Governance and Public Service Delivery in Europe and Central Asia

Unofficial Payments, Utilization and Satisfaction

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Abstract

Using data from the 2010 Life in Transition Survey, this paper examines the levels of citizens' satisfaction with public service delivery in Europe and Central Asia and identifies some factors that may help explain variation in utilization and levels of satisfaction with service delivery. It finds satisfaction with public service delivery in Europe and Central Asia to be relatively high, and, despite the adverse economic and social impact of the recent global economic crisis, to have risen since 2006 in most countries in the region. However, the level of satisfaction with public service delivery in Eastern European and Central Asian countries in 2010

remains lower than in Western European comparator countries. Although the Life in Transition Survey does not provide specific objective measures of service delivery quality and efficiency, the data provide three important clues that may help explain why satisfaction is lower in transition countries than in western comparators: (i) relatively higher utilization of public services in Eastern European and Central Asian countries, (ii) relatively higher reported prevalence of unofficial payments, and (iii) relatively underdeveloped mechanisms for grievance redress.

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Governance and Public Service Delivery in Europe and Central Asia:

Unofficial Payments, Utilization and Satisfaction

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1. INTRODUCTION

There is growing recognition among policy-makers 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 – i.e. “governance” – also play a crucial role. Better governance is an essential ingredient of reforms targeted at improving service delivery outcomes (e.g. better health status, enhanced learning outcomes, etc.).²

The 2004 World Development Report *Making Services Work for Poor People* (World Bank, 2003) defined a framework for analyzing the accountability relationships between a triangle of policy makers, providers and citizens (Figure 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 accountability channels to work effectively, citizens’ levels of satisfaction with the quality and efficiency of public services are very important feedback mechanisms.

Figure 1: Accountability Relationships

Source: World Bank, 2003.

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

² For the purposes of this paper, we define better governance as improvements in incentives for performance and institutional arrangements for holding service providers accountable.

ways in which people interact with the state, as well as their perceptions and levels of trust. These are themes which LITS2 is uniquely positioned to address: the survey includes an expanded module on governance and service delivery which enables new 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.

There are obviously a number of caveats in the interpretation of satisfaction data. The presence of externalities (e.g. additional social benefits of education, public health, etc.), may mean that users' satisfaction does not capture the full extent of desired social outcomes. Second, even if individuals and society share the same goal – such as more rapid student learning – some persons 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 information asymmetries: this is particularly evident in health services, where providers have technical information and expertise that patients lack and cannot therefore evaluate properly (Fiszbein, Rogers and Ringold, 2011; Das and Hammer, 2007). Still, subjective data on peoples' experiences and perceptions of service delivery quality can help complement more objective measures of service delivery (e.g. from facilities surveys) to help policy makers and development practitioners track progress of country programs and strategies.

Using data from the 2010 Life in Transition Survey Round 2 (LITS2), this paper examines the levels of citizens' satisfaction with public service delivery in Europe and Central Asia and identifies some factors that may help explain how levels of satisfaction with service delivery vary across different population sub-groups and change over time. Section 2 describes the coverage of governance and service delivery in LITS2 and presents the key findings on the prevalence of unofficial payments, and utilization of and satisfaction with public services. Section 3 analyzes differences across individuals and across countries (over time) in utilization and satisfaction with public services. We conclude by discussing a few measures that governments can implement to further increase citizens' satisfaction with public service delivery.

2. UTILIZATION AND SATISFACTION WITH PUBLIC SERVICE DELIVERY

2.1. The data: Government performance and service delivery in the 2010 LITS

The Life in Transition Survey was conducted jointly by the European Bank for Reconstruction and Development and the World Bank in 2006 and 2010. Between 1,000 and 1,500 households were interviewed in every country. In total, in 2010, almost 39,000 households were surveyed in 34 countries of Europe and Central Asia to assess public attitudes, well-being and the impacts of economic and political change.

