

PN. ACC-045
96603

**USAID's Observations
On
Gender and Equity
In
Health Sector Reform**

**SPA Workshop on
Gender and Economic Reform in Africa
Ottawa, Canada
October 1-3, 1995**

I. USAID's Health Sector Adjustment Programs in Africa

During the last ten years USAID has been actively involved in health sector adjustment efforts in five African countries. Non-project assistance was given to three of the five. Objectives of the intended adjustment program were indirectly addressed in two of the five [see Annex 1]. Major features of the adjustment programs promoted by USAID included: (a) cost recovery, (b) efficiency in the allocation and use of resources, [©] decentralization, (d) private sector participation in the delivery of care, and (e) improved national policies and access to family planning. The gender and equity implications of features of the adjustment programs pursued and related issues will be outlined in the following pages.

II. Potential Sources of Gender Inequity in USAID's Health Sector Adjustment Programs

A. Cost Recovery

Application of user fees may generate gender inequity to the extent that:

1. Female members of households may be disfavored in the intra-household allocation of family resources;
2. Female headed households tend to be poorer;
- 3.. There is a cultural preference for care and protection of male members of the household; and
- 4.. Females are often under represented in the design and implementation of cost recovery programs.

On the other hand, user fees could improve access to quality health care by all members of the community including females. Here is how:

5. Cost recovery would allow reallocation of public resources to preventive and promotive care and hence increase the supply and quality of such services;
6. In almost every case cost recovery at primary and secondary levels of care is viewed as supplementary to public financing. Hence, retention of recovered funds at the local level would increase the level of resources going into primary care;
7. Retention and management of funds at the local level would improve quality of care; and would be more responsive to local needs;
8. The combination of the above three effects would reduce the direct and indirect costs of care by a substantial amount, and hence improve equity of access.

B. Improving Efficiency through better allocation and management of Resources

USAID's health sector adjustment programs tried to promote reallocation of resources from the high cost curative services to low cost and effective primary and secondary level of care. They also tried to encourage better management of existing resources and build the capacity to design and manage services. Women are likely to benefit from these policy initiatives as most maternal and child health problems are treatable at primary and secondary sources of care.

There is some evidence that suggests that in some of the low income countries in Africa savings due to improved efficiency are likely to generate more resources than cost recovery. Pursuing efficiency (allocative and technical) and cost containment will be more equitable than imposing user fees.

C. Decentralization

In principle decentralization would improve equity as decision making is brought closer to the beneficiary population. With regard to the gender issue this may not always be the case. Women are rarely properly represented in local bodies that design and manage health programs. In the traditional African society women may play significant economic roles, but they rarely participate in major communal level decision making. In fact there is good reason to believe that women's interests are relatively better represented at national levels than at local levels. International programs and non-governmental organizations (NGOs) that work in favor of women's interests are more influential at national levels than they are at local levels.

D. Private Sector Participation

This is a measure taken to improve supply-side response and improve efficiency by allowing the public sector to focus on more preventive and promotive aspects of care. This is likely to increase availability and access to care both in the public and private sectors. In principle this should improve equity.

E. Family Planning

Improved access to information and services in family planning is positive to gender equity.

III. Other Related Issues:

A. Civil Service Reform

This cuts in two ways. By aiming at efficiency, civil service reform is likely to improve quantity and quality of, in principle cost-effective, services and hence improve equity across the board. A major facet of civil service reform is reduction of deficit financing which almost always means reduction in public sector employment. Outside of the armed forces, health and education are the largest employers in the public sector. And in general, women are relatively more represented in the two sectors. Reduction in force, therefore, could mean reduction of women in the formal sector and hence a decrease in the buying power of women.

B. Liberalization of Markets

Public sector control of African economies was the norm for most of the post-independence era. Distortions in factor as well as product prices were important causes of the decay in economic performance and hence the need for 'Adjustment'. Liberalization of markets has resulted in the relaxation of barriers to entry into private practice, access to credit, and availability of imported inputs. This is likely to have two effects. First, it improves the supply-side response -- it would increase the supply of private care. Second, the opportunity for women to go into private practice or employment is increased. Both effects are likely to improve gender equity.

C. Foreign Exchange Adjustment -- Devaluation

A major feature of Structural Adjustment in many countries in Africa is adjustment of over-valued local currencies. Some currencies have been devalued many fold. The immediate impact of devaluation is manifested in increased prices of imported goods. In the health sector drugs and medical supplies constitute the largest group of imported goods. Many feel that devaluation increases inequity by increasing the cost of modern health care. This combined with the overall increase in prices of consumer goods deteriorates the welfare of the poor.

On the other hand, devaluation promotes exports and hence in the long run it is favorable to the incomes of those employed in the exporting sectors. How much of the loss in welfare due to increase in the price of imported goods is compensated (off-set) by increases in income due to higher demand for exported goods and services will depend on a large set of factors. But in principle, in the long run its income increasing effect is expected to outweigh its inflationary impact on imported goods and services.

Regarding health care, the gender implications of devaluation are not immediately apparent. The net effect will depend on what percent of the female population is likely to benefit from the long-term income enhancing potential of devaluations.

IV. What Can be Done to Improve Gender Equity?

- a. Design cost recovery programs such that charges are levied first on curative services at tertiary levels of care in urban areas and gradually move to secondary and primary facilities in rural areas.
- b. Cast the safety-net as wide as possible so that most preventive and promotive maternal and child care and family planning services are exempt or are provided at reduced fees.
- c. Reallocate resources from curative to preventive services which are more relevant to the needs of women and children.
- d. Encourage women representation at local decision making processes.
- e. Provide opportunities for retraining and/or self-employment for retrenched female civil servants in the health sector.

Annex 1: Major features of USAID's Non-Project Assistance in the health sector in Africa.

Country	Niger	Nigeria	Kenya	Togo	Cameroon
Non-Project Assistance (adjustment) Authorization Date	July 1986	July 1989	August 1989	Submitted for authorization in 1992. Withdrawn in 1993 for political reasons.	Never authorized. Attention redirected to other family planning and primary health care projects.
Policy Reform Areas					
Cost recovery	Implement and increase cost recovery for curative services in order to improve sustainability of public health services.		<ol style="list-style-type: none"> 1. Implementation of user fees at all levels of the system with special attention given to the Kenyatta National Hospital. 2. Increase the level of insurance claims at government facilities. 	Cost recovery for primary care, essential drugs, and contraceptives.	Provide the necessary legal foundation for community managed cost recovery activities.
Resource allocation; efficiency in service delivery; and capacity building in planning and management of services.	<ol style="list-style-type: none"> 1. Reallocate MOH budget in favor of primary and secondary levels of care and increased spending on consumable supplies. 2. Contain unit costs for hospital services and drug purchasing and distribution in order to make more efficient use of available financial resources. 	Shift in emphasis from curative to preventive services at primary levels of care	Reallocate resources in order to improve quality and availability of services (especially primary care services).		

Country	Niger	Nigeria	Kenya	Togo	Cameroon
Decentralization		Transfer responsibility of planing, management, and delivery of primary care services from federal and state levels to Local Government Authorities (LGAs).			
Private sector participation		Promote and accelerate privatization of health services.		<ol style="list-style-type: none"> 1. Removal of legal, administrative, and financial barriers to private sector development. 2. Increased availability of essential drugs and contraceptives through private importation and distribution. 	
Family planning	Promote development of national population policies and increase access to family planning services.			Improved access to family planning information and services by removing legal barriers.	<ol style="list-style-type: none"> 1. National standards for family planning and maternal health services. 2. Improve access to contraceptives by including them in the national essential drug program.