

HEALTH SYSTEMS REPORTER: focus on the role of government and transition countries 25 October 2006

produced by the [IDS Health & Development Information](#) team
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This is our monthly email bulletin, bringing together research to inform policy debates on health in developing countries.

The Health Systems Reporter aims to provide readers with a more in-depth look at a particular area of health policy. This month's theme is on [the role of government and transition countries](#). The bulletin also features summaries of new documents and other additions to the [Health Systems Resource Guide](#).

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Feature: the role of government and transition countries

Fundamental change in the functions and roles of government and the public sector is one of the most distinctive features of transition economies. Decentralisation, devolution and de-concentration of government functions is happening in almost all transition countries. At the same time, the private sector has become involved in policy making and the provision of public services and civil society participation has increased. These processes are extremely complex and experiences across countries differ. Institutional weaknesses, corruption, constrained local capacity, and inadequate legal, institutional and fiscal frameworks are just some of the problems that are encountered on the way. Moreover, these changes have significant implications for the delivery and management of healthcare services.

Getting the balance right between central government control and decentralised governance is crucial for well functioning health systems. While there have been a range of problems associate with overcentralised systems (See [Health in transition: a background](#)), decentralisation can and does create new and challenging issues . Political decentralisation has advanced in most countries, but central government is still directly involved in the delivery of local services in many: local governments can have few resources and limited access to borrowing, which impacts significantly on the delivery of local healthcare services. Decentralisation has not been achieved easily. The approach chosen needs to take into account essential public health functions that may be affected, such as disease surveillance, health education, enforcement of public health laws and regulations, and health policy development. Reforms also need to be adapted to reflect local realities, and local management capacity often needs to be strengthened.

This feature is based on the Health Systems Dossier: [Health in transition countries](#), written by Akaki Zoidze and George Gotsadze of [Curatio International Foundation](#).

Further resources:

- [Rethinking the role of government in transition](#) from the Health Systems Dossier, Health in transition countries
- [Governance and health](#) topic area from the Health systems resource guide
- [Governance and social development resource centre](#)

Recommended readings on the role of government and transition countries

Fiscal decentralization in developing and transition economies

Authors: Shah, A.

Produced by: Policy Research Working Papers, World Bank, 2004

This working paper, published by the World Bank, examines recent attempts by developing and transition countries to decentralise their fiscal systems and to reconsider the respective roles of government, the private sector and civil society. It finds that progress in developing countries to move decision making closer to the people remains slow and modest. Many developing and transition economies are still searching for societal consensus on the balance between government, civil society and the private sector. The paper argues that a greater degree of decentralisation is called for in developing countries than in industrialised countries, since the latter are better able to meet the institutional needs of an efficient centralised bureaucracy.

The paper emphasises that citizen voice, choice and exit options are critical to the success of decentralised decision making, and that these areas need attention in the on-going reform efforts. Citizen participation and accountability must be addressed in any serious reform of fiscal systems. Societal norms and consensus on the roles of various levels of government and limits to their authority are vital for the success of decentralised decision making. Administrative capacity of lower level government is also important, but should not be considered as a barrier, provided that citizen participation and transparency are ensured.

Available online at: http://message.worldbank.org/external_error.htm

Decentralisation in Asian health sectors: friend or foe?

Author(s): Uchimura, H.; Jutting, J.

Produced by: OECD Development Centre, 2006

This policy brief examines whether or not healthcare decentralisation in Asia has been successful. The report draws on examples from China, Indonesia, India, and the Philippines. The brief highlights several lessons learned from the decentralisation programmes of these countries, including:

- improving the healthcare financing system towards more pre-payment and less Out-Of-Pocket (OOP) payments is a vital to successful decentralisation;
- it is crucial to ensure that the process of decentralisation is accompanied by reform to healthcare funding, with policy and practices that reduce OOP payments and improve health care services;
- giving local governments incentives to invest in health leads to better outputs and outcomes - this can be done through mapping resources to expenditure, and by establishing a transfer system to redistribute funding to the regional level; and
- decentralisation is a long-term process: it is imperative to set up a high-quality data collection system along with an evaluation culture.

Available online at: <http://www.oecd.org/dataoecd/58/22/36654714.pdf>

China's rural health system in a changing institutional context

Author(s): Bloom, G.; Jing, F.

Produced by: Institute of Development Studies (IDS), Sussex, UK, 2003

This paper describes the problems encountered by rural health services in China since the country engaged in the transition to a market economy. Produced by the Institute of Development Studies (IDS), the article argues that these problems should be apprehended within the wider scope of changing institutions as China moves away from a command economy. Moreover, it discusses how local monitoring systems and local accountability mechanisms should be made more reliable if the performance of rural health services is to be improved.