The governance and service delivery module focuses on eight different public services or interactions: traffic police, official documents (such as passport or birth certificate), civil courts, primary or secondary education, vocational education, the public health system, unemployment benefits and other social security benefits. For each service, respondents were asked their

perceptions of the prevalence of unofficial payments³ and then about their household's utilization, satisfaction and actual unofficial payments.

Utilization: Respondents were asked if any household member had interacted with, or used, each of the public services.

Satisfaction with service delivery: All respondents who indicated that a household member had used the service during the past 12 months were asked if they were satisfied with the quality and efficiency of the service interaction⁴. 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 (see section 3.2).

Unofficial payments: Respondents were asked if they had to make unofficial payments and why – specifically whether the payment was requested, expected, offered or given as a gift – allowing for a more detailed analysis of the incidence and causes of informal payments than is usually possible from household surveys.

For education and public services, the 2010 LITS survey provides more in-depth information on perceptions of service quality and grievance redress mechanisms. 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. Another 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 unsatisfied with education and health services, whether they filed a complaint, received a response, or were satisfied with the response.

Finally, 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.

2.2. Descriptive statistics

Utilization. The proportion of respondents who interacted with service providers varied considerably according to the type of service (see figure 2). By far the most often accessed service was the public health system (70 percent in the previous 12 months). Utilization rates for other services were much lower. The next highest usage rates were for primary/secondary public education (23 percent), interaction with traffic police (20 percent) and requests for official documents (14 percent).

³ “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.

⁴ Respondents were asked: “How satisfied were you with the quality and the efficiency of the service/interaction?” and responses were recorded on a five-point scale: 1=very dissatisfied, 2=dissatisfied, 3=indifferent, 4=satisfied and 5=very satisfied.

Figure 2 Utilization of public services

Source: LiTS2 (2010).

Satisfaction

Of all the public services covered in the LiTS2 questionnaire, the public education system (both primary/secondary and vocational) received the most favorable ratings: over 70 percent of respondents using these public services were either satisfied or very satisfied with the quality and efficiency of the services (Figure 3). Similarly, 60 percent or more were satisfied when making requests for official documents, social security, or receiving medical treatment in the public health system. By contrast, civil courts and traffic police received the lowest service satisfaction ratings, with about 40 percent of respondents in Europe and Central Asia dissatisfied with the quality and efficiency of the service interaction.

Figure 3: Satisfaction with service delivery

Source: LiTS2 (2010).

Among transition countries, overall satisfaction levels tended to be somewhat higher among the New EU member states and Turkey (see Table 1), and generally lower among the Commonwealth of Independent States (CIS), although there was considerable variation evident within individual

sub-regions—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 in section 3.

For several public services there is a negative correlation at the country level between usage rates and the levels of satisfaction with public service delivery (Figure 4)—i.e. 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 high utilization 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 utilization 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-utilization of hospital or emergency care at the expense of more efficient preventative and public health services. In the case of education, dissatisfaction may also reflect concerns about quality and the ability of schools to prepare students for the labor market.

Figure 4: Satisfaction vs. utilization rates by public service type

Source: LiTS2 (2010).

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 LiTS2 contrast strikingly with recent findings on education quality outcomes from the Programme for International Student Assessment (PISA) survey. While 58 percent of respondents in the Kyrgyz Republic report

satisfaction with education in LiTS2, the 2009 PISA survey found that 83 percent of 15-year olds were functionally illiterate (they scored below PISA level 2).

Complaints and grievance redress

About 67 percent 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 percent. The main problems reported for health were long waiting times, lack of drugs and payment for services that should be free (Figure 5); in the case of education, the main problems were lack of textbooks/supplies, payments for services that should be free, and poor conditions of facilities.

Figure 5: Problems with public health and education provision in the previous 12 months reported by respondents

Source: LiTS2 (2010).

Grievance redress or complaints mechanisms refer to the institutions and channels that people can use to express their preferences and hold providers to account⁵. 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 (Lister et al., 2008).

