

# Why the Private Sector Matters Evidence from the Field

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# What do we mean by the private sector?

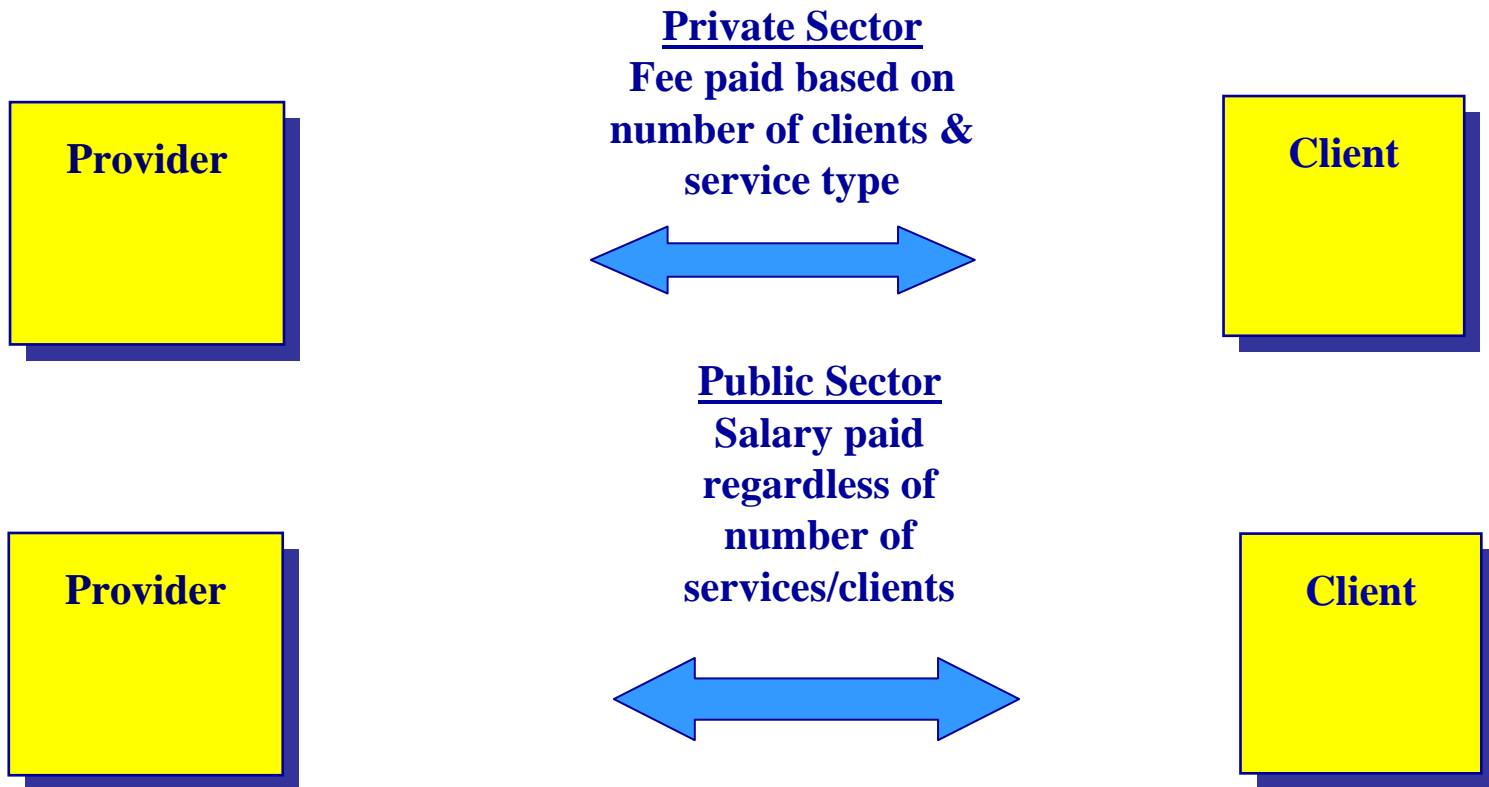
**Definition:** Any entity in which the owners, managers and employees are not public sector workers.

- Individual private practitioners: doctors, midwives, chemists, pharmacist traditional practitioners
- Labs, Hospitals & clinics (for profit and non-profit)
- Pharmaceutical Manufacturers



