

# Investment in health in the global arena

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World Health Organization



# 1 Main messages

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# The health system is an engine of growth



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# 2 Health expenditure trends

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# The health system is an engine of growth



**Strong growth in  
global health  
expenditure over  
two decades**



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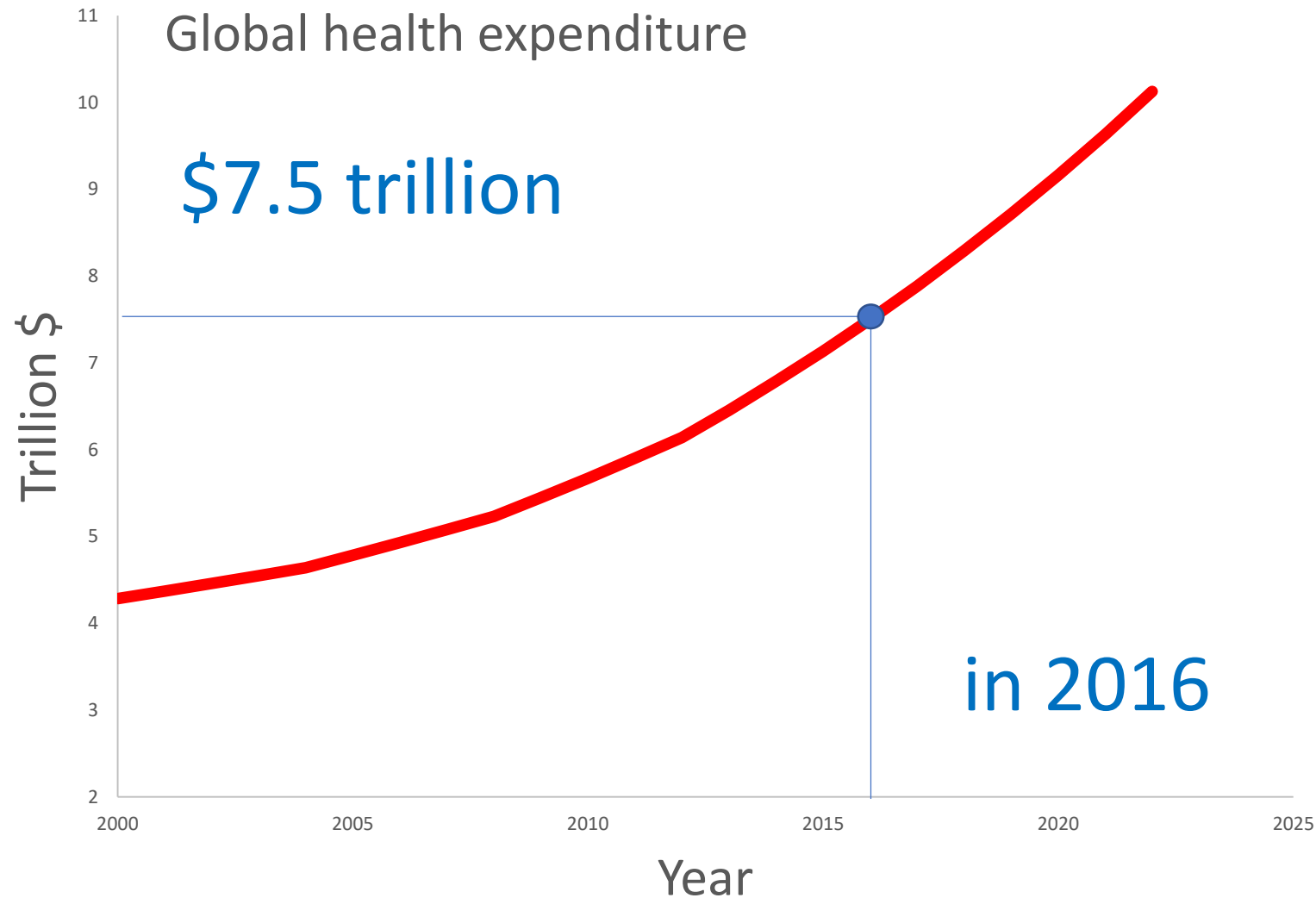


# The health system is an engine of growth



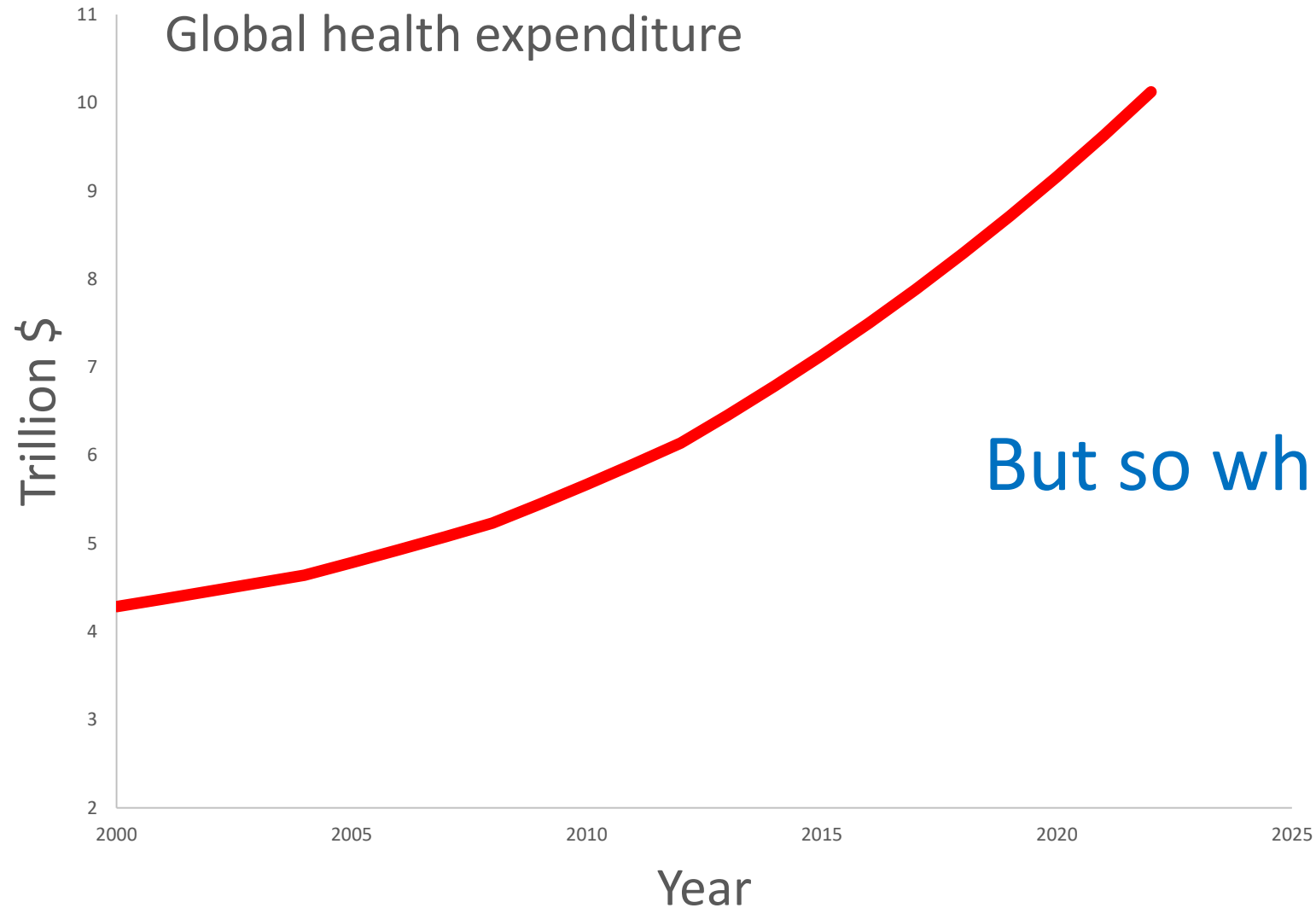
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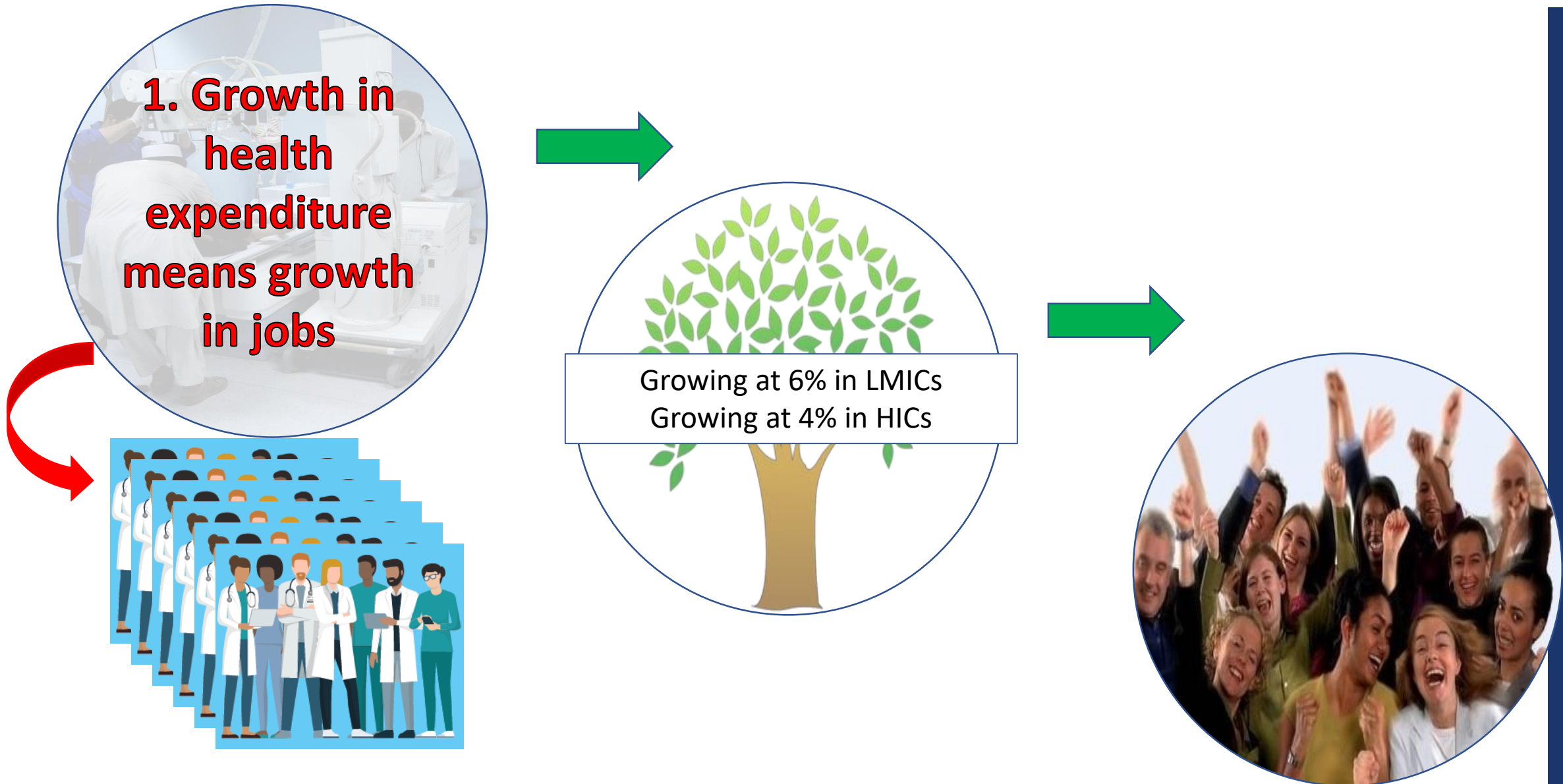


