Informing the “Visible Hand”¹
Defining and Measuring What Governments Do—and Can Do—with Private Health Providers in Africa

Measures of the overall business environment have been around for many years, and the World Bank Group has been at the forefront—for example, with the Doing Business indicators. But it’s a different story when it comes to the environment for private businesses in the social sectors. Indeed, the private sector’s role itself is somewhat controversial, making it all the more important to develop a useful definition of effective policy and practice in this area. In 2011, the World Bank and IFC published a report, Healthy Partnerships: How Governments Can Engage the Private Sector to Improve Health in Africa, which represents a leap forward in our understanding of government performance toward the private health sector—and how to measure and improve that performance. Part of the World Bank Group’s Health in Africa Initiative, the Healthy Partnerships Report presents a framework for defining, measuring, and reforming how the public and private sectors work together. It makes the indicators not only relevant but also directly helpful to policymakers and to colleagues in the field. This SmartLesson shares insights gained while preparing the Report.

Background

The poor performance of many of Africa’s national health care systems is sobering. Less than 50 percent of all births in the region take place in a health care facility, and only about half the children with serious infections are treated in clinics or hospitals. The private sector is part of the answer, if only because of its size: private providers are responsible for delivering at least half the services—for the poor and the rich and for urban and rural populations alike. (See Figure 1.) The World Health Organization and others have identified improvements in the way governments interact with and make use of their private health sectors as one of the key ingredients to health systems improvements.²

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¹ “Visible hand” is a play on Adam Smith’s “invisible hand.” The term has come to refer to governments’ role in guiding and overseeing markets to achieve ends for the public interest.

² Information in this paragraph is from Healthy Partnerships: How Governments Can Engage the Private Sector to Improve Health in Africa (2011), World Bank Group, Washington, D.C.
Across the Africa region, many ministries of health are actively seeking to increase the contributions of the private health sector. However, relatively little is known about the details of engagement; that is, the roles and responsibilities of the players and what works and what does not. There’s a need for better understanding of the ways governments and the private health sector work together and how they can work together more effectively. The publication of the Healthy Partnerships Report is a critical milestone in this process. It is only a first step, and more work is needed. But the positive response from policymakers and colleagues in the field confirm that it is an important step.

The Report developed a new framework to assess the level of engagement between the public health authorities and private sector providers. A team of researchers collected data through interviews, supplemented by desk research, in 45 Sub-Saharan African countries. We conducted more than 750 in-person interviews, covering each country’s key stakeholders, such as senior government officials, private sector representatives (including practicing doctors and nurses), and independent experts. The results highlight those places where public-private collaboration is working well and those where it is not. The framework and its indicators also suggest strategies to enhance contributions by the private health sector.

**Lessons Learned**

1. **Start with enthusiasm—yours and your team’s.**

   Developing measures in a new and difficult area requires a lot of enthusiasm up front. The work is likely to be difficult and at times tedious, so you need to believe strongly in what you’re going to do. (For example, see Box 1.) Overcoming the challenges along the way is realistic only if you and your team are strongly committed at the outset. Therefore, enthusiasm for—and understanding of—the work should be a significant factor in the selection of the team.

   Doing this type of work within the World Bank Group presented its own distinctive set of challenges. The team acutely felt the reach and convening power of the World Bank Group as well as the difficulty of navigating the structures in Washington and in country offices. Although the former proved to be invaluable in securing key meetings, the latter tested our resolve and resilience many times.

2. **Seek to understand first what can—and what should—be measured.**

   When developing indicators in a difficult area, it is a mistake to narrow the focus on particular measures too early. We found ourselves repeatedly maneuvering between two distinct opinions. On the one hand, public health experts were uncomfortable with the idea of quantifying governments’ performance toward the private health sector. They kept telling us that there is too much context specificity, and therefore such comparative measures aren’t possible. On the other hand, colleagues with experience in measuring performance in a business environment, not specific to a certain sector, insisted that only through highly focused case studies could measurements become credible.

   The hitch is that indicators make sense only with regard to the data they describe. As long as you don’t know what the data say, you cannot be confident that you’re choosing the appropriate measures. Ideally, this would be a sequential process. But since we didn’t have that kind of time, we did the process in parallel: gathering data and narrowing the focus as our understanding of the data grew.

   A good example of this process is our attempt to define an indicator: “time it takes to open a clinic.” Since the “opening a business” indicator is one of the most prominent and most readily accessible indicators for Doing Business, we sought to develop an analogous indicator for health providers. As it turns out, however, such an indicator cannot be defined for health with the same methodology, because the specific case of a clinic cannot be specified in a way that makes sense for a majority of countries. The procedures and the legal structures or legal understanding are vastly different from one country to another.

