Trust, Voice, and Incentives

Learning from Local Success Stories in Service Delivery in the Middle East and North Africa

Hana Brixi, Ellen Lust, and Michael Woolcock
Human Development Index (HDI), 2013

MENA average: 0.72
Non-MENA/non-OECD average: 0.64
OECD average: 0.87

Data source: Human Development Index, United Nations Development Programme (UNDP)
Overview

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*Learning from Local Success*

*Stories in Service Delivery in the Middle East and North Africa*

Hana Brixi, Ellen Lust, and Michael Woolcock
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The Middle East and North Africa (MENA) is in a state of volatile change. This period of change is imposing hardships on the people of the region, and the outbreaks of conflict and violence represent a clear danger not only regionally, but globally as well.

Under the circumstances, it is essential to focus on the welfare of the region’s youth and its economic and institutional health in order to build the foundation for lasting stability and shared prosperity. Public institutions and services are central to this effort. In particular, it is crucial to harness the ability of public institutions to align their incentives with the needs of the people; the ability of education systems to help the region’s children and youth develop the competencies and skills that will serve them well for their future lives and livelihoods; and the ability of health systems to address the rapidly growing burden of chronic diseases, as well as the remaining pockets of high maternal and child mortality and malnutrition.

In the aftermath of independence, leaders of MENA countries promised their citizens industrialization and better standards of living through state intervention. That intervention included the expansion of education and health services, which generated unprecedented improvements in basic human development outcomes, as well as food and fuel subsidies and employment in the public sector. It gave rise to a social contract binding governments and citizens, establishing political legitimacy and strong nationhood and instilling citizens’ support for government, as well as the expectation that the state would assume responsibility for economic and social welfare.

The post-independence social contract became unsustainable because it hampered the creation of the inclusive institutions and accountability mechanisms at the political, administrative, and social levels that would motivate providers, public servants, and policy makers to deliver quality services to the poor and other non-privileged populations. As a consequence, the majority of Arab children are not learning well enough while at school, and many mothers with young children find health clinics closed, doctors absent, or essential medicines out of stock when they need medical help.

This report focuses specifically on the public institutions underpinning service delivery. In the right institutional environment, the interactions between these various stakeholders create a virtuous cycle of performance. In such a cycle, citizens have the means to inform
policies and comment on the quality of services, and both public servants and providers are attuned to those opinions by a system of incentives that reward their effectiveness in responding to them. As services improve, citizens’ trust in government increases, which serves to consolidate social cohesion.

However, this report documents that in the Middle East and North Africa this virtuous cycle has not been achieved. Many of the public institutions that deliver basic social services are not responsive to citizens’ needs. As a result, services have suffered, leaving citizens with little recourse but to abandon the system and seek alternate means of meeting their needs. This negative cycle will have to be broken in order for investments in education and health to begin delivering meaningful outcomes for the Arab people. The evidence clearly indicates that the poor—lacking the needed personal connections, the means to pay informal fees, or the luxury of opting out from the public service system—are the ones suffering the most from ineffective service delivery.

In its search for solutions, the Bank team has identified local examples of effective service delivery and shared the lessons learned. For instance, at a girls’ school in rural West Bank, a school principal has managed to build a culture of inclusion and commitment among community members, parents, and teachers. The success of the school has become a shared responsibility, and the results are impressive. The students excel in national tests despite the poverty and instability that surround them. There are equally powerful examples in schools and health clinics in Jordan and Morocco of citizens finding better ways to provide services to their communities.

There is no blueprint for creating the right accountability mechanisms to monitor and motivate public servants and service providers. Every environment has its own distinct social and political characteristics, and solutions have to be either drawn from or adapted to them. In this respect, we hope that the report will prove useful to policy makers, service providers, and citizens alike. While mapping out the key drivers of effective service delivery, it aims to launch a regional discussion on local strengths as the source of potential solutions.

The World Bank Group stands ready to contribute and help the governments and people of the region promote inclusive institutions and create efficient service delivery in order to better respond to citizens’ needs and boost shared prosperity.

Hafez Ghanem
Vice President
Middle East and North Africa Region
The World Bank
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We sincerely appreciate the immense hospitality and candor of the government officials, health professionals, educators, parents, and many other wonderful individuals in various functions and roles who shared their time and insights for the case studies: Kufor Quod Girls’ Secondary School in Jenin in the West Bank; Jordan’s Zeid Bin Haritha Secondary School in Yarqa; six clinics in the Jordanian governorates of ‘Ajlun, ‘Amman, Al Balqa’, and Jarash; and a number of health clinics in Morocco.

This report benefited greatly from the feedback received during extended consultations. In particular, we are grateful to the representatives of governments, academia, nongovernmental organizations, and civil society organizations who shared valuable comments on the framework and findings of this report at the World Development Report 2004 10th anniversary conference on “Making Services Work for Poor People: The Science of Politics of Delivery,” held in Washington, DC, on March 1, 2014, and at the Arab Development Symposium held in Kuwait on November 5, 2014. We would also like to acknowledge the excellent comments and suggestions received from participants in the Euro-Mediterranean Cycle of Economic Perspectives discussion series facilitated by the Center for Mediterranean Integration (CMI) in a seminar held in Paris on September 19, 2014. Moreover, this report gained insights from comments received from citizens of the Middle East and North Africa (MENA) region in response to blog posts, online consultations, and social media outreach.

