

**How can we make
health markets work?
Devex asks the experts.**

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In many low- and middle-income countries, more than half of all health care spending comes from consumers' out-of-pocket payments directly to health care providers. In fact, in Asia and Africa, the poor rely on the private sector for health care solutions just as much as the rich do. Given this reality, making health care markets accessible and affordable is a critical step towards achieving the third Sustainable Development Goal, to "[e]nsure healthy lives and promote well-being for all at all ages."



While markets and the state have in the past often been seen as opposing forces, there is a growing appreciation and recognition throughout the development community of the important role the private sector has to play in future health systems. Health markets have the power to pioneer new approaches, achieve greater efficiencies, foster innovation, raise the quality and improve the access of underserved populations to care. As the United States Agency for International Development's Center for Accelerating Innovation and Impact puts it: "Global health is inextricably linked to the health of the marketplace ...".

But critical questions remain. Are markets alone really the answer? How can we make health markets work better? And who should do what for maximum impact? To find some answers, we turned to the development community.

Together with Population Services International (PSI) and with input from our other **#MakingMarketsWork** partners, Devex conducted an online survey of nearly 900 development professionals. To obtain even deeper insights, we further conducted over 40 in-depth-interviews with health market experts from United Nations and donor agencies, private foundations, corporations and nongovernmental organizations.

While the wealth of information we gathered is overwhelming, we have attempted to capture some of the most important results across the following pages.

WHO DID WE ASK?

 **878** online survey participants



Respondents range in age from 18-65+, but nearly two-thirds were aged between 45 and 55.



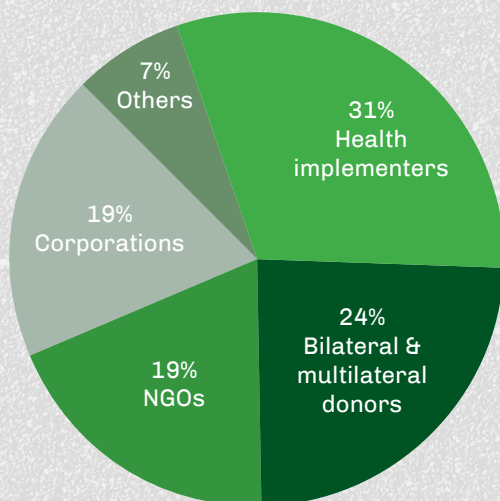
Respondents are senior-level professionals, with **85%** noting either senior or executive level development experience.



Survey participants come from around the world and have work experience in multiple sectors.

 **42** in-depth interviews with health market experts

Health market experts come from diverse organizations



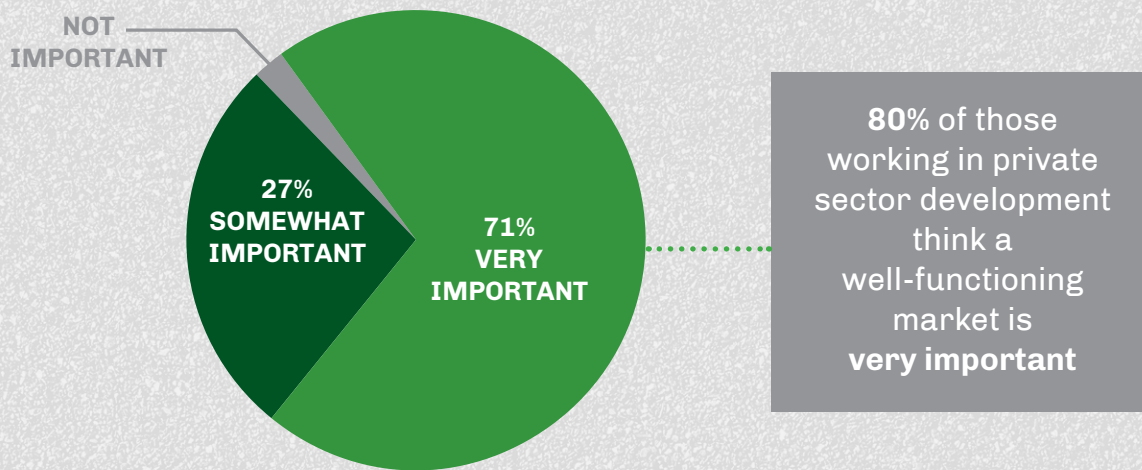
Balanced gender representation:
52% female / 48% male



ARE MARKETS THE ANSWER?

There is little doubt from respondents that markets can transform health system and facilitate better access to quality health products and services.

