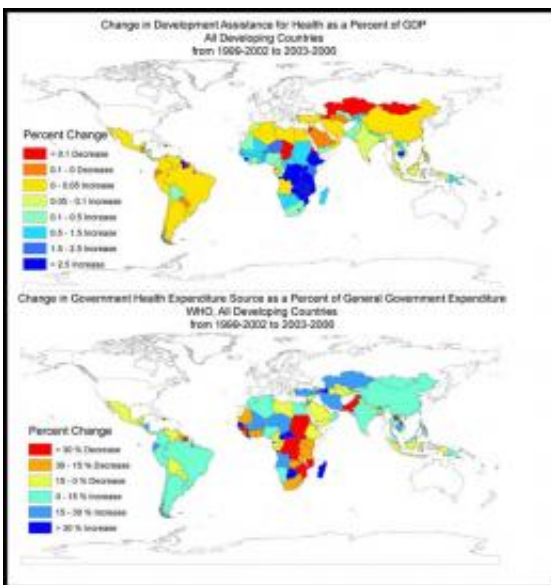


Doubling health spending in low-income countries improving health less than expected

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In a general doubling of health budgets in developing countries, researchers found substantial variation between countries from 1999-2002 compared with 2003-06, in terms of the share of general government budgets. Large parts of Latin America, the Middle East, and Asia showed increased government commitment to health (blue, top), while many countries in sub-Saharan Africa showed decreased commitment (red, top). During the same time, those countries with a declining share of government spending on health have received the most international health aid (blue, bottom).

(PhysOrg.com) -- Low-income countries have doubled their spending on health overall, reports a major new study over 12 years ending in 2006,

but international health aid may not be adding as much as expected to the health budgets of some of these countries.

After systematically analyzing all available data and compensating for significant gaps, a team of researchers at Harvard Medical School (HMS) and the Institute for Health Metrics and Evaluation at the University of Washington identified two major trends.

First, in sub-Saharan Africa, where many governments receive significant health aid from [developed countries](#), international organizations and global health initiatives directly, the aid appears to be in part replacing domestic [health spending](#) instead of fully supplementing it. Overall, for every \$1 spent in health aid, governments of developing countries moved between 43 cents and \$1.14 of their own funds to other priorities, the researchers found.

Second, in countries where nongovernmental organizations receive most of the aid and then apply it to projects inside the country, government health spending appears to have increased. Both trends merit further research, the authors say.

The health spending study represents the first systematic effort to address where donor money for global health goes and how it is used, observers say. The findings raise a number of serious questions about international health financing and are expected to frame future discussions and research.

In developing countries, government spending on health from domestic sources plays a key role in promoting population health, says Chunling Lu, the paper's lead author and an instructor in the Department of Global Health and Social Medicine at Harvard Medical School.

“We are hoping that the lessons learned from countries that are investing

more of their own money in their health systems can be applied where domestic health spending is declining,” says Julio Frenk, dean of the Harvard School of Public Health and IHME board chairman. “The worst outcome would be for people to lose faith in health aid, especially now when, as we can see in places such as Haiti, countries need extra help to make a tangible difference in people’s lives.”

Overall, domestic [government spending](#) on health doubled in low-income countries over 12 years to reach \$18 billion in 2006, the study shows. That is three times as much as the amount of development assistance for health the governments received.

“The fact that governments are committing more of their own resources to health is crucial,” says co-author and IHME director Christopher Murray. “Aid from outside donors plays an important role but can fluctuate from year to year. Governments ultimately have to sustain themselves.”

The study, [published](#) in the British medical journal *The Lancet*, was released during a daylong meeting of representatives from aid organizations, governments, development banks and research institutions at Imperial College in London. The forum addressed the relationship between international resources contributed to health and the funds that governments in developing countries themselves spend.

“Lu and colleagues have accomplished a herculean task in generating a dataset on health spending in developing countries,” other researchers wrote in an [accompanying commentary](#) in *The Lancet*. These same commentators also warned of the data’s limitations and the need to allow countries to set their own spending priorities. “Should the ministry of health budgets be increased at the expense of, say, prevention of road-traffic accidents (a serious cause of premature mortality), which might fall within the ministry of transport?” they wrote.

Despite the rigor of their analysis, the researchers themselves also strike a cautionary note.

The team probed spending data from developing countries and health aid data from agencies, multilateral institutions, such as the World Health Organization and the International Monetary Fund, and hundreds of nonprofit groups and charities. Records of government health spending are often missing entire years of information and can be difficult to reconcile, they found. For example, for the period 1995-2006, 890 out of 2,544 annual data points, or roughly 35 percent, were missing from government health spending documents.

“Right now, we don’t know where all the money is going because the documentation is so poor,” says co-author Dean Jamison, professor of global health at IHME. “Some governments may be channeling parts of their health budgets toward better sanitation or education. All we know is that it isn’t going directly into the health budget.”

To strengthen the effectiveness of the health aid system for donors and developing countries, the researchers make five recommendations:

- Adopt a clear set of reporting standards for government health spending as source, as well as spending in other health-related sectors;
- Establish collaborative targets to maintain or increase the share of government expenditures going to health;
- Invest in developing countries’ capacity to effectively receive and spend health aid;
- Carefully assess of the risks and benefits of expanded health aid to non-governmental sectors;

- Study the use of global price subsidies or product transfers as mechanisms for [health aid](#).

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