	Vocational education	Social security benefits	Unemployment benefits	Civil courts
Estonia	4	1	1	0	1	1	0	1
Poland	8	1	4	1	2	1	1	2
Latvia	12	1	5	2	1	1	1	3
Georgia	7	5	1	1	5	2	4	3
Slovenia	8	3	3	3	3	3	3	5
Czech Rep.	11	5	5	3	7	3	3	3
Montenegro	13	6	7	4	6	4	4	3
Lithuania	22	1	6	2	3	7	4	2
Croatia	17	4	8	2	8	3	3	6
FYR Macedonia	13	3	5	5	8	8	7	7
Bulgaria	17	3	13	3	7	3	3	8
Belarus	21	6	14	3	9	2	3	4
Serbia	23	3	11	6	7	5	4	6
Russia	19	10	13	3	12	2	3	6
Bosnia and Herzegovina	22	9	11	6	11	6	6	8
Hungary	42	3	11	6	6	3	4	7
Romania	44	7	12	5	9	4	4	10
Slovak Rep.	22	11	12	5	19	6	8	12
Mongolia	19	9	12	11	16	8	9	15
Kazakhstan	18	9	21	12	16	8	7	13
Turkey	17	21	16	15	14	11	11	11
Uzbekistan	20	20	18	12	25	11	9	8
Armenia	28	15	22	19	18	13	13	12
Ukraine	43	17	28	14	26	7	8	17
Tajikistan	39	18	29	16	32	10	10	13
Albania	39	24	19	22	23	15	14	14
Moldova	45	18	32	23	24	11	9	19
Kyrgyz Rep.	49	38	43	37	51	29	32	33
Azerbaijan	72	65	66	60	65	63	65	61
Western Europe	3	1	1	1	1	1	1	1

Source: LiTS II (2010).

Note: Countries ranked in reverse order of average prevalence rates across all eight public services.

Factors influencing satisfaction with service delivery

The following analysis focuses on users of the public health and public primary/secondary education systems (the two most accessed services), and takes into account the fact that survey responses regarding satisfaction only apply to usage within the previous 12 months.

Public health

Relatively wealthier households, those with more children and/or elderly people and those in urban areas are more likely to access public health services than poorer households with fewer children or elderly members, or who are located in rural areas. Statistical analysis finds that reported levels of satisfaction with public health service provision are positively associated with self-assessed good health, satisfaction with life and greater age (insofar as older respondents were more likely to approve the quality of services received). Richer and better-educated respondents were less likely to be satisfied with the quality and efficiency of treatment received. Personal experience of specific problems in local public health provision (as identified in Chart 3.6) also has a negative impact on satisfaction with public health services.

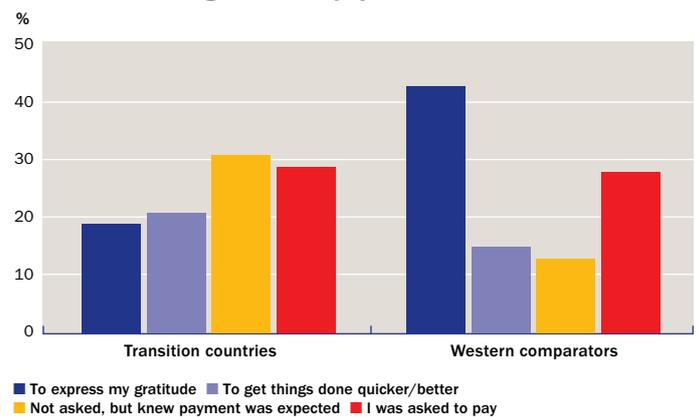
The issue associated with the largest reduction in satisfaction levels is “payments required for services that should be free,” followed by being “treated disrespectfully by staff,” “long waiting times,” “frequent and unjustified absence of doctors” and having “no drugs available.” The perception that unofficial payments are necessary for access is an important factor causing dissatisfaction. Users of the public health system who felt that unofficial payments are always needed are more than four times more likely to report being highly dissatisfied with services received than those who felt that such payments are never needed.