- ▶ **98%** of online survey respondents think well-functioning markets are **very or somewhat important** to address health challenges of developing countries 📊




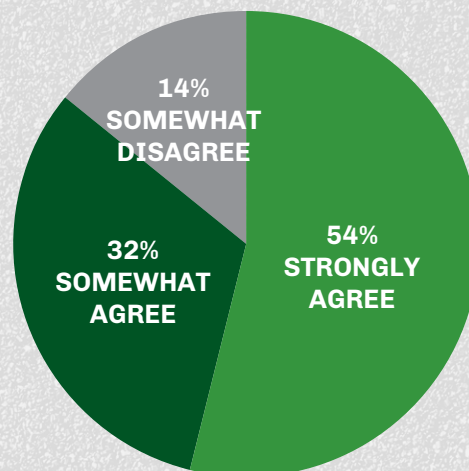
- ▶ **85%** believe that to address health gaps and make markets work more effectively, we need to systematically address market failures 📊



- ▶ **15%** believe that we need to focus principally on increasing aid levels 📊

Yet, our in-depth-interviews reveal more subtle answers.

- ▶ Only **54%** strongly agreed that improving health markets is more important than aid funding. 



Aid and markets, they argue, are not mutually exclusive, but have to work together for real, on-the-ground health impact.



“Different markets require different strategies. In certain contexts it is about using our money better vs. having more money. But there are places where more money is going to be required.”

TANVI PANDIT JSI SENIOR STRATEGY LEAD



“It’s important to make the money work more effectively, but also equally important to make sure that there’s enough money on the table.”

KANIKA BAHL RESULTS FOR DEVELOPMENT
MANAGING DIRECTOR



“Both improving markets and increasing effectiveness of funding are important, necessary and complementary to each other, and not mutually exclusive.”

JANET GINNARD UNITAID STRATEGY TEAM LEAD



“Both [aid and markets] can work together in very powerful ways. For instance, aid can support the overcoming of market failures and help develop new business models that enable private enterprises to reach new populations and deliver better outcomes.”

MARK KRAMER
FSG MANAGING
DIRECTOR AND VISITING
LECTURER AT HARVARD
BUSINESS SCHOOL


HOW CAN WE MAKE HEALTH MARKETS WORK BETTER?

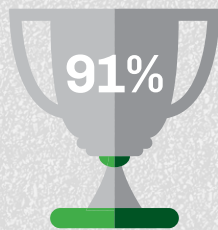
Health market failures bring huge social costs. Ill-functioning health markets can mean that lifesaving medications or services are not available, costs too high or consumer knowledge of interventions is missing. At the same time markets are extremely complex and unique. What might work in one situation might not work in another.

But are there some general principles that are important to remember? Our survey participants think so. Here are **three things** they say we should keep in mind to make health markets work better:



1 BETTER TOGETHER

The best way to improve the efficiency of health markets in developing countries is through: 



Partnerships between the government, private sector, international donors and NGOs

5% Private sector investment

3% Direct government intervention

1% Donor engagement



“Multi-stakeholders partnerships bring the solutions to scale. For example, an innovation of a health care device will never be effective if it is not promoted and implemented as part of service delivery by governments and NGOs, and technological innovations can only be effective when implemented as part of a total approach that includes basic health interventions.”

DR. MAARTEN VAN HERPEN HEAD OF PHILIPS' AFRICA INNOVATION HUB



“Globally, we can collaborate better. Clarity of information and roles and responsibilities across different international actors is really important.”

GREG WIDMYER

BILL AND MELINDA GATES FOUNDATION
DEPUTY DIRECTOR, VACCINE DELIVERY



“An authentic and true public-private sector engagement is key to creating healthy markets.”

DENISE HARRISON USAID’S OFFICE OF
POPULATION AND REPRODUCTIVE HEALTH

Health market experts agree:



54%

#1 strategy to make health markets work more effectively is **cross-sector collaboration and engagement**

2

32% Assess the value chain, from supply to distribution

3

24% Favor market driven health systems for sustainability

4


17% Innovate smartly and more efficiently

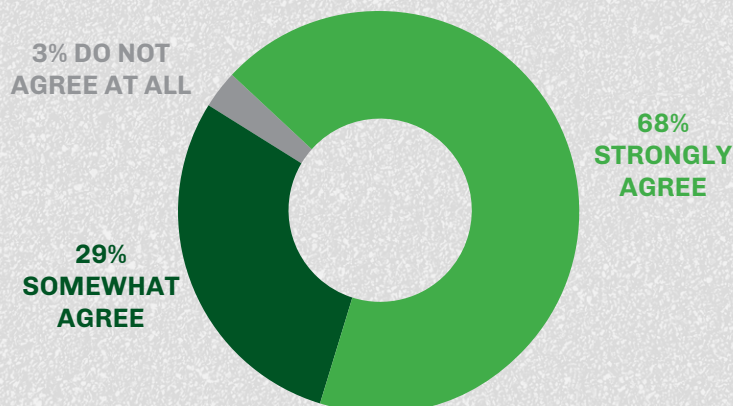
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17% Strengthen specific health commitments



2 INNOVATION IS KEY

Health professionals broadly agree that new market interventions and approaches are critical to strengthening health systems. 



