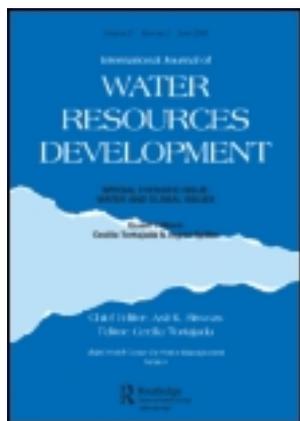


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Water infrastructure as an essential element for human development

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Infrastructure is essential for development, but by itself it will not contribute to improving the quality of life of millions of people unless it is part of an overall framework for development, economic growth, social equity and environmental protection. As mentioned by Nobel laureate Amartya Sen, the absence of infrastructure has a pervasive influence on poverty, but at the same time is not a free-standing factor in lifting people from it. The focus should thus not be on physical infrastructure per se but on infrastructure as a driver for growth and sustainable development. This requires more comprehensive institutional, legal, regulatory, policy and management frameworks than the ones existing at present.

Keywords: human development; water infrastructure; water security; private-sector participation; finance investment

Introduction

As populations have grown, human needs have increased and expectations have changed, the natural environment that supports their growth has deteriorated and the challenges faced by governments and societies have become more complex. In a race to promote the sort of economic growth that is able to sustain human development, inexplicably, people themselves have been pushed from the centre of development debates and dialogues to the periphery (UNDP & RBAS, 2002). People have many times lost the irrefutable priority governments should have awarded them in the search for sustainable development.

In the 1990s, when the concept of ‘human development’ was first defined, more comprehensive discussions on development and related policy implications were proposed (UNDP, 1990). Development began to be understood as a much broader process than the mere generation of wealth. The focus thus shifted towards the intersection of social, economic and environmental dynamics. It was then logical that ‘sustainable development’ included the protection of the sources of future economic growth and social progress, because present and future human development depend on it.

Throughout the years, agendas promoting human development have necessarily become multifaceted. Priorities have focused on state and social institutions that advance equitable growth with widespread social, economic and environmental benefits; economic infrastructure and provision of social services; enabling regulatory environments and policy instruments for public and private investments in priority areas for human development; and, more recently, technological mobility (UNDP, 2013).

Significant human development-related progress was achieved during the last three decades. In spite of this, or perhaps because of it, many of the concerns raised in the 1990s,

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when international movements advocating for sustainable development picked up momentum, continue to be significant at present. These include the appraisal and promotion of human development that is not limited to gross domestic product (GDP) measurements; implementable strategies for planning, managing and financing human development as well as for participatory development; and provision of and universal access to basic public services such as education, health and water (UNDP, 1990, 2013).

Over the years, effective governance has also been recognized as an essential element for human development. It is regarded as a necessary platform through which societal goals can be pursued because it stresses the importance of involving more voices, responsibilities, transparency and accountability of the formal and informal organizations associated with any process and in any development field (Tortajada, 2010). Governance is expected to be part of all decision-making processes and to embrace the relationships between governments and societies, including laws, regulations, institutions, and formal and informal interactions that affect the ways in which governance systems function and decisions are taken (Tortajada, 2007). Governance takes into consideration how governments and social organizations interact, how they relate to societies, and how accountability is rendered (Graham, Amos, & Plumpre, 2003).

In the quest for sustainable development, infrastructure has proved to be an indispensable component of this long-term goal due to its role in reducing poverty and inequality and promoting economic growth. It has a distinct potential to help overcome growth constraints, respond to urbanization pressures, improve social and environmental conditions, encourage competitiveness and productivity, underpin improvements in quality of life and social inclusion, and enlarge and speed up communication and mobility. This should make it a sustained priority for all public and private sectors in society (Bhattacharya, Romani, & Stern, 2012).

