

Shorter Notices*

Brigit Helms (ed). *Access for All: Building Inclusive Financial Systems.* Washington, D. C.: The World Bank, 2006. xii+170 pages. Paperback. Price not given.

“Access for all” is the outcome of the world’s largest aid-giving agencies working as the Consultative Group to Assist the Poor (CGAP) with money. The book provides a new vision of micro finance and helps the readers to understand the practical implications of concepts in inclusive financial systems. It deals with the poor clients of micro finance, and promises new information about the delivery technology that reduces cost and risk. It defines the types of beneficiaries, points out financial services they need, and explores the impact of these services on their lives. The book broadens the vision of achieving the financial system that leads to ‘access for all’ by presenting comprehensive arguments in a very simple way. The main objective of the book is to create a financial system that gives a sense of empowerment to the poor and low-income people.

Chapter 1 presents a brief history of micro finance and introduces the inclusive financial systems framework. Chapter 2 focuses discussion on poor and low-income clients. It includes everyone without access to financial services; the aim is to eradicate poverty and enable poor households to think on planning for the future to improve their standard of living. The next three chapters highlight the performance of financial service providers, financial infrastructure, and the governments at micro, meso (architecture), and the macro levels, respectively. Financial stability and the geographic placement of branches and institutional mission are required to reach the poor in the remote areas on a permanent basis. The meso level includes financial infrastructure, transparency, technical support services, and business associations and networks. However, the role of governments in building financial systems is a controversial topic, and it is believed that the governments should ensure favourable policy environment so that micro finance can flourish. Chapter 6 is devoted to the relative importance of international and domestic funding agencies. Chapter 7 analyses the frontier issues containing optimising technology, leveraging remittances and other transfers, reaching farmers and other remote and rural clients, measuring social performance, and protecting poor consumers. Finally, the inclusive financial system will lead to access for all.

* By Kalbe Abbas, Research Economist, Pakistan Institute of Development Economics, Islamabad.

The book provides much insight to the three actors (governments, institutions, and households) of the economy towards building inclusive financial systems.

The Inter-American Development Bank. *Creating Fiscal Space for Poverty Reduction in Ecuador: A Fiscal Management Public Expenditure Review.* Washington, D. C.: The World Bank, 2005. xxxiv+243 pages. Paperback. Price not given.

This volume highlights the importance of creating fiscal space for poverty reduction in Ecuador in the context of fiscal management and public expenditure. It consists of four chapters and a comprehensive set of appendices. The purpose of this book is to discuss balanced fiscal aggregates, resource allocation to strategic sectors, and equity and microeconomic efficiency of public spending in Ecuador to achieve the core goals of public expenditure management. Chapter 1 “Fiscal Policy in a Dollarised Economy” presents some historical background of the Ecuadorian economy, discusses the role of fiscal policy in the dollarised framework in detail, and highlights the structural constraints on fiscal policy. Fiscal performance has significantly improved since Ecuador adopted full dollarisation in the year 2000, and additional fiscal space was created for pro-poor expenditure on education, health, and social indicators. Chapter 2 covers a detailed explanation of fiscal trends and challenges including the volatility of fiscal variables, fiscal performance before and after dollarisation, the challenge of revenue management, fragmented tax revenue, tax exemption and erosion of the tax base, earmarking, expenditure trends, fiscal transparency, stabilisation, and responsibility of law, stabilisation funds, fine-tuning fiscal rule, and issues in debt sustainability. The chapter also provides the practical exercises on fiscal sustainability if a sudden drop in the prices of oil and tax revenue occurs. The third chapter is concerned with issues relating to pro-poor expenditure. The final chapter emphasises the performance of Public Expenditure Management (PEM) regarding its process and recent performance, budget formulation, execution, social programmes of sub-national (provincial and national) governments, budget transparency, accountability, and participation. It further highlights the sufficient conditions for a multi-year budgeting framework in Ecuador. The appendices in the book provide an estimation of potential output and the structural fiscal balance, a summary of the budget process, and major budgetary issues. A comprehensive statistical appendix and a bibliography are included at the end.

Bryan Randolap Burns, Claudia Ringler, and Ruth Meinzen-Dick. *Water Rights Reform: Lessons for Institutional Design.* Washington, D. C.: International Food Policy Research Institute, 2005. xxi+336 pages. Paperback. Price not given.

Access to Water is a burning issue of the new Millennium and Water Right Reforms are essential for improving the life of the poor people. There would be

great competition for scarce supplies of fresh water in the near future due to inadequate institutions for water governance. The lacks in this area lead to social insecurity, economic inefficiency, and environmental degradation. The book is a collection of articles presented in a conference of researchers and practitioners on water rights in 2003. It explores the ways the water right system can be improved and informs us about the risk of worsening insecurity, confusion, and injustice. The book is divided into six parts, containing twelve chapters. It emphasises the importance of changes in policies, laws, and regulations that help in resolving conflicts, securing access, and enhancing benefits by increasing productivity, livelihood, and new investment. The editors have chosen the material that clarifies strategies and instruments available to safeguard existing water users in terms of equitable and efficient water allocation.

