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Organizing the Health Sector: Decentralization Issues

David Peters, MD, MPH, DrPH

SWOT Analysis

	Internal Aspects	External Aspects
+	Strengths <i>To be increased</i>	Opportunities <i>To take advantage of</i>
-	Weaknesses <i>To be eliminated</i>	Threats <i>To be neutralized</i>



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

Henri Fayol's 14 Flexible "Principles" of Administration (1916)

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...

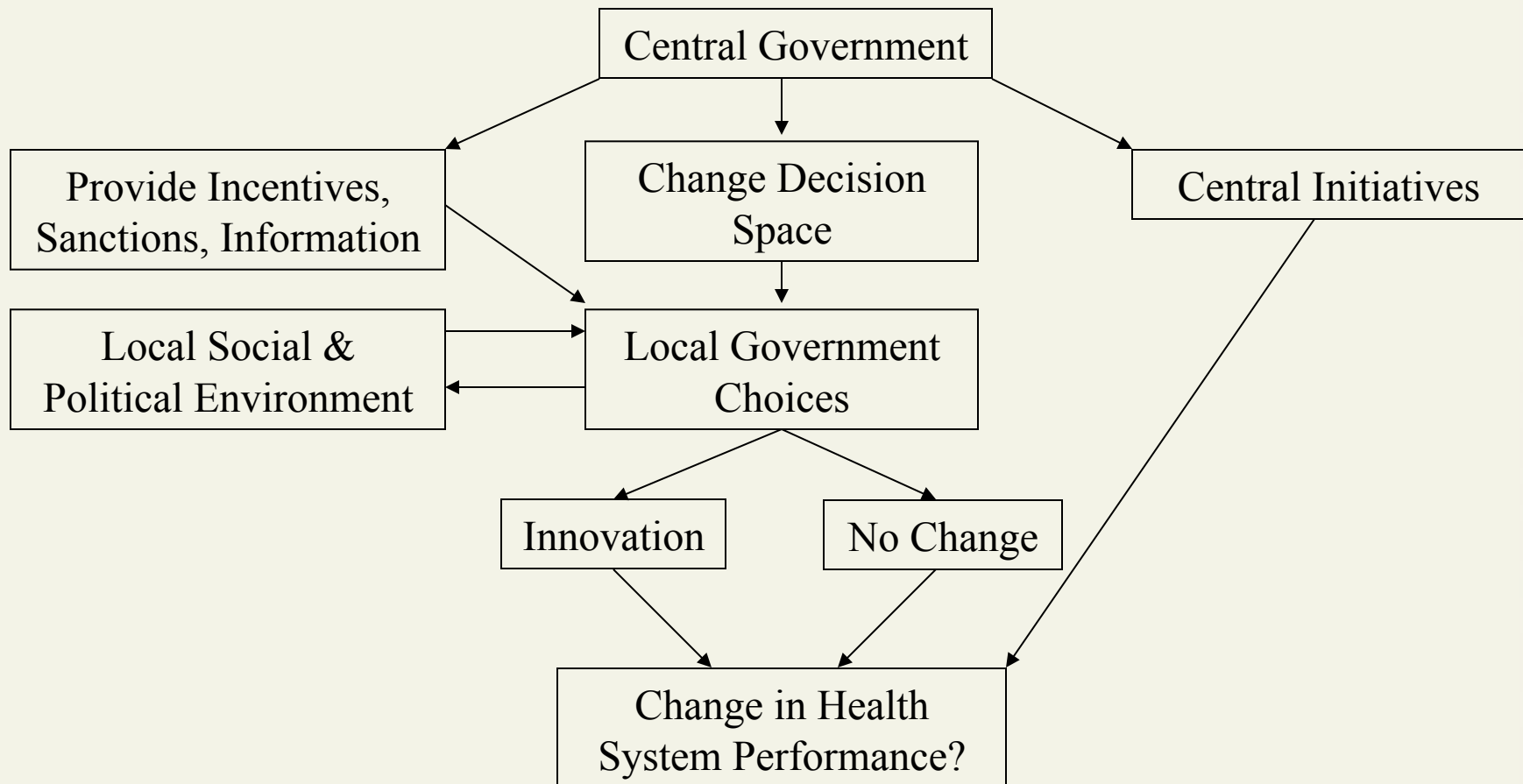
- Responsibility
- Authority
- Resources

- 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



Adapted from Bossert T. Analyzing the Decentralization of Health Systems in Developing Countries: Decision Space, Innovation and Performance. *Soc Sci Med* 1998; 46(10): 1513-1527.



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