



Dualism of the Health System in Benin: Collaboration or Competition?

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November 2023 / AHCV-PB-001

Highlights

- The Covid-19 has impacted the health systems of African countries.
- The dualism of healthcare supply characterised by the co-operation of both public and private healthcare providers is argued to improve both the quality and quantity of health goods.
- The competition between public and private healthcare providers is detrimental for the wellbeing of populations while the collaboration improves healthcare demanders' wellbeing.

- There is an overwhelming literature on the effects of Covid-19 on access to healthcare services. Less attention has been devoted to the extent to which Covid-19 affected the level of collaboration between public and private healthcare providers.
- This policy briefing note analyses the effect of Covid-19 on interrelationship between public and private healthcare providers in Benin.
- The study used primary data at healthcare providers' level to draw the network of healthcare relationship.
- The findings indicated that Covid-19 improve the level of collaboration between public and private healthcare providers.

Introduction

Like all countries, Benin faces a growing demand for health services due to population growth and health crises. Estimates from INStAD (National Institute of Statistics and Demography) show that the total population of the Republic of Benin was 11,884,127 inhabitants in 2019, with an annual intercensal increase of 3.5%. Though some improvements have been recorded these last decades, Benin still characterized by high general and specific mortality rates. According to the fifth Demographic and Health Survey in Benin (EDSB-V, 2017/2018), the infant and child mortality rates were 96‰, i.e., approximately one in ten children does not reach their fifth birthday. This is much higher than the rate of 25‰ to be reached in 2030 according to target 3.2 of the SDG3 objective. Additionally, the maternal mortality rate was 391 deaths per 100,000 live births, which is still far from the target of 70 percent thousand live births to be achieved with target 3.1 of the SDG3 goal by 2030 (INSAE and ICF, 2019).

In terms of the supply of health services, the Beninese health system has recorded an increasing rate of entry of private health centres into the provision of health services. According to (SNIGS/MS, 2019), the number of private health centres (441) is almost half of the number of public health centers (912). This may lead to the possibility of competition between the two healthcare service delivery systems. To improve the performance of the Beninese health system, health authorities adopted measures to strengthen the collaboration between public and private health centres. Currently, there is a consultation framework between the public sector and the private sector. Statistics on the state of health in Benin show that the country is still one of the most vulnerable countries in terms of health, especially with the COVID-19 crisis.

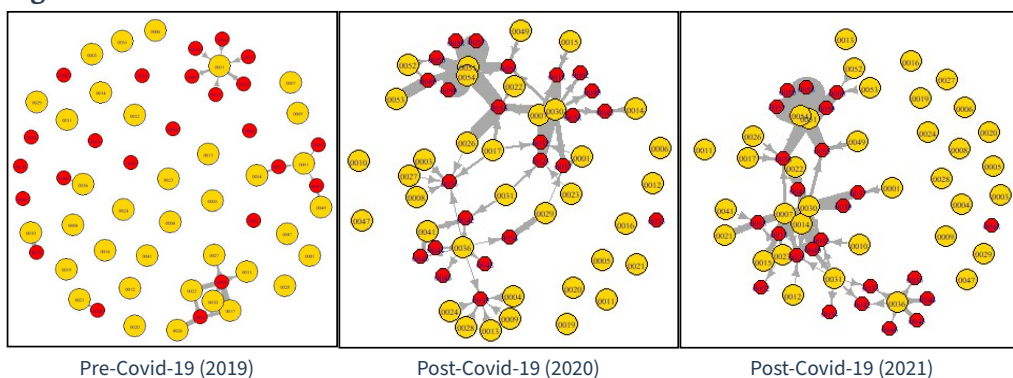
The dualism of healthcare system characterised by public and private healthcare suppliers has been subject of vigorous debate. A first stand of the debate argues that the existence of both public and private healthcare suppliers increases the competition in the sector while a second stand shows that the dualism is benefit because it promotes collaboration between private and public in a context of scarcity of resources. This policy note used pre- and post-Covid-19 data at healthcare providers' level to examine the extent to which Covid-19 affected the performance of the Benin's health system through the collaboration between public and private health centers. More importantly, the policy note answered to the following questions (i) What is the degree of collaboration between public and private health centres in Benin ? (ii) What is the degree of competition between public and private health centres in Benin ? (iii) Does competition affect the collaboration between the public and private health centers in Benin ?

Key findings

Covid-19 mitigated the detrimental effect of competition on the health system in Benin. This conclusion was supported by three main findings:

1. The health centre's network indicates that the level of collaboration between public and private health centers increased from the pre-Covid-19 period to the post-Covid-19 period. More importantly, the number of patients shared from private to public health centers increased with the Covid-19 pandemic.

Figure 1: Healthcare centre's network



2. The competition has a negative and significant effect on collaboration before (2019) and after (2021) Covid-19. These findings show that the level of competition is harmful to the collaboration between public and private health centers in Benin. This could be explained by a high degree of niche overlap due to an increasing number of private health centres set up in health zones. Because a large number of private in a health zone reduces the share of patients that each private health

centres can receive. Therefore, to limit the decline in its revenue, private health centers will limit sending patients to public health centers, even if the degree of the disease exceeds their competence. Furthermore, the negative effect of the dual health system in Benin could be explained by the importance of expenses facing private health centers.

3. There is no evidence of an effect of competition on collaboration during the Covid-19 (2020). This result could be explained by the appearance of Covid-19 towards the end of 2019 in Benin, which compelled the entire health system to work together to face the challenge of the health crisis.

Policy recommendations

The policy implications of this note are fourfold.

1. These findings have implications for the funding of the health system in Africa, notably in Benin because it may guide policymakers to promote the public-private partnership (PPP) in the healthcare provider system. Indeed, African countries are characterized by low levels of mobilization of tax resources, leading to a persistent budget deficit and lack of resources to finance public goods such as public infrastructures in the health sector. Thus, the promotion of PPP in the health sector will complement the scarcity of public healthcare supply which in turn will increase the resilience of the health system to potential shocks like the Covid-19.
2. Beyond the availability of healthcare services, these findings have implications for the demand side of healthcare services. Especially, the participation of the private sector will create competition and then lead to a decrease in the cost of healthcare services. In a context where African countries face difficulties to build a health insurance system due to budget constraints, the cohabitation of private and public healthcare providers will improve healthcare services' affordability.
3. The coexistence of public and private healthcare suppliers compels the need to increase the regulatory role of government. The health authority should improve the stringency of the creation of a private health center. Besides, the mobility of qualified health labour force between private and public health centers need to be facilitated.
4. The Benin government needs to support private healthcare providers through tax incentives, such as tax breaks or reduced tax rates, and subsidies involving financial assistance or grants to offset operational costs. These government measures can encourage private healthcare suppliers to invest in infrastructure, equipment, and capacity building.



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