

Use of contracting in public health

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Over the last ten years, an increasing number of countries, both developed and developing, have turned to contracting, the subject of the theme issue of the *Bulletin*, as a means of improving the performance of their health systems. Contracting is increasingly used as a tool to manage the relationships between the different types of actors in the health sector. It uses the logic of the marketplace to improve performance but still respects the facts that health has many characteristics of a public good and the government must be the overall steward of the health sector.

Contracting today is used in widely differing situations and contexts. The first article in the Policy and Practice section of this theme issue of the *Bulletin*, by Jean Perrot (pp. 859–866), presents a typology, based on the object or focus of the contract, that allows the overall logic of contracting to be clearly seen despite the diversity in the way it has been implemented. Perrot illustrates the main types of contracts with examples taken from a wide geographical horizon. Considerable experience with different types of contracting has now been accumulated, and several articles have appeared in recent years in the academic literature. This special issue of the *Bulletin* seeks to add to this knowledge, aimed particularly at country decision-makers, by including four articles that take partially a geographical perspective but also focus on different areas in which contracting has been used, as discussed below.

For example, the article by Sameen Siddiqi et al. (pp. 867–875) shows the benefits as well as some of the problems that have emerged from contracting out selected functions of health systems in selected countries of the Eastern Mediterranean Region. Knut Lönnroth et al. (pp. 876–883) then show how contracting has been used to encourage private sector providers

to participate in specific activities that improve public health, in this case the DOTS strategy for the treatment of tuberculosis. The paper by Robert Soeters et al. (pp. 884–889) introduces, in the context of Rwanda, the idea of performance contracts, while Martin McKee et al. (pp. 890–896) focus on new forms of partnerships between the public and private sectors in hospitals in developed countries. These papers together reveal not only the potential benefits of contracting, but also the risks of inappropriate or badly managed uses of the tool.

The Round Table (pp. 910–913) launches a debate on the question “Is contracting a form of privatization?” Highlighted is the fact that the answer is not straightforward and involves many subtle nuances. It is simply not possible to be dogmatic about the extent or nature of privatization associated with contracting per se.

In an interesting review of this month's Public Health Classic (pp. 916–918), Guy Carrin reminds us that contracting is not a new idea, and is not just a simple technical tool. In 1762, Jean-Jacques Rousseau saw the “social contract” as the basis of relationships between individuals and the state.

The diversity of different types of contracting offers a wealth of possibilities to a country but, in order to ensure that contracting contributes to improving the performance of health systems, it is important that governments regulate it and ensure it is used appropriately. Following resolution WHA56.25, adopted by the Fifty-sixth World Health Assembly, in May 2003, many countries have begun to outline national policies on contracting for their health systems, as described by Abatcha Kadaï et al. (pp. 897–902). As important as they are, contracting policies are not always appreciated by the various actors in the health system,

including international and bilateral development partners. Some see them as a new form of state control over people and organizations — something to be avoided; others see them as a way to control the more harmful effects of markets in the health sector — something that is desirable. The way contracting develops in countries depends not only on their cultural traditions, but on the interplay of these types of complex political and social forces.

It is important that decision-makers in countries, at the national as well as local levels, make decisions about contracting in the light of the best available information on what it can and cannot achieve. We hope that this *Bulletin* theme issue — and several follow-up articles that are scheduled to appear in subsequent issues — will contribute to providing this much needed information on which to build policy. ■

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