

Yunus Centre for Social Business & Health:
researching the relationship between poverty alleviation and health

Evaluating innovation for poverty relief and health improvement: creating a research agenda for Europe

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Yunus Centre

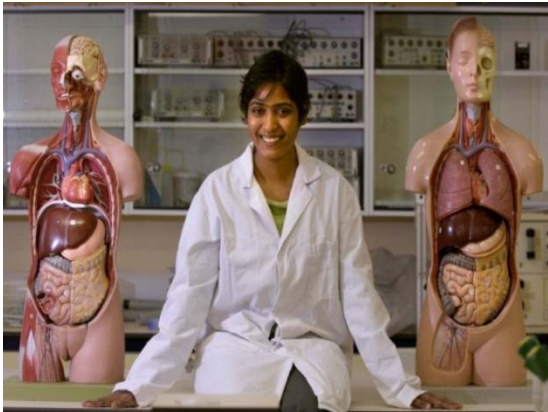


Glasgow Caledonian University



“University for the Professions with a commitment to access, excellence and the common good”

- 17,000 students at Glasgow campus in Scotland
- Largest School of Health with 4,000 students
- Experience of education overseas –
 - joint Scotland college with University of Jinan in China
 - University College of Engineering in Oman
 - Grameen Caledonian College of Nursing in Dhaka, Bangladesh
- In the top 400 universities in the world



Grameen Caledonian Partnership

“ Together we
can make a
difference both
in Scotland
and around
the world ”

Professor Muhammad Yunus
Nobel Prize Winner



Grameen Caledonian Partnership

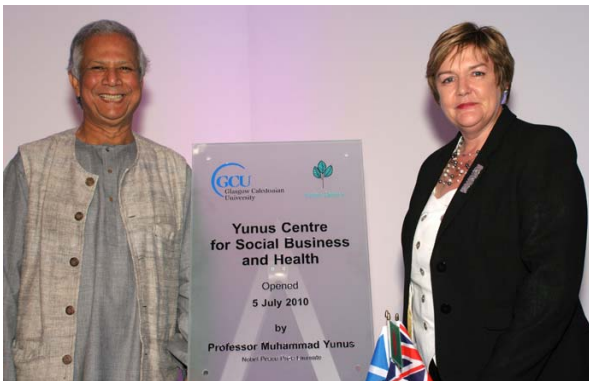


- Grameen Caledonian College of Nursing

- Grameen Scotland

- Yunus Chair in Social Business and Health

- Yunus Centre for Social Business and Health



Social Business as a public health intervention: background and motivation

Western countries

1. Persistence of health inequalities
2. New solutions due to limits of state

Lower-income countries

1. Limits of state (again, but more to do with affordability)
2. Limits of the market

**Convergence on potential of social business and microcredit to
address poverty and well-being**

What are the implications for the ‘evaluative space’?

Definitions and overlaps

- **Social business and microcredit are not same thing**
- **Social business:**
 - Social mission
 - Non-loss, non-dividend company
- **Microcredit:**
 - Small collateral-free loans
 - Might involve group administration and focus on women
- **Our main focus is poverty and deprivation as well as 'building up from communities'**

Outline

- **‘Caring’ externality**
- **Social business in health care delivery:**
 - Other forms of market failure
 - Implications for health care provision in publicly-funded systems
 - Implications for health care financing in lower-income countries
- **Social business as a determinant of health**
- **The wider evaluative framework, and its associated challenges**

‘Caring’ externalities

“How selfishly soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except for the pleasure of seeing it.”

Smith (1759) *The Theory of Moral Sentiments*

“And yet this selfless dimension has no role in economics.”

Yunus (2010) *Building Social Business*

In health, associated with Culyer (1971).

But what is the most efficient way of harnessing this ‘caring externality’ in terms of transfers from rich to poor or healthy to unhealthy?

Case for cross subsidisation? Implications of this?

Percentage of health care expenditures from public purse

| | <u>1990</u> | <u>2006</u> |
|-----------|-------------|-------------|
| Australia | 67% | 68% |
| Canada | 75% | 70% |
| France | 78% | 80% |
| Germany | 76% | 77% |
| UK | 84% | 87% |
| US | 40% | 46% |

Moral and political reasons for these percentages, but also...

Nature of the 'commodity' health care

- Additional to externalities is...
- Failure of insurance:
 - Moral hazard
 - Asymmetry of information
- Explains Beveridge and Bismarkian type systems

'Public' systems

Key differences relative to private insurance:

- organised on basis of groups/contributions based on income
- economies of scale
- universality/compulsory
- cost control through administrative mechanisms, such as binding fee schedules, global budgets, limits on capacity

Evans RG, *Health Policy* 1987; 7: 115-134

Implications for health care systems of advanced economies and for social enterprise

- Scarcity still exists
- Role of incentives in form of 'internal markets'
- Therefore, role for plurality in provision
- Over 6000 social enterprises already provide services to the NHS in England, and likely same elsewhere in Europe

Research questions raised

What are the relative costs, compared with more-traditional forms of provision?