Grievance redress mechanisms have long traditions in Western Europe, but they are relatively underdeveloped in transition countries⁶. While 16 percent and 11 percent of respondents, respectively, reported that they had filed complaints for education and health in the comparator countries, only 5 percent did so in transition countries for either service. Some countries in the region have begun introducing complaints-handling mechanisms to improve service delivery. For

⁵ 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).

⁶ Sweden first installed an independent ombudsman function in the late 19th century. More recently, the adoption of complaints handling systems spread in the countries of the Organisation for Economic Co-operation and Development in the 1990s as governments looked increasingly to private sector practice 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 (Johnson and Mehra, 2002);

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.

High numbers of complaints may not necessarily reflect poor quality of services, but rather accessibility of complaints systems and greater interactions between providers and citizens. Fewer than half of transition respondents 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 percent for education and 50 percent for health in western Europe. 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 LiTS2 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 Figure 6).

The reported prevalence of unofficial payments in the transition countries is higher than in most western 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 sub-regions (see Table 2). Reported prevalence of unofficial payments in ECA countries is higher than in most Western European comparator countries. LiTS2 respondents were also asked why they had made unofficial payments for services that should have been free: 43 percent of respondents in western comparator countries said they had made payments to express their gratitude to service providers, compared to only 19 percent in transition countries (see Figure 7); in contrast, 41 percent 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 percent in transition countries.

Figure 6
Prevalence of unofficial payments

Source: LiTS2 (2010).

Figure 7
Reason for making unofficial payments

3. SATISFACTION WITH SERVICE DELIVERY AND GOVERNMENT PERFORMANCE

3.1. Utilization and satisfaction with public services

We analyze satisfaction with public health and public primary/secondary education services (the two most accessed services), using probit regressions (where the dependent variable is binary, taking value 1 if the user is satisfied or very satisfied, and 0 otherwise) and ordered probit regressions (where the dependent variable is the satisfaction level, taking values 1 [very dissatisfied] to 5 [very satisfied]). Taking into account the fact that survey responses regarding satisfaction only apply to usage within the previous 12 months, we use a two-stage Heckman sample selection correction. The results are presented in Tables 5 and 6.

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 ones which have fewer children or elderly members, or are located in rural areas. Reported levels of satisfaction with public health service provision are positively associated with self-assessed good health, satisfaction with life and greater age (in so far 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 Figure 5) also has a negative impact on satisfaction. 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" (see Table 5). 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 utilization rates across urban, rural and metropolitan regions are not statistically significant. 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 discernible 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 being "frequent and unjustified absence of teachers", "crowded classrooms" and "payments required for services that should be provided free" (see Table 6). 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.

3.2. Changes in satisfaction levels and prevalence of unofficial payments

The LiTS2 data show encouraging progress in recent years with regard to public perceptions of the quality and efficiency of service delivery. 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). 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.

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 Figure 8).⁷

Figure 8: Satisfaction with public health services (current and changes over time)

Source: LiTS2 (2010).

Turkey, Moldova and Tajikistan are the three countries where satisfaction with public health services increased most. These changes in satisfaction levels can be explained by recent reforms.

- In *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 percent 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.

⁷ It 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 (and, conditional on use, whether you were satisfied); while the 2010 survey asked if “you or anyone in your household” used the service.

- In *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.
- Finally, in *Turkey*, the Turkish government launched a major reform program 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 program 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 program 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 immunization of under-five-year-old children, the use of ante-natal services by pregnant women and the overall utilization of health services (Chakrabourty, 2009).

With respect to perceptions of the need for unofficial payments when interacting with public officials, the LiTS2 data give a mixed picture on their evolution (see Table 4). In Albania, Bulgaria, Macedonia and Russia, fewer respondents in 2010 felt that unofficial payments are usually, or always, needed compared to 2006, while the opposite was true in Azerbaijan, the Kyrgyz Republic, Moldova and Turkey.

