COVID-19 AND BUDGET 2020/21

What do we need in a new health budget?

RUMANA HUQUE

THE spread of Covid-19 has critically exposed the long-standing weaknesses of Bangladesh's health system. This is not surprising, as the health sector had always remained neglected in the government's priorities. In the fiscal year 2019/20, the Ministry of Health and Family Welfare (MOHFW) was allocated 4.9 percent of the national budget, which is one of the lowest in South Asia. Out-of-pocket health expenditure—which is directly paid by a patient during service use and not reimbursed by any insurance coverage—is still very high in Bangladesh (74 percent of current health expenditure in 2017) compared to the global average (18 percent) and many neighbouring countries (62 percent in India, 58 percent in Nepal, and 50 percent in Sri Lanka). Some might argue that, despite spending only 0.9 percent of Gross Domestic Product (GDP) on health, our health indicators are better than many developing countries. However, this is the time to realise that all low hanging fruits in the health sector have been consumed through improved child immunisation, maternal health care and basic curative care. The government now needs to take measures to restructure the health system to cater to the health needs of our large population.

The health sector definitely needs additional budget expenditure, but unfortunately, only increasing budgetary allocation can never solve its problems. More emphasis has to be given on how the MOHFW can use the budget efficiently, especially since the government itself has announced the Health Ministry will not see a significant rise in allocation in the upcoming budget due to its lack of capacity to utilise funds. The current health budget is allocated based on the number of beds and staff in salaried posts. The Ministry needs to critically think of how to change this incremental, norm based allocation system to a "needs-based" allocation model. The first step is to assess the population health needs of districts based on size of the population, their demographic status, disease pattern, and service utilisation—and allocate resources according to "need".

Bangladesh has an extensive network of government hospitals at community, upazila and district levels. Every year, a large proportion of the budget is spent on infrastructure development and procurement of equipment. However, according to the Bangladesh Health Facility Survey 2017, only 28 percent of health facilities have all six basic equipment—a stethoscope, thermometer, blood pressure apparatus, adult scale, child or infant scale, and light source—while 80 percent of Upazila (sub-district) Health Complexes do not have functioning x-ray machines. It is therefore not surprising that these public hospitals are not equipped with oxygen and ventilators, which have been crucial for Covid management. This needs the immediate attention of policymakers. There should have been systems in place to assess the need of equipment at hospitals at different levels, functionality of the equipment, and requirements for repair and maintenance. There needs to be district level planning for this, with budgetary allocation and capacity development of district and sub-district hospitals.

Severe shortages in the workforce is another core issue in our health system that requires immediate attention.

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For every 1,581 people, there is only one physician—in a country with a population of over 164 million. The number of medical technologists working under the Directorate General of Health Services (DGHS) per 10,000 populations is 0.32, and the number of community and domiciliary health workers is 2.13 per 10,000, according to the 2018 Bangladesh Health Bulletin. The MOHFW lacks all types of health professionals including medical technologists, nurses and other support staff, such as cleaners, who have all been providing crucial services during the pandemic. The shortage of the health workforce with non-functioning equipment has always been a challenge for providing quality care at government facilities. During this pandemic, where people of all ages are affected, hospitals under the MOHFW faced difficulties in providing required services with reasonable quality.

PHOTO: **COLLECTED**

Some other functions have also received less attention. There is little emergency care in public facilities, and services are provided for limited hours at the upazila and district levels. Where will a pregnant woman in a rural area go if she has complications in the middle of the night, or if someone has a heart attack? There is no population health status monitoring, which is the bedrock of any effective public health programme. Although certain issues have been repeatedly mentioned in multiple health sector plans or programme reviews—such as institutional focus on developing mental health services and an increased focus on urban population health—they have been followed by limited investment. Urban health is another critical sector that requires attention in the new budget. Since provisions for primary healthcare for urban populations is under the ambit of the Ministry of Local Government, Rural Development and Cooperatives (LGD), the lack of coordination between the Health and LGD ministries is a challenge that needs overcoming.

It Is hight time for the Health Ministry to focus on public health under the guidance of experts. The MOHFW can negotiate with the Ministry of Public Administration and Ministry of Finance to approve the required number of "posts" at different levels within the health system and recruit public health professionals and other support staff urgently. Leadership on developing a comprehensive approach to issues of public and population health with appropriate accountability is urgent. We can then place related public health functions in groups—such as water and sanitation and waste management, and the concerned in-charges can coordinate their policies according to a comprehensive plan to address public health issues.

The private-for-profit sector plays a crucial role in healthcare, especially in urban areas. However, the role of the private sector was disappointing during the beginning of the outbreak in Bangladesh—a huge number of private hospitals refused to admit patients out of fear of coronavirus, denying care to both Covid and non-Covid patients. It is important now to clarify the role of the private sector, and hold private for-profit hospitals to account. A coordinated approach is required to ensure that the private sector plays an effective and complementary role during such emergencies. The MOHFW should develop their capacity to monitor private sector hospitals, and should consider this as a priority, and coordinate with respective ministries for proper implementation of accreditation and licensing of private-for-profit providers.

The Bangladesh government has announced incentive packages of Tk 100 crore for government physicians, nurses and health workers treating Covid-19 patients, and Tk 750 crore for health and life insurance for those affected while on duty. In the new fiscal year, there needs to be transparent mechanisms for the disbursement of these funds to beneficiaries. In addition, comprehensive Covid-19 management through long-term, sustainable investments should be reflected in the new budget.