Colleagues across the World Bank Group and members of the international academic
and research community contributed valuable insights in a series of workshops and brainstorming meetings held from October 2013 to November 2014, including the May 9, 2014 workshop hosted by the Middle East Initiative at Harvard Kennedy School; and the November 19, 2014, seminar sponsored by the Global Partnership for Social Accountability in collaboration with the Governance Global Practice, Education Global Practice, and Health, Nutrition and Population Global Practice of the World Bank Group. They included Lindsay Benstead, Franck Bousquet, Marylou Bradley, Angela Demas, Deon Filmer, Helene Grandvoinnet, April Harding, Elena Ianchovichina, Emmanuel Jimenez, Steen Jorgensen, Stuti Khemani, Elisabeth King, Pierre Landry, Keith McLean, Steen Jorgensen, Harry Patrinos, and Hisham Waly for insightful discussions and feedback along the way; and to Mario Marcel Cullell and Joel Hellman for advice and quality assurance at the final review stage. The work was supported by the MENA Chief Economist’s Office, as well as the Governance Global Practice, Education Global Practice, and Health, Nutrition and Population Global Practice of the World Bank Group. It was complemented by active engagement in governance and service delivery in Jordan (Multi-Donor Trust Fund) and Morocco (Institutional Development Fund) and in the Local Governance Performance Index (MENA Governance and Anti-Corruption Fund), which are building on and seeking to operationalize the approach developed in this report jointly with clients and partners.

Moving forward, the Governance Global Practice, Education Global Practice, and Health, Nutrition and Population Global Practice of the World Bank Group have agreed to use the framework and conclusions presented in this report as a prism in their effort to enhance education and health services in the MENA region (see Maximizing the World Bank’s Impact in the Middle East and North Africa: Global Practices—Middle East and North Africa Region Partnership Report, published by the World Bank in 2014).
Overview of Trust, Voice, and Incentives

The Middle East and North Africa (MENA) is a rising middle-income region, and its citizens rightly expect quality public services. Yet too often they experience disappointment: students attending local schools are insufficiently prepared for the 21st century economy, and those needing health care too often find that public clinics have no doctors or medicines. Few in positions of authority are held accountable for such shortcomings. This situation both undermines the potential for improvement and heightens people’s unhappiness with the delivery system.

Although dissatisfaction with education and health services is widespread in the MENA region, local successes do exist and offer inspiration. At the Kufer Quod Girls’ Secondary School in the rural West Bank, for example, Ms. Abla Habayeb, the school’s principal, provides her teachers with daily encouragement and support, and she involves community members, parents, and teachers in decisions about improving the school. Teachers, students, and the community then reciprocate that commitment. Thus, amid the surrounding poverty and instability, Kufer Quod girls excel in national tests. Similarly, in some poor villages in Jordan and Morocco, the leaders of schools and clinics are reaching out to the community, inspiring citizens’ trust and engagement through transparent and inclusive decision making and the delivery of excellent services.

Learning from such local successes is vital because there are no blueprints for solving service quality problems. Countries around the world are striving to improve education and health care quality. But simply modernizing school and hospital facilities and training staff are no longer sufficient. Delivering quality services requires motivated staff. And staff motivation arises in turn from values and accountability, which are grounded in the wider political, administrative, and social rules, practices, and relationships. Providing high-quality services is hard; the World Bank itself has struggled to ensure that its projects enhance incentives in country systems to achieve better learning and health outcomes.

Finding solutions is especially difficult in the institutional and sociocultural contexts in the MENA region. Its citizens not only demand better services but also expect their government to provide them, reflecting the promises made by Arab leaders at the outset of independence five decades ago that the state would provide better living conditions. Since then, MENA citizens have gained nearly universal access to education and
health care, which is a commendable achievement. Now they expect these services to be of high quality and create greater opportunities for all.

Although they have excelled at building schools, constructing hospitals, and training staff, the region’s societies have fallen short in fostering the accountability and values needed to motivate public servants and service providers to deliver quality services. Whether and how teachers teach, doctors treat the sick, and bureaucrats react to citizens’ demands do not seem to matter in the selection of leaders (and their promotions and salary increases) or in the social acceptance of public servants. Rather than performance, what seems to matter most for political and professional careers are personal relationships and social ties. This limits citizens’ trust in and formal engagement with public institutions. To fulfill their needs, citizens rely on their own relationships or informal fees. Thus a cycle of poor performance has emerged, perpetuating a culture of privilege and cronyism.

Improving the quality of public services will require breaking this cycle of poor performance: making politicians, public servants, and providers accountable to citizens and promoting citizens’ trust in and engagement with state institutions. At the local level, leaders and communities can inspire the needed changes by demonstrating possible local solutions and identifying the remaining systemwide constraints. Communities, states, and donors that succeed in improving service quality and accountability will go a long way toward earning and retaining citizens’ trust.

Citizens’ expectations

The quality of social services provided in the Arab world lags surprisingly behind its potential. Historically, its citizens have cared deeply about education, health, and other services; indeed, universal access to education and health is a constitutional right in most countries in the Middle East and North Africa. The region is predominantly composed of middle-income countries, with adequate human and material resources, and its governments are perpetually engaged in reform efforts aimed at better service provision. And yet dissatisfaction among the public runs so deep that failure to receive adequate services underpinned the calls for karama (dignity) that echoed throughout the Arab Uprisings in 2010–11. Today, as the region continues to reel from deep dissatisfaction—struggling with ongoing transitions, conflicts, and fragility—it is ever more critical to assess the status of service delivery, recognize the underlying causes of problems, and look for effective solutions.

The dissatisfaction with services is widespread. In the 2013 Gallup World Poll, on average about half of respondents in the MENA region, compared with about 30 percent in Asia and Latin America and the Caribbean, expressed their dissatisfaction with education services and health care in their country. The 2010–11 Arab Barometer found that about two-thirds of MENA respondents perceived the performance of their government in improving basic health services as “bad” or “very bad.” More broadly, citizens of the MENA countries tell pollsters that their government should do better in ensuring service delivery and fighting corruption. And yet they also express little trust in their government’s involvement in the social sectors. Moreover, they are less likely than citizens of other regions to seek accountability and tell public officials what they think (figure O.1).