Public education

Differences in utilisation rates for public education are not statistically significant across urban, rural and metropolitan regions. According to statistical analysis, the reported level of satisfaction with primary and secondary education is positively associated with satisfaction with life; however, other factors such as the socio-economic background of the household and education level of the respondent do not appear to have any discernable impact on satisfaction levels. Personal experience of specific problems in the education system has a negative impact on satisfaction.

“Poor teaching” is associated with the largest reduction in satisfaction levels, followed by “frequent and unjustified absence of teachers,” “crowded classrooms” and “payments required for services that should be provided free.” Reported satisfaction levels are significantly higher among those respondents who say unofficial payments are never needed. Primary and secondary school users who felt that unofficial payments are always needed were nearly six times more likely to report being highly dissatisfied with the service delivery than those who considered such payments unnecessary.

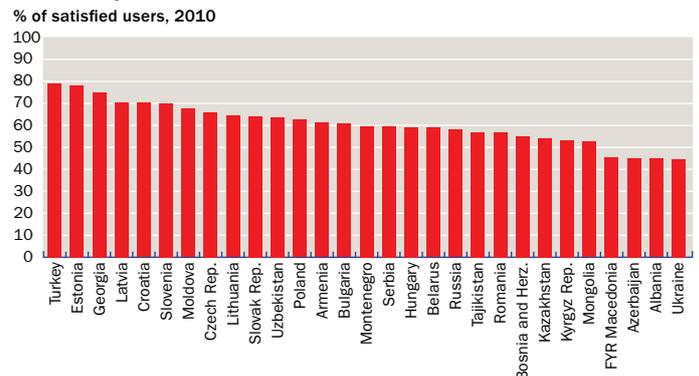
Chart 3.7
Reason for making unofficial payments



Source: LITS II (2010).

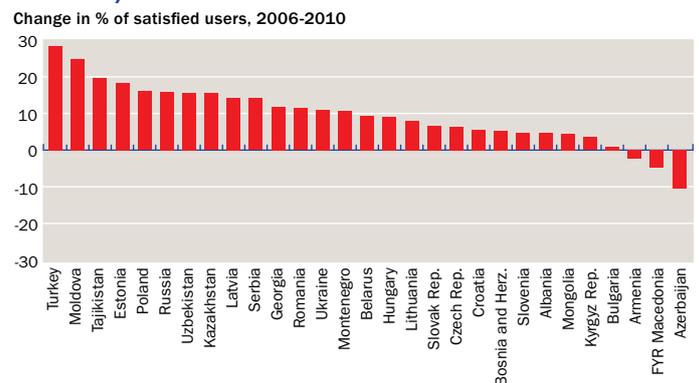
Note: This graph shows the responses to the question: “Why did you make an informal payment for services you should have received for free?”

Chart 3.8a
Satisfaction with public health services (current and changes over time)



Source: LITS II (2010).

Chart 3.8b
Satisfaction with public health services (current and changes over time)



Source: LITS II (2010).

Note: This chart shows the difference between 2010 and 2006 in the proportion of users who answered satisfied/very satisfied when asked: “How satisfied were you with the quality and the efficiency of the service/interaction?”

Table 3.3
 Changes in satisfaction with service delivery in transition countries, 2006-2010