3.3. Perceptions of overall government performance

Average perceptions of improvements or worsening in overall government performance appear to have been strongly colored by the severity of impact of the recent global economic crisis (Figure 9). When asked to assess the overall performance of the government, respondents in Tajikistan, Georgia, and Azerbaijan rated the performance of their respective national governments much more highly than did respondents in Romania, Croatia, and Lithuania. At the individual level, we estimate a probit regression where the dependent variable is the rating of government performance (a binary variable equal to 1 if respondent thinks government performance is worse than three years ago) and the main explanatory variable is the respondent's subjective assessments of the extent to which he or she was affected by the crisis. Using country fixed-effects and controlling for income and other demographic factors, those reporting being affected "a great deal" by the crisis were on average 14 percent more likely to respond that the performance of the national government worsened in the past 3 years compared to those who were not affected by the crisis. This coefficient is significant at the 5 percent level and this impact of the crisis on government ratings is also found (albeit to a lesser extent) for ratings of local and regional performance.

Figure 9: Performance Ratings of National Government and Changes over Time

Source: LiTS2 (2010).

4. CONCLUSION

Despite the impact of the crisis, LiTS2 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.

We find that satisfaction data on peoples' experiences and perceptions of service delivery quality can usefully complement more objective measures of service delivery (e.g. from facilities surveys) to help policy makers and development practitioners track progress of country programs and strategies. The data provide insights on the linkages between utilization, satisfaction and the prevalence of unofficial services, as well as the availability of grievance redress mechanisms. An important limitation is, however, that comparisons across countries or individuals must be interpreted with caution, as people may not share the same basis for comparison or have information about the level of quality and service they should be expecting. Still, perceptions data can serve as a "call to action" for governments if the data reveal outcomes that fall short of expectations (or conversely indicate low expectations). It can also serve a diagnostic function: while there is increased recognition that the quality of governance and service delivery affects service delivery outcomes, the empirical evidence on those links remains limited.

How can governments in transition countries further increase citizens' satisfaction with service delivery? The insights gained from the LiTS2 provide clues as to how this might be achieved. First, LiTS2 data show utilization 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.⁸ 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.

⁸ The 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 LiTS2 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 percent level.

Table 1: Satisfaction with Public Service Delivery by Country

Country	Percent of respondents satisfied with quality and efficiency of public service delivery							
	Public health system	Education (prim. /sec.)	Traffic police	Official documents	Education (vocational)	Social security benefits	Unemp. 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-Herz.	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
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

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

Table 2: Reported Prevalence of Unofficial Payments by Country

Country	Percent of respondents that report unofficial payments are usually or always needed							
	Public health system	Education (prim/sec)	Traffic police	Official docs.	Vocational Education	Social security benefits	Unemp. 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
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-Herz.	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

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

Table 3: Changes in satisfaction with service delivery in transition countries, 2006-10