And again, health market experts approve: 



84% believe that concepts like market dynamics, market shaping, making markets work for poor (M4P) have changed how we approach development.

So, why have innovations been game changers?



Approaches have demonstrated effectiveness and successes



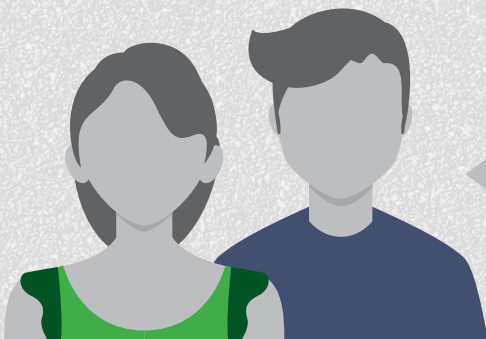
Shifts in the attitude of donors have led to the use of these approaches




Concepts encourage better multi-stakeholder partnerships and collaboration



3 THE CUSTOMER IS THE BOSS



81% of respondents believe a consumer-centered approach is very important to improve the efficiency of health markets. 

While health market experts reiterate that consumers form only part of the health market equation, they note that: 



Interventions can be better targeted by understanding consumers; and




Consumers need to be better informed about lifestyle choices and health options.

“We need to make people active participants in their own health. [This] would help in a much more aspirational way. It is incumbent upon each person to own up and be accountable to their own health and wellness.”

JOSEPH WILSON USAID SENIOR ADVISOR,
INNOVATIVE FINANCE

“People can make an informed choice when they have the information they need. And that leads to a better market and better product.”

ANA MARÍA AGUIRRE ADVOCACY
OFFICER, PLAFAM (ASOCIACIÓN CIVIL DE
PLANIFICACIÓN FAMILIAR)

Overall, development professionals think that governments, the private sector and NGOs should prioritize the following sectors to better focus on consumers in health markets: 



Awareness and knowledge building of consumers



Product price



Product availability/supply points



Consumers' opinions & attitudes



Cultural background and norms



Consumers' income



“It is important for consumers to be empowered, to have that knowledge and information to complement the lapse in the public health structure side wherein government isn't providing adequate information due to their lack of capacity to do so.”

DARREN BACK PFIZER SENIOR DIRECTOR, SOCIAL INVESTMENTS

WHAT ARE THE RIGHT ROLES FOR THE STAKEHOLDERS?

Do what you are good at. In a nutshell, this is what development professionals and health market experts think about the different roles stakeholders should take to make markets work better.

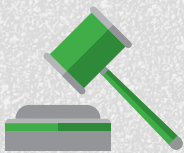


“Government stewardship is necessary in achieving Universal Health Coverage. It has [an] irreplaceable role in policy setting and regulation. In making sure there are known standards, they hold not only themselves accountable but the private sector as well.”

DEEPTI TANUKU JHPIEGO PROGRAM DIRECTOR



Governments of developing countries should focus on providing:



81%

Supportive policy and regulatory framework

54% Quality assurance standards

32% Coordination



The private sector should focus on:



54%

Strong supply chains

47% Affordable products

44% Expertise & human resources

43% Diverse products




“Private sector [actors] can all play a role in providing outlets and user access points that the public sector may not be able to fully reach.” **AMY LIN** (@AMYHLIN)

USAID’S CENTER FOR ACCELERATING INNOVATION AND IMPACT (@CIIIMPACT)



“Private sector actors are often one of the gatekeepers and one of the first interfaces with the clients. Many modern contraceptives – over 50% of short-term methods in Asia – for instance, are obtained from private providers.”

JULIA WHITE REPRODUCTIVE HEALTH SUPPLIES COALITION, MARKET DEVELOPMENT TECHNICAL OFFICER



We all know that markets are complex—very complex actually—and addressing market failure is no easy one-size-fits-all task. What the survey findings show, though, are the thoughts of the development community and experts around markets. And across the board there was one message we heard more than anything: **“Harness the power of partnerships!”**

Interested in your own survey? Our **data-driven consulting practice** conducts online surveys that provide statistically meaningful information about the global development market.



Making Markets Work is an online conversation to explore what's being done to make global health care markets accessible to people at the base of the pyramid. Over 10 weeks, Devex and its partners — The Abraaj Group, Philips and Population Services International — will amplify the discussion around effective health financing, analyze key challenges blocking universal market access in the health care supply chain, and explore the key strategies to make markets more effective. Join us as we look at this important issue, and share your thoughts by tagging [#MakingMarketsWork](#) and [@Devex](#).

Infographic design by Yam Otarra