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HOW POWER AFFECTS POLICY MAKING PROCESS: USING PRIVATISATION POLICY IN SAUDI ARABIA AS AN EXAMPLE

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ABSTRACT

The policies enacted in a country have a significant bearing in shaping service delivery to the people. Power significantly influences the establishment of policies such as health policy. This study will examine how power affects policy making process with close reference to the case study of Saudi Arabia's privatisation policy. In Saudi Arabia, major decisions preceding policy creation are crafted by the government in power. As such, power has a significant influence in defining policies affecting various sectors within the country. Therefore, the connection between power and policies affecting activities in the social sphere is evident in through actions that the government favours. Using the case study of Saudi Arabia as an example, this essay explores three major things related to the policy framework and the creation process. The elements that will be discussed include; context, content, and process. Further, the connection between power and policy will be revealed through an examination of trends related to privatisation policy in Saudi Arabia. Also, actors involved in the creation of the policy will be discussed. These will include; stakeholders in the respective sector and government through the respective ministry. Furthermore, the influence of actors during the policy-making process will be the benchmark of this discussion.

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INTRODUCTION

Buse, Mays and Walt (2012) defines policy as a specific framework in which appropriate actions are carried out in a particular field. These frameworks are designed on the basis of some decisions made by the policymakers in a bid to work on the objective and ideas related to a given field (Buse, Mays and Walt, 2012). In order to understand the creation process of any particular policy, it is necessary that the actors in policy making be understood. These players differ from one field to the other. In this paper, the health policy will be elaborated in detail. Health policy contains the objectives of the field, tools through which it can achieve those goals and a particular procedure to carry out its desired tasks (Palmer, 2000). These three elements of the Policy help in making health-related decisions, their implementation and assessments.

Health-related policies are based on the relationship of context, process and are dependent on factors like scientific understanding, political power and goodwill and economic as well as environmental concerns. The relationship of the primary actors in the policy making process is elaborated in the figure below. From the below figure, the factors that influence health policy making process are illustrated using Walt and Gibson's health policy triangle. The triangle provides a systematic explanation of all the factors that affect the policy formulation (Buse, Mays and Walt, 2012; Walt and Gilson, 1994). Therefore, in this paper, the triangle framework will be used to evaluate the features of a health privatisation policy of Saudi Arabia. These factors will be discussed as follows;

Context

Context is one of the factors that significantly influences policy making process. The term context refers to systematic factors like political, social, economic and cultural both on national and international scales (Buse, Mays and Walt, 2012; Walt and Gilson, 1994). First, Social and Cultural factors affect

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priorities given in the healthcare field such as preventive health care services. These factors include demography of the country or locality, the level of education, birth rate, the perception of the society towards giving birth, and traditional practices defining food culture and taboos. The population pattern, for example, affects the government priority in determining the number of healthcare providers within a locality. On the other hand, education system influences the churning out of practitioners in healthcare department. However, this priority is only realizable through changing social and cultural trends that would limit the realization of this objective. In Saudi Arabia, in-service training among the workers in the medical sector is a priority area to the policymakers. The quality of healthcare service is highly dependent on the kind of training permeated by the government. The extent to which the healthcare policy favours the current social trends depends on whether the actors in the policy creation process included the concerns or trends in the environment. Primarily, the reaction of the society towards the policy also features in the policy formulation process.

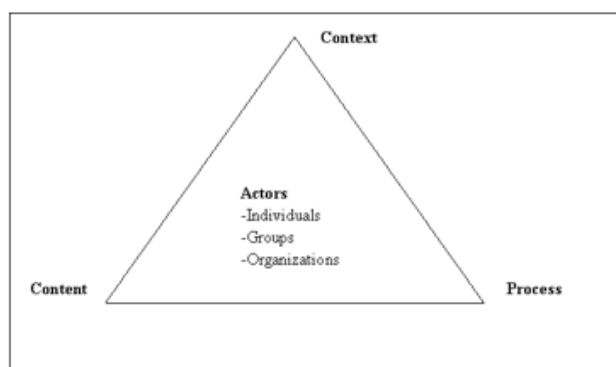


Figure 1.