	Percent of Respondents Satisfied With Quality and Efficiency of Public Service Delivery																	
	Public Health System			Road Police			Official Documents			Unemployment Benefits			Other Social Security Benefits			Civil Courts		
	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.
Moldova	43	67	25	27	39	13	49	82	33	13	39	26	4	59	55	43	65	22
Russia	42	58	16	21	41	21	33	68	35	28	59	31	25	74	49	18	51	33
Turkey	51	79	28	41	39	-2	60	75	15	21	55	34	42	38	-5	35	49	13
Tajikistan	37	57	20	21	36	15	34	62	28	11	38	27	26	42	15	38	29	-9
Estonia	60	78	18	64	61	-4	73	90	17	49	70	21	63	73	10	48	76	28
Montenegro	49	60	11	28	51	23	54	71	17	20	28	8	22	53	31	22	42	20
Romania	46	57	11	44	49	5	36	63	26	24	53	29	16	49	33	27	33	6
Belarus	49	59	9	43	50	7	42	73	30	17	66	50	29	60	31	49	54	5
Kazakhstan	39	54	15	24	40	16	36	50	14	42	43	1	38	50	13	35	27	-8
Bosnia-Herz	50	55	5	30	56	25	54	75	22	33	15	-18	9	31	22	32	69	37
Serbia	46	60	14	33	43	10	51	61	9	32	47	15	6	50	44	17	26	9
Ukraine	34	45	11	25	22	-3	42	57	15	11	41	30	20	57	37	28	34	5
Georgia	63	75	12	71	75	4	59	92	33	27	0	-27	21	28	7	43	36	-7
Poland	46	62	16	50	52	2	67	81	14	32	39	8	41	49	8	51	57	6
Hungary	50	59	9	47	64	17	62	73	12	27	61	34	51	60	8	46	38	-9
Slovenia	65	70	5	36	50	14	62	75	13	50	67	17	36	70	34	46	65	19
Czech Rep	60	66	6	27	45	17	51	70	18	35	47	11	42	43	1	28	44	16
Croatia	65	70	6	55	64	9	54	72	17	29	54	25	30	69	39	41	35	-6
Latvia	56	70	14	50	53	3	65	80	14	76	74	-3	66	74	7	59	35	-24
Uzbekistan	48	64	16	41	43	2	48	54	6	14	14	-1	53	48	-5	25	29	4
Lithuania	56	64	8	49	56	7	56	72	16	53	78	25	60	67	7	53	44	-9
Albania	40	45	5	19	29	10	38	51	13	14	29	15	37	31	-6	29	47	18
Slovakia	58	64	7	43	49	6	56	70	15	12	37	24	37	42	5	39	45	6
Mongolia	48	53	4	19	14	-5	35	48	13	13	36	23	54	34	-20	18	17	-1
Armenia	64	61	-2	32	44	13	62	70	8	27	39	12	50	43	-6	11	30	19
Kyrgyzstan	50	53	3	17	21	4	35	36	1	19	44	25	43	46	3	23	5	-18
Bulgaria	60	61	1	23	26	2	72	52	-20	41	48	7	29	59	29	31	17	-15
Macedonia	50	45	-5	38	41	3	53	44	-8	16	33	17	18	30	12	24	42	17
Azerbaijan	56	45	-10	24	16	-8	51	61	10	15	5	-10	21	12	-9	47	26	-21

Notes: Ch. denotes change in satisfaction between 2006 and 2010. Countries sorted in order of average increase across all seven services. 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 (and, conditional on use, whether you were satisfied); while the 2010 survey asked if “you or anyone in your household” used the service.

Table 4: Changes in reported prevalence of unofficial payments in transition countries, 2006-10