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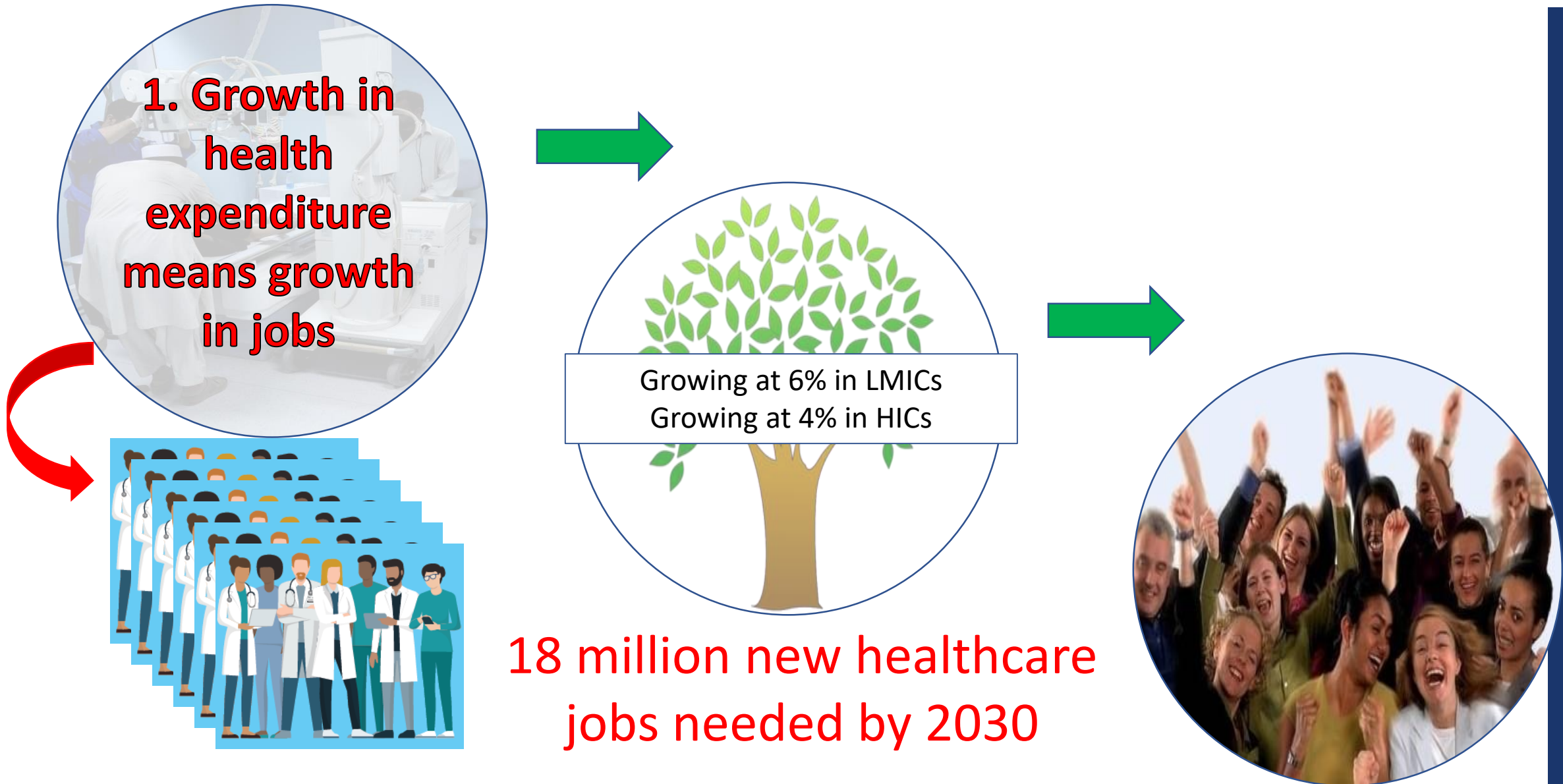


But so what?