The document starts by providing a brief overview of the changes that occurred in the rural health systems in China over the past 50 years. The authors then focus on changes in the rural health systems during the transition to a market economy (since the 1970s). They show how the latter translated into less regulation of the providers of health services, less coordination and most importantly fewer financial resources as the government devolved financial management of health services to townships and counties. The document ends by suggesting ways to help the reconstruction of rural health systems.

China's regions have developed differently since the transition period started, some growing much faster than others. This has had contrasting effects on China's health systems. For China's rural health systems, the paper reports that:

- There is growing concern about access to health services by the very poor, as the cost of rural health care has risen rapidly.
- One main characteristic of the transition has been devolution of administrative and financial control to local authorities. This has led to increasing differences between regions that have experienced rapid economic growth and others, as the better skilled personnel tend to move to areas where they receive higher wages.
- These differences in earnings have also encouraged the growth of informal payments and levies.
- The central government is torn between the way it manages reform (consisting of issuing broad guidelines but leaving quite a lot of room for local authorities to adapt these guidelines to local requirements) and the need to establish a clear legal framework.
- The creation of rules-based administrative and legal systems require the involvement of both the central governments and local actors. Their differing interests might hinder the establishment of rules based systems.

The paper demonstrates that a well performing health system depends on adequate institutional arrangements. For China's rural health sector, this means the following:

- New behavioural norms need to be developed. Expectations need to be shared by both users and providers and service delivery needs to fulfil them. It is also suggested that health could be one of the features that party cadres are

assessed on in order to increase government officials' stake in the health system.

- Management systems need to be improved. This might require reconsidering devolution and actually re-centralising certain aspects of health management. There is a case for increasing government's involvement in and funding of rural health care.
- Accountability mechanisms need to be enforced. The regulatory responsibilities and powers of each actor need to be clearly defined, information needs to be made more reliable and trust in the health system needs to be increased.

Available online at: <http://www.ids.ac.uk/ids/bookshop/wp/wp194.pdf>

Decentralising health workforce management in China and South Africa

Authors: Martineau, T.

Produced by: id21, 2005

Decentralising health workforce management may help local services to coordinate and plan their human resources more effectively to meet health care needs. Health sector decentralisation in China and South Africa is complex, with different forms being implemented within varying timescales and for different purposes. In China decentralisation has taken place alongside the transition to a market economy, whilst post-apartheid South Africa is attempting to establish a new district health system.

Available online at: www.id21.org/insights/insights-h07/insights-iss07-art07.html

Central reservation? Drawbacks of healthcare decentralisation in China

Authors: Tang, S; Bloom, G.

Produced by: id21, 2001

Does decentralisation improve public health services? Does devolution of power allow for effective mobilisation of community resources to meet local needs? Researchers from the UK's Institute of Development Studies and Liverpool School of Tropical Medicine studied the effects of health reform in a poor rural county in China. They discovered that decentralisation has reduced funding levels and service quality and increased the use of non-medical personnel at township health centres. What implications does this have for other regions affected by the recent wave of decentralisation in healthcare?

Available online at: www.id21.org/health/h2qb1q3.html

Summaries of other documents in the Health Systems Resource Guide

Checklist for the review of the human resource development component of national plans to control tuberculosis

Author(s): Bergstrom, K.; Glassroth, J.; Walton, W.; Pool, I.; et al.

Produced by: World Health Organization (WHO), 2005

This World Health Organization (WHO) publication focuses on the need to improve training of staff as part of national plans to control tuberculosis (TB). It argues that the development and maintenance of a competent workforce for TB control is a key component of any national TB control programme, and presents a list of things to check when this component is reviewed by governments or external consultants. The checklist highlights the need for any review to determine whether human resources (HR) development, including training and education for TB control, is a specific and clearly described component in the national plan.

Other areas include: the organisational structure for managing HR development at the national level; whether there are medium- and long-term goals and strategies for HR development; the current status of training programmes, training materials, and follow-up after training; management and use of information; plans for strengthening TB control within basic training programmes for medical doctors, nurses, and others; and management of finances. The document concludes by emphasising the need for follow-up as the final stage of a review. This includes approving recommendations for the relevant authorities and setting deadlines for the implementation of these activities.

Available online at: http://whqlibdoc.who.int/hq/2005/WHO_HTM_TB_2005.350.pdf

Who's got the power: transforming health systems for women and children

Author(s): Freedman, L.P.; Waldman, R.J.; de Pinho, H.