Social factors play a crucial role in the application of the health policy in Saudi Arabia. Further, in Saudi Arabia, the economic factor is an important factor to put into consideration before creating the health privatisation policy. This is because the government fund health care services, hence, budgeting may be a real challenge for the Ministry of Health (MOH) (MOH, 2010). The healthcare services provided to the public are free of charge and serves as a significant burden on government. Additionally, the government needs to keep the policy up to date by providing people with health services through high technology and measures to create awareness among them (Almalki, FitzGerald and Clark, 2011; Jannadi, Alshammari, and Khan, 2008). Similarly, political factors may have an impact on this policy since it has been mandated by Article 31 of the Saudi Arabia Constitution, that ‘The State takes care of health issues and provides health care for each citizen’ (Almalki, FitzGerald and Clark, 2011; Jannadi, Alshammari, and Khan, 2008). Without the support of the private sector, the MOH cannot provide all the health services with high standard. Therefore, for the MOH, economic and political factors are significant in the application of privatisation policy.

Actors

Actors refer to individuals, entities or states which play a vital role in the implementation of a particular health policy (Buse, Mays and Walt, 2012, Walt and Gilson, 1994). All actors have their interests and agendas. In this paper, the MOH and the

private sector are the key players of privatisation policy. The private sector comprises of health insurance companies and private hospitals. Moreover, the most crucial one is the Council for Cooperative Health Insurance which was established in 1999 by the government to make the provided healthcare services better in terms of quality via regulating the objectives and frameworks of healthcare strategies for Saudi healthcare market (Almalki, FitzGerald and Clark, 2011; WHO, 2013). Nonetheless, the first private entity entered the healthcare insurance market in the year 2004 though the number has grown up to 25 entities as at now (Colliers International, 2012). The market is mainly dominated by three companies currently in terms of health insurance premiums, and they are Tawuniya (22%), Bupa (22%) and Medgulf (19%) (Colliers International, 2012). These three entities are expected to acquire about 63 % of the total Gross Written Premium (Colliers International, 2012). This is alarming for other healthcare providers as it abstains them from convincing insurance companies to settle at discount levels. This feature reduces the number of insurance companies with which these health providers needed to deal ultimately reducing their administration cost (Colliers International, 2012).

Content

The content refers to the subject matter of the policy elaborating the topics covered in the policy (Buse, Mays and Walt, 2012; Walt and Gilson, 1994). In this case, content implies to the application of the cooperative health insurance schemes (privatisation) that has three main parts. Firstly, it deals with that cooperative health insurance that is applicable for Saudis and non-Saudis working in any private sector, and their employers cover their incurred medical expenditures (Almalki, FitzGerald and Clark, 2011). Secondly, there is insurance for those the government itself covers Saudis and non-Saudis who are in the government sector and their incurred medical expenses (Almalki, FitzGerald and Clark, 2011). Then lastly, the third category is of groups like pilgrims or Hajj on which cooperative health insurance is applicable (Almalki, FitzGerald and Clark, 2011). Pilgrim or Hajj is the Muslim pilgrimage to Mecca that takes place in the last month of the year, expected once of all Muslims (Henderson, 2011). Therefore, the relationship of context, actors, content, and other factors, for example, economic and environmental concerns is essential in the process of policy formation.

Process of policy formation

The process of policy formation requires a particular working mechanism and is highly influenced by the factors like actors, content, and context. The entire process of policy formation includes negotiation in order to create harmony among various points of views and suggested elements. Up till now, only the first stage of the content as mentioned above has been implemented. However, the government is doing its best to do measures in order to make the other two stages workable before they go for state-owned healthcare services. Moreover, on a cooperative health insurance scheme (privatisation) no significant amount of information is available yet for the Saudi Arabian population except the employees and migrants (Almalki, FitzGerald and Clark, 2011). The present healthcare sector structure is imbalanced in terms of the expansion of both health insurance companies and the private hospital. Meanwhile, the healthcare sector is dominated by the 25 insurance healthcare entities of the Saudi stock exchange and

is dealing with a complex cost versus quality ratio. The private sector of health care lacks a well-established monitoring structure for pricing, quality and healthcare accessibility features which will definitely result in lower profit margins of the sector ultimately resulting in lower quality of the provided services. The quality of MOH services is getting worse because the planned policy in this area has not been carried out. Moreover, there is no agreement between the private sector and MOH on pricing factor of services provided and the delay in this policy will affect both sectors on different scales and will cause the private sector to get empowered more than ever before. Therefore, the final decision of this policy is in the hands of MOH, however, on the field the power is in the hands of the private sector.

Conclusion

In this paper, the Saudi privatisation health policy has been discussed to elaborate the importance of authority in the formation of the policy. Moreover, it was explained well that formation of a policy is dependent on a lengthy procedure that is sensitive towards the context and actors. The decision of this policy has just been delayed without giving the public any information about it. The power of the private sector is playing a significant role in the decision, as the benefits aiming for are not satisfactory.

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