   The lesson we draw from this experience is that indicators derived in the first round of such groundbreaking efforts can be ambitious, while at the same time limited in scope to what is useful and comparable. Our contribution lies therefore partly in the degree to which our initial round of
Lesson 3: Remember that the clients are the audience for and users of your work. Keep it relevant to their needs.

When developing indicators and an analytical framework to organize them, it is tempting to get caught up in the technical details of the measures. Analytical rigor and elegance can be important, but they aren’t substitutes for relevance to policymakers.

Over objections from the academic experts on the project team, we chose a framework to be compatible with the way policymakers think. We organized the indicators along the lines of the tools of the state (overall policy, information exchange, regulation, financing, production) rather than along lines that would make health systems evaluation easier (for example, by aligning them with intermediate health outcomes such as access and quality). As the positive feedback during data collection confirmed, the framework appealed to decision makers’ intuition and their way of thinking about policies and practices.

However, this framework works a bit less well for analyzing the indicators and their impact. Feedback from academics showed that the way we did it isn’t necessarily an optimal way of organizing the measures. But policy relevance reliably trumps such considerations, so the value of our choice has been thoroughly confirmed.

Similarly, we insisted throughout the project that covering all countries in Sub-Saharan Africa was an important element of our work. We ultimately scrapped the outright country rankings as a result of internal reviews, because we wanted to avoid having the exercise hijacked by the confrontational or potentially incendiary headlines that country rankings can sometimes produce.

However, keeping the intended audience in mind is important in setting the tone for the Report. There is no use in sugarcoating the comparative nature of the exercise. In fact, that is the part that many of our clients find most compelling: “How are our neighbors doing? Why are we falling behind them in certain categories, and what do we need to do to catch up?”

In the end, the importance of the political process cannot be overstated. Sophisticated and technically appropriate solutions are useless if they are not translated into concrete action by the stakeholders. Indeed, the application of the framework, along with the implementation of changes in policy and practice, is to a significant degree a political challenge rather than a technical one.

Lesson 4: Consult widely, but rely on your own team.

Broad-based consultations were a central element of our work from the start. This turned out to be beneficial for our understanding of the background or history of the issues. It was important for us to get a broad range of opinions. However, early consultations did not in any way insulate us from later criticism about decisions that emerged from those consultations. We learned that you
don’t get credit for early consultations, beyond the reward of the quality of the work itself. Consulting internal and external experts can help, though it cannot prevent having the very same discussions later in the process, during reviews.

When we embarked on the final analysis and writing of the Report, bringing the indicators and all of our analytical work together, we expected to rely on top experts in this area to do much of the writing and to find the right language and balance. But instead, we ended up doing much of the writing ourselves. The input from experts was necessary but in no way sufficient to create the final product.

**Lesson 5: Invest heavily in effective communication—internally and externally.**

It has been said many times before, but it still bears repeating: internal and external communication—before, during, and after the project—is absolutely central to its success.

Communication can be especially challenging when working in a new area that may not fit neatly into established organizational boxes. For investment climate work in the health sector, this is certainly the case. But the novel, frontier element of the work makes communication all the more important.

External communication requires particular care in shaping the message. It is necessary not only to develop but also to truly believe and “own” the elevator speech about the work. Effective communication is not from the perspective of what we did or what we think the work is about, but rather from the perspective of what the work can mean for others and what they can take away from it. During media training just prior to the Report’s launch, we developed a tagline for it: “The Power of Two.” As part of this effort, we reshaped our message away from frameworks and indicators toward overarching conclusions and end results. In retrospect, the writing of the Report itself would have benefited even more had we embarked earlier on this type of focused effort to shape the message.

Internal communication also matters a great deal. Not only in the development of the Report, keeping all relevant parties involved and engaged, but also in making sure the Report is not a one-off exercise, and that it gets properly integrated. In many ways this work is just a first step; it has to be further developed. It takes persistent follow-up to retain management buy-in and ensure integration of the approach into World Bank projects.

**Conclusion**

Improving the way we define and measure performance when it comes to public policy and practice toward the private sector—especially in health—is a critical and ongoing challenge. Pushing the limits of this knowledge requires enthusiasm, confidence, attention to the core issues, and a consistent focus on the client. It also demands that we pay particular attention to communicating results both internally and externally. We anticipate that the work we have done here in developing indicators—the methodology as well as the broader approach to measuring government performance with regard to oversight of private delivery of social services—will be relevant to other development work, beyond the health sector and beyond Africa.

This is about “The Power of Two”—public and private sectors working hand-in-hand.