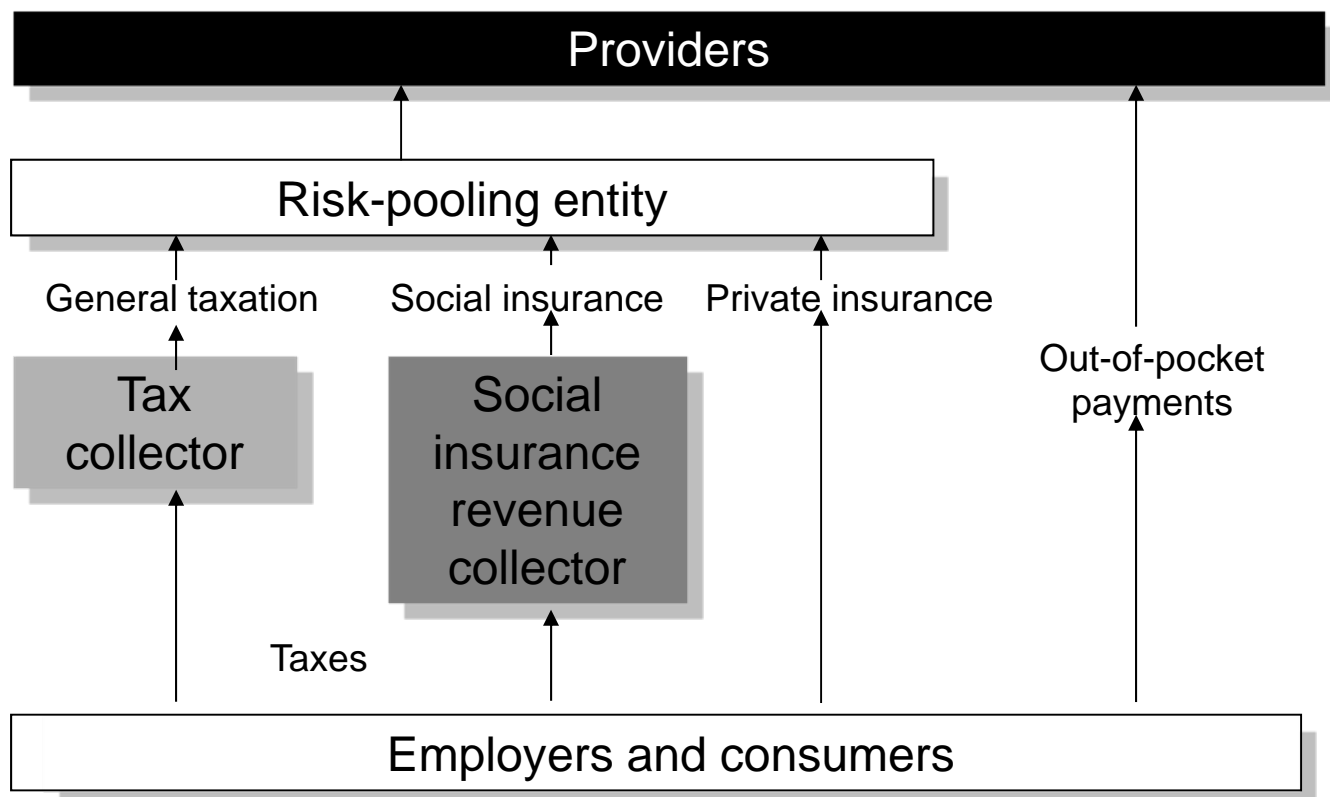
What of the quality of care provided and its associated health outcomes?

But also

What of the process of 'conversion' to social business?
(Renfrewshire Community Health Initiative – small grant plus PhD studentship)

