'Beyond Aid’ in healthcare: is it time for scrutiny?

Experts question government strategy of investment in private hospitals in developing countries

The UK government's investments in private hospital chains in developing countries, in the form of 'beyond aid' approaches, could actually be hindering inclusive development and need greater scrutiny, argue experts in The BMJ this week.

‘Beyond aid’ policies aim to address underlying causes of poverty, and focus on the use of loans and equity investments to support the growth of private companies. As part of this strategy, tens of millions of pounds have been committed by the Department for International Development's investment arm, CDC Group, to private hospitals and clinics across countries such as India, Bangladesh and South Africa.

Such investment decisions are usually made on criteria of job creation and returns on investment. But the "effects on health systems, health equity, and poverty have largely avoided scrutiny until now", caution Benjamin Hunter and Susan Murray from the International Development Institute, King’s College London, UK.

The authors highlight concerns about impoverishment caused by healthcare costs and suffering caused by unnecessary medical tests and interventions that can occur in a profit-driven
The authors carried out a preliminary analysis of investment commitments to private hospitals and clinics by CDC Group and other similar development finance institutions in other countries. They found that at least $2.3bn has been committed by development finance institutions globally, of which $1.9bn had been committed in the last 8 years.

Large corporate hospital chains in emerging economy countries were found to be the biggest recipients. Almost two thirds of total commitments were awarded to companies in India ($470m), Turkey ($345m), Brazil ($232m), China ($176m), Russia ($123m) and South Africa ($100m).

The largest investor in private hospitals and clinics is the World Bank's International Finance Corporation. Other development finance institutions supporting this sector are supported by governments of France, Germany, Sweden and the UK.

The authors suggest that UK government’s move is part of a "troubling wider and poorly documented international trend," towards supporting development of the commercial sector in healthcare.

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Notes to Editors:
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