# The health system is an engine of growth



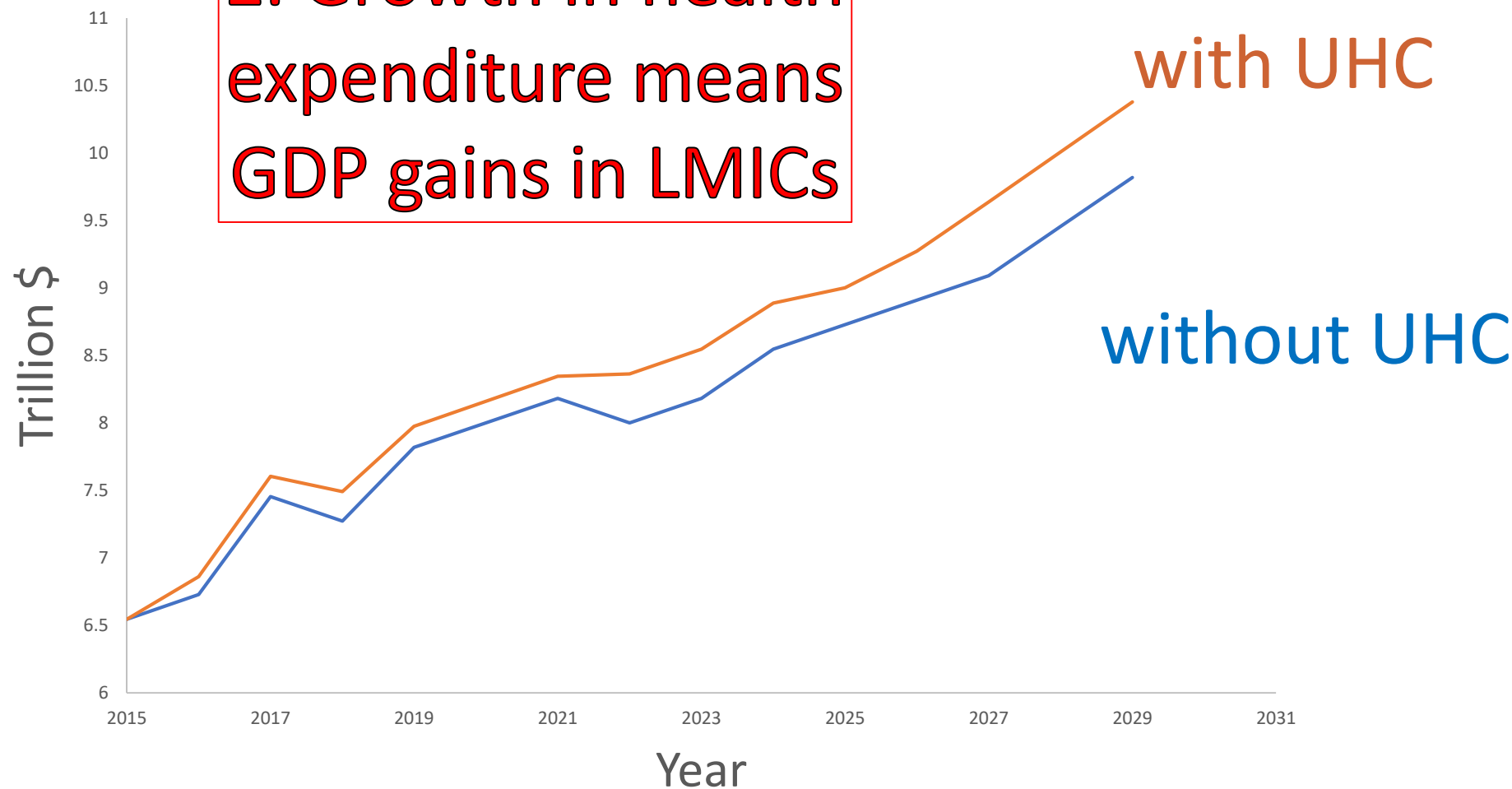
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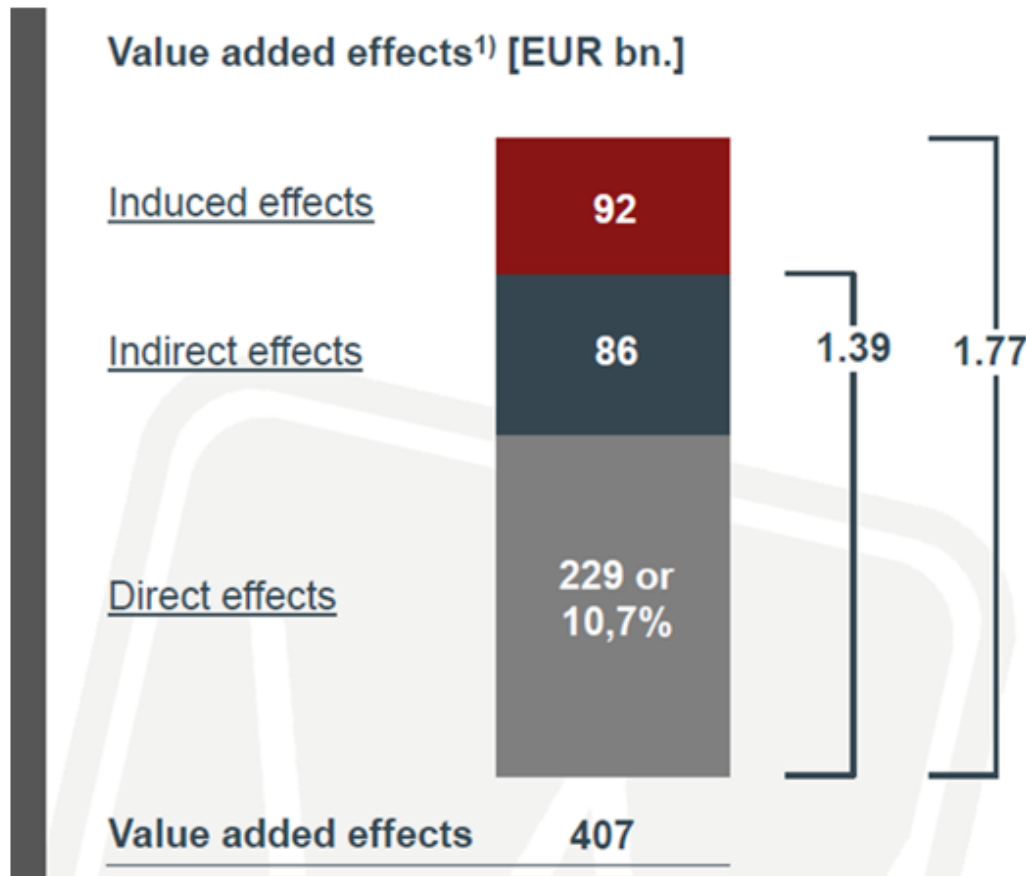


2. Growth in health expenditure means GDP gains in LMICs





# The health system is an engine of growth



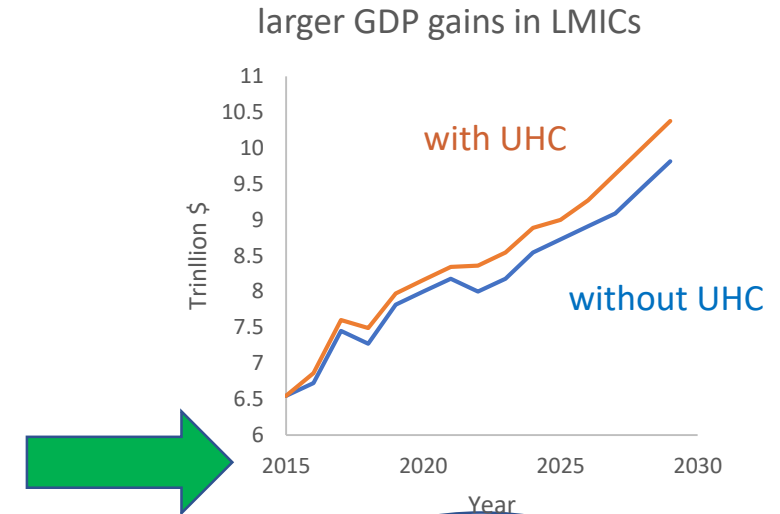
3. Growth in health expenditure means GDP multiplier of 1.77 in HICs

1) Model calculations based on the 2007 HIOT domestic production (excluding imports :)

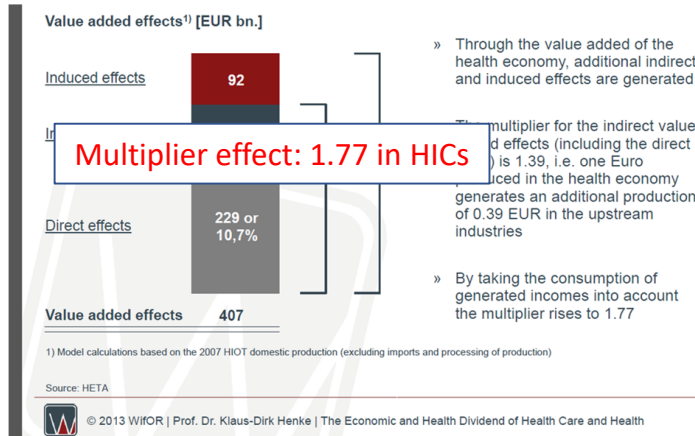
Source: HETA



# The health system is an engine of growth



**18 million new jobs**  
**GDP +2–4% in LMICs**  
**Multiplier 1.77 in HICs**



# The health system is an engine of growth







# 3 Implications for Policy

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# The Sustainable Development Goals

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- **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



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- **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

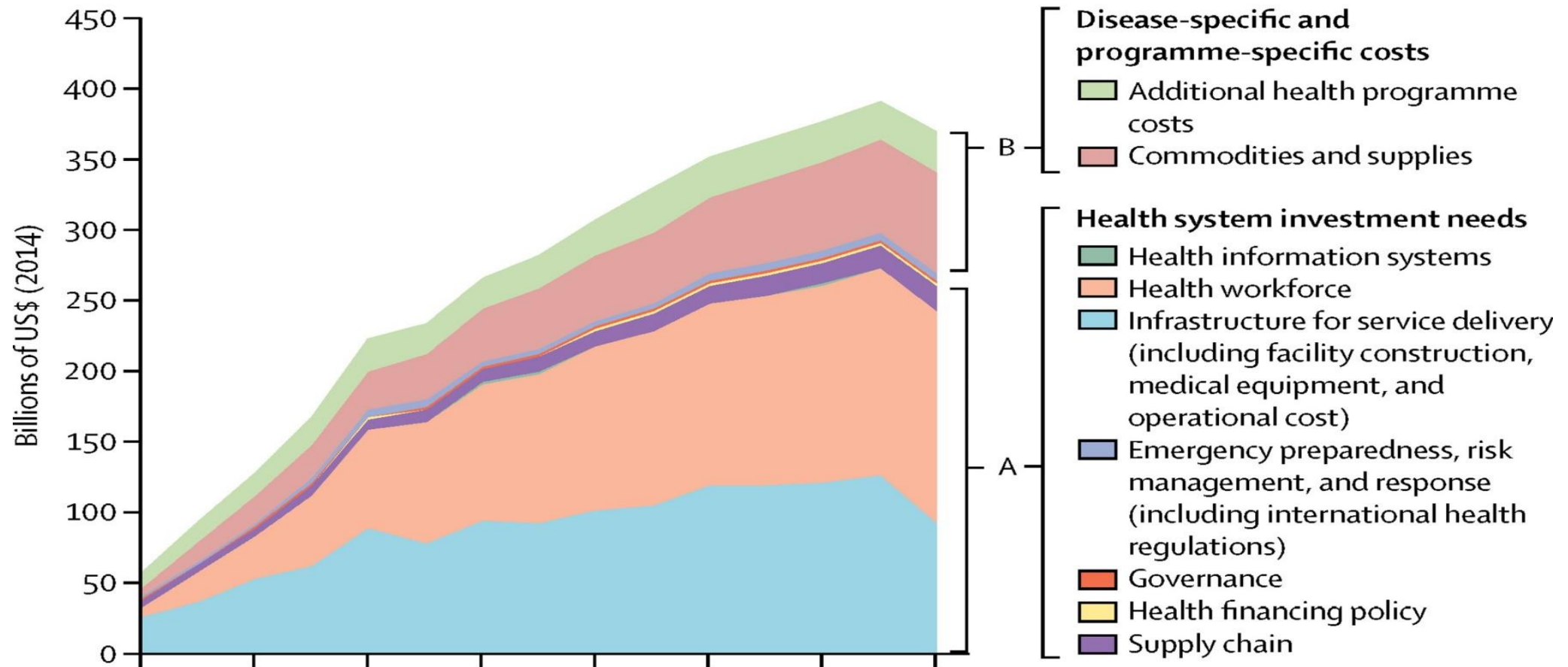


# Nursing and Health Systems Strengthening

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- 75% of the investments required to meet the health-related SDGs are for health system strengthening (HSS).