Due to various favourable factors, such as a large number of the young population, relatively less urbanisation and varying disease patterns, the Bangladesh health sector has had certain remarkable achievements in the last two decades. However, growing urbanisation and an increasing number of the elderly population, combined with the dual burden of communicable and non-communicable disease, will create huge pressures on the health system in future. Considering these factors, the government should definitely prioritise the health sector in the development agenda, gradually increasing the budget for the health sector up to five percent of GDP in the next three years, and developing the capacity of the MOHFW to plan and implement the budget efficiently.

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The pandemic has changed the national economic priorities dramatically

Dr Zahid Hussain *served as a Lead Economist in the Macro, Trade and Investment Global Practice of the World Bank. Since joining the World Bank in 1995, he has worked on several of the organisation's flagship reports on Bangladesh. Prior to that, he was a member of academia, with 14 years of teaching experience in a number of universities in Bangladesh and abroad. In an interview with* **Eresh Omar Jamal** *of The Daily Star, Dr Hussain talks about how the Covid-19 pandemic and the various challenges it has given rise to are expected to affect the Bangladesh budget for FY2020-21.*

The national budget for FY2020-21 is being formulated during a time of global pandemic. How does that change the process of budget creation?

The pandemic caused the process to be affected in a number of ways. The preparation of inputs for the budget was delayed because of disruptions caused by the pandemic. The Bangladesh Bureau of Statistics (BBS) could not prepare the preliminary GDP growth estimates in time. Bangladesh Bank could not update their monetary and financial database.

Because of prolonged public holidays, the budget consultation process could not be carried out in line with past practices. Inter-ministerial meetings to discuss various ideas and the demands for appropriations submitted by the line ministries in their Call Notice submissions could not be held as extensively as the government

Dr Zahid Hussain

would have liked it. The government had no option but to seek inputs from stakeholders on their websites and a few online webinars. Economists and business leaders expressed their views through the print media and television talk shows as well as interviews.

What has this crisis exposed in terms of the state's inability to meet universal basic needs such as healthcare, social security, etc.? In what ways are those failures connected to past budgets and budgetary allocations?

Covid-19 has exposed the gross inadequacies of our health and social protection systems. The healthcare system is so overwhelmed and badly managed that the public is now afraid of seeking healthcare from the public and private institutions. In some sense, we have seen both the market and government unravel in proportions never experienced before.

Health, education and social protection have been the three most palpable areas of budget neglect over the years. In Bangladesh, public expenditure as a share of GDP in each of these sectors have been abysmally low, even if they are compared with countries that have had a similar level of per capita income with ours. Adding to this inadequacy of the budget is the low quality of expenditures in each of the three sectors because of bureaucratic red tape, lack of competence, cronyism and corruption. These in turn are underpinned by lack of transparency and accountability.

What radical changes should the government make in the structure of the upcoming budget, as compared to previous budgets? And are there any changes that the government will be forced to make, due to current circumstances?

The pandemic has changed the national economic priorities dramatically. Growth and macroeconomic conservatism has given way to tackling the disease, virus transmission and its devastating impact on employment and incomes of the poor and the vulnerable.

The expenditure priorities need to change radically relative to the budgets that were previously prepared during normal times. Health, social protection, education, and agriculture all need to come to the forefront. Expenditures on infrastructure must also be prioritised and spent more wisely to make sure that only those critical for diversification of the economy and at an advanced stage of completion get the needed allocations.

Because of declining revenue mobilisation, the focus on getting value for money has to be increased significantly than the past order of magnitude. Fiscal austerity—i.e., cutting the fiscal deficit—is at a high premium. There is room for austerity in both the non-development (subsidies) and the development budget (projects that can be deferred without much impact on productivity and welfare).

QUOTABLE *Quote*

ANATOLE FRANCE
(1844-1924)
French writer.

An education isn't how much you have committed to memory, or even how much you know. It's being able to differentiate between what you know and what you don't.

CROSSWORD BY THOMAS JOSEPH

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5 Perp pursuers
9 "The Tempest" sprite
11 Singer McLachlan
12 Subsequently
13 Kagan of the Supreme Court
14 Nest item
15 Competed in a bee
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20 Characteristic
21 Director Anderson
22 Hundredth, in metric prefixes
24 Beam of light
26 Felt unwell
29 Web address piece
30 Caught wind of
32 Ballooned
34 Imitating
35 Salk's study
36 Shoe part
38 Biscotti flavor
39 Glue's kin
40 Dapper
41 Hoe target

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3 Pinkie, e.g.
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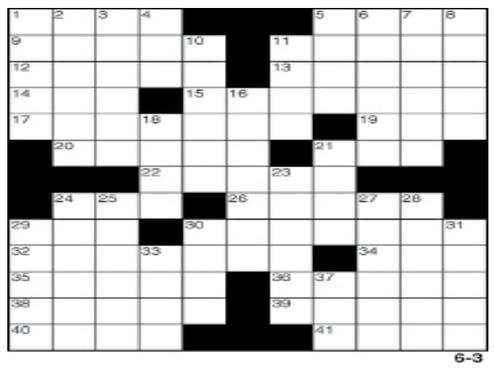
5 Summon
6 Ultimatum words
7 Comicstrip makeup
8 Underhanded
10 Caron of "Gigi"
11 Canary snack
16 "Snookums," e.g.
18 Like some negligees
21 Volition
23 Busy
24 Great seats
25 Reformer Bloomer
27 Go by
28 Take out
29 House airer
30 Tart fruit
31 Was bold
33 Shopping aid
37 Pussy foot



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YESTERDAY'S **ANSWERS**

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BEETLE BAILEY — BY MORT WALKER

BABY BLUES — BY KIRKMAN & SCOTT