As noted by Nobel laureate Amartya Sen, the absence of infrastructure has a pervasive influence on poverty, but at the same time is not a free-standing factor in lifting people out of it:

It is one thing to understand that lack of infrastructure is often the principal causal influence on the genesis of poverty, it is quite another to see how attempts at deliberate and organized removal of handicaps of underdeveloped infrastructure may actually make a difference. Do public plans and programmes actually work (a natural scepticism given the shrill chorus we hear too often these days that “the best plan is no plan”)? Can the differences that are made be seen immediately, or do they take an immensely long time? (2006, p. 4)

Prevailing wisdom suggests that infrastructure development should be based not on political priorities but on social and economic realities. Unfortunately, this is not always the case. It also suggests that growth and equity-promoting strategies should assess what might be necessary for entire populations, mostly the poor, to access basic services, as opposed to deciding, after the infrastructure has been developed, how it could be used by the poor (Agénor & Moreno-Dodson, 2006); the latter may produce disappointing results. Nonetheless, given the size and scale of infrastructure requirements, decisions do not tend to occur without political interference. This seems to have become a fact of life even when many times monopolies based on political relations have resulted in reduced quantities and poor quality of infrastructure services (World Bank, 2012).

Infrastructure and social impacts

Developed and developing countries alike acknowledge that one of the main challenges at present is to develop implementable policies that positively influence the lives of billions

of people all over the world. The profound implications for development caused by demographic changes, the severe strains on the environment that result from rapid economic growth, and the limitations that infrastructural deficits place on access to social services in many countries constitute the panorama marking the approach of the end of the Millennium Development Goals (MDGs) (UN, 2013a).

To add to this complexity, the relaxation of the one-child population policy in China (Hongguang, 2013) has the potential to change the global dynamics of growth and development and may increase the already enormous pressure on human and natural environments. According to the 2012 revision of the official United Nations population estimates and projections (UN, 2013b), the world's population, 7.2 billion as of mid-2013, is projected to increase to 9.6 billion in 2050 and 10.9 billion by 2100. These calculations are based on projected fertility declines in countries where large families are still prevalent and slight increases in fertility in countries where, on average, there are less than two children per woman. With the new population policy in the most populous country in the world, the global situation has the potential to change significantly. This decision is likely to have immense implications in terms of environment, water, energy and food securities, not only for China but also for the rest of the world, because it is from the rest of the world that China obtains the resources required to satisfy many of its needs.

As one can appreciate, achievement of the MDGs, ultimately aimed at reducing poverty and inequality (UNDP, 2013), depends on numerous interrelated global issues as well as on many actors that can influence them through multiple pathways. Infrastructure that is properly planned, managed, operated and maintained and which has the potential to deliver universal coverage is one of the critical elements for the achievement of these goals.

There is broad evidence that infrastructure coverage and quality play a vital part in the economic growth of any country as well as in investments in human capital, with both direct and indirect effects in reducing poverty. Even then, the precise extent of public investment in infrastructure is not accurately known; this information is considered to be incomplete and unreliable (Commission on Growth and Development, 2008). So far, its actual impact on society is known qualitatively but not quantitatively.

Estache (2008) presents a comprehensive overview of this situation globally. A survey on infrastructure policy issues in developing and transition economies from the 1990s and early 2000s indicates serious monitoring difficulties due to the lack of data on the performance of infrastructure in terms of access, efficiency, equity and fiscal costs. This applies to the energy, water and sanitation, telecommunication, and transport services subsectors. The survey also indicates that public–private partnerships would be beneficial in achieving sustained efficiency gains and minimizing financing requirements. As the author notes, a serious obstacle for any policy and decision-making process has been the lack of accurate data on the status of existing physical infrastructure; insufficient knowledge of the impacts infrastructure has on human development (whether it works the same way at all stages of development or if it varies, and how); whether it has homogeneous impacts in all regions of a given country (and what are the differences for rural and urban areas). Overall, the work that could be done towards strengthening the infrastructure–poverty alleviation nexus is seriously constrained by the lack of a good baseline that provides reference information on issues such as how much the poor actually spend on and consume infrastructure services. Financial institutions such as the Inter-American Development Bank (IDB) (n.d.) and the Asian Development Bank (ADB), 2013 have also emphasized the policy and decision-making constraints resulting from lack of reliable data and information.