# Nursing and Health Systems Strengthening



Stenberg K, Hanssen O, Tan-Torres Edejer T, et al. Financing transformative health systems towards achievement of the health Sustainable Development Goals, *Lancet*, September 2017.

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# 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**.
- A lesson from the **Millennium Development Goals** (2000–2015):
- **Supply failures create demand failures.**



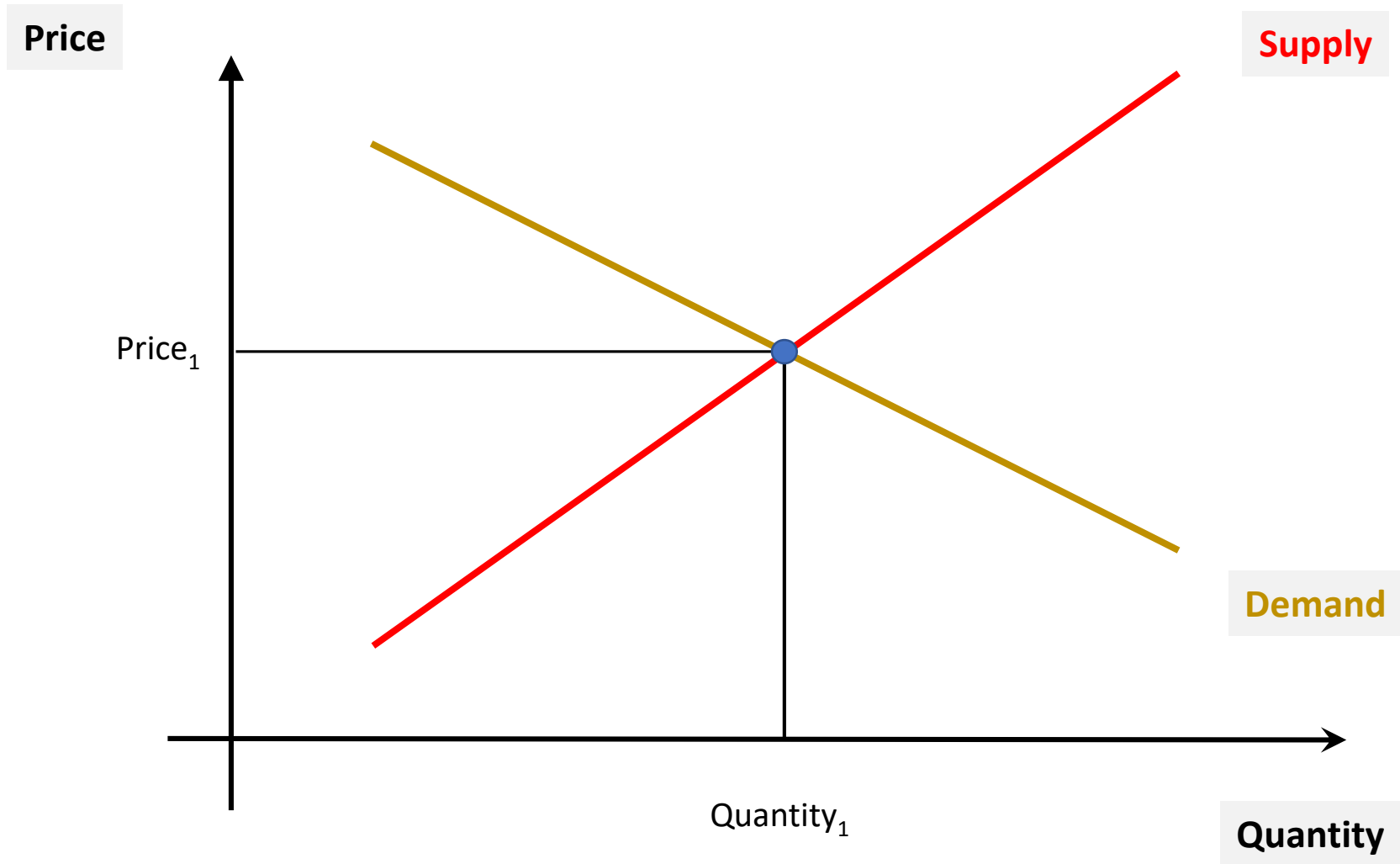


## 4 Some basic economics

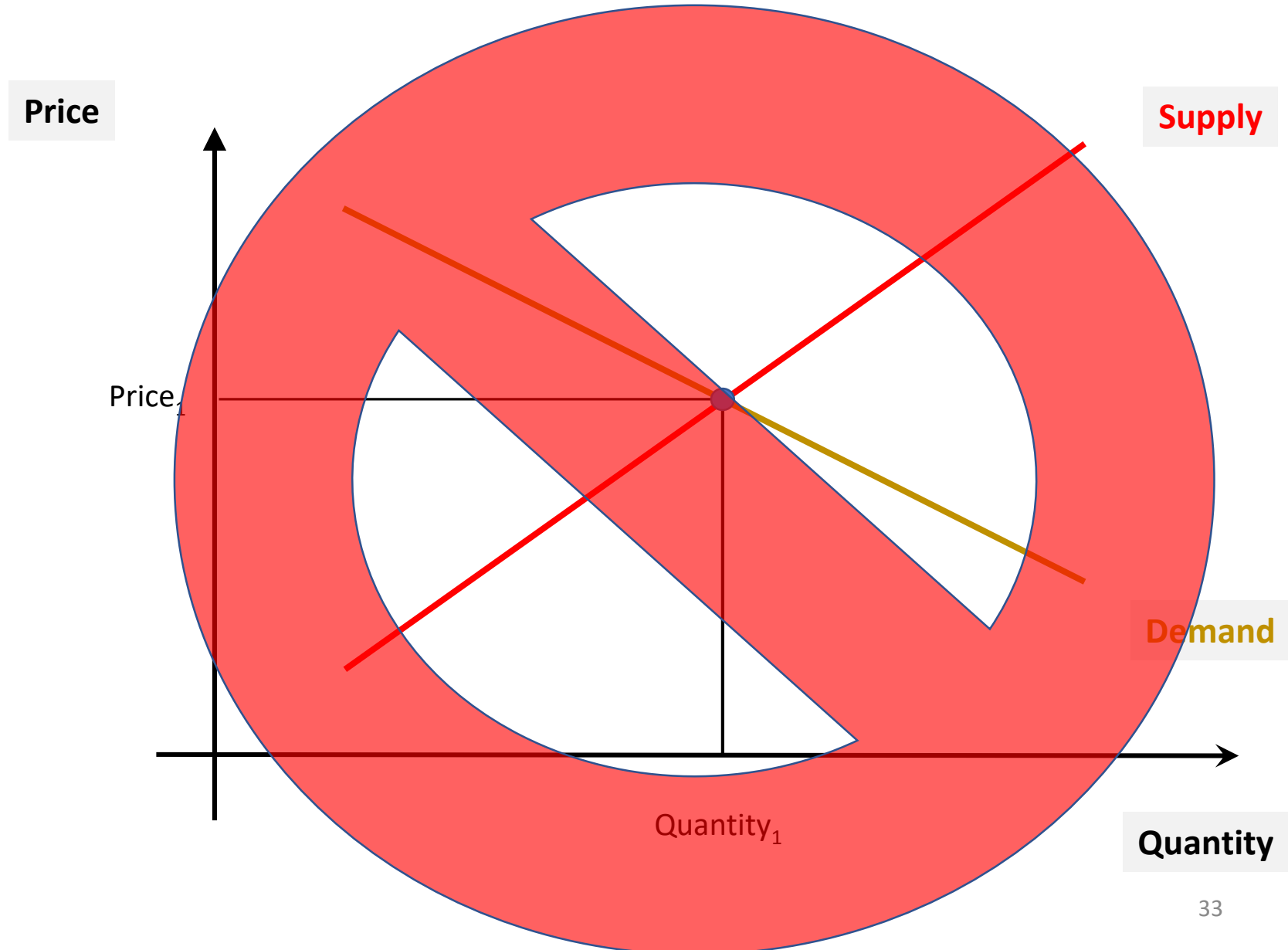
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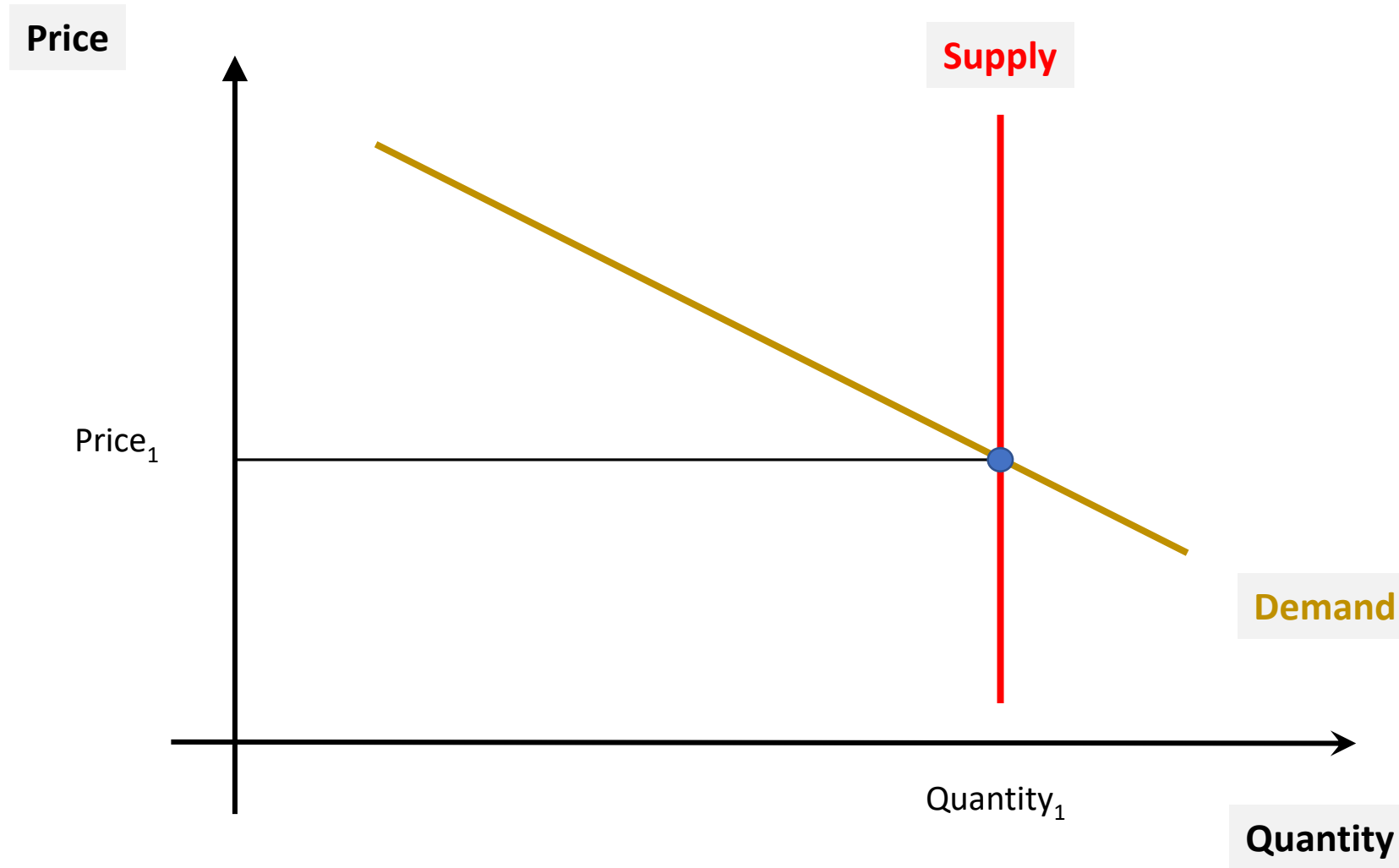
# Economics of healthcare



