

# Private provision in health: Comments on Blind Optimism

**Ravi P. Rannan-Eliya**

Director, Institute for Health Policy

**“Blind Optimism” Seminar**

**11 February, 2009**

**World Bank, Washington, DC**



# Thoughts from the CEO of the Bank's chief stockholder



Alex Wong / Getty Images

“What the cynics fail to understand is that ... the stale political arguments that have consumed us for so long, no longer apply.”

“The question we ask today is not whether our government is too big or too small, but whether it works, whether it helps families find ... care they can afford, ...”

“And those of us who manage the public's dollars will be held to account, to spend wisely, reform bad habits, and do our business in the light of day, because only then can we restore the vital trust between a people and their government.”

“Nor is the question before us whether the market is a force for good or ill. Its power to generate wealth and expand freedom is unmatched.”

“But this crisis has reminded us that without a watchful eye, the market can spin out of control. The nation cannot prosper long when it favors only the prosperous.”

# To paraphrase:



Alex Wong / Getty Images

1. Drop the ideology
2. No dispute that the market is unrivalled as a mechanism to create prosperity and wealth
3. But when it comes to caring for the sick, we need to ask what works best, and this may be government
4. A concern only for wealth without concern for the poor or equity is no basis for sustainable prosperity

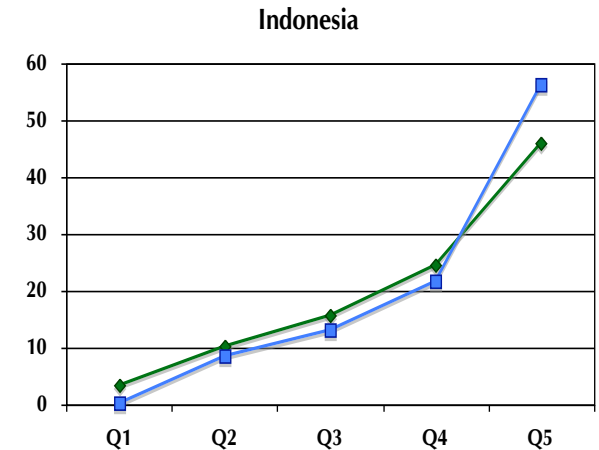
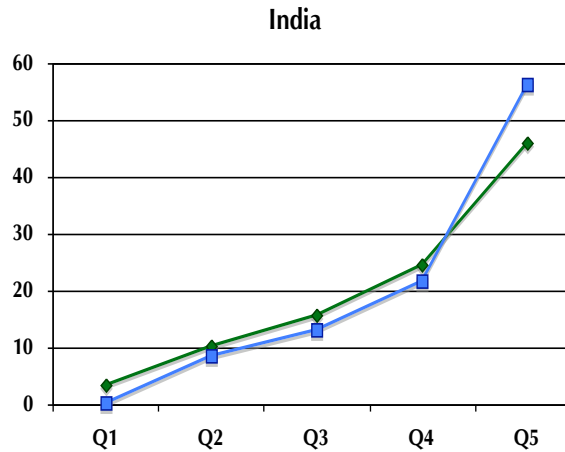
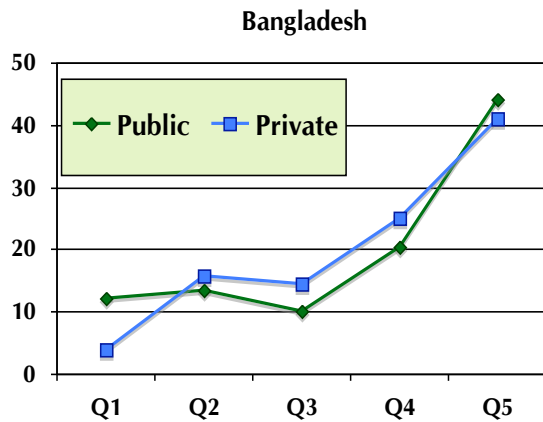
# The problem

- The private sector is not new - It is the oldest and original form of medical provision
- It will also remain substantial in all developing countries
- Public intervention is there because we care about who gets health care, and how much quality care they get
- **QUESTIONS:**
  - How to we deliver that care?
    - Public or private provision?
  - How do we ensure the poor have access?

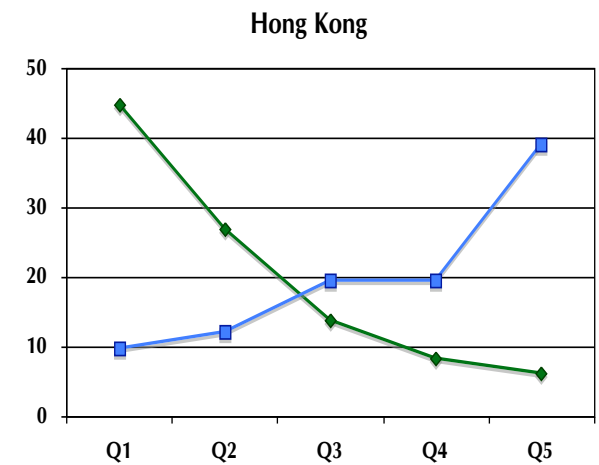
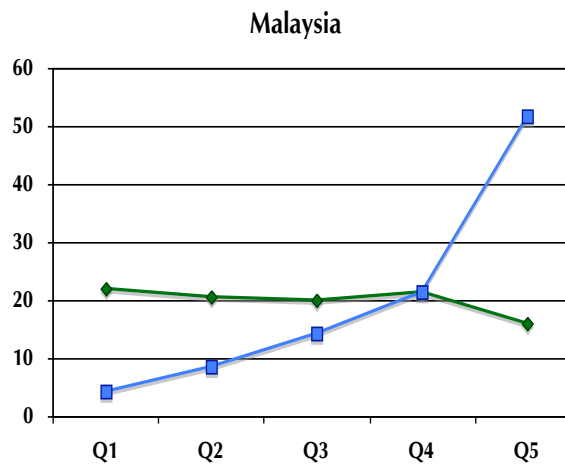
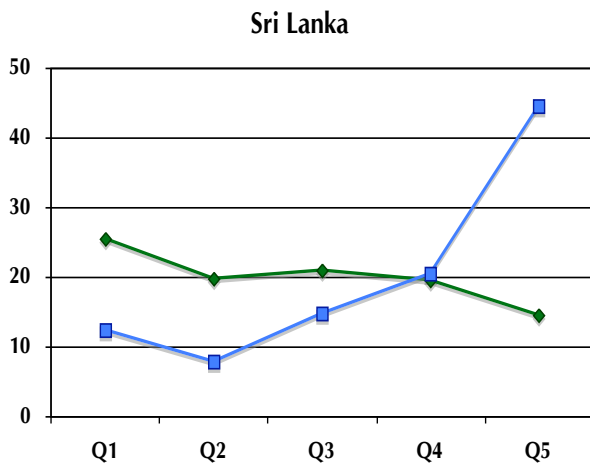
# Two contexts for provision

- Broad consensus with the Bank that public financing is key:
  - Taxes, Social health insurance
- Secondary question is provision:
  - Public or private?
- ... and the answers to this are empirical  
But the evidence does not favor private over public

# Where's the difference? In public or private provision?



Use of public and private inpatient services by income quintiles



## Coverage with skilled birth attendance in poorest quintile by type of provider, according to overall level of skilled birth attendance (%)

All countries with DHS surveys analyzed by WB PHN