Local successes: Autonomy, accountability, and participation

The average levels of citizens’ dissatisfaction, however, mask significant variation within countries and possible excellence in some localities. As we document here, some communities have managed, often despite difficult circumstances, to attain extraordinary outcomes using innovative local solutions to the prevailing problems. These local successes can provide useful insights and inspiration for practitioners, policy makers, and donors.
Examples of local successes in service delivery highlight the importance of autonomy, accountability relationships, and participation at the local level. Although central management systems (such as the School and District Development Program and the Health Care Accreditation Council in Jordan or the Concours Qualité in Morocco) create environments conducive to providing quality services, the impacts of such systems are not uniform. Our case studies uncover key drivers of change at the local level. They highlight the importance of accountability relationships—and the role of local leadership in sparking and institutionalizing such relationships—to trust and effective citizen engagement.

As noted earlier, the Kufor Quod Girls’ Secondary School in a small village near the city of Jenin in the West Bank traces its success to parental and community engagement and the ability of the school’s principal to build and maintain a motivating, encouraging work environment for teachers. The principal has partnered with the Jenin school district to secure support, such as the pedagogical support of the district supervisors for Kufor Quod’s teachers, and some autonomy in implementing school improvement plans.

Similarly, deep in Jordan the Zeid Bin Haritha Secondary School in the village of Yarqa has been achieving excellent results amid poverty and low capacity. Jordan’s national School and District Development Program, launched in 2009, encourages schools and directorates to collaborate with parents and communities, and it provides small school grants allowing some autonomy. Involving parents and citizens as partners, however, has not come naturally in traditional communities such as in Yarqa, with its deeply embedded lines of authority. It meant changing the leadership style of the school principal and teachers, creating a sense of common purpose around the school in the community, and establishing new relations through a parent-teacher association and Education Council and making these new structures effective. Significantly, the Education Council in Yarqa has reached out to parents and the wider community and gained their trust for its transparency.
and inclusive decision making. Furthermore, friendly competition and rivalry among local schools and communities have helped to improve student outcomes. Student performance in national tests has become a source of community prestige and pride. Supporting student learning—and addressing obstacles such as the school’s supply of electricity and some students’ vision impairments—has become a shared responsibility.

In the health sector, top clinics across Jordan benefit from partnering with local social institutions and health committees and from formalizing health management procedures at the local level. These steps have been facilitated by Jordan’s accreditation process, which supports improvements in facility administration by establishing clear rules and regulations and supporting monitoring and transparency. Local leadership and engagement enhance the impact of such administrative reforms. In the locations we visited, health committees have reached out to both citizens and health workers in gathering and addressing community needs, sometimes uncovering—and resolving—hidden challenges such as previously undetected high levels of diabetes and hypertension in the Zay community. In some communities, social ties have facilitated the process of establishing priorities, extending public health outreach, and mobilizing resources to support health clinic activities and development.

Finally, the best-performing rural health clinics in Morocco draw effectively on their strong partnerships with local communities, on positive competition devised by the Ministry of Health, as well as on support from the provincial and regional offices of the Ministry of Health available to reform-oriented local leaders. Launched in 2007, Morocco’s Concours Qualité program of competition among health facilities, involving self-assessment and audit by peers, recognizes good work and motivates improvement. It has been especially effective in the presence of dynamic and visionary leadership at the local, provincial, and regional levels. The excellent clinics we visited have translated such effective leadership into a culture of quality and innovative performance improvements among health workers. These clinics exhibited a sense of a shared mission and a collaborative ethic, supported by good record keeping, transparency, participatory training workshops, and attention to interpersonal relations. The clinic staff regularly communicates with the provincial and regional officials of the Ministry of Health to ensure adequate supplies of medications and to solve related implementation problems. Moreover, clinic health workers actively engage with nearby social organizations and individuals—such as youth groups, the murshidat (women serving as religious guides), and women working in the local hammams (public baths)—to build awareness of health issues such as family planning, HIV/AIDS testing, breast cancer, and chronic diseases.

The cycle of poor performance

Notwithstanding such examples of local successes, a majority of MENA citizens routinely experience a cycle of poor performance in their daily lives: political, administrative, and social institutions fail to instill adequate accountability and motivation in policy makers, public servants, and service providers to meet citizens’ needs. As citizens experience poor service quality, they increasingly regard the government as corrupt and ineffective. Thus their trust in public institutions suffers, leaving them with few options other than turning to informal social networks and paying informal fees to tackle their individual needs. As illustrated by our case studies, the cycle of performance (figure O.2) may be virtuous at the local level—with local formal and informal accountability relationships filling the institutional gaps, motivating better performance, and inspiring citizens’ trust and formal participation—but it appears to be stuck in a low equilibrium at the national level in most MENA countries. The MENA region’s historical development explains the initial factors underlying this cycle. As noted, that development led citizens to place a high value on education, health, and other services and created expectations—stronger
than in other regions—that the state would provide these services, but the region largely eschewed the establishment of institutions geared toward meeting these expectations. Without dependable institutions and citizens’ trust in public institutions, there is little formal citizen engagement, institutions remain stagnant, and service delivery is poor. A central concern is thus how can this cycle of poor performance be overcome? Below, we examine how the prevailing cycle is structured and reinforced.

Political, administrative, and social institutions: Lack of formal accountability

Political institutions in most MENA countries lack accountability mechanisms, with citizens unable to obtain adequate information, voice demands, or incentivize policy makers and public servants through formal channels. Authoritarian regimes—which have the least constrained executives, the weakest parliaments, and the lowest levels of judicial independence in the world—dominate the MENA region. The region lags behind other regions in its transparency, objectivity, and professionalism in civil service appointments and management. Directly elected local governments are found in only a small minority of countries in the region, and where they do exist, councils have limited budgets and responsibilities. With the exception of the Arab Republic of Egypt, Morocco, and the West Bank and Gaza, local council budgets are less than 5 percent of total public expenditures, far behind the world average of 38 percent for federal systems and 22 percent for unitary ones.

Opacity further undermines accountability. Freedom of information and public disclosure laws and practices that would allow citizens and intermediaries to monitor government activities are either lacking or are not implemented. On the Global Integrity Index, the region ranks the lowest on the public access to information indicator, the legal right to access information, and whether the right of access to information is effective.