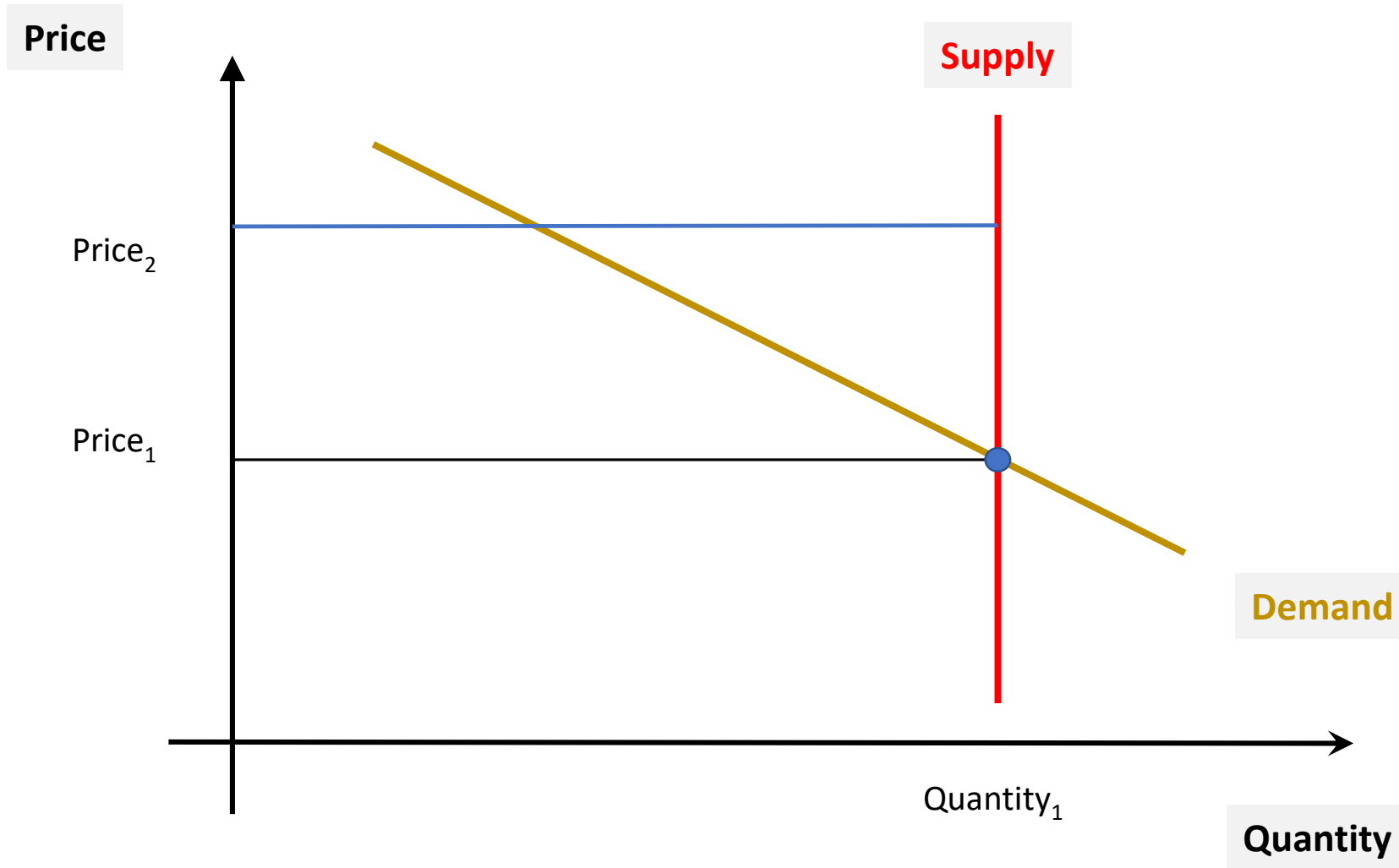
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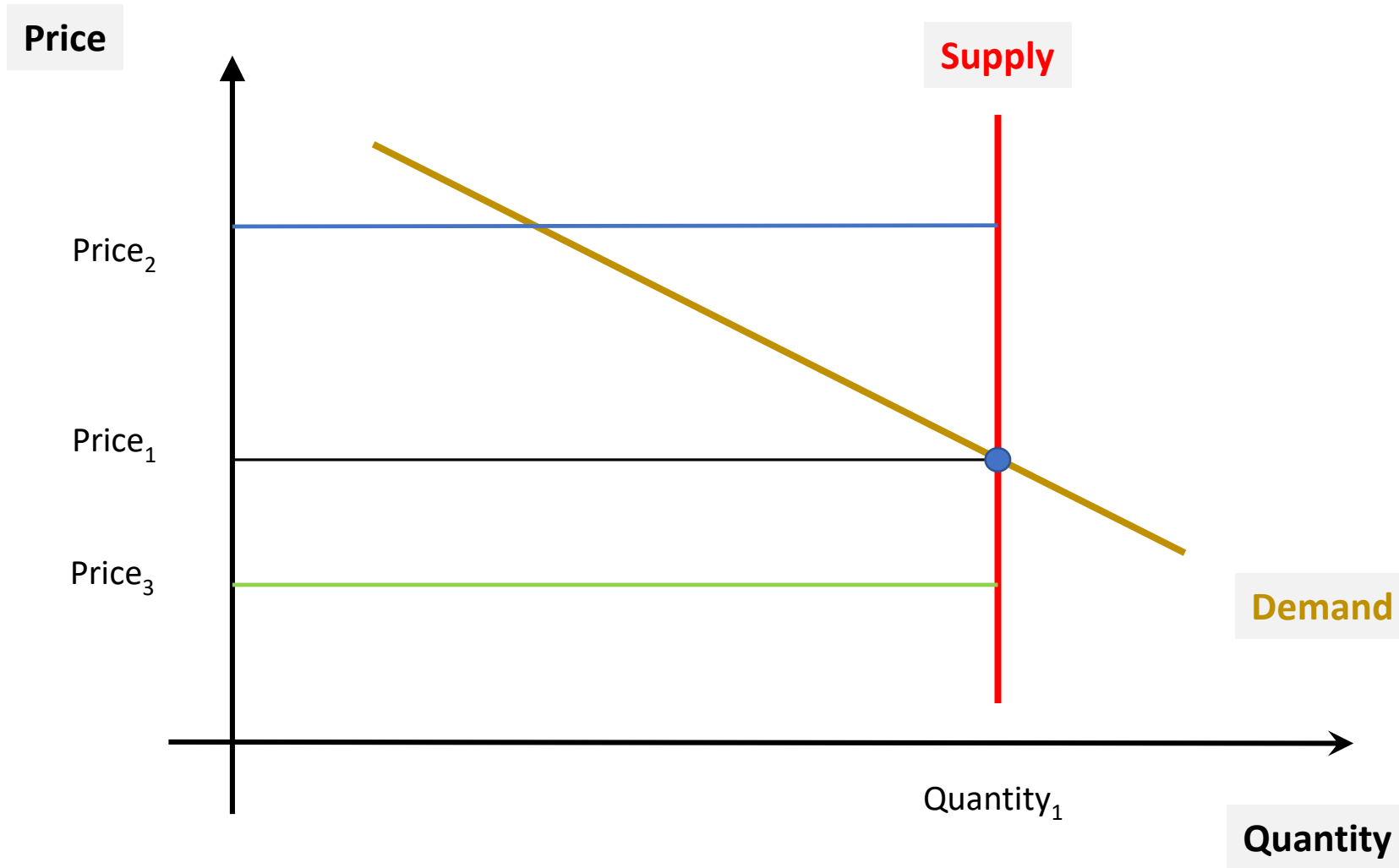
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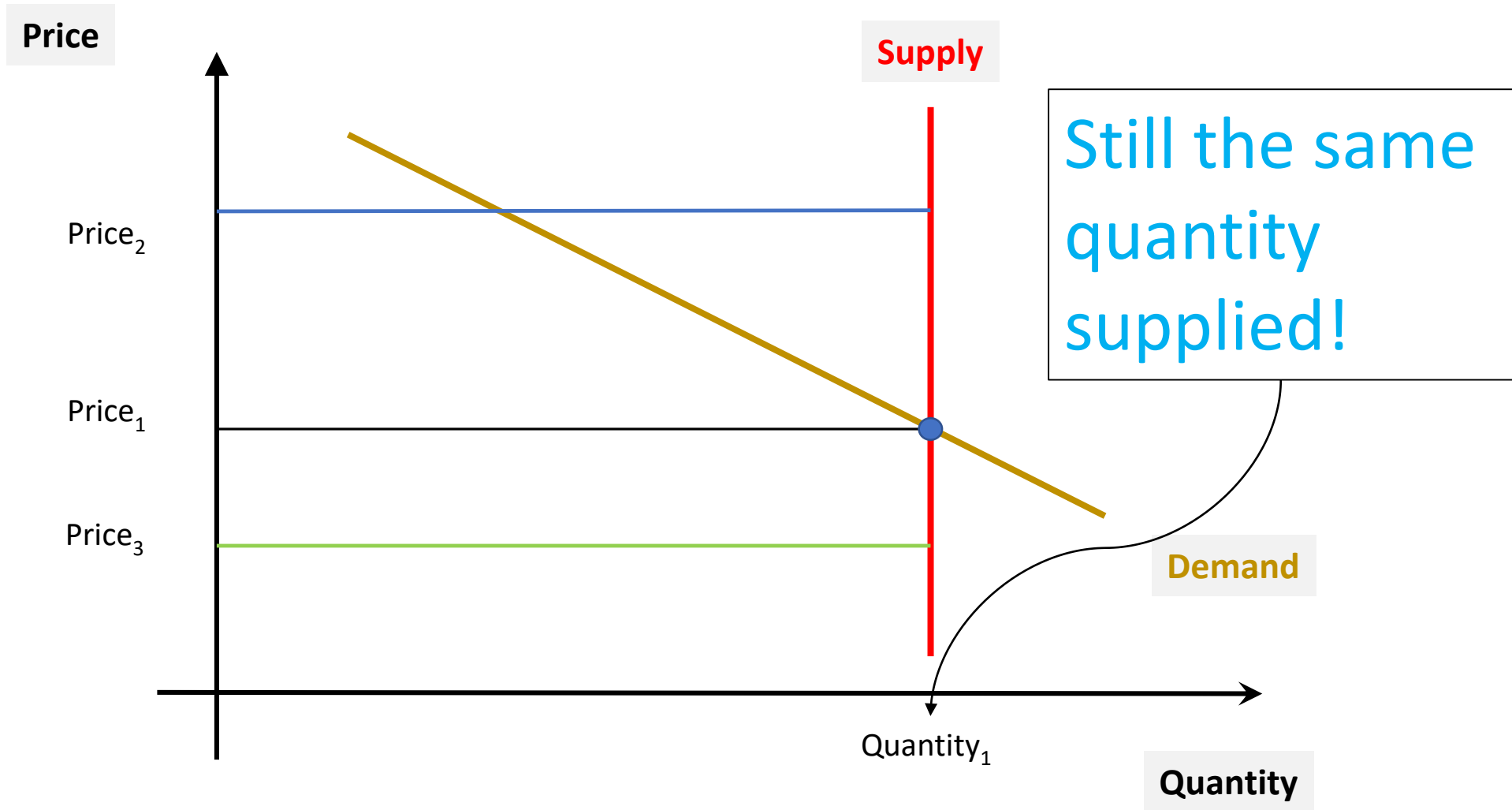


