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## EDITORIALS

### WORLD BANK AND FINANCING GLOBAL HEALTH

# Will markets be master or servant to health at the World Bank?

Reconciling public health goals with its market orientation remains a challenge

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In the 18 years since a six part series by Abbasi in *The BMJ* argued that the World Bank merits greater attention from the health community, the institution has received little scrutiny from global health scholars.<sup>1</sup> This is despite its substantial and growing role in the health sector. A recently published series of articles by Sridhar and colleagues does much to fill this gap.<sup>2-6</sup> The authors paint a detailed picture of the bank's historical activities, growing investments, and considerable evolution in its approaches to health. They also critically analyse more recent developments. Whether considering the growth of health related trust funds at the bank,<sup>3</sup> its role in universal health coverage,<sup>4</sup> the recently launched global financing facility for women and children's health,<sup>5</sup> or the pandemic emergency financing facility,<sup>6</sup> the series persistently grapples with two key questions: firstly, can the bank's market oriented approach be consistent with health equity objectives such as the globally endorsed goal of universal health coverage? Secondly, how can the bank's immense economic and intellectual power be appropriately governed?

## Policy change

In the 1980s and '90s the World Bank "advised, and sometimes even forced"<sup>7</sup> developing countries to cut public investment in health systems by making loans conditional on structural adjustment programmes and encouraging healthcare user fees that restricted access for poor people.<sup>7,8</sup> The bank has since distanced itself from these policies—for example, when its president, Jim Yong Kim, rejected user fees as "unjust and unnecessary" in a 2013 speech to the World Health Assembly.<sup>9</sup> With the bank now poised to invest \$16bn (£12bn; €14bn) in health systems in low and middle income countries over the next five years, it is expected to be a major force in the global drive for universal health coverage.

## Health equity and market solutions?

Yet lingering unease may remain about the powerful institution whose policy advice—however well intentioned<sup>4</sup>—weakened health systems, the effects of which are felt to this day. In his 2017 report to the UN Human Rights Council, independent expert Alfred de Zayas catalogued a broad range of human rights concerns linked to the bank's activities. In the health sector, those concerns have centred on the International Finance Corporation (IFC), a \$92bn arm of the World Bank with the goal to "create markets to broaden the reach and impact of private sector solutions."<sup>10</sup>

A 2014 Oxfam analysis found that the IFC's \$1bn Health in Africa initiative, which channels capital to healthcare firms, had primarily targeted wealthy and middle class people—for example, by investing in costly urban hospitals.<sup>11</sup> Through its advisory work, the IFC also supported an agreement between the government of Lesotho and a private firm to build and operate a new hospital in the capital city; although the hospital achieved important service improvements,<sup>12</sup> it also consumed over half the annual health budget and squeezed out spending for more basic health services for rural poor citizens, while expecting to pay attractive returns to private investors.<sup>13</sup>

Sridhar and colleagues concluded: "The World Bank Group more broadly is reinventing itself, from a lender for major development projects to a broker for private sector investment."<sup>2</sup> Yet there is no consensus on the appropriate role of for-profit firms—whether private health insurance, private investment in health infrastructure, or private healthcare provision—in achieving universal health coverage. In the conclusions to an expansive study published in 2000, when Kim co-led the non-governmental organisation Partners in Health, he and colleagues argued that "privatization of healthcare will likely amplify existing social inequities in poor countries."<sup>14</sup> Indeed,

governments are unlikely to achieve universal health coverage if the Lesotho case is replicated.

Furthermore, governments require adequate tax revenue to finance universal health coverage,<sup>15</sup> which is expected to require an additional \$274-\$371bn a year by 2030.<sup>16</sup> Yet firms that collectively had received 84% of IFC investments in sub-Saharan Africa had avoided paying taxes through offshore tax havens.<sup>17</sup> Furthermore, the bank's influential annual "Doing Business" report, which ranks countries on the environments they create for private sector operations, rewards countries that lower their tax burdens. How can all of the lending, investment, and policy advice across the vast organisation that is the World Bank consistently support governments in achieving health equity?

## Governance

This brings us to governance. Voting power at the bank can be characterised as "one dollar, one vote," in contrast to the situation in UN agencies (such as the World Health Organization), which generally operate on "one country, one vote." The power that the bank's voting structure gives to its largest donors has long been a sore point, most recently for emerging economies, which have sought to increase their voting weights or create alternative institutions in response. Winters and Sridhar point out that the growth of trust funds at the bank further tightens the control wielded by a few donors, since such funds do not fall within the ambit of the bank's standard priority setting or accountability mechanisms.<sup>3</sup>

Among donors, the US government has a dominant role. It holds the single largest voting share, can veto any major decision, and has always appointed the president through an unwritten agreement. At a time when the right to health is under constant attack by the party in power in Washington, aligning all parts of the bank around a vision of universal quality healthcare may be even more difficult.

The size and complexity of an institution such as the World Bank cannot be captured easily. This series will inform and inspire new efforts among scholars to examine the influence of this central actor in the global health system. Whether and how the bank's market orientation can be reconciled with public health goals, and how the bank's considerable financial and

intellectual power can best be governed to do so, remain key questions to be addressed.

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