



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

PRIVATISATION OF HEALTH AND EDUCATION SERVICES IN MALAWI

POLICY BRIEF

EXECUTIVE SUMMARY

Privatization is characterised as the entire process of expanding the sphere of the market through a host of regulations that create an enabling environment for free enterprise to operate as a strategy for sustainable economic development. When properly conceived and implemented, privatization is envisaged to foster efficiency and encourage investment in infrastructure and services¹. The privatisation of education and health services in Southern Africa, Malawi included has been on a rising trend. Private actors have been assuming the role of governments in providing these two essential services. Non-state provision of education and health is delivered by several actors that include NGOs, faith-based organisations, philanthropic, community care-giving and private companies that are in the form of low-fee private schools, hospitals and clinics; for-profit private schools and health centres; education and health public-private partnerships. The impacts of privatisation in Malawi have been both positive and negative. The negative impacts have been the unaffordability of user fees charged by private players triggering inequality on access to services; the reluctance of the Malawian government to adequately fund the sectors and effectively regulate private actor activities and the disenfranchisement of poor and unemployed citizens from their human right entitlements to enjoying access to education and health care. Positive impacts that take a human rights approach include the fact that private players have been filling the gap that government run facilities have been failing to adequately resource and administer thus to some degree promoting and upholding rights to access to health and education.

INTRODUCTION

The state has an obligation to provide education and health services to its citizens and these rights cannot be negotiated. They are part of the socio-economic rights enshrined in international human rights instruments and frameworks that include the Universal Declaration of Human Rights (1948), The African Charter on Human and People's Rights of 1981, the African Charter on the Right and Welfare of the Child (ACWRC) of 1999 which African countries including those from the SADC region subscribe to. Particular mention is made in the ACRWC's Article 11 and Article 14 that every child has a right to

education and health services respectively. The Sustainable Development Goals (SDGs) goals number 3 and 4 are dedicated to the provision of universal good health and well-being and the need for inclusive and equitable quality education correspondingly. Irrespective of these instruments, privatisation continues to soar and concerns regarding accessibility, affordability and quality of services across the education and health sectors have become topical as all draw down to the financial position of the consumers hence widening the social stratification gap of the citizens as those who can afford obtain quality services. Additional emerging concerns resultant from privatisation include; the de-professionalisation of teachers and health workers and the erosion of confidence in public institutions of health and education. The ineffectiveness of regulatory instruments and regulatory institutions also come to the fore as these institutions within the region are either underfunded or just inefficient to deliver on their obligations.

APPROACH

The research was based on critical analysis of privatisation as a development approach, highlighting the context and rationale for privatisation, motivation, external and internal factors, the process leading to privatisation, the form of privatisation adopted, implications and outcomes and evaluation of privatisation on education and health.

AFRODAD engaged civil society organisations that work with ministries of education and health as well as the private sector. Key informants were sourced from civil society organisations (CSOs) that work on education and health rights in Malawi. The study used the following methods:

- Desk research to get primary sources of data, statistics, literature review, laws and policies.
- Data collection through semi-structured questionnaires to CSOs
- Field trips to acquire in-depth information on the variants of private sector involvement in education and health, impacts on human rights, and involvement of the State.
- Interviews in person and virtually via Skype and as well as observations.

¹ Privatization of Municipal Services in East Africa – A Governance Approach to Human Settlements Management

- Official government positions on privatisation of education services and or its financing were obtained from relevant Ministry publications.

The study employed these methods to attain the research findings, research variables and conceptual frameworks. The research also consisted of selected country case studies and evaluations. Graphs and tables were used for analysis and synthesising the report. A validation exercise was conducted to review the research findings in order to capture the different conceptual and factual dimensions of the themes.