Country	Per cent of respondents satisfied with the quality and the efficiency of public service delivery																				
	Public health system			Traffic police			Official documents			Education (Tertiary)			Unemployment benefits			Other social security benefits			Civil courts		
	2006	2010	Change	2006	2010	Change	2006	2010	Change	2006	2010	Change	2006	2010	Change	2006	2010	Change	2006	2010	Change
Moldova	43	67	25	27	39	13	49	82	33	44	79	35	13	39	26	4	59	55	43	65	22
Russia	42	58	16	21	41	21	33	68	35	48	79	31	28	59	31	25	74	49	18	51	33
Turkey	51	79	28	41	39	-2	60	75	15	46	72	26	21	55	34	42	38	-5	35	49	13
Tajikistan	37	57	20	21	36	15	34	62	28	45	51	6	11	38	27	26	42	15	38	29	-9
Montenegro	49	60	11	28	51	23	54	71	17	53	72	19	20	28	8	22	53	31	22	42	20
Ukraine	34	45	11	25	22	-3	42	57	15	35	73	38	11	41	30	20	57	37	28	34	5
Belarus	49	59	9	43	50	7	42	73	30	59	79	21	17	66	50	29	60	31	49	54	5
Romania	46	57	11	44	49	5	36	63	26	45	67	22	24	53	29	16	49	33	27	33	6
Estonia	60	78	18	64	61	-4	73	90	17	75	84	10	49	70	21	63	73	10	48	76	28
Bosnia and Herzegovina	50	55	5	30	56	25	54	75	22	47	63	16	33	15	-18	9	31	22	32	69	37
Kazakhstan	39	54	15	24	40	16	36	50	14	53	62	9	42	43	1	38	50	13	35	27	-8
Serbia	46	60	14	33	43	10	51	61	9	49	66	18	32	47	15	6	50	44	17	26	9
Poland	46	62	16	50	52	2	67	81	14	67	83	17	32	39	8	41	49	8	51	57	6
Georgia	63	75	12	71	75	4	59	92	33	72	83	12	27	0	-27	21	28	7	43	36	-7
Slovak Rep.	58	64	7	43	49	6	56	70	15	41	76	36	12	37	24	37	42	5	39	45	6
Hungary	50	59	9	47	64	17	62	73	12	75	70	-5	27	61	34	51	60	8	46	38	-9
Czech Rep.	60	66	6	27	45	17	51	70	18	68	68	0	35	47	11	42	43	1	28	44	16
Latvia	56	70	14	50	53	3	65	80	14	71	79	9	76	74	-3	66	74	7	59	35	-24
Slovenia	65	70	5	36	50	14	62	75	13	70	70	1	50	67	17	36	70	34	46	65	19
Croatia	65	70	6	55	64	9	54	72	17	63	65	2	29	54	25	30	69	39	41	35	-6
Lithuania	56	64	8	49	56	7	56	72	16	61	79	18	53	78	25	60	67	7	53	44	-9
Uzbekistan	48	64	16	41	43	2	48	54	6	61	65	3	14	14	-1	53	48	-5	25	29	4
Mongolia	48	53	4	19	14	-5	35	48	13	42	66	24	13	36	23	54	34	-20	18	17	-1
Albania	40	45	5	19	29	10	38	51	13	57	49	-8	14	29	15	37	31	-6	29	47	18
Kyrgyz Rep.	50	53	3	17	21	4	35	36	1	38	56	18	19	44	25	43	46	3	23	5	-18
Armenia	64	61	-2	32	44	13	62	70	8	66	70	4	27	39	12	50	43	-6	11	30	19
Bulgaria	60	61	1	23	26	2	72	52	-20	67	84	16	41	48	7	29	59	29	31	17	-15
FYR Macedonia	50	45	-5	38	41	3	53	44	-8	43	53	10	16	33	17	18	30	12	24	42	17
Azerbaijan	56	45	-10	24	16	-8	51	61	10	42	54	13	15	5	-10	21	12	-9	47	26	-21

Source: LITS I (2006) and LITS II (2010).

Note: "Change" denotes change in satisfaction between 2006 and 2010. Countries sorted in order of average increase across all seven services. All numbers are rounded.

Box 3.4 Improvements in satisfaction with public health systems

Moldova: Recent health sector reforms have included: the creation of an independent mandatory social health insurance structure; increased hospital autonomy; the separation of primary and secondary care financing; steps towards performance-based contracting; and the development of clear accreditation and quality standards. Health provision has recovered to pre-transition levels and spending increased to 6.4 per cent of GDP in 2009; however, anecdotal evidence suggests that the introduction of insurance has not replaced unofficial payments as a means of ensuring access to care.

Tajikistan: The government's 2005 health financing strategy aimed to improve equity, efficiency and cost-effectiveness of the health system by increasing public funding (in particular to primary health care) and introducing a basic-benefits-package (BBP). The BBP provides free services for vulnerable population groups and provides a legal framework for developing the policy for co-payments by patients for selected health services in hospitals.

Turkey: The Turkish government launched a major reform programme in 2003 to make the health system more effective by improving governance, efficiency, user- and provider-satisfaction and long-term sustainability. The main elements

of the programme were to establish a single purchaser in the health system, make the public sector health services delivery network autonomous and strengthen human resources management and information systems. The programme has had important effects on access to care, especially for the poor.