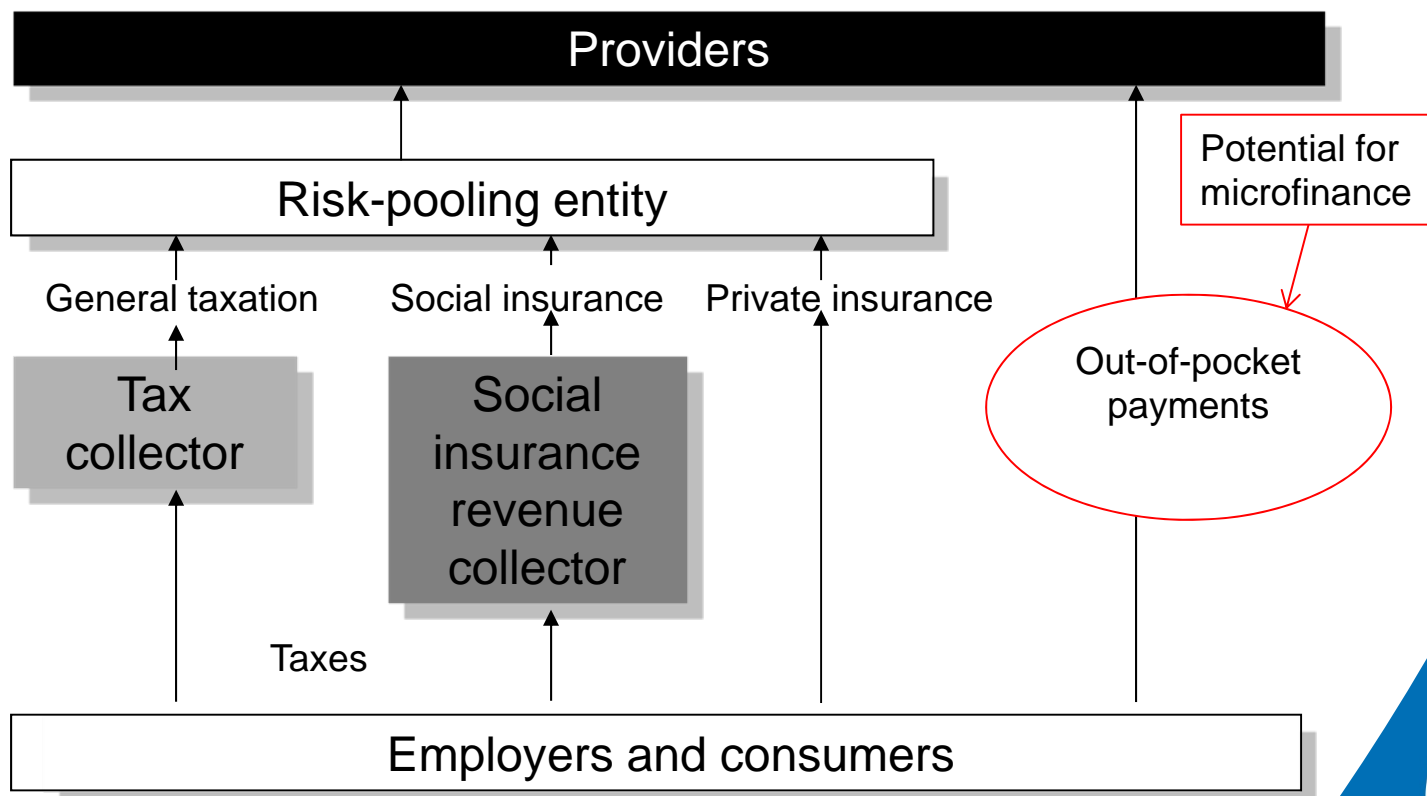
An exception? Market failure and microinsurance in lower-income countries

Type of financing mechanisms



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Type of financing mechanisms



Market adaptation or repair of market failure?

- Can administration costs be kept down ('piggybacking')?
- Moral hazard less of an issue?
- Adverse selection met head on and caring externality internalised?
- Asymmetry still a risk wrt provider domination

Research questions

What will future of health care look like?

Can customer loyalty be maintained?

Issues for regulation?

Public subsidy justified and to what extent?

Criteria for evaluation?

We are looking more at human resource issues through the Grameen Caledonian College of Nursing (initial funding from Nike's 'girl effect' program)

Social business as a public health intervention: microcredit (Grameen Scotland) as an example

Need

- **The ‘Glasgow effect’**
- **Persistence of health inequalities**
- **Limited ability of government to alter “material circumstances”**

Plausibility of intervention

- **Extensive knowledge that health and material circumstances are linked**
- **Political appeal – the ‘Big Society’**
- **Cultural and institutional history – formal and informal**

It's a Wonderful Life!



Evaluating microcredit as a public health intervention. How do we get from here...

