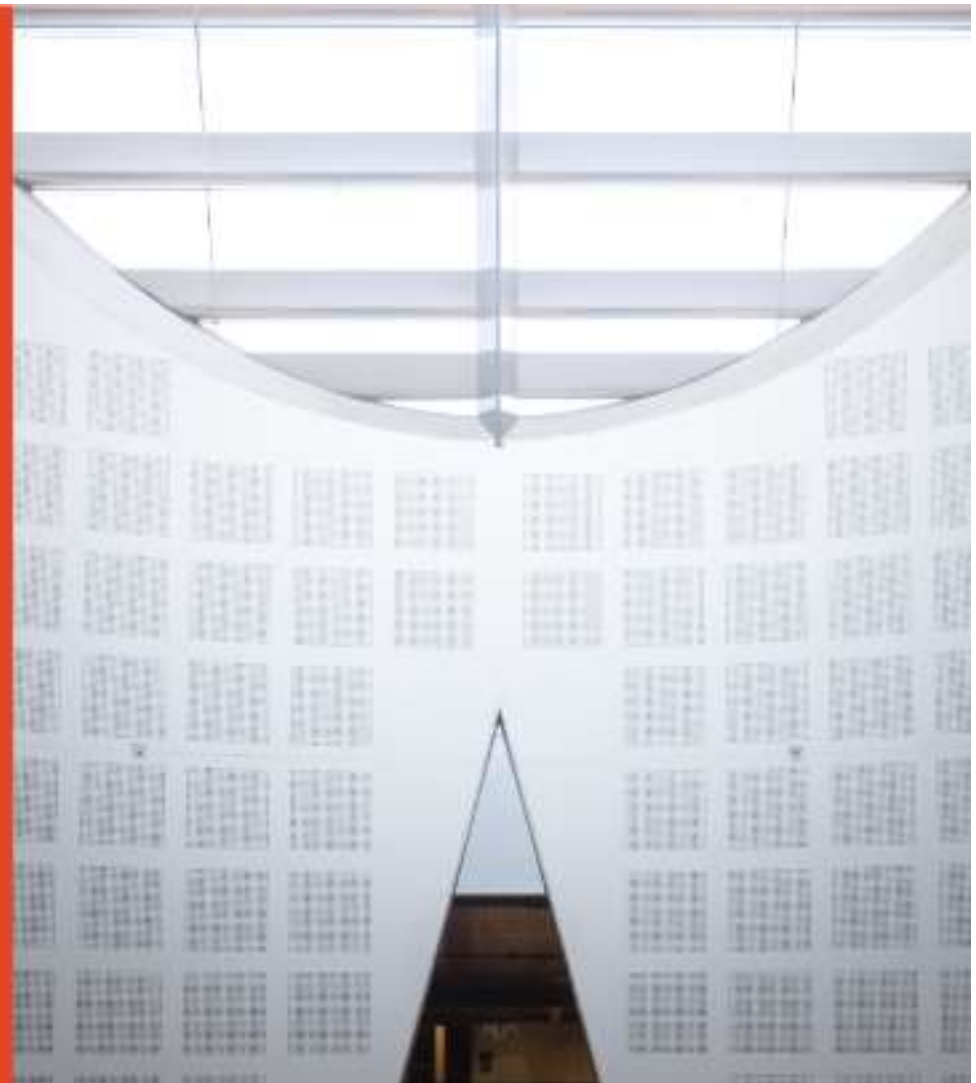


# How decentralisation influences health system performance... and public finance management?

**Dr Seye Abimbola**

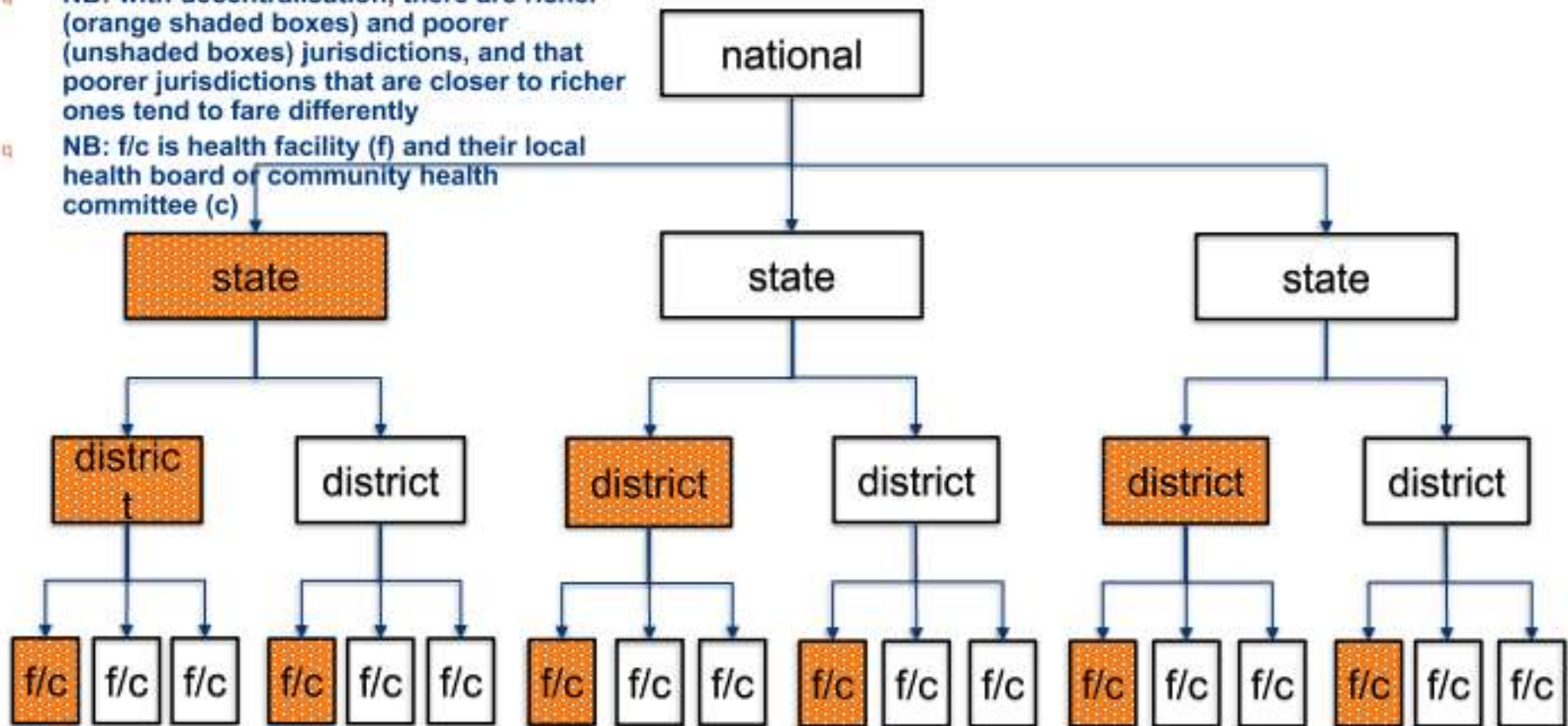
Senior Lecturer, University of Sydney,  
Australia

Editor in Chief, BMJ Global Health



q NB: with decentralisation, there are richer (orange shaded boxes) and poorer (unshaded boxes) jurisdictions, and that poorer jurisdictions that are closer to richer ones tend to fare differently

q NB: f/c is health facility (f) and their local health board or community health committee (c)



# Three mechanisms to explain the influence of decentralisation on health systems


## q “Voting with feet” – Tiebout

- q original theory doesn't seem to work, generally
- q but resources move – i.e. Skilled Health Workers (SHWs), funds, patients
- q poor jurisdictions with wealthy neighbors tend to be in a worse position
- q equalization transfers help, but only if calibrated to benefit worse off jurisdictions and if funds are not transferred between several levels of government
- q ability to redistribute SHWs (need to preserve)
- q spending close to home: urban and capital cities/towns
- q spending on revenue-generating services instead of equity-promoting prevention

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**The impacts of decentralization on health system equity, efficiency and resilience: a realist synthesis of the evidence**

Seye Abimbola <sup>1,2,3,4,\*</sup>, Leonard Baatiema<sup>5</sup> and Maryam Bigdeli<sup>4,6</sup>

# Three mechanisms to explain the influence of decentralisation on health systems


## q “Close to ground” – Arrow

- q spending on equity-promoting services due to greater information about value
- q local health boards and committees facilitate such decisions
- q flexibility to hire locally (but not of SHWs, who tend to prefer better resources sites); a major trade-off
