

Investment in Health is Good Economics

by Dr M Zakir Husain

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INVESTMENT in health takes good economic sense. Health is at the core of human capital formation; it improves economic productivity and fosters creative enterprise, nurtures innovation at work place, and enhances quality of life. Economic development is both an outcome and a precondition for improved living standards.

Development experience confirms that human capital is an essential, if not the key, prerequisite for sustained socio-economic progress of nations. As the world stands on the threshold of the twenty-first century, it is the quality of human capital that will determine a nation's ability to grasp and hold progress and prosperity. Investment in health is an investment in human capital. It makes more economic sense than ever before.

Yet Health Gets Lower Priority

Ironically, in many countries wrestling with economic development in a highly competitive global market place, health does not still get the priority it deserves. The historic Alma Ata Conference of 1978 adopted primary health care as the key approach to Health for All. It also suggested that at least 5 per cent of Gross Domestic Product should be invested by countries in health.

Twenty years later, few countries are spending 5 per cent or more; most countries spend no more than 2 to 3 per cent, some even as little as 1 per cent. Worse still, even that low investment is not spent on primary health care approach. Much of it is still spent in urban curative care and much less in population based public health programmes.

Net health outcomes are not considered and allocative effi-

cency remains poor. Health for All is a distant dream in most countries: disparities in health status of people between countries and within countries continue to widen world-wide. In spite of availability of affordable health technologies to make a significant improvement in population health in rich and poor countries alike.

Enough Evidence But Little Action

There is enough evidence to show that primary health care is cost-effective, equitable, and affordable; that relatively modest investments in public health programmes for disease prevention and control, nutrition, sanitation, and environmental health improvements can produce large health benefits for the greatest numbers. There is enough evidence that malaria, tuberculosis, malnutrition and deficiency diseases cause low productivity in agriculture, industry, loss of millions of working hours, not to mention many premature deaths and severe disabilities.

Child malnutrition in particular causes stunting learning disabilities, even mental retardation. These no doubt represent a huge economic loss even if it has not always been quantified in money terms. Yet the fact remains that chronic ill health and deficiency disorders in large segment of the child and adolescent population literally cripple the potential for growth and prosperity of future generations.

This is not a doomsday prediction; there are ways to reverse the present situation and if only right choices and adequate investments are made today. Long term evidence based strategic plans are needed; more than plans, however, are needed revised investment patterns

with strong political will.

More Money Yes, But in Right Places

All available evidence call for a significantly higher investment in health. Undoubtedly so and sooner than later. Recently announced national health policy of Bangladesh holds promise for action. By definition, however, any policy is tested more by implementation than by intention.

But more money for health is not necessarily more health for many. As it is, there is a persistent pattern of spending more on hospitals and drugs, on equipment and machines, on expensively trained personnel without sufficient evidence of corresponding health outcome. The truth is that high technology and expensive medical care does not always result in high health outcome even for the individual let alone for a whole population.

In some industrialized affluent countries, notably in the USA, high health care expenditure (as much as over 14 per cent of GNP) did not necessarily result in equitable or effective health care for the population as a whole. But there is evidence of health status indicators of former Soviet bloc countries falling steeply after withdrawal of the State from essential public health functions and primary care services with nothing else to fill this gap. There is evidence too, how even in poor countries (and States), for example, Sri Lanka, Kerala (in India), Thailand, and Myanmar fairly modest health investments used judiciously achieved satisfactory if not remarkable gains in health indicators like infant, child, and maternal mortality, nutrition, life expectancy etc.

Historically, good nutrition, sanitation, education, with ris-

ing standard of living following the industrial revolution in the West resulted in better population health and higher productivity. That achievement was not as much due to more hospitals and clinics.

The evidence is there before us; the choice too is there for us to make. By making the right choice, more investment in health can and will give very high returns. But simply more investment without the right decisions will not do the right.

Time to Treat Health as a Development Sector

Health situation and trends of Bangladesh and all available evidence suggest clearly that without a significant improvement in population health, the foundation of social and economic progress will remain weak if not be even further weakened. Too large a segment of the population is afflicted with poor health conditions that reduce their present productivity and forfeit their future potential.

