Organizing the Health Sector: Decentralization Issues

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SWOT Analysis

Internal Aspects

Strengths
To be increased

Weaknesses
To be eliminated

External Aspects

Opportunities
To take advantage of

Threats
To be neutralized
The Promise of Decentralized Health Services

- Improve efficiency – allow services and expenditures to be shaped by users
- Promote innovation to fit local conditions
- Improve quality and transparency by user involvement in decision-making
- Promote equity by redistributing resources
The Evidence on Decentralization of Health Services in LMICs

- High level rhetoric

But

- Undelivered promises

*Design flaw or implementation failure?*
Decentralization in Public Administration

- Deconcentration – within MOH
- Devolution – to local gov’ts
- Delegation – to autonomous agent
- Privatization – to private ownership
14. **Centralization/decentralization**—find the best degree of centralization (i.e. limitation of the role of subordinates in decision making) in each case

- Managers retain final responsibility but give subordinates sufficient authority to do their jobs properly
What Matters?

Who has…

• Responsibility
• Authority
• Resources

• The local environment
Decision Space for Local Managers: Ability to Decide About Key Functions

- Governance
- Financing
- Organization of services
- Human resources
- Procurement
Model for Decision-Space Effects on Health System Performance

Central Government
- Provide Incentives, Sanctions, Information

Local Social & Political Environment
- Innovation
- No Change

Local Government Choices

Change Decision Space

Central Initiatives

Change in Health System Performance?

How Does the Environment Affect Decentralization?

- Political organization
  - Patronage
  - Corruption
- Local social organization
  - Social capital
  - Responsiveness to community voice
  - Work ethic
  - Tolerance to poor governance

Enhancing Accountability or Spreading Corruption?
The Local Environment & Decentralization: 3 Hypotheses

1. Only in environments with strong political bodies and social organization does decentralization succeed.

2. A local environment that puts formal governance structures in place can influence the local political and social cultures to provide an enabling environment for successful decentralization.

3. There is a feedback between decision space and the local environment that can escalate good and bad effects of decentralized health system management.
The Managers Response to Poor Local Governance

- Decentralize anyway – it’s the right (ideological) thing to do; invest in training
- Expect decentralization to increase differences between localities – take measures to monitor and counteract them
- Dialogue with local population to find opportunities to strengthen local social organization and political culture
- Build in mechanisms for accountability and change in strategy