Citizens have few opportunities to provide feedback on performance quality and to seek accountability. Accountability institutions such as justice sector services, independent audit agencies, and ombudsmen are underdeveloped in the region, making it difficult for citizens to submit complaints, hold public servants and service providers accountable, and obtain their rights. Executive authorities tend to exercise influence over the judicial branch and over agencies designed to address corruption. Independent audit agencies, inspectors general, and ombudsmen tend to lack resources, authority, and autonomy. Political capture has promoted a system that lacks the information needed to monitor and evaluate performances. As a result, there are few consequences when violations occur and very few performance-oriented incentives and norms for providers and administrators.

Weak, politically captured regimes are coupled with—and compound—ineffective administrative systems and accountability mechanisms. Administrative institutions suffer from highly centralized and opaque bureaucracies and weak management
systems, and service providers and public servants are rarely held accountable. Local administrators and service providers have little influence on policy formulation and implementation, and they lack autonomy to manage human resources, make financial decisions, enforce rules, or bring about change on their own without the blessing of the central authority. At the same time, they face little oversight of and pressure on their own performance. Information on the performance of frontline service providers, such as schools and health facilities and their staffs, is generally not collected, evaluated, or followed up on. For example, surveys in Egypt and Morocco suggest that teachers appear to be minimally assessed, and school inspections generate little action. With some exceptions (such as the United Arab Emirates) government agencies do not regularly produce or disclose criteria against which their performance could be independently monitored. This is in part because of capacity weaknesses—that is, a lack of facility-level information and weak monitoring and internal controls—and little enforcement and performance management. It also reflects political capture at the national and subnational levels that subverts incentives toward establishing accountability.

Because state institutions lack both internal and external accountability, social norms and regulations within society and communities can play a vital role in motivating policy makers, public servants, and service providers. Social institutions emphasize obligations to members of social networks over national welfare. The result is the widespread practice of *wasta* (figure O.3), a form of clientelism, as well as a willingness to treat

**FIGURE O.3 Importance of *wasta* in obtaining a government job, by municipality: Jordan, 2014**

![Importance of Wasta in Obtaining a Government Job](image-url)

Source: Governance and Local Development survey, 2014.
Note: The numbers next to some localities (municipalities) indicate that they are sublocalities or areas within them. The numbers were added for survey purposes; they are not official administrative boundaries.
informal payments as a necessary practice. *Wasta* allows individuals to obtain public services, jobs, and other economic opportunities, and preferential treatment when dealing with administrative procedures. In this way, *wasta* can undermine fairness and equality of opportunity as well as erode administrative systems and overall state performance (as, for example, when the recruitment and advancement of administrators and service providers are based on *wasta* rather than merit). The strength of social institutions at the local level varies and is likely to explain some of the variation in performance, including education and health services delivery, as well as some of the elements of success in the local case studies described in this report.

**Performance in education and health: The quality challenge and subnational variation**

Education and health outcomes have improved in recent decades, but they have not kept up with demands. In most MENA countries, outcomes such as school enrollments or child mortality have converged to their expected levels based on economic development. The quality of services has not, however, kept pace with the broader socioeconomic transitions. MENA students score low on international competency tests, and graduates struggle to find jobs while employers report vacancies unfilled due to skill gaps. Health inequities based on income, gender, degree of urbanization, and age persist. The out-of-pocket health expenditure is high by international standards, leading to impoverishment and to forgoing health care because of its cost. Citizens typically find little information publicly available about the performance of schools and health facilities or about fees at health facilities. The lack of transparency can give rise to informal user fees, which about one-third of citizens of MENA countries have reportedly paid in the education sector and especially in the health sector (figure O.4).

Service delivery is characterized by the weak efforts and capacity of providers at the local level. Surveys suggest that providers may not possess the qualifications and professional autonomy, among other things, needed to deliver quality services, particularly in rural localities. They also often lack key resources such as teaching materials and medicines. Meanwhile, their efforts appear to be lagging: 30 percent of students in MENA countries attend schools in which principals reported that teacher absenteeism is a serious problem (figure O.5). Similarly, health professionals exhibit high levels of dissatisfaction, and absenteeism surpasses 30 percent in countries for which data exist: Egypt, Morocco, and the Republic of Yemen. Where observations exist, the adherence to curricula in schools and to clinical care protocols in health facilities appears low (figure O.6). Public sector teachers and health workers tend to offer some services as private efforts for a fee, which can create a conflict of interest. In Egypt, for example, 89 percent of private physicians also work in public facilities where they may be absent or extend little effort during official hours while giving their best performance at their private practice.
**FIGURE O.5** Percentage of students whose principals report that teacher absenteeism is a serious problem in their school: MENA region and globally, 2011

Source: TIMSS, 2011.

Note: MENA = Middle East and North Africa; OECD = Organisation for Economic Co-operation and Development.

**FIGURE O.6** Adherence to care protocols for diabetes and coronary heart disease in health facilities: Arab Republic of Egypt, 2010

Source: EHGS, 2010.

Note: CHD = coronary heart disease.
The quality of service provision varies significantly within countries, in part because of the weak national political and administrative institutions and the resulting influence of social institutions and local governance practices. Indeed, the results in education (such as student test scores) and the quality indicators in health (such as the adherence to care protocols) exhibit significant subnational variation.

Service delivery process indicators vary as well within countries. Examples are staff absenteeism and qualifications and the availability of instructional materials, essential medicines, and other key inputs (figure O.7). The patterns across service delivery indicators also vary, showing little correlation, for example, between staff effort and the availability of key inputs. This may indicate that staff, materials, and other inputs in service delivery are managed in an insular manner, along the vertical administrative lines in the generally heavily centralized service delivery systems in the MENA countries.