It is time to treat health as a development sector: allocate at least a minimum 5 per cent of gross national product to health, improve allocative efficiency using economic analysis and population health outcome indicators. It will be extremely useful to concurrently secure reasonable investment in other human development sectors such as education (especially female education), food supply and nutrition, environment, and community development.

Equity in health investment is a cardinal principle as it not only gives equitable access but also brings health security to all. Health is probably the core of human capital of a nation. Investment in health is good economics. Do we need more evidence?

SCHWAEBISCH Hall is a sleepy town in Southern Germany with cobbled stones on pavements, winding undulating streets, smoke coming through the chimneys, picturesquely solid geometrical patterns on wood walls, churches, cafés and winding streams. The place plays host to Indians, Chinese, Turks, French, Americans and Japanese to learn German for their work and also as a hobby.

When I met Dr Eswara Prasad, an amicable and helpful 35-year-old research fellow of Alexander von Humboldt Foundation at Stuttgart, he was speaking Telegu like the beating of drums to his wife in Hyderabad on the phone. As there is no Goethe Institution his native city, he has decided to study here for two months, before commencing with his research in metallurgy, related to aircrafts. Telegu is his mother tongue. He knows Hindi and English besides that.

I spend 50 DM a week calling my wife. I call India, especially my wife Swarna Latha, an accountant by profession, who will be joining her in a month's time, with my five year old daughter, Shanti Raval. If it were not so expensive, I would have called more often. I send regular e-mails three to four a week in which two are for my family, and two are for my friends and colleagues. My letters are in English. Thereafter I speak to my wife and family in Telegu. I am now concerned about my research project that I will be undertaking at Stuttgart and have no more time for my relatives or friends.

Dr Prasad says that he does not miss his country's food, as he eats vegetarian curry and daal with rice with three Indian friends. However, he says, "I would like to know about the German food and climate. I have reserved my tours of the country till my family joins me." He has been to Rothenberg and Stuttgart so far.

For his opinion of the unification of Germany, Dr Prasad says, "it is good and I fully support it. The greatest advantage is the lowering of the cost of living because of the cheaper man hours of earlier East Germany and superior technical advancement of erstwhile West Germany. This makes it an ideal situation for unification."

His impression of Germany is that they are a highly cooperative and "professional" in their approach. He feels that they are very hard-working and always aim at perfection.

Dr Prasad, who wakes up at 6.30 am and sleeps at 10.30 pm misses his daily morning newspaper. However, he watches BBC regularly at his Indian friends' place. He goes for walks and listens to Indian music before sleeping.

He has not spent time in buying goods as they are cheaper in India. However, he will buy quality items like a camera, a video camera, microwave oven etc.

Dr Qian Wei, 35, an Associate Professor from Nanking, People's Republic of China, is here to study German as he has finished his research project in Electrical Engineering in Fach Hochschule Esslingen before schedule. He deals with visual instruments to test electrical motors.

His wife Zhao Lei is also a lecturer in his university and they have a seven year old son Qian Yili.

Qian says, "I e-mail a full page every second day. I have no time for letters as the course is too intensive and e-mails are

more convenient. I write about my progress in the Goethe Institut; whether I am getting along well with my studies, my friends and my walks. I discuss the visa application of my family for coming to Germany for three months. Moreover, my students in China are doing their M.A. dissertation and I deal with this too. One of them will go to work in a German company so I avenge these formalities too. It is a technical exchange programme too, if possible. I don't do much shopping here as it can get almost everything I want in the US and there it's much cheaper. I miss my steaks as most people here eat pork or lamb. I enjoyed the Gil breakfast here with cheese and chocolate and chestnut spread on butter."

Qian adds, "After my two months at Goethe Institut Schwaebisch Hall, I will travel with my family to Berlin, Stuttgart, Frankfurt, Munich etc, and to Vienna and Paris."

He misses his native food although he makes Chinese food himself by mixing noodles, eggs, meat and vegetables. Qian says, "I eat whatever I can prepare quickly so that my time is spared for my studies. Of course it is not like home cooking."