# Economics of healthcare – supply failure

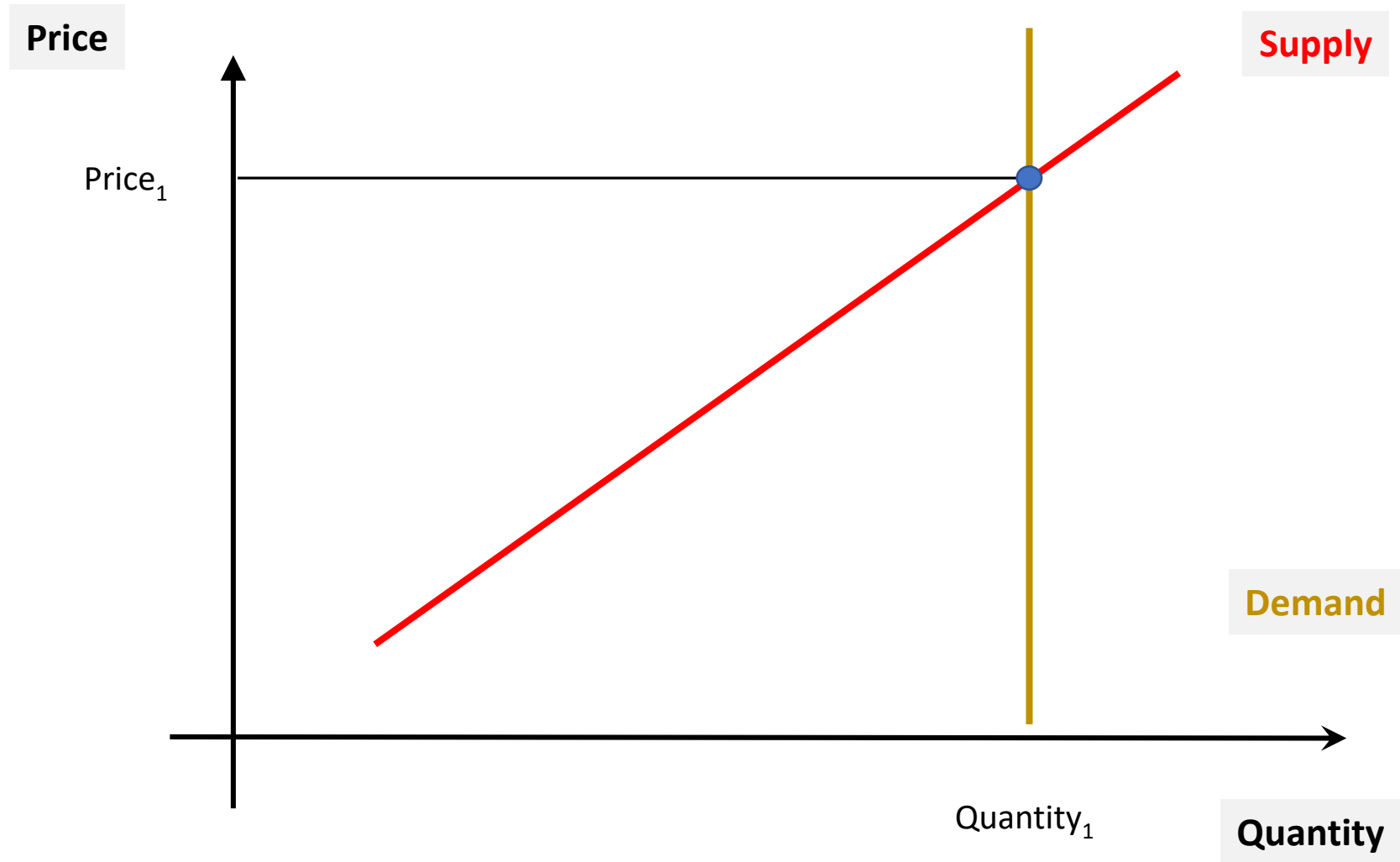




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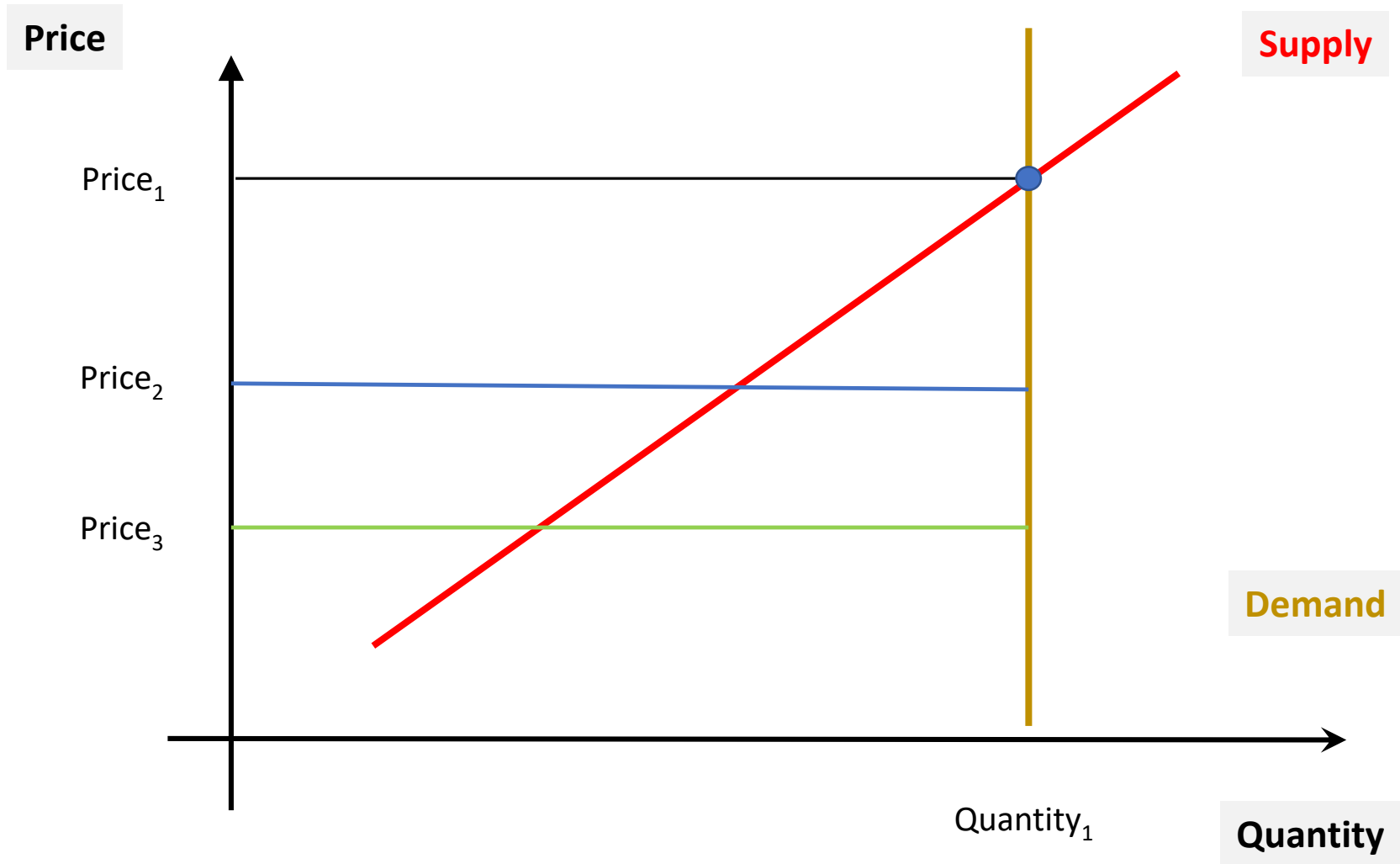