The first part of this book discusses the options for institutional designs that provide an overview of institutional options for water rights, describes appropriate relationships in water property rights, and constructs new institutions for sharing water. It introduces the reasons for the importance and increasing attention of water rights and presents general principles in this regard. Various types of property rights and institutional problems concerning commitment, agency, and decision-making costs are discussed in this part. It elaborates the principles for granting new licences to ensure disclosure, transparency, and stakeholder's consultation. Part Two discusses lessons from implementing water rights and impacts of these reforms in Australia. It draws practical lessons from implementation—that water right systems must be designed according to the capacity of users and institutions. More flexible approaches are required to be used to balance large variability in flow, increased withdrawals, and in-stream flow requirements. The third part concentrates on addressing the equity issues relating to possession of water in different parts of the region. Part Four addresses the new water laws assessing implications in the case of water right reforms in South Africa, prior appropriation water rights reforms in the Western United States, and improving water allocations for user communities and platforms in the Andes. The last part of the book contains important conclusions arrived at by reforming water rights through governance, tenure, and transfers. The book illustrates the usefulness of different water allocation tools that fit their environments and are properly evaluated and legally recognised. It is a thought-provoking and timely presentation on the issue of water rights approaches and water management reforms.

Marianne Fay (ed). *The Urban Poor in Latin America*. Washington, D. C.: The World Bank, 2005. viii+266 pages. Paperback. Price not given.

Urban poverty has not been addressed comprehensively. Therefore, the policy-makers are greatly concerned about the nature of programmes and policies to overcome poverty in the Latin American region and try to find out the differences in

the determinants, as well as the type of deprivation and the instruments needed to help the poor in the urban and as well as rural areas. This collection of selected articles on urban poverty looks at the strategies that would be beneficial for helping the urban poor, and provides proper guidance to policy-makers, development practitioners, and academics. It serves a timely need for reinforcing the urban poverty reduction efforts in the region, identifies some of the key differences between the rural and urban poor, exposing a few myths in the process, and provides an overview of the key policy interventions to improve the quality of life of the urban poor. The topics under discussion include defining urban poverty, urban poverty trends, growth, inequality, and evolution of urban poverty. It develops links between the urban poor and the labour market. Improving access to safe and decent shelter is also discussed in detail. It includes making policies for providing shelter to the poor, reducing vulnerability to natural resources, and introducing the basic principles of housing subsidy schemes. The issues relating to categories, measurement, trends, characteristics, causes, costs and consequences of violence, fear, and insecurity among the urban poor in Latin America have also been accommodated properly. The book highlights the basic public health challenges for the urban poor, compares health indicators in the rural and urban areas, addresses the variation in health indicators within urban areas, and examines their causes. One of the important issues that have been addressed is relying on the physical and financial assets of the poor, assessing social capital, and looking at the role of social safety nets. The volume is a useful addition to the literature on urban poverty.

Jan J. Rutkowski and Stefano Scarpetta, et al. (eds.). *Enhancing Job Opportunities: Eastern Europe and the Former Soviet Union*. Washington, D. C.: The World Bank, 2005. xx+269 pages. Paperback. Price not given.

This book provides a very intricate and distinct research on the issues that all the transition countries are facing. Creation of good jobs has always remained a serious problem in the countries of the region. This research enables the readers to better understand various dimensions of unemployment and lack of job creation. The book contains six chapters and presents information on the main labour market developments during the transition: macroeconomic policy, output, and employment; restructuring, productivity, and job creation; the investment, climate, and job creation; and finally labour market policy and institutions. The countries under investigation, Eastern Europe and the former Soviet Union, are well-functioning market economies evolved from centralised economies. Job opportunities remain scarce in countries across the region. Hence employment has decreased substantially which would erode skills, aggravate poverty and inequality, and lead to social marginalisation. It provides the solution for the critical problems generated by the disappointing labour outcomes.

The book suggests two strategies to create more and better jobs. First, the investment climate needs to be further improved to encourage new firms to enter the market. Second, institutional and regulatory reforms are needed to develop an adaptable labour market. This book is a part of a new series of regional studies intended to achieve the World Bank's goal of reducing poverty and fostering economic growth through better utilisation of labour resources.

Chapter 1 presents an overview and brings into focus the changing labour market in the region, labour demand during the transition, the role of region's policy and institutions, and the policy challenges in promoting job creation. The labour market developments during the transition are thoroughly discussed in Chapter 2. The chapter pinpoints that labour resources are allocated by forces of demand and supply that generate employment, wage adjustment, and change in the nature of jobs. Chapter 3 provides the links between economic growth and employment trends in the countries of the region. Chapter 4 focuses on transformation of the transition economies, role of firm restructuring, entry and exit conditions, and incentives of firms for job creation. Investment climate and job creation are discussed in Chapter 5, which includes with the world situation. The last chapter combines protection with the incentives for job creation in the context of labour market policy. It thoroughly discusses the challenges of labour policy reforms in transition economies.