# Provider/Client Interaction

## Private versus Public Sectors

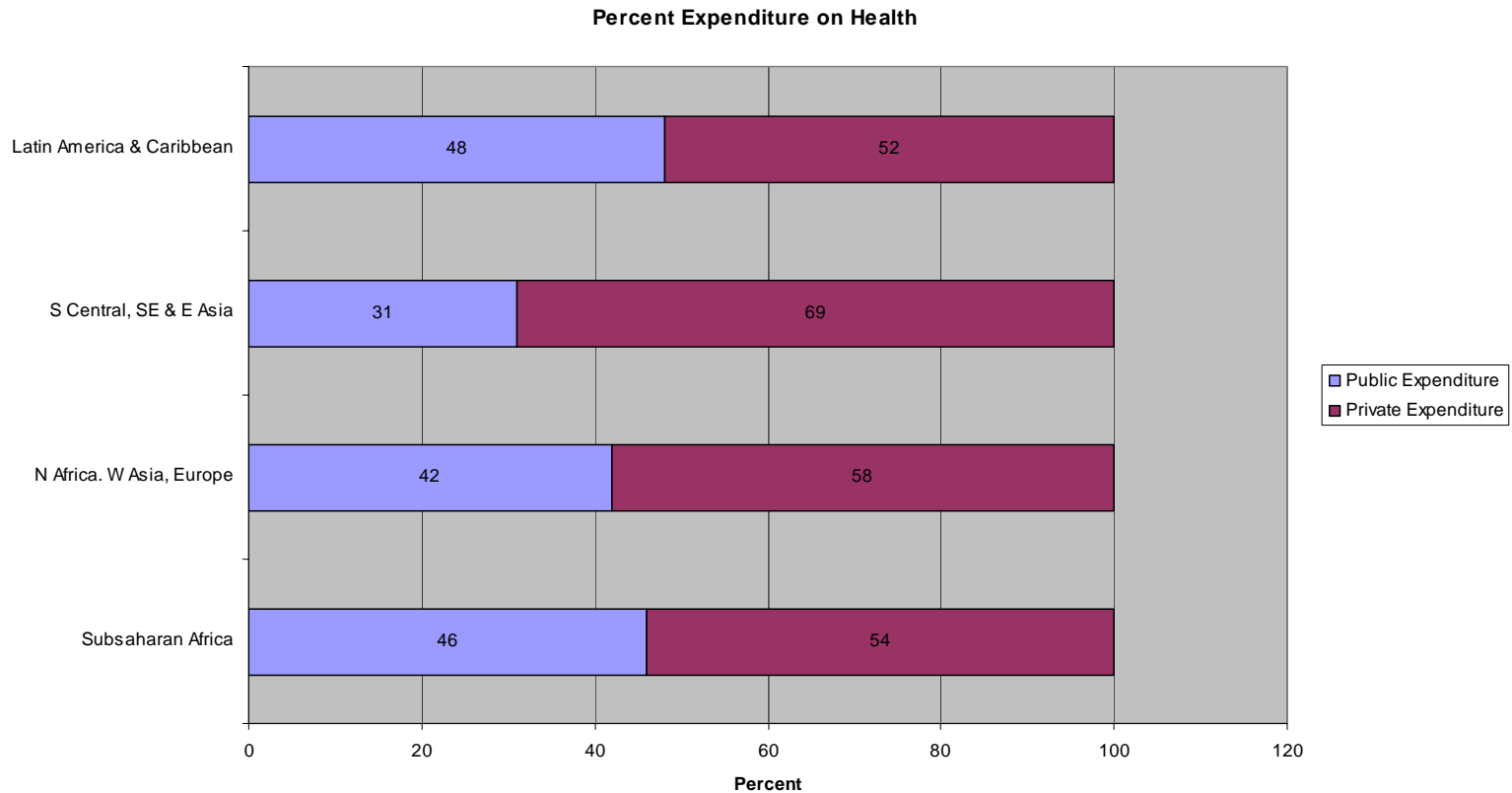


# Common Myths

- The private sector is a trivial player in health care provision and financing
- The private sector is for the rich, the public sector for the poor

Source: “Trends and Opportunities in Public-Private Partnerships to Improve Health Service Delivery in Africa”, Marek, O’Farrell, Yamamoto, Zable, World Bank

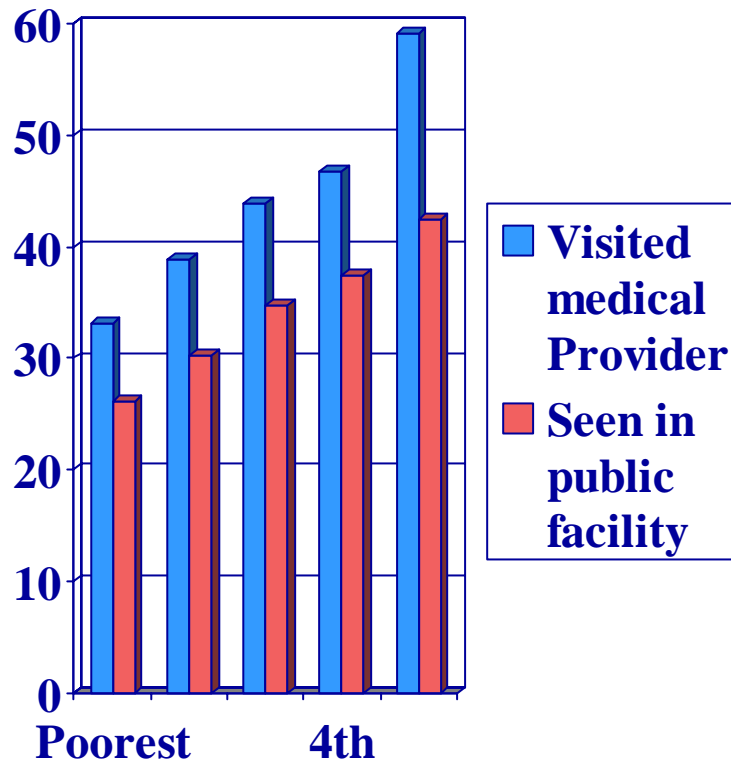
# Percent Expenditure on Health (Chart Two)



Source: PSP-One Private Sector  
Wall Chart, 2005

# A Question of Equity

## Graph Three



Use of health services for treatment of ARI by socioeconomic group in 22 sub-Saharan African countries

Government subsidies for health care are imperfectly targeted primarily benefiting the wealthy

"Private sector, human resources and health franchising in Africa", Prata, Montagu & Jeffreys, WHO

# Why do so many use the private sector?

- Convenience
- Perceived to be higher quality
- Public Sector services are NOT free they cost in lost time, transport, medicines and under-the-table payments



# Mysteries: What do we need to know

- Careful evaluation of the various approaches to building successful public-private partnerships
- Better understand of how government norm setting and regulatory role can be strengthened to provide oversight of private provision of health products and services



# Conclusion

- Working exclusively with the public sector hasn't solved the problem of lack of access to essential health services, particularly for the poor
- The private sector is already reaching this client base and offers an avenue for improving access and equity, within an appropriate policy and regulatory environment