Per cent of respondents that report unofficial payments are usually/always needed																		
	Public health system			Traffic police			Official documents			Education (Tertiary)			Unemployment benefits			Other social security benefits		
	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.	2006	2010	Ch.
Macedonia	23	13	-10	10	5	-5	11	5	-6	17	8	-9	11	8	-4	11	7	-4
Bulgaria	24	17	-7	21	13	-8	9	3	-6	11	7	-4	6	3	-3	6	3	-3
Uzbekistan	33	20	-13	22	18	-3	15	12	-2	30	25	-5	12	9	-2	14	11	-3
Russia	24	19	-5	19	13	-6	9	3	-5	20	12	-8	4	2	-2	6	3	-3
Ukraine	40	43	3	28	28	-1	20	14	-6	33	26	-8	11	7	-4	13	8	-5
Albania	48	39	-8	23	19	-4	28	22	-5	17	23	6	15	15	1	15	14	-1
Poland	15	8	-7	4	4	-1	1	1	0	4	2	-3	1	1	0	1	1	0
Latvia	13	12	-1	6	5	-2	3	2	-1	3	1	-1	1	1	0	1	1	0
Mongolia	17	19	3	18	12	-5	16	11	-5	15	16	1	6	8	2	7	9	1
Montenegro	18	13	-5	4	7	3	3	4	1	8	6	-2	3	4	0	4	4	0
Estonia	3	4	0	0	1	1	1	0	0	1	1	0	0	1	0	1	0	0
Georgia	8	7	0	1	1	1	2	1	-1	4	5	1	4	2	-2	4	4	0
Lithuania	23	22	-1	6	6	-1	4	2	-2	4	3	-1	0	7	7	2	4	2
Croatia	14	17	3	6	8	2	3	2	-1	5	8	3	4	3	-1	6	3	-4
Bosnia-Herz.	19	22	3	16	11	-5	7	6	0	8	11	2	4	6	2	5	6	1
Czech Rep.	10	11	1	6	5	-1	2	3	1	7	7	-1	1	3	2	1	3	2
Slovenia	7	8	1	2	3	1	1	3	2	5	3	-2	2	3	1	1	3	2
Romania	31	44	13	10	12	2	8	5	-2	9	9	0	6	4	-2	7	4	-2
Serbia	17	23	6	7	11	4	4	6	2	5	7	2	3	5	2	3	4	1
Slovak Rep.	21	22	1	12	12	-1	3	5	2	13	19	6	2	6	4	2	8	5
Kazakhstan	11	18	7	16	21	5	10	12	1	16	16	0	4	8	4	6	7	1
Belarus	12	21	9	9	14	5	4	3	-1	5	9	4	1	2	1	2	3	1
Hungary	33	42	10	6	11	5	5	6	1	5	6	1	0	3	3	1	4	3
Armenia	19	28	9	18	22	4	11	19	8	16	18	2	8	13	5	10	13	3
Tajikistan	33	39	6	14	29	15	15	16	0	23	32	9	8	10	2	8	10	2
Turkey	11	17	6	8	16	7	6	15	9	6	14	8	4	11	7	5	11	7
Moldova	32	45	14	18	32	14	12	23	11	17	24	7	8	11	3	9	9	0
Kyrgyz Rep.	28	49	21	24	43	18	22	37	15	29	51	22	12	29	17	14	32	18
Azerbaijan	30	72	42	11	66	56	15	60	45	16	65	49	7	63	55	7	65	57

Note: Ch. denotes change in prevalence of unofficial payments between 2006 and 2010. Countries sorted in reverse order of average prevalence rates across all seven services.

Table 5: Utilization and satisfaction: public health system

	(1)	(2)	(3)	(4)	(5)
	Utilization	Satisfied (0-1)	Satisfied (0-1)	Satisfacti on level (1-5)	Satisfacti on level (1-5)
	Probit	Probit	Probit	Ordered probit	Ordered probit
Household-level variables					
Consumption group					
Lower	-0.456*** (0.0384)	0.146*** (0.0565)	0.0908* (0.0545)	0.0947** (0.0452)	0.0413 (0.0452)
Middle	-0.137*** (0.0380)	0.164*** (0.0420)	0.112** (0.0435)	0.163*** (0.0357)	0.111*** (0.0358)
Upper	Reference category				
Locality					
Rural	-0.0628* (0.0351)	0.0650 (0.0409)	0.0585 (0.0415)	0.0163 (0.0348)	0.00467 (0.0343)
Metropolitan	-0.146*** (0.0559)	-0.0422 (0.0622)	-0.000152 (0.0631)	-0.105** (0.0529)	-0.0591 (0.0527)
Urban	Reference category				
Number of children (0-14)	0.181*** (0.0230)				
Number of women aged 15-44	0.0769*** (0.0235)				
Number of men aged 15-44	0.137*** (0.0246)				
Number of women aged 45-64	0.0102 (0.0367)				
Number of men aged 45-64	0.212*** (0.0380)				
Number of women aged 65+	0.130** (0.0506)				
Number of men aged 65+	0.272*** (0.0483)				
Individual-level variables					
Health status of respondent					
Very good	-0.232*** (0.0535)	0.423*** (0.0681)	0.363*** (0.0721)	0.360*** (0.0602)	0.284*** (0.0616)
Good	-0.224*** (0.0373)	0.216*** (0.0472)	0.142*** (0.0482)	0.181*** (0.0398)	0.111*** (0.0400)
Medium	Reference category				
Bad	0.195*** (0.0545)	-0.180*** (0.0593)	-0.141** (0.0612)	-0.180*** (0.0508)	-0.143*** (0.0506)
Very bad	0.258** (0.106)	-0.235** (0.0978)	-0.141 (0.0951)	-0.200** (0.0910)	-0.115 (0.0917)
Education of respondent					
Lower secondary or below	Reference category				
Upper secondary	-0.0502 (0.0413)	-0.0725 (0.0502)	-0.0649 (0.0512)	-0.101** (0.0422)	-0.0906** (0.0418)
Post secondary or higher	-0.0551 (0.0431)	-0.0906* (0.0513)	-0.0406 (0.0532)	-0.109** (0.0425)	-0.0659 (0.0425)

