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Global public health

More money than sense

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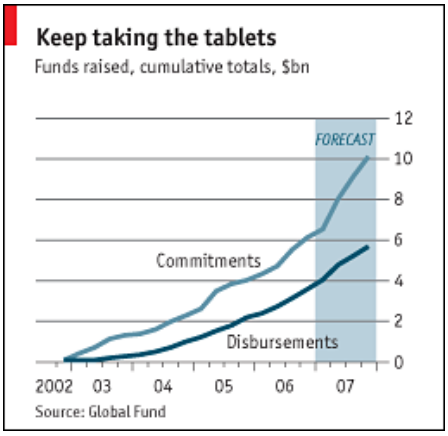
Lack of money can no longer be blamed for the poor world's health problems



THE money is there. So why is it not being spent? That is the big puzzle about the rich world's efforts to improve health in poor countries. In June the leaders of the G8 (the big industrialised democracies plus Russia) promised up to $8 billion to the Global Fund to Fight AIDS, Tuberculosis and Malaria, an umbrella group co-ordinating health aid. The Global Fund closed its latest round of funding applications this week but much of the money committed remains unused (see chart).

Officials at the fund insist that all is fine: disbursements always lag commitments and money can be released only if it will be spent effectively. But experts such as Joseph Dwyer of Management Sciences for Health, an American consultancy, say that the pitiful state of poor countries' health services is the main reason for the gap between what is promised and what is spent. Julian Schweitzer of the World Bank says that physical and human shortages in local health services represent “a huge bottleneck to aid”.

Now the aid bonanza may be making things worse. Jordan Kassalow of the Scojo Foundation, an American charity, observes that rich single-issue outfits tend to divert the best medical talent to trendy causes and away from basic medicine against diarrhoea and respiratory infections—the chief killers of children.

Laurie Garrett of the Council on Foreign Relations, a think-tank, has a different worry: that anti-corruption efforts have pushed donors into an obsession with often meaningless short-term targets. The result is a never-ending stream of bumph and meetings. A sharp focus on process and targets ordained from on high makes it harder to be flexible and innovative or to take advantage of enterprising locals. In poor countries, laments Ms Garrett, “we almost spit on the private sector.”

But it is the private sector that may offer the most practical chance of progress. Fed up with the costs of an unhealthy workforce, many big local and multinational firms in Africa and Asia are now offering their own innovative health schemes. These started as simple anti-AIDS efforts at mining firms such as Anglo American. Now they have spread. HSBC, a London-based international bank, recently started a scheme to improve its suppliers' and customers' health. Marathon, an American energy company, helped eradicate malaria in part of Equatorial Guinea, where it has a big liquefied natural-gas project. That has helped avert 150,000 cases in the first year, saving locals the 6% of annual income they previously spent on anti-malaria drugs.

The Acumen Fund, a venture-capital outfit specialising in poor-country projects, has financed a factory in Tanzania that makes impregnated bednets. Even poor consumers will pay a dollar or so apiece. That is proving a more effective distribution channel than giving them away free.

In training, too, private-sector and voluntary efforts may work better than official programmes. The International Centre for Equal Healthcare Access has trained thousands of local health-care workers in South-East Asia. Kenya's HealthStore Foundation has helped nurses and community health workers set up dozens of for-profit clinics that reach patients government clinics don't. Bill Clinton's charity has also helped cut the cost of anti-HIV drugs by helping governments bargain more effectively with generic producers.

Dr Kassalow's charity trains local entrepreneurs to do simple eye tests. It makes spectacles for $1 and sells them for $2. The franchise-holders sell them for $3. Profitability means sustainability, he argues; Western-style training offers higher-quality care in theory—but is too expensive in practice. What poor countries need is

lots of people, trained flexibly and quickly, at lower levels of skill, he says. Workers trained this way are more likely to stay in the villages where they are needed.

Such ideas may yet transform the world's most dilapidated health systems into better and more far-reaching ones—if only the current wave of top-down spending does not drown them out.