In the context of intensified urbanization, the continuous growth of large and medium-size cities in developing and emerging economies has become a major source of demand for additional services. This has created a sense of urgency in most national and international policy circles. Efficient delivery of services, as well as access to them, depends on much more than infrastructure. It depends on a combination of responsive institutions; regulatory models; well-planned and properly maintained and operated infrastructure; efficient public and private service providers; governance structures associated with infrastructure-project financing; economic and non-economic policies and incentives; auditing and financial accountability; equity, transparency and fiscal considerations; decentralization as a way to increase accountability (although not always efficiency); public participation; and more (Estache, 2008; Rouse, 2013, 2014).

At this point is important to stress that all users, donors and non-governmental organizations (NGOs) should systematically be made accountable for their decisions and actions. Transparency is for all, not only for governments, developers and operators. This is important because donor and NGO transparency has already been questioned on several occasions (Estache, 2008; Pandit, 2014; Rouse, 2013).

The most common means by which different actors can have a say in decision making is through the interest groups to which they belong. However, research on effective participation shows that even projects claiming full participation and empowerment have not necessarily rendered positive results for all members of society. When only such groups (many of them NGOs) are involved, the views that are put forward may not always be sufficiently representative of all the parties involved. Realistically speaking, stakeholder groups do not include all members of the society, nor do they represent all of their needs, views and concerns. In addition, not all stakeholders who are affected by a particular decision or situation are represented in the groups that are prepared to take part in decision making. Many times, members of local institutions, user groups, and normally excluded sections of the population do not see their views expressed (Mallaby, 2004; Söderbaum & Tortajada, 2011). When planning for infrastructure and services, it is important to realize that even the so-called participatory movements are not free of biases (Kumar, Jagadeesan, & Sivamohan, 2014).

Transparency, and also accountability, require accurate and reliable data and information to measure any type of progress. As noted by Estache (2008, p. 71):

the MDGs are a good start, but accountability should not only be about access, it should also be about affordability, about public and private costs, about risks and about quality. Without more and better data on these dimensions of infrastructure service delivery, there will be no accountability in the sector. So far, when accountability has failed, the poorest users and the taxpayers have tended to bear the bulk of the costs of poor service and of corruption.

In her handbook on evaluating the impact of development projects on poverty, Baker (2000) aims to provide the necessary tools to evaluate project impacts. The author selects case studies from a pool of evaluations carried out by the World Bank and by other donor agencies, research institutions and private groups. Her findings indicate that project impact evaluations are the only means to understand whether infrastructure has produced the intended benefits; whether future projects should be designed differently, and how; whether resources (human, financial and natural) have been used efficiently, and if not, what needs to be improved; and what have been the overall impacts on the population.

Looking towards the future, the main concern governments currently have is the lack of understanding of the possible global impacts of climate change and how they will affect populations all around the world. Further uncertainty arises from the lack of clear

knowledge of the type of data that should be collected to attempt to develop mitigation and adaptation strategies that are both efficient and effective. Global investments for possible strategies are in the billions of dollars. World Bank (2010) estimates that the investments required for developing countries to adapt their infrastructure to a changing climate may reach \$14–30 billion annually. These figures include the incremental costs of constructing, operating and maintaining the baseline level of infrastructure under new climatic conditions, which are unknown at present.

What should be particularly stressed is that, in most developing countries, climate-related vulnerability is expected to be the result of lack of (or of poorly maintained) infrastructure. It is generally estimated that developing countries need to invest some \$1.2–1.5 billion every year to close the existing infrastructure development gap; of this, only about half is actually being invested (Fay, Limi, & Perrissin-Fabert, 2010). In the case of Africa, country-level studies show that most countries are investing only 30–60% of what would be needed to close their development gap (Briceño-Garmendia, Smits, & Foster, 2008).

Clearly, the scale and nature of the challenges to achieving growth and human development are enormous, and increasing. In order to manage, allocate, utilize and protect resources globally for the future to come, multiple complementary improvements are necessary: policies which are implementable and which are developed within a long-term framework; effective and efficient institutions; forward-looking legal and regulatory frameworks; construction, maintenance and efficient use of assets; very large investments; governance matters such as accountability and transparency; and accurate data and information will all have a say in the present and future quality of life and the expectations of millions of people.