Table 5 (continued)

	(1)	(2)	(3)	(4)	(5)
	Utilization	Satisfied (0-1)	Satisfied (0-1)	Satisfacti on level (1-5)	Satisfacti on level (1-5)
	Probit	Probit	Probit	Ordered probit	Ordered probit
<i>How often are unofficial payments needed</i>					
Never		0.254*** (0.0504)		0.215*** (0.0410)	
Seldom		0.0444 (0.0583)		0.0502 (0.0451)	
Sometimes		Reference category			
Usually		-0.215*** (0.0539)		-0.202*** (0.0440)	
Always		-0.342*** (0.0629)		-0.423*** (0.0587)	
Female		0.0624* (0.0367)	0.0731** (0.0372)	0.0176 (0.0305)	0.0237 (0.0303)
18-34		-0.108** (0.0522)	-0.0720 (0.0545)	-0.105** (0.0434)	-0.0657 (0.0441)
35-44		Reference category			
45-54		0.137** (0.0599)	0.0936 (0.0624)	0.129*** (0.0484)	0.0902* (0.0487)
55-64		0.121** (0.0605)	0.0492 (0.0622)	0.133*** (0.0506)	0.0723 (0.0506)
65+		0.323*** (0.0680)	0.240*** (0.0705)	0.295*** (0.0586)	0.219*** (0.0579)
<i>Satisfied with life</i>					
Strongly disagree		-0.292*** (0.0567)	-0.239*** (0.0591)	-0.300*** (0.0493)	-0.258*** (0.0501)
Disagree		-0.142*** (0.0480)	-0.108** (0.0488)	-0.147*** (0.0400)	-0.111*** (0.0394)
Neither disagree nor agree		Reference category			
Agree		0.0952 (0.0586)	0.113* (0.0609)	0.110** (0.0473)	0.129*** (0.0474)
Strongly agree		0.278** (0.114)	0.260** (0.115)	0.192** (0.0970)	0.163* (0.0941)
<i>Problems encountered in local public health clinic or hospital in past 12 months</i>					
Frequent and unjustified absence of doctors			-0.321*** (0.0630)		-0.246*** (0.0531)
Treated disrespectfully by staff			-0.482*** (0.0532)		-0.455*** (0.0430)
No drugs available			-0.255*** (0.0489)		-0.234*** (0.0400)
Long waiting times			-0.353*** (0.0404)		-0.355*** (0.0324)
Facilities not clean			-0.115 (0.0728)		-0.0809 (0.0569)
Payments required for services that should be free			-0.513*** (0.0500)		-0.477*** (0.0414)
Inverse Mills Ratio (from selection equation)				-0.0719 (0.162)	-0.0761 (0.158)
Constant	0.320*** (0.0771)	-0.204 (0.147)	0.192 (0.125)		
Cut 1				-1.402*** (0.114)	-1.895*** (0.114)
Cut 2				-0.331*** (0.113)	-0.725*** (0.111)
Cut 3				0.0914 (0.113)	-0.261** (0.111)
Cut 4				2.057*** (0.116)	1.821*** (0.113)
Observations	28,920	28,248	28,248	19,510	19,510
Pseudo R-squared	0.0720			0.0567	0.105

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Country-level dummies not shown

