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Reforming Health Sector Reform

1. Capacity to do what?

The previous chapter addressed both the capacity problems faced by those case study countries that had considered or introduced specific reforms, and how capacity might best be increased. It left largely unaddressed the fundamental question of the relevance of these reform measures to particular countries, and indeed the relevance of what is widely perceived to be an international health sector reform agenda based on NPM principles. While the evidence that capacity constraints are a severe barrier to the implementation of reforms provides a prima facie case for questioning those reforms, it is also important to address directly the relevance of reforms.

This final chapter, therefore, questions the overall reform agenda, and the value of the specific reforms that are the focus of this book, as well as drawing conclusions on the difficulties of implementing health sector reform policies. The initial sections provide a summary and drawing together of the content of earlier chapters, giving an overview of the extent of reform in the case study countries, and of the performance of governments overall as well as in relation to the specific policies examined. The chapter then goes on to question the relevance of NPM and its associated policies to country circumstances. Finally, the chapter concludes by identifying the need for a new approach to reform; one more deeply rooted in and sensitive to the institutional characteristics of individual countries.

2. The international health sector reform agenda and its adoption in the countries

Chapter 1 referred to the current wave of interest in changing policies, practices and management systems within the health sector, and
identified a number of elements of what has become known as ‘health sector reform’. There has been considerable questioning of whether it makes any sense to refer to an international health sector reform agenda (Marmor 1997), and it is true that at the country level, the components of reform can vary greatly. However, at the level of policy rhetoric, there is a surprising consistency in the pronouncements. Mackintosh has commented that:

The conception of social policy as being the professional and/or hierarchical provision of welfare services is being actively replaced by a different image: that of provision by commercial and public interest bodies, with the state playing a regulatory, purchasing and residual provider role. (Mackintosh 1995)

The World Bank, in the much quoted World Development Report of 1993, emphasised improving the quality and efficiency of government services through decentralisation and performance-related incentives, and greater diversity and competition in the supply of health services, including competition between public and private providers (World Bank 1993). The OECD, in its 1992 review of the reform of health care in seven OECD countries, identified signs of convergence on an approach to the financing and organisation of health care where funding is obtained from taxation or compulsory social insurance contributions, the financial intermediaries are public or quasi-public bodies, and they have contractual relationships with providers whether public or private: in other words, there is a separation between the funding organisations and providers in contrast to the traditional integrated approach of many publicly funded health systems (OECD 1992).

The agenda of the Inter-American Development Bank has some similar themes:

Public finance and regulation, provider autonomy and consumer empowerment are the cornerstones of improved functioning...Public sources are better allocated according to outcomes and with increased autonomy by providers... Equity can be improved when access to services is guaranteed by the public funding that individuals bring with them to the ... clinic, rather than by proximity to a centrally planned facility. Consumer decision making powers can be strengthened with greater information regarding the quality of diverse providers, with greater voice in the functioning of purchasing agencies and providers and with greater options for choosing amongst numerous providers. (Inter-American Development Bank 1996)