Produced by: Millennium Project, 2005

This report, produced by the UN Millennium Project Task Force on Maternal Health and Child Health, outlines challenges in maternal and child health around the world, and considers key interventions to address these challenges, focusing on health systems. Challenges include high rates of maternal mortality, continued child deaths due to preventable illnesses, enormous unmet need for sexual and reproductive health services, and weak and fragile health systems.

The report argues that the Millennium Development Goals on maternal and child health are attainable, but not without extraordinary effort. Its recommendations include strengthening health systems, particularly at the district level, and providing the funding and human resources needed to do so. It also emphasises sexual and reproductive health and rights (SRHR); recommendations include ensuring universal access to reproductive health services; integrating HIV and AIDS initiatives with SRHR programmes; and reviewing laws, regulations, and practices that jeopardise women's health. Child health interventions should increasingly be offered within the community, and more attention is needed to child nutrition. Maternal mortality strategies should focus on building a functioning primary healthcare system, including accessible emergency obstetric care and skilled birth attendants. Poverty reduction strategy processes and funding mechanisms should promote equitable access to quality healthcare and not undermine it.

Available online at: <http://www.unmillenniumproject.org/documents/maternalchild-complete.pdf>

Interventions to improve the role of medicine sellers in malaria case management for children in Africa

Authors: Brieger, W.; Unwin, A.; Greer, G.; Meek, S.

Produced by: Basic Support for Institutionalizing Child Survival (BASICS II), USAID, 2004

This report, published by the Malaria Consortium and the USAID project Basic Support for Institutionalising Child Survival (BASICS), reviews 15 interventions to improve child health and malaria-related activities of medicine sellers in Africa. It reports that medicine sellers are a major source of health care for many communities in sub-Saharan Africa. Some studies suggest they are used in around 50 per cent of cases of child illness. The report argues that it is important to ensure that medicine sellers have the capacity to provide safe and appropriate medicines in correct amounts, and examines interventions that have attempted to do this.

The authors find that training can improve drug retailer knowledge about malaria, but that monitoring, supervision and refresher training may also be needed to ensure that they change the way they work. They also recommend information and education programmes on effective malaria treatment for the whole of the community, and improved management of drug supplies, since drugs are often of poor quality. The report notes that for medicine seller interventions to be taken to regional, provincial or national scale, the financial costs will need to be minimised. The involvement of local government health management teams is crucial if large-scale funding is to be obtained.

Health workforce issues and the Global Fund to fight AIDS, Tuberculosis and Malaria: an analytical review

Author(s): Draeger, S.; Gedik, G.; Dal Poz, M.

Produced by: Human Resources for Health, 2006

This article, from Human Resources for Health, explores how the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) addresses the challenges of a health workforce bottleneck to the successful implementation of priority disease programmes. The authors consider the possibilities for investment in human resources for health (HRH) in GFATM policy and review 35 GFATM proposals from five African countries (Ethiopia, Ghana, Kenya, Malawi and Tanzania). The authors find that GFATM policy documents and guidelines encourage taking account of HRH constraints as well as interventions to address these constraints. However, the review of proposals demonstrate that countries do not take advantage of these opportunities and focus on mainly short-term, in-service training in their HRH components.

The authors highlight an apparent struggle between the GFATM's goal to fight the three targeted diseases and the need to strengthen health systems as a prerequisite for success. They recommend that countries need to go beyond short term objectives in their GFATM proposals and link their activities to a long-term development of HRH. They suggest that countries should ensure HRH stakeholder and expert involvement in both the country coordinating mechanisms and the proposal writing

groups.

Available online at: <http://www.human-resources-health.com/content/4/1/23>

Human resources: the Cinderella of health sector reform in Latin America

Author(s): Homedes, N.; Ugalde, A.

Produced by: Human Resources for Health, 2006

This article, in the journal Human Resources for Health, argues that the two most important World Bank health reform policies in Latin America – decentralisation and privatisation – have had a negative impact on workers' conditions of employment, and have prompted opposition from organised professionals and unions. In several countries of the region, the workforce became the most important obstacle to successful reform. The article is based on fieldwork and a review of the literature. It discusses the reasons that led health workers to oppose reform; the institutional and legal constraints to implementing reform as originally designed; the mismatch between the types of personnel needed for reform and the availability of professionals; the deficiencies of the reform implementation process; and the regulatory weaknesses of the region.

The discussion presents workforce strategies that the reforms could have included to achieve the intended goals, and the need to take into account the values and political realities of the countries. The authors suggest that solutions coming from within a country are more likely to succeed than those imported from the outside. [adapted from authors]

Available online at: <http://www.human-resources-health.com/content/3/1/1>

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- Health Resource Guide - www.eldis.org/health
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