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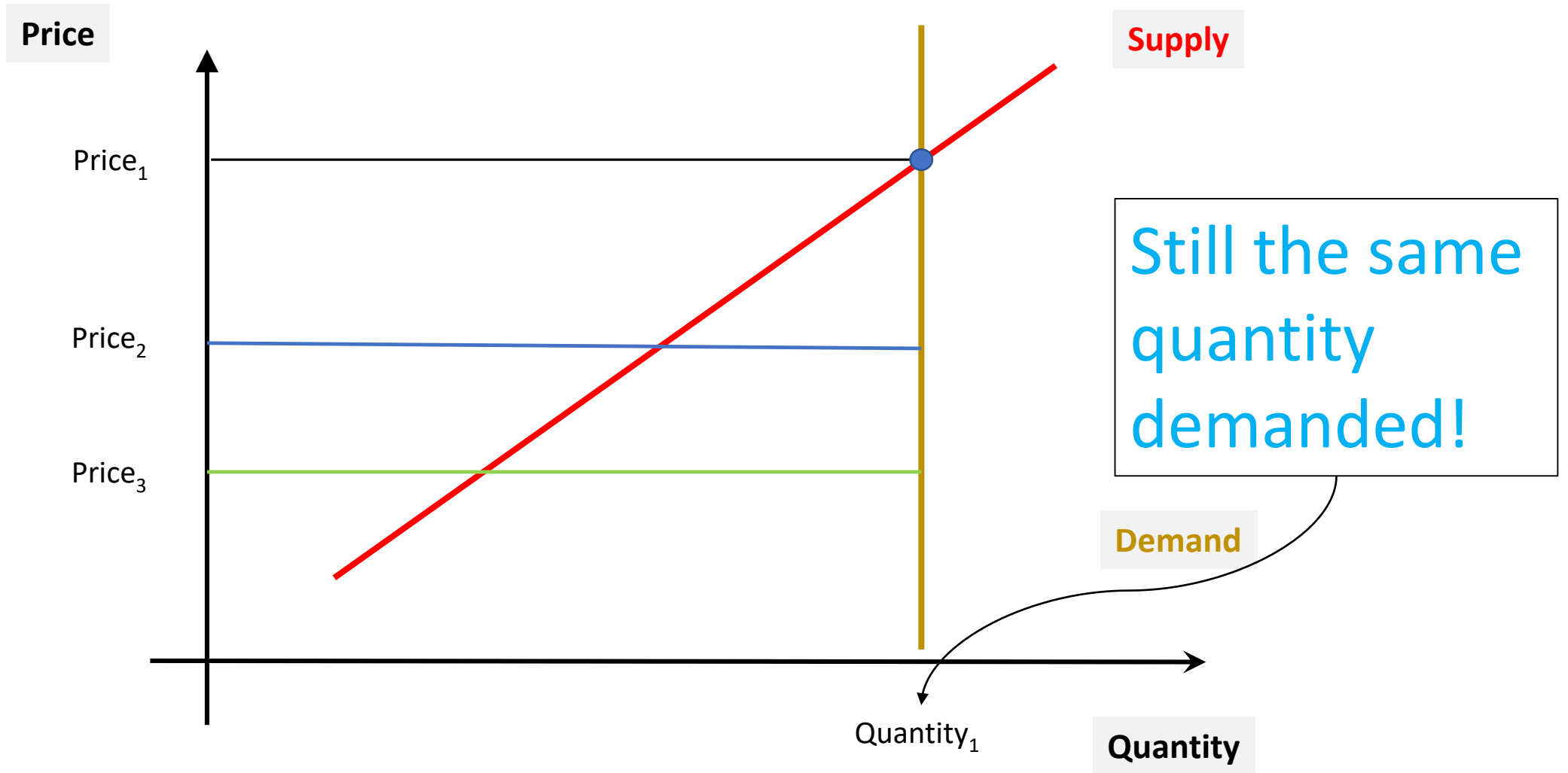
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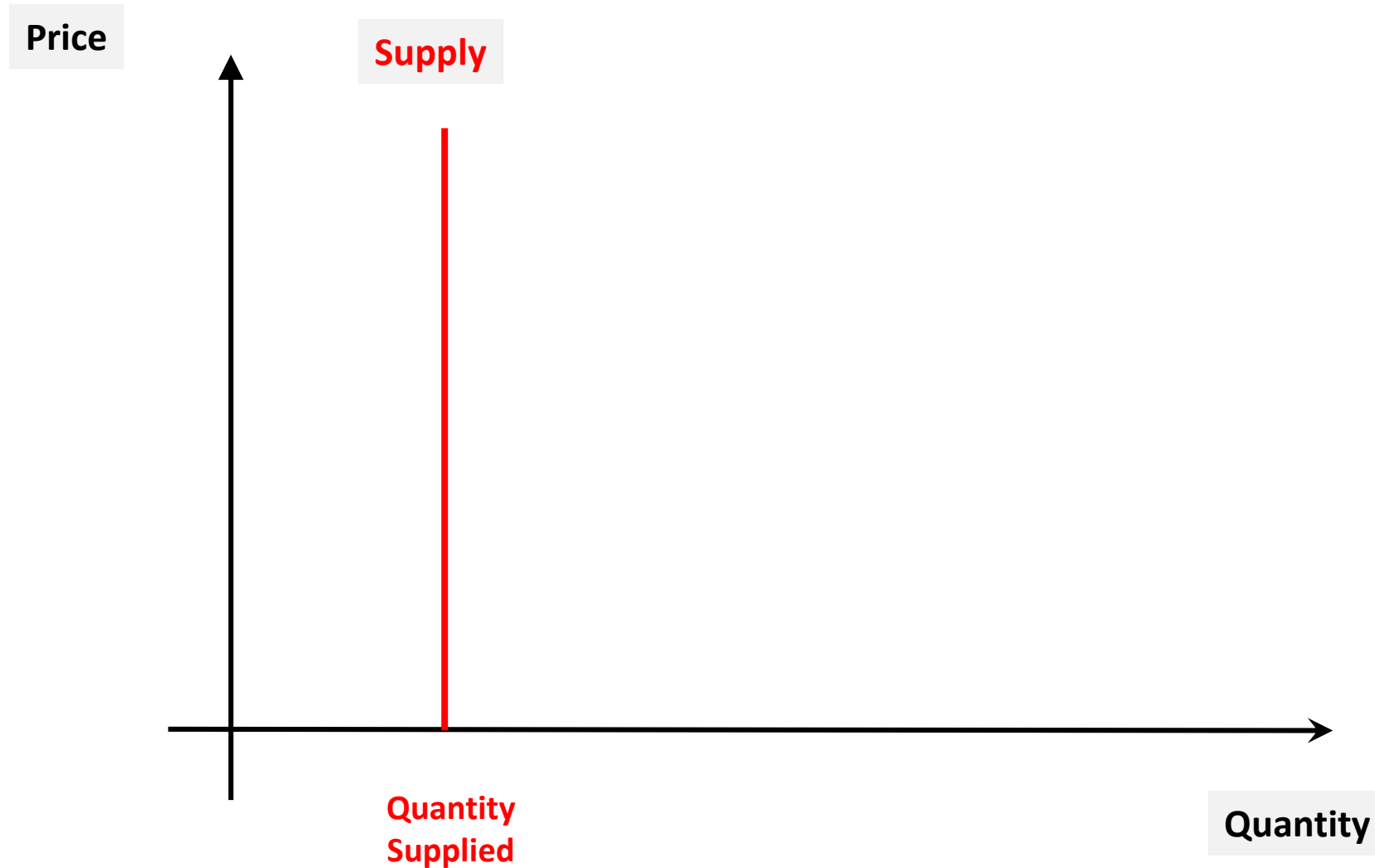


