

# In the middle of a pandemic, the World Bank wants slum dwellers to lose their water supply (with P.S.)

[August 9, 2020 | Developing countries are trying to contain the corona pandemic under the most adverse conditions. In the middle of this, the World Bank is proposing that the water supply of slum dwellers be cut off, if their landlords do not pay the water bill. It is an inhumane philosophy of development that is behind such monstrosities.](#)

For about two decades, the World Bank's philosophy has been "sustainable development"; "sustainable" in the sense of profitable in the long run. Wherever possible, development work should be carried out in partnership with private companies and their foundations, because only if some corporation can earn money sustainably from development policy will enough money flow in to make a lasting difference. The derivation from this is to privatize and commodify as much as possible, i.e. to make it a tradable commodity.

Thus, it is quite straightforward that in July 2020, in the middle of the corona pandemic, the World Bank would publish a scientific paper entitled "[Enforcing Payment for Water and Sanitation Services in Nairobi's Slums](#)".

The four authors, among them a World Bank economist, a former Argentinean Vice Minister of Finance, and the well-known experimental economist Paul Gertler from the University of California, ran one of the notorious Randomized Controlled Trials on poor Kenyan slum dwellers.

***Strict enforcement through disconnections increases payment and the financial position of the utility without incurring political costs.***

In the slums of Nairobi, most people live as tenants on plots of land with a common water supply for all. The landowners are responsible for the water bill. Through subsidies, the government has managed to connect most households at least to such collection points for running water. However, many landlords do not pay the bill and - partly because of this - the water is often strictly rationed.

In line with the World Bank philosophy focusing on commercial aspects, the four authors have tested, in cooperation with the water company, what happens when landowners are credibly threatened with water cut-offs. The direct victims of this are the tenants who are no longer getting water if the landlord still does not pay. Almost 30 percent of the plots in the "treated" group have had their water cut off. After nine months, in autumn 2019, shortly before the outbreak of the Corona crisis, "many" of the affected households had water again, the paper says, and further in the World Bank's chilly jargon: "There is a balance between ensuring that the disconnection is credible and economically meaningful to the customer, while also being flexible enough to allow for reasonable opportunities for remedial action."

The result of the experimental intervention was that the payment morale of the "treated" landlords was increased, while at the same time the dreaded revolt of the slum dwellers did not take place. The authors' conclusion: "Strict enforcement through disconnections increases payment and the financial position of the utility without incurring political costs."

## Access to clean water as a nice-to-have luxury

In the paper, the economists implicitly justify the approach, which many people will regard as cynical, by arguing that financially better equipped water suppliers are able to supply more people with water using less rationing.

This is correct if one strictly follows the World Bank philosophy that everything should be produced and allocated using market mechanisms.

A fundamental right of access to clean water and other basic services, or a political promise by the government to guarantee this, as is the case in Kenya, is not provided for in this philosophy. If one were to assume this, one would come up with different strategies.

One could, for example, take the land of those who are too far behind with their payments under public administration until the debt is paid. But that would be the opposite of the desired privatization. One could subsidize water suppliers, on the basis that it is a paramount political goal to provide all people, including the destitute, with clean water and the possibility of a healthy, hygienic life, especially during a pandemic. But that would not be "sustainable".

Instead, the authors consider - and check it out through their anti-social field experiment on defenceless poor people - the political costs of cutting off the water that has been made available to people in recent years. And the World Bank finds nothing wrong with publishing the paper with its cynical, market-radical policy recommendation in the middle of the Corona pandemic. It is a very special kind of person who rules the world of the poor.

### Twitter discussion prompts a letter of justification

On August 8, in response to the strong criticism of their paper on Twitter, the authors [posted an explanation](#) on the Internet, in which they address ethical concerns regarding their experiment.

There they write that the defaulting customers are predominantly well-off landowners. They forget to mention, and to justify, that it is their poor tin hut tenants who are cut off from the water. How little co-author Paul Gertler is interested in this aspect, he made clear with a Twitter comment. "I was threatened with electricity disconnection many years ago and just paid my bill", he tweeted on August 9. A person who cannot even imagine how it is to be poor, doing experimental research on the destitute. What could possibly go wrong?

The economists stress that a government was involved in the experiment and that it had previously asked the World Bank for help in improving payment morale. That may be so. The World Bank and the International Monetary Fund always stress that everything they do is done at the request of the respective government. Often, however, this request is issued anything but voluntarily.

The authors also stress that they have diligently addressed possible negative effects of the water discontinuation, including on child health. There is a single paragraph in the paper on this subject in which it is briefly stated for a whole bouquet of possible effects, including child health, that no evidence has been found that they occur systematically.

Child health was measured by a single indicator, namely whether the oldest child in a family under five years of age suffered from diarrhea in the last two weeks. The authors apparently did not compare the incidence of diarrhea in the nearly one-third of families in the treated group who actually had their water turned off to those who continued to have water. Instead, all families in the group whose landlords were threatened with water discontinuation in principle were compared with the control group in which this was not the case.

The data of the third of the families in the treated group that was actually affected, was thus statistically diluted by the two-thirds in the same group who continued to have water, because their landlords paid up in time. Thus, it is not at all surprising that the negative effect on child health that was found was not statistically significant.

## Money and more

Blog by Norbert Häring  
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If it is already shocking that the pandemic is not mentioned in the working paper published in July 2020, it is even more difficult to comprehend how the current letter of defence can do without the words Corona, Covid or pandemic; a real-life pandemic that makes special demands on hygiene that cannot be met without sufficient clean water. What the World Bank and the authors have jointly delivered here is simply beyond justification. (See also postscriptum at bottom.)

### Experiments on the poor under criticism

Only recently, there has been a fierce controversy in the international economic community over a paper on another field experiment on very poor people that was accepted for publication in one of the five most prestigious journals, the *Quarterly Journal of Economics* published by Harvard. It describes how the authors teamed up with an evangelical mission foundation to test whether evangelical missionary work among mostly Catholic poor Filipinos improves their work morale. Because the (controversial) result was supposedly positive, missionary work was seriously declared a possible strategy for poverty reduction.

<https://norberthaering.de/en/economics/jpe-uhlig/>

Translated by the author with support of [www.DeepL.com](http://www.DeepL.com)

[German version](#)

### Postscriptum on misleading claims (August 11)

There is an [audio on VoxDev](#) in which Paul Gertler explains the study and describes it as if it was the team's idea to threaten and execute water discontinuations in a pilot program, not the utilities practice. This is in contrast to the teams justification paper on the internet. See e.g. [Matt Berkley on Twitter](#).