Infrastructure investment needs

Even with all the constraints due to lack of detailed information, global investments in infrastructure development, operation and maintenance are estimated to be in the trillions of dollars. For instance, developing countries tend to face a substantial and persistent infrastructure deficit, both economically and in physical assets. In many of them, low public spending on infrastructure construction and maintenance has been a problem for decades. In the early 1990s, for example, technical inefficiencies in the construction and operation of roads, railways, power stations and water services resulted in losses equivalent to a quarter of the annual public investment in infrastructure, affecting also the flow of resources from the private sector (Agénor & Moreno-Dodson, 2006). In the medium term, infrastructure investment and maintenance needs are calculated at more than \$1.2 trillion annually, and actual spending is estimated to be about 50% of this (World Bank, 2011b). Figure 1 shows the needs and actual investments of the different regions in the developing world. Even though these are very gross estimates, it shows how far regions are lagging in terms of investments.

To reach the MDGs by 2015, the poorest developing countries would need to spend approximately 9% of their GDP in the operation, maintenance and expansion of their infrastructure to provide the necessary services (Estache, 2008). In the case of Asia, it is estimated that the urban infrastructure deficit is over \$60 billion per year (ADB, 2013). It seems, however, that China is an exception. In the 12th Five-Year plan, the country has set a goal of ensuring high-quality economic growth, which includes enhancing water, energy, transport, communications, education and healthcare infrastructure. As a result, numerous provinces and cities have announced major infrastructure developments that

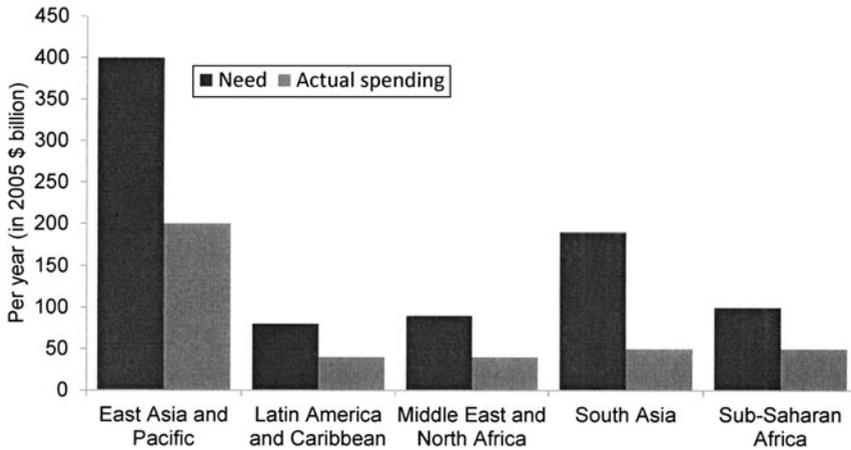


Figure 1. Infrastructure investment in developing countries: needs versus actual spending. Adapted from World Bank (2011b).

Note. Figures include investment and O&M spending. Data are not available for Europe or Central Asia.

reach the billions of dollars (KPMG International Cooperative, 2013) and that are likely to improve the living conditions of the population.

The other emerging country in Asia, India, is in a very different situation. According to the McKinsey Global Institute (2010), India's annual per capita spending for infrastructure is \$17 – only 14% of China's \$116 per capita. The institute calculates that India will have to invest \$1.2 trillion in capital expenditure in its cities over the next 20 years to reach the necessary \$134 per capita annually. This figure represents an increase in spending from the present annual average of 0.5% of GDP to 2% of GDP.

In Latin America and the Caribbean, both the Economic Commission for Latin America and the Caribbean (2010) and the IDB (n.d.) estimate that the region needs to invest some 5% of GDP in infrastructure to close the existing gap. The bank, however, notes that this figure does not consider maintenance-related expenses. Equally, it explains that these estimates depend on the goals of the individual countries and whether investments are made to boost GDP or to provide basic needs to the population such as access to safe drinking water, electricity, and good roads.

