Using the concepts of governance and stewardship to strengthen regulation of mixed health systems in low- and middle-income countries

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In recent years, the health systems in many low- and middle-income countries (LMICs) have become more complex, more decentralised and more difficult to regulate. These trends, increasingly witnessed across the Asia-Pacific region, create new challenges for governments in the stewardship and governance of their health systems.

In 2012, the Nossal Institute for Global Health conducted a broad-based study of the concepts of governance and stewardship and how they can be adapted and applied to the health systems of LMICs. The results provide a useful analysis for policy makers seeking to improve the regulation of rapidly evolving public-private health systems.

In many LMICs in the Asia-Pacific, health policy makers face simultaneous challenges of rising health care costs, poor quality of services, unequal access to care and unethical provider conduct. In some Asian countries, these problems are linked to the shift to more commercialised and mixed public-private health systems. In order to address these problems, governments are being advised to provide better stewardship of their systems and to introduce more robust regulatory policies and institutions.

However, stewardship is a relatively new concept for many governments in the region, which have become accustomed to direct control of a state-owned system. In addition, the shift towards more mixed public-private systems has created new challenges for regulation, including the weak regulatory capacity of government institutions, the dominance of professional interests and poor accountability to local communities. This raises the question: Can governments in LMICs apply the ideas of governance and stewardship to improve their regulatory systems?

To answer this question, we undertook an extensive literature review to identify how governance and stewardship have been defined and to examine reports of applying these concepts to health systems in LMICs. The results complemented a roundtable discussion with experts on these issues which was held in Melbourne. We then analysed how governance and stewardship relate to regulation and how they could be applied in LMICs.

**Defining governance, stewardship and regulation**

**Governance** is a feature of all organisations and systems. It relates to the rules, both formal and informal, that govern the behaviour of, and allocates roles and responsibilities...
to, the actors within the system. It is a complex concept with political, economic, legal and institutional dimensions, and it occurs at multiple levels within health systems.

**Stewardship** refers to the provision of leadership and oversight of the organisations and actors within a system or organisation, to direct them towards achieving certain goals. It involves the government in formulating strategic policy direction, ensuring good regulation and appropriate tools and the oversight of accountability and transparency.

While these two concepts overlap to some extent, governance relates more to the structure and processes of decision-making and implementation to achieve nominated goals, while stewardship refers to the pro-active use of these structures and functions to pursue specific goals.

**Regulation** is usually viewed as the efforts of the state to apply a variety of mechanisms to control or modify the behaviour and practices of state and non-state actors to achieve public goals. These goals might be social goals, such as improved equity or quality of life, or economic goals, such as improved functioning of markets.

A range of regulatory mechanisms can be utilised for different purposes, including self-regulation, third-party regulation, economic instruments and legal and bureaucratic directives. Regulation thus involves an element of state control and the management and coordination of a number of institutions with different regulatory roles and responsibilities. This would suggest a close relationship with both governance and stewardship.

**Applying governance and stewardship in LMICs**

Our review found that concepts of governance and stewardship have been applied in different ways, and with varying degrees of success, in health systems in LMICs. These have included:

1. Strengthening governance and stewardship as part of health systems strengthening efforts, with a focus on improving policy-making processes, enhancing participation and improving accountability and transparency.
2. Engaging the private sector and integrating its activities and services into the government’s health system through dialogue, the collection of information on private services and the use of innovative mechanisms to purchase private services.
3. Developing a governance framework to improve the coordination and collective decision making among emerging institutions operating in the health sector.
4. Using governance concepts to clarify the relationships between development assistance providers and partner countries in development programs.
5. Strengthening the governance of individual institutions operating in the health sector, notably hospitals.

**Using governance and stewardship to improve regulation**

Our analysis suggests that the concepts of governance could provide a useful ‘lens’ for further examination of policy making and regulation of LMIC health systems. Consideration of governance shifts the focus from individual policy decisions to the roles and relationships in collaborative policy decision making. A governance focus can also provide additional levers and strategies to support regulation, including the means to improve and clarify accountabilities, promote transparency and develop self-regulating systems with delegated autonomy.

Application of the governance lens also provides a way that governments in LMICs can become more aware of their roles as health stewards and apply the principles of good governance to policy making and regulation. Newer ideas around governance in more developed systems could also potentially be applied to LMICs—including collaborative and multi-level governance, ‘governance for health’ models that incorporate more multi-sectoral and citizen-engagement approaches (particularly with regards to NCD interventions) and models of clinical governance in health care organisations.

**Further reading:**


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