Engaging with microcredit

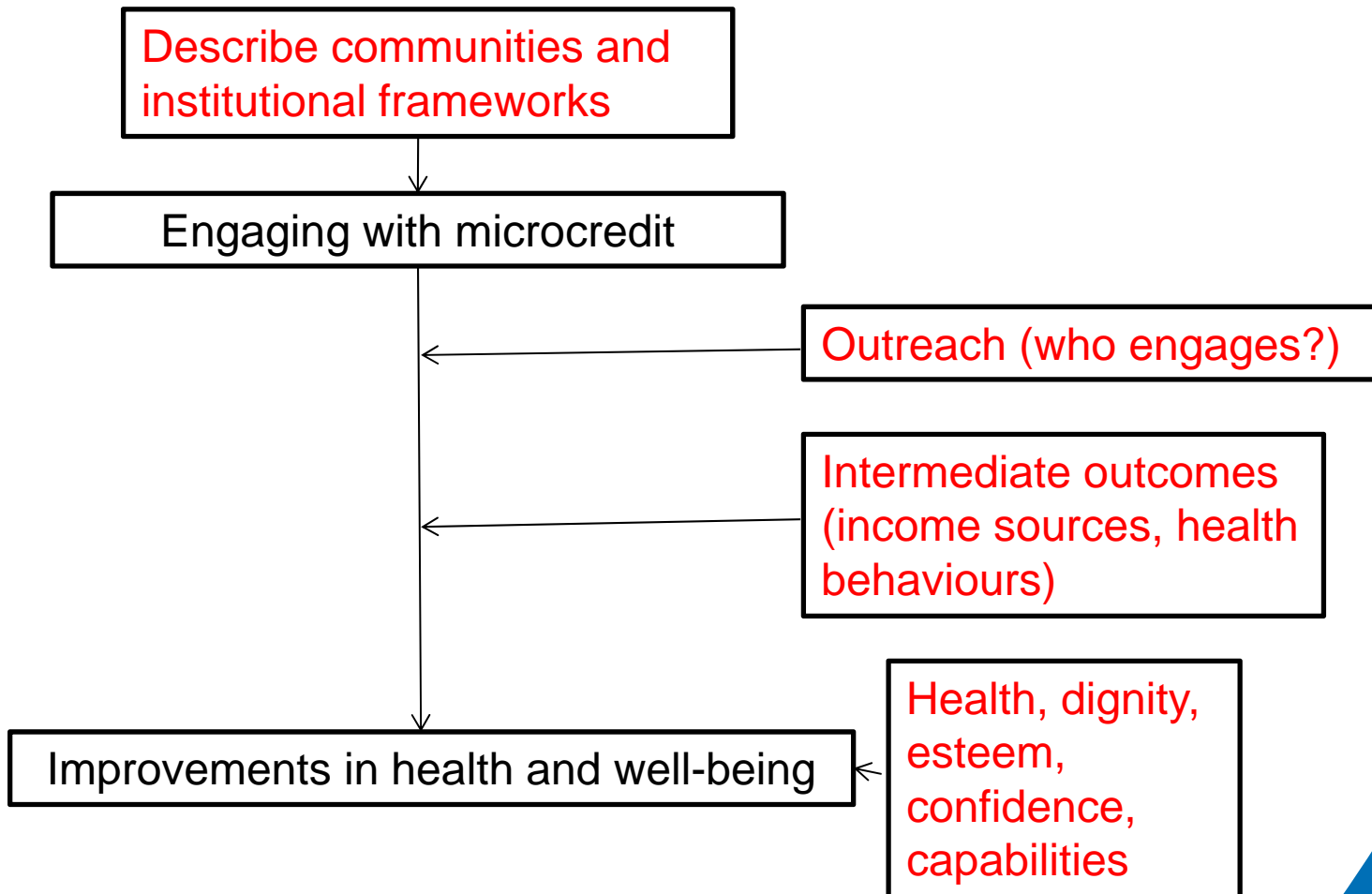
...to here?

Engaging with microcredit



Improvements in health and well-being

The preparation, intermediate steps, final outcomes...and beyond?



Research challenges

- building relevant disciplinary base
- longitudinal data
- comparator and control groups
- measuring 'communities'
- qualitative as well as quantitative

Want to build a large, longitudinal study but have also started small with:

- PhD looking at theoretical aspects of South-to-North transfer, and consequent empirical implications;
- 'Passage from India' project, working with *Faith in Communities Scotland* in six most deprived parishes in Glasgow (PhD studentship)

Concluding questions

- Do social business and microcredit offer potential solutions to:
 - challenges in health care (in advanced and lower-income economies)?
 - and with respect to health inequalities?
- Might some element of subsidisation represent good value for money in terms of social outcomes? Is it right to pose this as an empirical question?
- What do we know about ‘conversion’ of organisations to a social business mode of working?
- Can the perspective of ‘social business or microcredit as public health interventions’ be portrayed as new?
- Are the challenges this might then pose, in terms of creating and implementing evaluation frameworks for assessing such social innovations, the right ones?