At the same time, returns from infrastructure investment have the potential to be high in developing countries, where levels of infrastructure are normally low. For example, according to the World Bank (2011b), the estimated annual needs for infrastructure in Sub-Saharan Africa are around \$93 billion. If infrastructure in this region were improved to the level of countries like Korea, for example, its growth rate could rise by 2.7 percentage points annually. Similar potential has been identified in Latin America, where the region's growth rate could increase by 2 percentage points per year if it had the same level of infrastructure as East Asia's middle-income countries.

As the IDB (n.d.) notes, infrastructure investment needs should be defined through planning processes that render an implementable long-term vision for the country based on available fiscal resources and the population's ability to pay. This is not necessarily the situation in developing countries, where reforms to improve the efficiency and development effectiveness of investment programmes are not always part of long-term development plans, many times corresponding to presidential terms instead.

Investment initiatives, old and new partners

Current spending on infrastructure in developing countries is estimated to be \$0.8–0.9 trillion per year. Much of this is financed directly through domestic government budgets (\$500–600 billion), private-sector groups (approximately 20–30%, or \$150–250 billion), developed-country official development assistance, and multilateral development banks (5–8%, or \$40–60 billion).

More recently, emerging countries such as Brazil, Russia, India, China and South Africa (BRICS) are also investing in infrastructure, although in percentages that are estimated to be lower than the previous ones. Developing-country private-sector groups have also emerged as a major source of finance for infrastructure projects with private participation. Between 1998 and 2004, these groups accounted for some 52% of private investment in transport, 46% in telecommunications, 27% in energy and 19% in water and sanitation. As Schur, von Klauudy, and Dellacha (2006) note, it may be necessary to modify privatization design in view of the bias toward large international firms.

In the case of the BRICS countries, if they were to establish a new development bank for infrastructure and sustainable development, it could provide an additional borrowing channel for governments in developing countries to finance economically productive infrastructure assets (Bhattacharya et al., 2012). The importance of these emerging-country donors is not so much in the amount of aid they may disburse but in the new assistance roles they may play. This is challenging the traditional architecture of international aid, breaking the North–South aid flow stream and broadening it to South–South cooperation based on mutual national interests. This emerging architecture is modifying the sphere of influence of donor countries and is also challenging the rules under which aid is normally provided (Tortajada, forthcoming-a).

The emerging donor that has acted more proactively all over the world supporting infrastructure development, mostly of large dams, has been China (Kattelus, Rahaman & Varis, 2013; Tortajada, forthcoming-b). Chinese aid to Africa, Latin America and South-East Asia increased from less than \$1 billion in 2002 to an estimated \$25 billion in 2007 (Lum, Fischer, Gomez-Granger, & Leland, 2009). It is argued that China's aid to Africa and Latin America serves the country's long-term economic objectives via infrastructure, public works and natural resource development, whereas those in South-East Asia reflect longer-term diplomatic and strategic objectives.

In 2008, Chinese companies were involved in 97 dam projects in 39 countries. By 2011, the country was supporting the development of 251 dams in 68 countries (Tanaka, 2011). A valid concern at the international level is that economic, social and environmental considerations may not be an important part of dam construction guidelines when the funds come from China. This could be very different from the financial support of development banks with stringent requirements. China claims that its assistance to other developing countries does not come with political strings and only indicates its desire to fulfil its obligations to the international community (Siqian, 2011). As has been the case for aid in the past, perceived economic and political self-interests remain important considerations for all donors. In the case of China, engagement with developing countries at such a massive scale could be considered part of an overall national strategy for acquisition of the much-needed resources to sustain the future economic growth of the country. This is likely to have multidimensional impacts in terms of water, energy, food and environment security if not planned on a long-term horizon by the host countries (Kattelus, et al., 2013; Tortajada, forthcoming-b). Whatever may be China's ultimate objectives, it is a fact that the country is rewriting the

terms and conditions of development aid, and the rest of the world is forced to take notice of the plans of this new major actor.

Multilateral development banks and private-sector groups

To support countries in improving infrastructure spending efficiency, the multilateral development banks (MDB)¹ have proposed an infrastructure action plan endorsed by the G20.² This set of actions presents a series of initiatives that aim at unlocking infrastructure projects left in the pipeline by (1) allowing increased private-sector participation and financing and (2) improving infrastructure spending efficiency (World Bank, 2011a).