The poor quality of education and health care as perceived by the majority of MENA citizens and demonstrated by the available evidence can be traced to the weaknesses in the effort and capacity of providers. Such weaknesses in turn reflect the characteristics of the prevailing political, administrative, and social institutions, especially the weak accountability mechanisms facing policymakers, public servants, and service providers. The lack of simple monitoring and internal controls undermines the distribution of textbooks to schools and medicines to health facilities. The interplay of formal and informal pressures and norms at the national and local levels influences the efforts of providers.

**Citizens’ trust and engagement: Shaped by service delivery and state performance**

Citizens’ experiences when they visit a health facility or observe their child’s learning, when they seek a job or deal with administrative procedures, affect not only their view of performance but also their attitude toward the state. The low satisfaction with

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**FIGURE O.7** Availability of aspirin, by province: Morocco, 2011
Public services, perceived corruption and nepotism, and, indirectly, unresponsive institutions appear to erode citizens’ trust in public institutions in many MENA countries. Across countries, findings from the Gallup World Poll, Arab Barometer, and Worldwide Governance Indicators reveal a high correlation between citizens’ satisfaction with service provision and indicators based on underlying measures of state institutional quality and performance such as government effectiveness, rule of law, and control of corruption. Furthermore, the data suggest that trust in national government is highly associated with citizens’ satisfaction with education and health services and with their perceptions of the pervasiveness of corruption. For those MENA countries for which data are available, our analysis suggests that the probability of trusting the national government increases by 13 percentage points when respondents are satisfied with education and by 11 percentage points when they are satisfied with health care. On the other hand, citizens’ trust in public institutions declines by 35 percentage points when respondents believe that corruption is widespread within their governments. These results also hold across MENA countries when measuring trust in the judiciary. With respect to nepotism, respondents are 10 percentage points likelier to trust their national government when they believe that qualifications are more important than connections. Interestingly, though, we found that the influence of tribal affinities has only a small impact on citizens’ trust in national government.

Low trust in public institutions—and perceived powerlessness over the decision-making processes—undermines citizen-driven, bottom-up approaches and social accountability tools (such as public hearings, community scorecards, public opinion polls, and civil society oversight committees) that could be used to improve service delivery. Institutions in most MENA countries offer their citizens few opportunities to encourage better service delivery through choice (selecting better providers), voice (giving feedback to providers and public servants and holding them accountable), and voting (choosing political leaders committed to ensuring better services). In the face of weak institutions, poor performance, and low trust in public institutions, citizens tend to disengage. In much of the region, people believe they have little chance of succeeding by simply following the rules. In surveys in Algeria and Morocco, for example, only a quarter of respondents considered it effective to seek services or file complaints directly through the relevant government agency; higher numbers of respondents believed it was more effective to go through family, friends, and other social ties. In the Republic of Yemen, only 10 percent of citizens who believed they had a valid reason to make a complaint actually did. Furthermore, civil society organizations are subjected to state intervention and crackdowns in most MENA countries, which limit their effectiveness and may explain why citizens rarely join such organizations.

When citizens need services from the state, try to resolve complaints and grievances, or have to deal with administrative procedures, they often do so through informal channels, resorting to survival mechanisms such as wasta or informal payments or, more rarely, demonstrations or rebellions. Unfortunately, in doing so they exacerbate the existing problems, eroding formal accountability and norms of public service, undermining public welfare, and widening the inequality of opportunities. In more extreme cases, such as the Houthis’ rebellion in the Republic of Yemen, stemming in part from the Houthis’ unresolved grievances related to poor public services, they may unravel postconflict institutions and trust building. There are, however, instances—as our examples of local successes illustrate—in which citizens’ trust and engagement can be inspired by local leaders and can support improvements in service quality. Finally, the rising popularity of social media and their use by citizens to share their experience and demands, partly facilitated by successful e-governance initiatives in several MENA countries, are opening potentially effective engagement avenues for the future.
Bases for improvement

Because of the complex circumstances facing MENA countries, it is necessary to build on evidence of local successes and positive trends that show where and how the cycle of generally poor performance can be challenged. We seek to identify the bases for improvement and encouragement so that citizens, civil servants, policy makers, and donors can act on them. Many policy makers across the MENA countries want to deliver visible results and, in doing so, bolster their authority and public support. Conflicts, crises, and political transitions in the region may give national and local leaders a unique opportunity to reform institutions and accountability mechanisms and tackle service delivery challenges, as well as boost citizens’ trust in public institutions and constructive engagement. Donors, including the World Bank Group, as well as governments and civil service organizations, need to learn from their own (often failed) efforts to support quality in education and health services. In moving forward, the MENA countries can explore possible incremental approaches to systemic reforms, the options for empowering communities and local leaders to find local solutions, and possible quick wins.

Extraordinary shocks

The extraordinary shocks spreading from North Africa to the Arabian Peninsula—as unsettling, costly, and risky as they are—can open possibilities for reform. Conflicts, refugee crises, and regime changes can make national and local leaders more likely to take risks, disrupt existing institutional arrangements, and alter elite coalitions. Costly events today may prompt changes in institutions, trust, and engagement that result in better performance. For example, transitions triggered by dramatic ruptures can potentially, at least in the short run, increase trust, engagement, and the possibilities of institutional reforms. Elites often experience a brief honeymoon period with much of the population, during which they can gain citizens’ acquiescence to reform despite poor performance. Such opportunities may be short-lived, however, and the extent to which they can be exploited is likely to depend on a number of factors such as the strength of state institutions, the degree of polarization within society, and levels of regional or international intervention. But if citizens see improvements, they may remain engaged, thereby positively motivating service providers and public servants and supporting statewide reforms and institution building.

It is therefore critical to seize the opportunities offered in crises to buoy service provision, press for institutional reforms, and foster citizens’ trust and positive engagement. Even in the midst of enormous difficulties that citizens and states face, there is an opportunity to escape the cycle of poor performance. Preparing to face these challenges and seeking ways to open new opportunities for breaking the cycle of poor performance require a clear understanding of how the international community, local policy makers, civil society, and citizens can work together to improve the quality of public services provision.

