

Harnessing the political economy factors at the core of primary health care financing

Health financing arrangements provide the fuel for primary health care (PHC) as the engine for achieving good health and universal health coverage. These arrangements need to be right to drive effective, efficient, and equitable PHC service delivery.

The Lancet Commission on Financing Primary Health Care has identified the best evidence on ways to strengthen financing arrangements for PHC and sets out a new vision of how to place people at the centre of PHC financing. This is the fourth in a series of technical briefs that focus on different elements of health financing arrangements. This brief is on the political economy factors that shape PHC.

The importance of political economy

Effective and equitable financing of PHC requires explicitly considering the constantly evolving social, political, and economic conditions in a context – or the political economy of a country, in conjunction with technical factors.

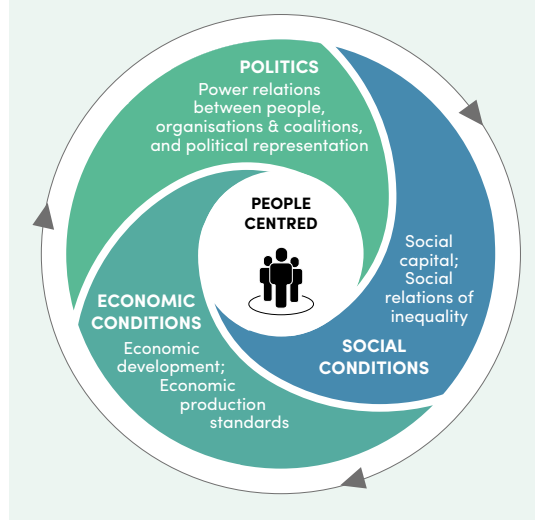
Political economy analysis includes three interdependent domains: the politics, the social conditions, and the economy of a country (figure 1). The structures and processes are dynamic and can evolve over time or change rapidly during crises.

Political conditions shape financing for PHC

Political drivers of change: Change in financing PHC can be driven by different actors representing various political powers, economic interests, or social movements. In some settings, strengthening PHC financing has been part of a consistent political drive to guarantee basic human rights and equity, whereas in others, change has been driven by political leaders seeking to serve the interests of specific constituencies and expand their legitimacy and influence.

Early involvement of actors from both inside and outside the health system, including leaders, technical experts, and social activists, can be instrumental in transforming PHC financing by augmenting the pool of technical knowledge and skills that support reforms and fostering unity among diverse interest groups. Collaboration between actors is at the heart of the concept of a ‘whole-of-government approach’ that transcends line ministry and other agencies’ typical portfolio boundaries to achieve shared multisectoral goals.

Figure 1: Political economy analysis framework



Sustained vision, flexible strategies:

The balance of power among different groups evolves over time, leading to the emergence of new agendas, new actors, and new coalitions. Given the dynamic nature of political processes, having a clear long-term vision is important in supporting the transformation towards PHC delivery models.

KEY MESSAGES

- Political, social, and economic conditions are as important as technical elements in the design and implementation of efficient and equitable financing for PHC. These political economy factors represent both constraints and opportunities.
- Advancing financing for people-centred PHC relies on politically informed technical strategies – this means that policy making in PHC financing and reform must be underpinned by political economy analysis.
- Political economy analysis can identify the pathways and challenges to the proposed change, taking the long view, and identify the structural social or economic ‘red lines’ to be worked around.
- Having a clearly articulated long-term vision is essential for making progress towards efficient and equitable PHC financing. Consistency, adaptation and ‘staying on course’ are required when countries pursue long-term reforms, while retaining flexibility to take advantage of opportunities for change.
- Sequencing is key: planners must have the technical fundamentals and strategies ready in anticipation of windows of opportunity which arise as a result of political dynamics and social and economic forces.

Fostering effective financing functions and reform in line with this vision entails consistently engaging with politics and continually designing new technical solutions to emerging problems. In some cases, technical solutions can be developed while waiting for a window of opportunity to consider them to appear; in other cases, rapidly changing political conditions create demand for novel technical solutions.

Social conditions as a trigger for PHC financing change

A range of social conditions can trigger PHC financing change. These include: the degree of inequality in a society, the availability of health workers to implement reforms, and prominent social grievances that propel certain issues to centre stage. Crises of any type can be conveyed into opportunities for PHC reform if reformers are poised to act. The COVID-19 pandemic was a particularly severe global shock that has affected societies and economic outlook. It has also triggered initiatives and debates on how PHC needs to be transformed in order to cater for changing needs.

Economic conditions have significant influence over PHC financing

These conditions include the structure of the economy, economic cycles of stagnation, recession, or growth, the structure of the health care provider market, the size and dynamics of the private sector, and the importance of aid as a source of financing for health. In low-income countries, only a small portion of the population and private sector organizations are subject to taxes, hence, those who do pay taxes have substantial power in driving what reforms can be implemented. The relatively small size of formal labour markets also limits the potential of labour employment tax or health insurance contributions in generating revenue to support social health insurance.

Strategic compromise, aligning of actors' interests, and focusing on what is feasible are often required for changes in PHC financing to be politically viable. This may include iterative stepwise health care reforms until a critical mass of supportive PHC providers emerges or piloting, evaluating, and adapting PHC financing innovations before their scaling up.

Harnessing the political economy context: a pragmatic approach

Political economy analysis can help to inform strategies that manage the interests of different actors and fit the social and economic conditions in support of health financing reforms. This is best done within each national, and often sub-national, context. The existence of capacities to understand the political economy context and to take advantage of windows of opportunity is key. Designing politically informed technical strategies involves asking the right questions to navigate the complex political economy context (box 1).

Box 1: Key questions to be asked throughout the policy cycle

- What is the problem to be addressed? What ideas exist for improving PHC financing? What technical strategies would achieve this over time?
- Who are the stakeholders with an influence? What are their positions, and what is their relative power?
- What are the political dynamics at play?
- What could help to shift incentives to promote the changes?
- What social and economic conditions could present opportunities or constraints for the proposed change?
- What are the mostly likely pathways for change? What are possible entry points to move the reform forwards?
- If there is a potential window of opportunity, how can it be used to generate and sustain political momentum?
- How do the proposed strategies take into account path dependency?
- How should the strategies be sequenced?

IMPLICATIONS FOR ACTION

- The Ministry of Health should articulate a vision for people centred PHC financing and operationalise it by mapping out the steps to stay the course, creating room to manoeuvre to adapt to political and socioeconomic changes, crises, and other shocks and preparing to capitalise on windows of opportunity.
- The Ministry of Health should take a whole-of-government approach to, involving all ministries whose remit interacts with health.
- All change actors should conduct political economy analysis – at the outset, and throughout any policy implementation or reform – to effectively navigate towards the evolving political, economic, and social conditions at sub-national, national, and global levels.
- All change actors should invest in strengthening the skills of people working in government and in operational and knowledge capacities to undertake political economy analysis.

FURTHER READING

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