Intensified private-sector participation and financing include actions such as improving the effectiveness of project-preparation funds; developing catalytic regional projects; expanding technical assistance through expanded public–private partnership (PPP) practitioners’ networks; increasing incentives for MDB staff to engage in PPP transactions and regional projects; piloting an Africa Infrastructure Marketplace; improving procurement practices to facilitate collaboration with the private sector and amongst MDBs; and helping countries improve spending efficiency. Looking to improve efficiency in infrastructure spending, the main goals are to launch a global Infrastructure Benchmarking Initiative and to scale up the Construction Sector Transparency Initiative.

The objective of the Infrastructure Benchmarking Initiative is to collect data and perform analysis covering trends in infrastructure financing and performance with a globally consistent methodology. It would cover major network infrastructure such as information and communication technologies, power, roads, railways, ports and airports, and urban infrastructure, as well as water and sanitation. It would also enable following regional and national infrastructure trends over time (World Bank, 2011a).

Globally, the domestic private sector is investing mostly in energy and transport, while international private-sector groups are investing mostly in communications and technology (Estache, 2010). Their participation is much less in the transport, water and sewerage subsectors mainly because of the political constraints (or so-called political risk) in achieving the necessary reforms and the long time interval needed for payback. Another reason is that decision making does not always occur at the national level but increasingly at subnational levels, with local governments playing important roles. In infrastructure, private-sector participation has been mostly in terms of management and lease contracts, without assuming investment risks or undertaking major tariff reforms (World Bank, 2013).

In 1990–2001, developing countries transferred the operating risk for almost 2500 infrastructure projects to the private sector, attracting investment commitments of more than \$750 billion. Those projects were implemented under schemes that included management contracts, divestitures to greenfield facilities under build-operate-own (BOO) or build-operate-transfer (BOT) contracts, and merchant facilities (World Bank, 2011b; for a detailed explanation of these terms, see the World Bank’s PPI Glossary at http://ppi.worldbank.org/resources/ppi_glossary.aspx#management).

Figure 2 shows investment commitments to infrastructure projects with private-sector participation in developing countries, by sector, between 1990 and 2005. Investments were highest in the telecommunications sector, followed by the energy sector and then the water and sanitation subsectors.

Between 1990 and 2012, the private sector invested in water and sewerage projects in some 63 countries. The region with the largest share of this investment was East Asia and

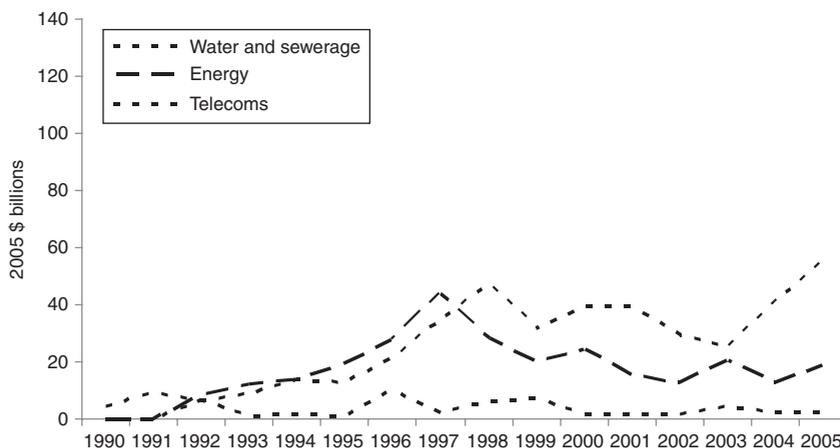


Figure 2. Investment commitments to infrastructure projects with private participation in developing countries, by sector, 1990–2005. Adapted from World Bank Group (2011b).

the Pacific, with 44%. Globally, concessions attracted 62% of private participation in infrastructure, which represents the largest share in investment and covers 41% of projects. Most governments vertically transferred integrated water utilities through concessions, with a few cases of expansion of bulk capacity for water treatment through BOO and BOT contracts (World Bank Private Participation in Infrastructure Database, Sector Data Snapshots, http://ppi.worldbank.org/explore/ppi_exploreSector.aspx?sectorID=4).