- q but beware of nepotism: with hiring locally comes hiring family members
- q economies of scale, differs by function; need to tease out optimal scale for each function
- q optimal point is typically “somewhere in-between”
- q points to the importance of “districts” – they are often the in-between point

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# Three mechanisms to explain the influence of decentralisation on health systems

- q **“Watching the watchers” – Juvenal**
  - q top-down accountability important for efficiency and results... but needs bottom-up and checks for quality + equity
  - q local health boards & committees ensure bottom-up accountability
  - q absolute dependence on inter-governmental grants limits bottom-up accountability, and often creates situation conducive for corrupt practices
  - q districts as islands or conduits; neglected, their role need a lot of re-thinking and strengthening
  - q monitoring close to home – costs, size, incentives
  - q threats to solidarity, leads to top-down mandates or reduced support for poorer

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# Three mechanisms to explain the influence of decentralisation on health systems

- q **Take home for PFM “interventionists”**
  - q pay close attention to districts – reverse the neglect, don’t defang and defund them!
  - q pay close attention to local boards and community health committees – they’re highly consequential!
  - q the cake and the icing – avoid confusing them for each another, e.g. take care of salaries (cake), before incentives (icing)!
  - q efficiency is only one dimension of performance, pay attention to equity, don’t over-optimize for efficiency, resilience is important too; so are redundancies!
  - q everything comes back to context – avoid travelling models, like a plague!

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