Donor intervention

Regardless of such extraordinary shocks, donors have been only partly effective in supporting education and health care quality in the MENA countries. Over the last 10 years, the World Bank Group has been increasingly highlighting the role of incentives and citizen engagement in achieving equitable and high-quality services. In the MENA region, this emphasis has figured prominently in the Bank’s analytical and reimbursable advisory activities but has been less pronounced in operations. Only about 10 percent of the Bank’s projects in the MENA countries (compared with about 30 percent on average in other regions) have promoted autonomy and accountability in education (figure O.8) or transparency and accountability in health services delivery. This low rate—along with a relatively modest success rate of Bank
operations supporting education and health services delivery in MENA countries—partly reflects the difficulty in developing interventions to address the cycle of performance beyond capital investments and capacity building and to motivate better performance by policy makers, public servants, and service providers and inspire citizens’ trust and constructive engagement.

If programs, systems, and civil service organizations supported by donors are to be trusted by citizens, donors may need to reach out to citizens directly to build trust. Simple measures such as providing them with detailed information on donor support, objectives, interventions, and cost, disaggregated to the village level, would be a step forward and a possible model for promoting transparency domestically.

Experience suggests that the usual focus on identifying policy reform needs must be matched by a corresponding focus on how any given policy will actually be implemented, by whom, and why. One might hope that the new “science of delivery” approach provides a space within which such issues can be explored by looking at the nature of a problem and developing a hypothesis while being agnostic about the solution; by using evidence to inform the implementation of solutions; by taking an adaptable, creative, and context-driven approach; and by being able to capture cumulative knowledge when finding and fitting local solutions. Furthermore, the World Bank’s initiative on social accountability in the MENA region appears to be a promising approach, even if its implementation requires time, money, and expertise in order to appropriately engage with local contexts. Examples of positive deviance—such as the Secondary Education Development and Girls Access Project (SEDGAP) in the Republic of Yemen, which is seeking to engage community leaders, parents, girls, and female teachers—offer valuable lessons on how donors can help. Investing in the high-quality collection of local data can pay handsome dividends in terms of enhancing the efficiency and effectiveness of everyday decision making, providing an evidence base for promoting organizational learning, and helping to identify where, when, and how such positive deviance occurs.
An incremental approach to systemic changes, local initiatives, and quick wins

Improvements in education and health services will not come simply through policy reforms, through modernization of schools and health facilities, or through training of educators and health professionals. Our analysis indicates that, to foster better performance, policy reforms and investments need the backing of institutions—especially incentives and norms embedded in both formal and informal accountability relationships—and citizens’ trust and engagement. Experience suggests that performance improves when political institutions are the primary drivers of outcomes, or—as our case studies illustrate—when skillful leaders use them to tap into and exploit social institutions for better outcomes. Decentralization, incorporated in a broad package of reforms aimed at putting more power into the hands of local officials, can help strengthen incentives for better performance if supported by adequate accountability mechanisms and resources. The evidence on citizen engagement shows that information is necessary but not sufficient to motivate collective action, to make local or central officials accountable, and to influence public sector performance. More promising results emerge from multipronged strategies that encourage enabling environments for collective action and bolster a state’s capacity to actually respond to the voices of its citizens. An ability to respond to citizens’ feedback on the quality of service delivery is crucial to sustaining trust and participation.

Meanwhile, to have an impact, institutional and policy reforms must emerge from problem-led learning processes, facilitate the “finding and fitting” of context-specific solutions, and seek the participation of broad groups to ensure that new institutions are shared, legitimate, and contextually appropriate. Reforms also need to recognize the actual incentives that prevail for stakeholders associated with a specific problem in a specific setting. Within the existing constraints, an incremental, problem-driven approach to institutional and policy reforms can combine considerations about feasibility and political support with considerations about possible solutions. Such an approach also can result in design reforms that align more closely with the existing reform space and thereby gradually expand the space for reform.

Drawing on the available evidence, we set forth two broad sets of recommendations. First, we argue for a stronger social contract among public servants, citizens, and providers. To that end, we propose an approach of strategic incrementalism toward improving institutional quality and accountability mechanisms and motivating public servants and providers to serve the poor and other nonprivileged populations. In particular, we explore options to

- Develop effective external accountability institutions such as courts, independent auditors, and ombudsmen to monitor—and subject to public scrutiny—the performance of service providers and public servants and provide tools for the resolution of citizens’ complaints and grievances.
- Strengthen monitoring, internal controls, and performance management in the public sector as well as within the education and health systems, including mechanisms to share and act on performance information, exposing service providers and public servants to internal accountability for performance.
- Modify mechanisms for selecting, encouraging, and rewarding leaders, public servants, and service providers so as to internalize norms of personal responsibility, professional accountability, and public service.
- Learn from intracountry variations to design solutions that fit local contexts, evaluate and strengthen policy implementation, inform citizens, energize local leaders, and scale up local successes.

Second, we call for empowering communities and local leaders to find “best-fit” solutions in motivating educators and health professionals and in harnessing social accountability to inspire trust and empower
citizens to act. Possible options for governments include measures to

- Build coalitions among champions of reforms in government, civil society, and the private sector to improve service delivery, giving local actors space to engage in piloting possible solutions.
- Systematically collect feedback on public services from users, benchmark service delivery and local governance performance, and disseminate information on performance to provide a rigorous basis for citizen action.
- Close the feedback loop among citizens, service providers, civil society organizations, and the private sector in order to strengthen the coherence of policy development; provide a foundation for prioritizing problems and possible solutions (with an emphasis on the most disadvantaged, poor, and vulnerable); more equitably allocate finite public resources across the local and national levels; and improve implementation effectiveness by enhancing mutual accountability and the dissemination of useful information on performance standards.