In addition to improved health insurance coverage for the poor, productivity of health personnel and availability of services have increased. There has also been a rise in the immunisation of under-five-year-old children, the use of ante-natal services by pregnant women and the overall utilisation of health services.

Source: Chakraborty, 2009.

Changes in satisfaction levels

The LiTS II data show encouraging progress in recent years with regard to public perceptions of the quality and efficiency of service delivery. In the case of public health, for instance, between 2006 and 2010 nearly all transition countries show increases in the proportion of respondents who were either satisfied or highly satisfied with the quality and efficiency of services received (see Chart 3.8).² Box 3.4 notes recent reforms carried out in three selected countries where there has been a large increase in user-satisfaction rates.

In most countries, prevailing levels of satisfaction with the various public services covered in the LiTS questionnaire are higher in 2010 compared to 2006, especially regarding requests for official documents, unemployment benefits and other social security payments (see Table 3.3). Moldova and Russia stand out in this respect (as, to a lesser extent, do Turkey, Tajikistan and then Estonia). Azerbaijan is the only country for which satisfaction with service delivery for most public services in 2010 is lower than in 2006.

Conclusion

Despite the impact of the crisis, LiTS II data indicate that satisfaction with public service delivery has risen over time in most countries in the region. Prevalence of unofficial payments is quite low: when respondents were asked how often it is necessary for people to make unofficial payments/gifts when using public services, a large majority reported that such payments are never needed. Nevertheless, the data show that the level of satisfaction with public service delivery in most transition countries tends to be lower than prevailing levels in western European comparator countries. Conversely, the perceived frequency of unofficial payments is higher than in comparator countries.

How can governments in transition countries further increase citizens' satisfaction with service delivery? This analysis provides clues as to how this might be achieved. First, LiTS II data show utilisation of public facilities in transition countries to be generally higher than in the western comparators; this suggests that further analysis may shed more light on the potential for efficiency and quality improvements, and the extent to which better demand management practices could free up public resources to improve quality of services. Second, the prevalence of unofficial payments in transition countries is higher than in western Europe, and is an important factor in explaining dissatisfaction with public service delivery.³ Lastly, the data show that mechanisms for grievance redress in the transition regions are still relatively underdeveloped in comparison to those in the comparator countries, and should be strengthened to help provide citizen feedback to policy-makers on the main problems faced when interacting with public service providers.

References

- S. Chakraborty (2009)**, "Health systems strengthening: lessons from the Turkish experience", Europe Central Asia Knowledge Brief, December 2009, Vol. 12.
- J. Das and J. Hammer (2007)**, "Money for nothing: the dire straits of medical practice in Delhi, India", *Journal of Development Economics*, Vol. 83, No. 1, May 2007, pp. 1-36.
- A. Fiszbein, D. Ringold and H. Rogers (2010)**, "Making services work: indicators, assessments, and benchmarking of the quality of public service delivery", HDN Chief Economist Office.
- R. Johnson and S. Mehra (2002)**, "Best-Practice Complaint Management", *The Academy of Management Executive* (1993-2005), Vol. 16, No. 4, (Nov., 2002), pp. 145-154.
- G. Lister, F. Rosleff, M. Boudioni, F. Dekkers, E. Jakubowski and H. Favelle (2008)**, "Handling Complaints in Health and Social Care: International Lessons for England", Report prepared for the UK National Audit Office.
- World Bank (2003)**, "World Development Report 2004: Making services work for poor people". Washington, D.C, Oxford University Press for the World Bank.

²It is important to note that data on satisfaction are not fully comparable between the 2006 and 2010 LiTS surveys. The 2006 survey asked respondents if "you personally" used a service, while the 2010 survey asked if "you or anyone in your household" used the service.

³The inverse correlation between satisfaction on the one hand and usage rates and perceived prevalence of unofficial payments is confirmed by an Ordinary Least Squares (OLS) regression of country-level average satisfaction rates for each of the eight public services covered in the LiTS II questionnaire. This uses as explanatory variables (i) average usage rates (that is, the percentage of respondents in the country that use that particular public service) and

(ii) unofficial payments prevalence rates (the percentage who say that unofficial payments are usually or always needed for that particular service). The derived coefficients for the two explanatory variables in the regression are statistically significant at the 1 per cent level.