The focus on management and lease contracts that do not require private investment suggests private-sector groups are willing to invest, but they are also concerned about taking on risk (Kerf & Izaguirre, 2007). On the other hand, governments may also not be willing to take on risk, especially in a sector such as water that is so sensitive politically.

Policy mechanisms and social expectations: further thoughts

The Organisation for Economic Co-operation and Development has long insisted on the relevance of policy mechanisms that consider economic, social and environmental costs and benefits of water used in all the different sectors (OECD, 2007). Policy frameworks and structural changes as well as efficient institutions and skilled human resources are needed to secure the substantial financing required for countries to build, operate, maintain, extend and/or upgrade the necessary infrastructure for all uses and users of water. This will be the first step towards providing what should ideally be universal coverage of safe drinking water and sanitation, with the resulting improvement in the quality of life of populations in the developing world.

While the financing of water and sanitation services is a major problem mostly for developing countries, it represents only part of the seriousness and complexity of the overall lack of provision of water services. Infrastructure, its management and its operation are often problems that carry more importance. Virtuous cycles, where growth and social policies reinforce each other, are still not in place, in spite of their importance for human development (UNDP, 2013).

The inability of national and subnational governments to meet their populations' basic water needs (many times because of poor infrastructure or lack of it, as well as poor operation and maintenance practices) has resulted in not only economic but also social and

environmental costs in developed and developing countries alike. There is an increasingly large and expensive agenda of policy actions and investments in infrastructure that need to be undertaken. The delay in doing so has resulted in growing numbers of people without access to clean water and the resulting deterioration in their quality of life from avoidable illnesses and premature mortality and morbidity; environmental pollution of point and non-point water sources; over-exploited and polluted rivers, lakes and aquifers; depletion of non-renewable resources and higher costs of pumping groundwater; and seawater intrusion and land subsidence. These are just a few of the numerous issues that are affecting populations on a daily basis all over the world and that are, in many cases, already delaying social and economic progress, impacting negatively on livelihoods, degrading the environment and hampering economic development (OECD, 2007).

In his book *Development as Freedom*, Sen (1999) argues the need to go beyond market rules to protect the environment. He points out that the environmental challenge has been recognized as part of a more general problem related to resource allocation involving public goods. There have been proposals for policies and regulations and institutional arrangements, as well as provision of appropriate incentives through taxes and subsidies. However, the efficient provision of public goods requires not only action on the part of the state but also analysis of the role of social values and expectations and a sense of responsibility that may reduce the need for forceful action. Since individuals live and operate in a world of institutions, where opportunities and prospects depend crucially on which institutions exist and how they perform, they should not be considered mechanical devices for development. Given that their use depends on issues like values, expectations, priorities and participation, it would be a mistake to look for some particular 'formula' for an optimum compromise from institutions, policies and society. A better approach would include institutions and policies working to promote the goals and expectations of the societies to which services are offered (Sen, 1999).

The case is the same for the provision of basic infrastructure services, such as water and sanitation, on which quality of livelihoods rely, and the physical means through which water is provided, the infrastructure itself. People's expectations and aspirations have changed significantly in recent years, requiring new policy responses and demanding participation, transparency, accountability and responsibility, which was not the case before. To identify and understand these changes and to propose alternative policies, institutions, regulations and strategies that are more relevant for the twenty-first century, it will be necessary to redirect policy dialogues to the fundamentals: development is about people, a fact that seems to have been forgotten in many places on numerous occasions.

The previous role of policy makers in developing policies and trying to implement them in isolation has only limited value in the present society. The proposed alternatives may not be compatible with reality until and unless societies and their views and expectations are made a mainstream part of development.

Notes

1. The MDB Working Group on Infrastructure includes the African Development Bank, Asian Development Bank, European Investment Bank, Inter-American Development Bank, Islamic Development Bank and World Bank Group.
2. The Group of Twenty Finance Ministers and Central Bank Governors (G20) is composed of 19 countries plus the European Union, and representatives of the International Monetary Fund and the World Bank. The 19 countries are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Korea, Turkey, the United Kingdom, and the United States.

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