In addition, quick wins are needed—especially in countries in transition or emerging from a conflict and fragility—to gain and retain trust and make the cycle of performance virtuous. Quick wins could come in any form of improvements observable by citizens. The state, for example, could reach out to identify and popularize local successes through the media; hold public awareness campaigns on citizens’ rights, service delivery standards, and anticorruption; conduct solution-focused public meetings to address problems such as absenteeism and material shortages in service delivery; expand opportunities for citizens’ engagement; and demand a response to citizens’ feedback. Citizens’ experience with the state and with service delivery can improve more rapidly with the appropriate use of information communication technology.

We argue that because of the complex circumstances found in MENA countries, it is necessary to build on evidence of local successes and positive trends at the level of institutions, performance, and citizens’ trust and engagement. We hope that this report and its recommendations will help citizens, civil servants, policy makers, and donors alike jointly identify and build on the present foundation to improve the delivery of social services, shifting the cycle of performance into a virtuous gear. An improved cycle of performance is what those living in the MENA countries deserve and what would enable them to fulfill their hopes and dreams for the future.

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Introduction to Trust, Voice, and Incentives

The Middle East and North Africa (MENA) region is at a critical juncture, with complicated transitions and tragic conflicts on one side and a tremendous potential based on rich human and natural resources on the other. The majority of the population in the region is lacking economic opportunities, facing inequalities, demanding social injustice, and expressing frustration and mistrust. In parts of the region, children, women, and other vulnerable population groups are suffering from extreme insecurity or even open conflict, struggling for survival and in need of essential services. Meanwhile, political uncertainties and poor state performance are exacerbating tensions in the society, deepening mistrust, and discouraging citizens from engaging with the state. With visionary leadership, the right policies, and inclusive institutions, this vicious cycle can be broken and a renewed social contract can be established allowing citizens to receive better services. A renewed social contract and better service delivery would also empower young women and men to realize their aspirations and potential and build a brighter future for the next generation.

This report examines the role of trust, incentives, and engagement as critical determinants of service delivery performance in the MENA countries. It expands the World Development Report 2004 approach to ”making services work” by exploring how political, administrative, and social institutions affect provider responsiveness. It also explores how a state’s performance shapes citizens’ trust and the nature of their engagement at the national and local levels, which in turn further influence institutional development and performance (World Bank 2004).

Focusing on education and health, this report illustrates how the weak external and internal accountability relationships prevalent in the MENA political and administrative spheres undermine incentives toward policy implementation and performance, and how such a cycle of poor performance can be counteracted. According to the evidence, weak accountability as well as low satisfaction with public services negatively affects citizens’ trust in the state. Low trust in public institutions explains in part why citizens seldom engage with the state and service providers through formal channels, relying instead on wasta (personal relationships), informal payments, and other survival mechanisms. Case studies of local successes reveal the importance of both formal and informal accountability relationships and the role of local leadership in inspiring and institutionalizing incentives toward better service delivery.
Even more broadly, enhancing the services received by MENA citizens requires forging a stronger social contract among public servants, citizens, and service providers, as well as empowering communities and local leaders to find “best-fit” solutions. Lessons learned from the variations within countries, especially the outstanding local successes, can serve as a solid basis for new ideas and inspiration for improving service delivery. Such lessons may help the World Bank Group and other donors, as well as national and local leaders and civil society, develop ways to enhance the trust, voice, and incentives for service delivery to meet citizens’ needs and expectations.

**Organization of this report**

This report explores the perceptions, realities, governance determinants, and possible solutions for education and health services delivery in the MENA region. The report is divided into five parts.

In part I, we describe citizens’ perceptions and expectations as well as the realities and local successes in social services delivery in the MENA region. First, we summarize insights from surveys about citizens’ attitudes toward education and health services, their expectations about the government’s role in providing those services, and how citizens try to fulfill their needs. Second, drawing on the literature and databases, we briefly review the impressive achievements of the MENA countries in expanding access to basic education and health services and improving core human development outcomes over the last five decades. We then highlight the remaining challenge of poor service quality and citizens’ dissatisfaction. Finally, we examine cases of local success in which schools and health facilities are performing far beyond expectations under very difficult circumstances.

Overall, we find that the MENA countries are not meeting their potential in providing citizens with education and health services. Citizens demand quality services and believe the state is responsible for delivering such services, but states fail to meet citizens’ expectations and overcome the service quality challenge, particularly in the public sector. That said, examples of local successes can be found, demonstrating that better realities are possible. Why is this? Why does service delivery fall short of potential in the MENA region?

We argue that the answer to this question lies in the cycle of poor performance that has emerged in much of the region (figure I.1). Institutions are a useful starting point for understanding this cycle. In the MENA region, state institutions lack both internal and external accountability, in part because of the shortage of information on performance that is needed to guide centralized decisions and in part because of the lack of incentives toward establishing accountability mechanisms for performance in public sector services delivery. When institutions are weak, service delivery policies are not successfully implemented. As Acemoglu and Robinson (2012, 78) argue, “The low education level of poor countries is caused by economic institutions that fail to create incentives for parents to educate their children and by political institutions that fail to induce the government to build, finance, and support schools and the wishes of parents and children.”

Based on their experiences with poor-quality service delivery, as outlined in chapters 1 and 2, citizens perceive governments as corrupt and ineffective. Not only do public services seem captured by public servants and local elites with limited accountability to citizens, but a large share of private services also appear captured by the same public servants as part of their employment in both the public and private sectors. This problem is not evident in many of the Gulf states because an abundance of resources allows these states to provide high-quality services. But even there, service provision falls short of the promise these resources should provide.

Low trust in institutions undermines bottom-up pressures for improving service delivery. Citizens can provide incentives for public service delivery through choice (using public services), voice (giving feedback to
providers), and voting (choosing political leaders who support service delivery systems). However, in the face of weak institutions, poor performance, and low trust people often disengage. They turn instead to local nonstate actors and institutions for services. When they do demand services from the state, citizens tend to do so through informal channels and seek piecemeal, selective solutions to their individual problems.

