UK aid funds “exploitative” private health providers in developing countries, Oxfam claims

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UK taxpayer money designated for overseas aid is being used to fund private healthcare providers that are excluding, exploiting, and even imprisoning the most vulnerable in society, a report by the charity Oxfam has claimed. 1

The report, Sick development, said UK, EU, and World Bank development finance institutions (DFIs) have funded for-profit healthcare providers in low and middle income countries who have blocked patients from receiving care or pushed them into poverty with high fees.

Oxfam found examples where DFI funded providers allegedly imprisoned patients until they paid medical fees, including a secondary school student who was held for 11 months and a newborn baby who was held for at least three months. There were also reports of dead bodies being held for up to two years.

“Taxpayers’ money is being used to back expensive, for-profit private hospitals that block, bankrupt, or detain patients who cannot pay—and all this with funds mandated to fight poverty and achieve development goals,” the report said.

DFIs are usually solely or majority government owned agencies tasked with funding economic development projects in the global south. The UK government’s DFI is British International Investment (BII).

“Woeful levels of scrutiny”

The report said that at the height of the pandemic some DFI funded hospitals denied entry to patients or sold intensive care beds to the highest bidders at eye waterering costs.

In India, Oxfam found examples of BII funded private hospitals reportedly denying people treatment, even though they had government health insurance cards entitling them to free care. People were often pushed into poverty because of high fees and there were cases of emergency patients, including one who had been stabbed, not being treated until their relatives provided cash, the report said.

Anna Marriott, Oxfam’s senior health policy adviser, said, “Wherever we looked we found cases of exclusion or exploitation and human rights violations. Woeful levels of scrutiny mean BII invested in a Kenyan hospital chain a year after its director had publicly confirmed that patients who don’t pay their bills would be detained.”

Some DFI funded providers have become destinations for health tourists. One example is a retirement development with medical care in Costa Rica, which is funded by BII. Oxfam said the development is marketed to UK people looking to retire overseas, tourists, and those seeking an alternative to the US healthcare system.

“It’s sickening that DFIs, including BII, are being allowed to use taxpayers’ money to help boost the profits of powerful healthcare corporations in the global south, while turning a blind eye to the harm and impoverishment they are causing,” Marriott continued.

Governments must act and investigate

Oxfam has called for all future DFI funding to private healthcare providers to be stopped, as well as an urgent independent investigation into existing investments.

Marriott said, “Aid should be used to support governments to strengthen public healthcare systems that can reach everyone, not channelled through these huge money making corporations that are clearly doing harm.”

Responding to the report, a spokesperson for BII said, “Every healthcare system in the world—be they public or private—have isolated incidences of shortfalls in care. We take the Oxfam allegations seriously. We investigate all such incidents whenever they come to light and have an established complaints mechanism for anyone to raise matters of concern.

We continue to encourage Oxfam to share any evidence they hold of these alleged cases so that we can accelerate our investigations.”

A spokesperson for the Foreign, Commonwealth, and Development Office—BII’s sole shareholder—said, “We work closely with BII’s board to ensure the investment’s portfolio is in line with our objectives, including reducing poverty and supporting a just and fair green transition. We take these allegations seriously and will support BII in their investigations.”

Meanwhile a spokesperson for the World Bank’s International Finance Corporation said, “We are concerned by any reports of improper healthcare delivery or patient management practices at any project in which we are involved. Where we find credible reports that recipients of IFC finance are falling short of our environmental and social performance standards, we work with our clients to tackle these shortcomings.

“We support the implementation of proper regulations that allow the private sector to be governed appropriately.”