Columns (2)-(5): with Heckman sample selection correction

Table 6 : Utilization and satisfaction: education

	(1)	(2)	(3)	(4)	(5)
	Utilization	Satisfied (0-1)	Satisfied (0-1)	Satisfacti on level (1-5)	Satisfacti on level (1-5)
	Probit	Probit	Probit	Ordered probit	Ordered probit
Household-level variables					
Consumption group					
Lower	-0.304*** (0.0468)	0.0477 (0.0830)	-0.0133 (0.0841)	-0.305*** (0.0474)	-0.0522 (0.0685)
Middle	-0.0973** (0.0418)	0.158** (0.0775)	0.125 (0.0792)	-0.101** (0.0422)	0.0811 (0.0674)
Upper		Reference category			
Locality					
Rural	0.0548 (0.0419)	0.0688 (0.0728)	0.0138 (0.0745)	0.0493 (0.0423)	0.0465 (0.0597)
Metropolitan	-0.0472 (0.0632)	0.0817 (0.115)	0.0489 (0.120)	-0.0433 (0.0638)	0.0774 (0.103)
Urban					
Number of children (0-18)	0.821*** (0.0233)			0.819*** (0.0235)	
Individual-level variables (respondent)					
Education					
Lower secondary and below		Reference category			
Upper secondary	0.165*** (0.0503)	-0.0613 (0.0931)	-0.0113 (0.0949)	0.165*** (0.0509)	0.0385 (0.0772)
Post secondary or higher	0.132*** (0.0512)	-0.103 (0.0997)	-0.0378 (0.103)	0.133** (0.0519)	-0.0717 (0.0804)
Female		0.0970 (0.0677)	0.0758 (0.0690)		0.00776 (0.0591)
Age of respondent					
18-34		-0.113 (0.0755)	-0.134* (0.0759)		-0.111* (0.0621)
35-44		Reference category			
45-54		0.102 (0.0953)	0.0612 (0.0996)		0.0615 (0.0829)
55-64		0.104 (0.139)	0.0134 (0.141)		0.0140 (0.101)
65+		-0.258 (0.201)	-0.324 (0.213)		-0.314* (0.167)
Satisfied with life					
Strongly disagree		-0.423*** (0.109)	-0.417*** (0.111)		-0.368*** (0.0950)
Disagree		-0.185** (0.0879)	-0.186** (0.0890)		-0.180*** (0.0689)
Neither disagree nor agree		Reference category			
Agree		-0.0151 (0.100)	-0.0168 (0.102)		0.107 (0.0839)
Strongly agree		0.318* (0.182)	0.270 (0.169)		0.206* (0.119)
Problems experienced with local public schools in past 12 months					
No textbooks or other supplies that should be provided free of charge			-0.0729 (0.0827)		-0.0876 (0.0725)
Poor teaching			-0.657*** (0.0889)		-0.667*** (0.0762)
Frequent and unjustified absence of teachers			-0.389*** (0.133)		-0.251** (0.128)
Overcrowded classrooms			-0.381*** (0.0984)		-0.290*** (0.0829)
Facilities in poor condition			-0.0209 (0.0890)		-0.0640 (0.0697)
Payments required for services that should be free			-0.271*** (0.0857)		-0.306*** (0.0750)
How often are unofficial payments needed					
Never		0.261*** (0.0930)			
Seldom		-0.0946 (0.107)			
Sometimes		Reference category			
Usually		-0.166 (0.102)			
Always		-0.103 (0.114)			
Inverse mills ratio (from selection equation)				-0.0351 (0.0582)	-0.0378 (0.0580)
Constant	-0.912*** (0.0702)	0.448** (0.181)	0.730*** (0.178)	-0.959*** (0.0718)	
Cut 1					-2.361*** (0.162)
Cut 2					-1.446*** (0.151)
Cut 3					-0.939*** (0.150)
Cut 4					1.313*** (0.152)
Observations	28,823	28,495	28,495	28,495	6,892
Pseudo R-squared	0.273				0.0728

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Country-level dummies not shown

Columns (2)-(5): with Heckman sample selection correction

Figure 10. Satisfaction rates vs. prevalence of unofficial payments by country, 2010

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