RESULTS

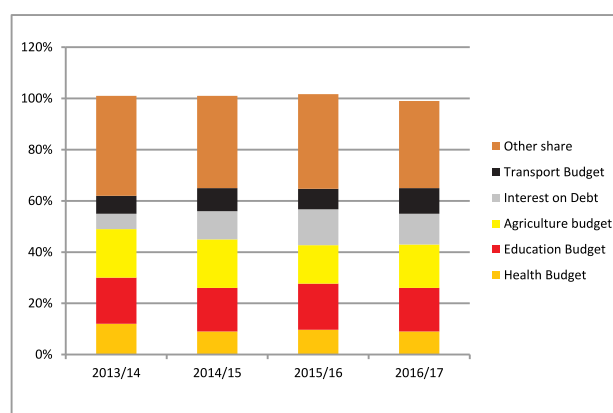
The state of privatisation of service delivery in Malawi has been characterised by the rise of for-profit private entities assuming the role of the Government of Malawi (GoM) in the provision of health and education. For the health sector, approximately 40% of health services are provided by private actors, commercial actors and other non-profit actors. The public health delivery is mainly served by 4 central hospitals in the country namely, the Kamuzu Central Hospital in Lilongwe, Queen Elizabeth Central Hospital in Blantyre, Zomba Central Hospital in the Eastern Region and Mzuzu Central Hospital in the Northern Region of Malawi². The private-not-for profit is mainly the Christian Health Association of Malawi (CHAM) facilities which are mainly located in rural areas and charge user fees to cover their operational costs. The health sector's service delivery has an implementing framework guided by the National Health Policy, the Public Health Act of 1948, the Medical Practitioners and Dentists Act No. 17 of 1987, the Decentralization Policy, the Malawi Growth and Development Strategy II (2011-2016) and Vision 2020. Part of the Medical Practitioners and Dentists Act functions is to grant private practice and premises registration licences if the individual or premises meet minimum requirements as laid down in Council's regulations. Concerns arising within Malawi's health sector that negatively impact its health service delivery include:

- High user fees: the majority of Malawians live below the poverty line hence not able to access private health care services and in certain cases end up dying from preventable diseases. Malawi

has limited market for private financing mechanisms including private health insurance and micro-health insurance.

- Inspection from the regulatory authorities is very poor. Some clinics are opened for business without proper medical equipment resulting in citizens accessing sub-standard medical services.
- Regulatory bodies including Medical Council of Malawi, the Nursing Council and the Pharmacy, Medicines and Poisons Board are inadequately funded and equipped with both human and material resources,
- A growing number of unlicensed providers, a weak re-licensing system, inadequate resources and capacity to regulate training institutions, confusing quality and accreditation standards characterises the regulation of health services in Malawi
- Outdated laws such as the Public Health Act of 1948³. Some sections of the law are no-longer in-sync with the needs of the current millennium and has loopholes in the implementation of policies
- Inadequate budgetary allocation for health and education and high dependency on external resources for financing. Malawi does not meet the minimum threshold of financing for health under the Abuja Declaration. Malawi allocated to the health sector only 9.7% and 9% of its total budget for the fiscal years 2014/15 and 2016/17 respectively⁴. This is against a minimum agreed threshold of 20% for the Africa Region as can be shown in Figure 1below:

Composition of Total National Budget (2013-14 – 2016-17)



² Service Delivery, Africa Health Observatory, Malawi. http://www.who.int/profiles_information/index.php/Malawi:Service_delivery_-_The_Health_System

³ Malawi Private Health Sector Assessment: Strengthening Health Outcomes through the Private Sector.

⁴ https://www.unicef.org/esaro/UNICEF_Malawi_-_2017_-_Health_Budget_Brief.pdf

Figure 1 Source: Ministry of Finance, MGDS Data: 2017

For the education sector, the system is guided by the Malawi Vision 2020 which is the national long-term development strategy for Malawi. It is complemented by the Strategic Plan for Private Schools Association of Malawi (2001), The National Education Sector Plan (NESP) - 2008-2017, the Education Act of 2010 and Article 13 of the Constitution of Malawi which protect the right to education for all citizens making it obligatory to ensure that systems to achieve and preserve the right are put in place. Rising concerns with privatisation of the education sector in Malawi include:

- Private schools enrol one quarter of all secondary students in the country as public schools fail to cope with the graduates from primary school. However by filling this demand gap private schools come with their own challenges. Private schools are very unevenly distributed geographically; the great majority of children in private secondary schools are from families in the top quintile by wealth in Malawi⁵. As for public schools, Unfortunately, reality on the ground in a number of districts, especially those in remote areas point to insufficient and inequitable resource sharing⁶.
- The lowest price private schools remain unaffordable to all except the households that are affluent and enrolments in all but the highest performing schools were stable or declining with much volatility and school transfer from year to year. Oxfam highlights that in Malawi, over 50%⁷ of the total population fall below the poverty datum line and the fees charged in so-called 'low-fee private schools' would cost poor families one-third of their available income⁸.
- Inequality - It has been noted that on average a child from a private school has a higher chance to get to university than from a public secondary school. This shows that the fee structure is a determinant of the educational level one can attain.

- The governance of private schools varies greatly and most have accountability only to their owners thus there is need to ensure that private providers align with the government vision to provide quality education to citizens. Evidence on Pre-schools in Malawi entails that they need to be monitored for standards as currently standards are determined by administrators of those facilities.
- The education sector in Malawi receives plausible budgetary allocations as it ranges in the confines of the commitments to the Dakar Framework for Action as well as the Incheon commitments as highlighted in Figure 1. However prioritisation of allocations within the education system is were concerns are as The Government's contribution to development expenditure makes up only 1.75% of the Ministry's budget yet salaries consume 74%¹⁰.

CONCLUSIONS

The government lacks sufficient funds to oversee and take responsibility of the administration of public health and education services for its citizens. This can be evidenced by the dependency on foreign aid to finance the administration of the two sectors; lack of effective regulation and monitoring of private sector activities and the inadequate budgetary allocation of funds to the respective sectors. This has led to the rising trend of marketization of health and education services by private companies as well as the chipping in of private not for profit institutions to serve the two sectors on the basis of human rights principles. This marketization of basic services within a low income country whose citizens largely live below the country's poverty datum line has resulted in the hiking of user fees that aren't affordable for the poor and unemployed thus alienating them on the basis of access and inequality as only those that can afford and or have medical insurance can access education and health respectively.

⁵ Increasing access to secondary school education in Malawi, Joseph Chimombo
⁶ https://www.unicef.org/esaro/UNICEF_Malawi_--_2017_--_Education_Budget_Brief.pdf, p.7

⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/mi.html>

⁸ http://cme-espana.org/media/publicaciones/3/GCE_Submission_Privatisation_CEDAW_2014.pdf

⁹ In 2015, the World's decision makers gathered in Incheon, South Korea to reinforce their commitment to ensure appropriate education financing, vowing to allocate at least 4-6 per cent of their countries' Gross Domestic Product (GDP) and at least 15-20 per cent of total public expenditures to education

¹⁰ https://www.unicef.org/esaro/UNICEF_Malawi_--_2017_--_Education_Budget_Brief.pdf p.5

IMPLICATIONS

- If the GoM continues to depend on external aid and underfunding the health sector's service delivery, its citizens continue to be negatively impacted by the poor state of health service delivery and the failure to be treated of preventable illnesses as they cannot afford the high user fees charged by private actors in health.
- Recognising that the provision of education and the possibilities of proceeding to tertiary education in Malawi are tilted towards those that can afford private schools and education; if the government does not ameliorate the anomaly, it runs the risk of increased inequality as unequal access to education is a major driver of inequality and hindrance towards progressive poverty eradication
- Overall, if the government does not effectively equip and implement its regulatory paraphernalia (agencies and policies) respectively; it risks compromising the quality and scope of services (both education and health) provided to the majority of its citizens

Acknowledgements: Adrian Chikowore

RECOMMENDATIONS

- Government of Malawi should increase its budgetary allocation for health and better prioritisation for education services and programs through domestic resource mobilisation so that they are funded adequately and more sustainably.
- The Government of Malawi should re-assume overall responsibility of public health and education services delivery. This should be accompanied by an introduction of subsidised, low or free services fee regime
- The GoM and its respective ministries of health and education should adequately fund their regulatory bodies so that they effectively implement their regulatory mandates. The private sector should be guided by the policies on service delivery enacted by the State.



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