Circumventing the state perpetuates institutional weakness. When citizens walk away from public services or fail to give feedback, state actors lack the information they need to improve institutions. When political competition is weak, there is little pressure to develop better state solutions. Indeed, the importance of political engagement to developing institutions was clear in postcommunist eastern Europe. There, formal administrative institutions and rules were established and enforced in countries that had the vibrant political competition needed to pressure governments for reform (Grzymala-Busse 2010).

Cycles vary, of course, driven by differences in the available resources, societal composition, and the agency/leadership of key actors. And they are alterable. As shown in chapter 3, a virtuous cycle can develop at the local level (even in context of a poor performance at the national level) when local stakeholders are driven by individual will or social obligations to take initiatives.

In part II, chapter 4 explains how historical experience has led citizens to value health and education, fostered their dependence on the state, and has limited state responsiveness. Chapter 5 provides a detailed picture of the political, administrative, and social institutions that affect service delivery.

In part III, we turn our attention to performance at the point of service delivery: we explore the efforts and abilities of teachers and health professionals and the availability of key inputs such as instructional materials in schools and medicines in health facilities. We also discuss how these efforts and availability are affected by institutions. Drawing on surveys, we focus first on the national level (chapter 6) and then explore the nature and extent of subnational variation in service delivery performance (chapter 7). The subnational variation analysis underscores the message of chapter 3 that local successes can be found and that much about service delivery challenges and possible solutions can be learned in local contexts.

Completing the cycle of performance, in part IV we discuss how institutions and performance affect citizens’ perceptions of the state and the nature of citizen action vis-à-vis the state. In particular, we seek to reveal how performance influences citizens’ trust in the state (chapter 8), and how this trust in turn shapes the nature of citizens’ engagement at both the local and national levels (chapter 9).

Because of the complex circumstances facing MENA countries, it is necessary to build on evidence of local successes and on positive trends that buck the cycle of generally poor performance. In this respect, in part V, chapters 10, 11, and 12 identify the bases for improvement and encouragement so that citizens, civil servants, policy makers, and donors can act on them. We acknowledge that many policy makers across
the MENA countries want to deliver visible results and, in doing so, bolster their authority and public support. As we discuss in chapter 10, conflicts, crises, and political transitions give rise to a new dynamic, which may present national and local leaders with a unique opportunity to reform institutions and accountability mechanisms and to tackle service delivery challenges as well as boost citizens’ trust and constructive engagement. The cycle of poor performance can also be altered by reforms in the absence of such major disruptions. That depends on appropriate learning by and incentives from international donors (discussed in chapter 11), or incremental institutional reforms and local reform coalitions in society and government (chapter 12), or a combination of these factors. Thus by arguing that much of the MENA region is stuck in a low-equilibrium cycle of performance, we are not suggesting that citizens are doomed to weak institutions, poor service delivery, dissatisfaction, and suboptimal engagement. Rather, we are suggesting that efforts to reform service provision in the region should foster citizens’ trust and engagement as well as enhance the political, administrative, and social institutions that affect state performance. To devise effective solutions, these efforts can build on the local success stories found in MENA countries.

Note

1. Because of differences in the transliteration of Arabic, place-names often differ slightly from one source to another. The versions of place-names appearing in this report are largely those used in the various surveys cited or those used by the World Bank’s country offices.

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Government Effectiveness Index, 2013

- MENA average: -0.36
- Non-MENA/non-OECD average: -0.25
- OECD average: 1.31

Data source: Worldwide Governance Indicators, World Bank
This book examines the role of incentives, trust, and engagement as critical determinants of service delivery performance in the Middle East and North Africa (MENA) Region. Focusing on education and health, the report illustrates how weak external and internal accountability undermines policy implementation, service delivery performance, and citizens’ trust and how such a cycle of poor performance can be counteracted. Case studies of local success reveal the importance of both formal and informal accountability relationships and the role of local leadership in inspiring and institutionalizing incentives toward better service delivery performance.

Enhancing services for MENA citizens requires forging a stronger social contract among public servants, citizens, and service providers while empowering communities and local leaders to find “best fit” solutions. Lessons learned from the variations within countries, especially the outstanding local successes, can serve as a solid basis for new ideas and inspiration for improving service delivery. Such lessons may help the World Bank Group and other donors, as well as national and local leaders and civil society, to develop ways to enhance the trust, voice, and incentives for service delivery to meet citizens’ needs and expectations.

“This magnificent work is a model of multidisciplinary research and judicious harvesting of multiple sources of relevant data to assess why many MENA countries lag on vital education and health outcomes. In opening our eyes to the causes of failure, the book breaks new ground in pointing to how improvements in public services can uplift citizens and bolster the prospect for democratic governance.”

— Allen Schick, Distinguished University Professor, University of Maryland

“This report highlights innovative social accountability as a crucial element in improving the quality, efficiency, and equity of educational and health provision services in the MENA Region. It looks at how innovative engagement of citizens as an entry point to monitor and evaluate education and health services can create pressure on leaders, government officials, and service providers to improve their performance.”

— Sami Hourani, Director, Leaders of Tomorrow, and Founder/CEO, Forsa for Education

“This book makes valuable contributions by highlighting the importance of ‘soft’ inputs, notably multiple dimensions of governance, in driving the improvement of service delivery and by emphasizing the importance of the quality and not just the supply of social services. At the same time, the report delves into some of the deeper underlying social and political issues that stymie efforts to improve the quality of services in the ‘cycle of performance.’ The report homes in on the roots of service delivery problems, such as provider absenteeism, poor quality of teaching or medical care, and shortages of medicines and textbooks. Together, the theoretical and empirical chapters show that these problems require more than technical or financial solutions. Rather, these kinds of issues can often be addressed by devoting attention to cross-cutting components of governance such as transparency, public sector management and institutions such as the civil service or courts, and social environments that promote citizen action. Attending to bottlenecks in governance processes is necessary to solve a variety of service delivery problems.”

— Melani Cammett, Professor of Government, Department of Government, Harvard University