Investment in health in the global arena

Dr Jeremy A. Lauer, PhD
Health Systems Governance and Financing
World Health Organization
1 Main messages
The health system is an engine of growth
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2 Health expenditure trends
The health system is an engine of growth

Strong growth in global health expenditure over two decades
The health system is an engine of growth

Growing at 6% in LMICs
Growing at 4% in HICs
The health system is an engine of growth

Global health expenditure in 2016

$7.5 trillion
The health system is an engine of growth

Global health expenditure

But so what?
The health system is an engine of growth

1. Growth in health expenditure means growth in jobs

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Growing at 6% in LMICs
Growing at 4% in HICs

18 million new healthcare jobs needed by 2030
The health system is an engine of growth

2. Growth in health expenditure means GDP gains in LMICs

- with UHC
- without UHC
The health system is an engine of growth

3. Growth in health expenditure means GDP multiplier of 1.77 in HICs
The health system is an engine of growth

Growth in health expenditure means growth in jobs

Health system jobs mean strong SDG outcomes for LMICs and HICs

Multiplier effect: 1.77 in HICs

18 million new jobs
GDP +2–4% in LMICs
Multiplier 1.77 in HICs
The health system is an engine of growth

Growth in health expenditure means growth in jobs

Health system jobs mean strong SDG outcomes for LMICs and HICs

Better health systems mean sustainable development
3 Implications for Policy
The Sustainable Development Goals

- Global policy framework adopted by 193 Member States of the United Nations
The Sustainable Development Goals

- **Global policy framework** adopted by 193 Member States of the United Nations
- **SDG 3** – Good health and Well-being
The Sustainable Development Goals

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• **SDG 3** – Good health and Well-being

• **SDG 3.8** – Achieve *universal health coverage (UHC)*, including financial risk protection, access to good-quality essential health-care services, medicines, and vaccines for all
The Sustainable Development Goals

• Global policy framework adopted by 193 Member States of the United Nations
• SDG 3 – Good health and Well-being
• SDG 3.8 – Achieve universal health coverage (UHC), including financial risk protection, access to good-quality essential health-care services, medicines, and vaccines for all
• SDG 3.c – Increase health financing and health workforce in developing countries
Nursing and Health Systems Strengthening
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- 75% of the investments required to meet the health-related SDGs are for health system strengthening (HSS).
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• A lesson from the Millennium Development Goals (2000–2015):
Nursing and Health Systems Strengthening

- 75% of the investments required to meet the health-related SDGs are for health system strengthening (HSS).
- The majority of HSS investments are for the health workforce.
  - Supply failures create demand failures.
4 Some basic economics
Economics of healthcare
Economics of healthcare

Price

Supply

Demand

Quantity

Quantity_1

Price_1
Economics of healthcare – supply failure

![Diagram showing supply and demand in healthcare economics.](image-url)
Economics of healthcare – supply failure

![Diagram showing supply and demand with price and quantity axes.](image-url)

- Supply
- Price
  - Price$_1$
  - Price$_2$
- Demand
- Quantity
  - Quantity$_1$
Economics of healthcare – supply failure
Economics of healthcare – supply failure

Still the same quantity supplied!
Economics of healthcare – demand failure
### Economics of healthcare – demand failure

<table>
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<th>Demand</th>
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<table>
<thead>
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</tbody>
</table>

![Graph showing demand and supply curves](image-url)

- **Demand**
- **Supply**

- **Price**
  - $P_{1}$
  - $P_{2}$

- **Quantity**
  - $Q_{1}$
Economics of healthcare – demand failure
Economics of healthcare – demand failure

Still the same quantity demanded!
Supply-induced demand failure
Supply-induced demand failure

Supply

Demand

Price

Quantity Supplied

Quantity Demanded

Quantity
Supply-induced demand failure

- Supply
- Demand
- Need

Price

Quantity Supplied

Quantity Demanded

Quantity Needed

Quantity
5 Implications for Policy (continued)
Global market, global problem

- We face a shortage of **18 million health workers**, mainly in low-income and lower middle-income countries.
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• **Lift restrictions on the supply** of health workers.
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- At **global level**, this “locks up” population demand for healthcare.
- In order to “unlock demand”, **more health workers need to be trained**.
- **Lift restrictions on supply** of health workers.
- **(Needs for health-workers in high-income countries** are being met by international **labour mobility)**.
The Sustainable Development Goals – cont.

- Global policy adopted by 193 Member States of the United Nations
- SDG 3 – Good health and Well-being
The Sustainable Development Goals – cont.

- **Global policy** adopted by 193 Member States of the United Nations
- **SDG 3** – Good health and Well-being
- **SDG 4** – Quality education
The Sustainable Development Goals – cont.

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- **SDG 8** – Decent work and economic growth
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- **SDG 8** – Decent work and economic growth

For the nursing workforce, these are mutually supporting and reinforcing goals!
The evidence – 1

- Progress in gender equality could result in gains on the order of +11% of gross domestic product (GDP).

The evidence – 2

• Gender equality in medicine, science and global health has the potential to lead to substantial health, social and economic gains.

• Shannon G et al., Gender equality in science, medicine, and global health: where are we at and why does it matter? Lancet, 2019.
The evidence – 3

• **YET:** An increasing proportion of women in the health workforce is associated with an increasing gender wage gap and decreasing wage conditions… *(THE “WAGE GAP”)*

• Shannon G et al., Feminisation of the global health workforce and wage conditions of health professions, *Human resources for health*, in press.
The evidence – 4

• A critical component of the health system is its nursing workforce. YET current working environments limit the potential to realize UHC.

• Traditional professional models need to be replaced by an inter- and trans-professional approach based primarily on primary care teams.

• Horton R et al., WHO, 2017.
Who will pay for it?

• Public funds can meet the costs of health workers in almost all countries.

• Lauer JA et al., WHO, 2017.
6 Conclusions
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• Training and employing more nurses will result in health and economic gains:
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  • reaching UHC (SDG 3.8).
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• For further updates, watch for:
Conclusions

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• For further updates, watch for:
  ➢ The State of the World’s Nursing Report 2020
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