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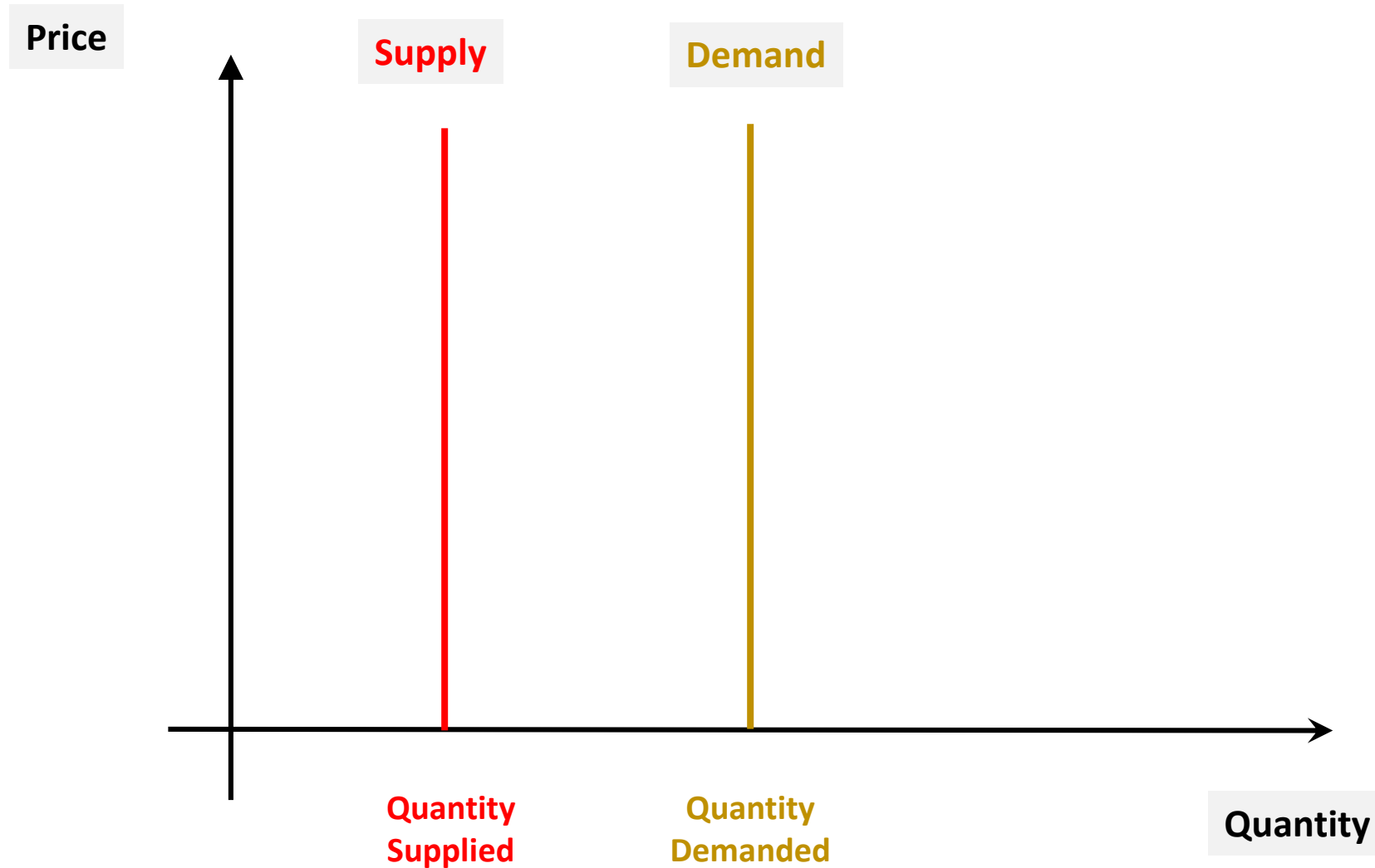




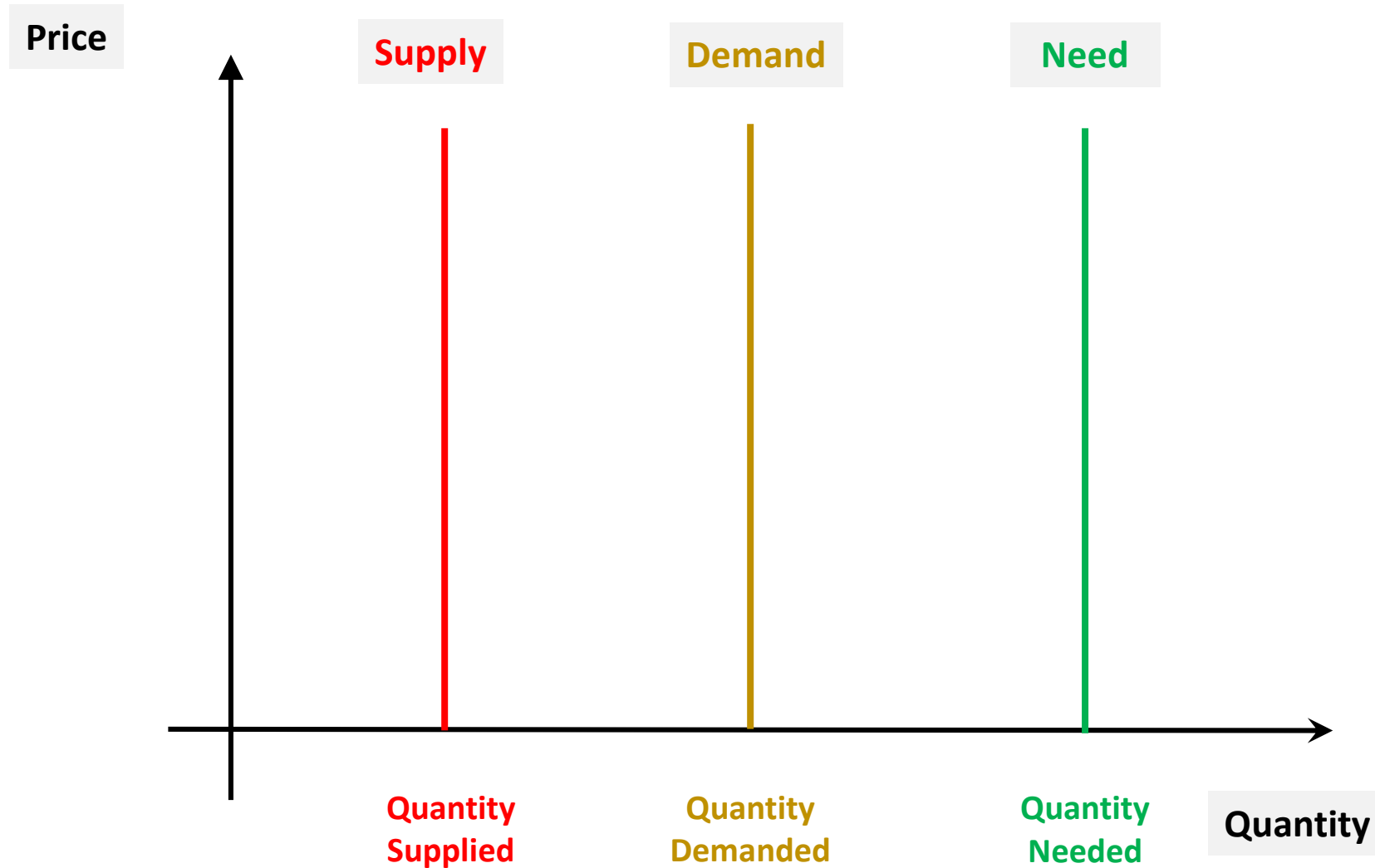
# Supply-induced demand failure



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# 5 Implications for Policy (continued)

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# Global market, global problem

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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.

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- **Global policy** adopted by 193 Member States of the United Nations
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- **SDG 4** – Quality education





# The Sustainable Development Goals – cont.

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- **SDG 4** – Quality education
- **SDG 5** – Gender equality



# The Sustainable Development Goals – cont.

- **Global policy** adopted by 193 Member States of the United Nations
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- **SDG 8** – Decent work and economic growth



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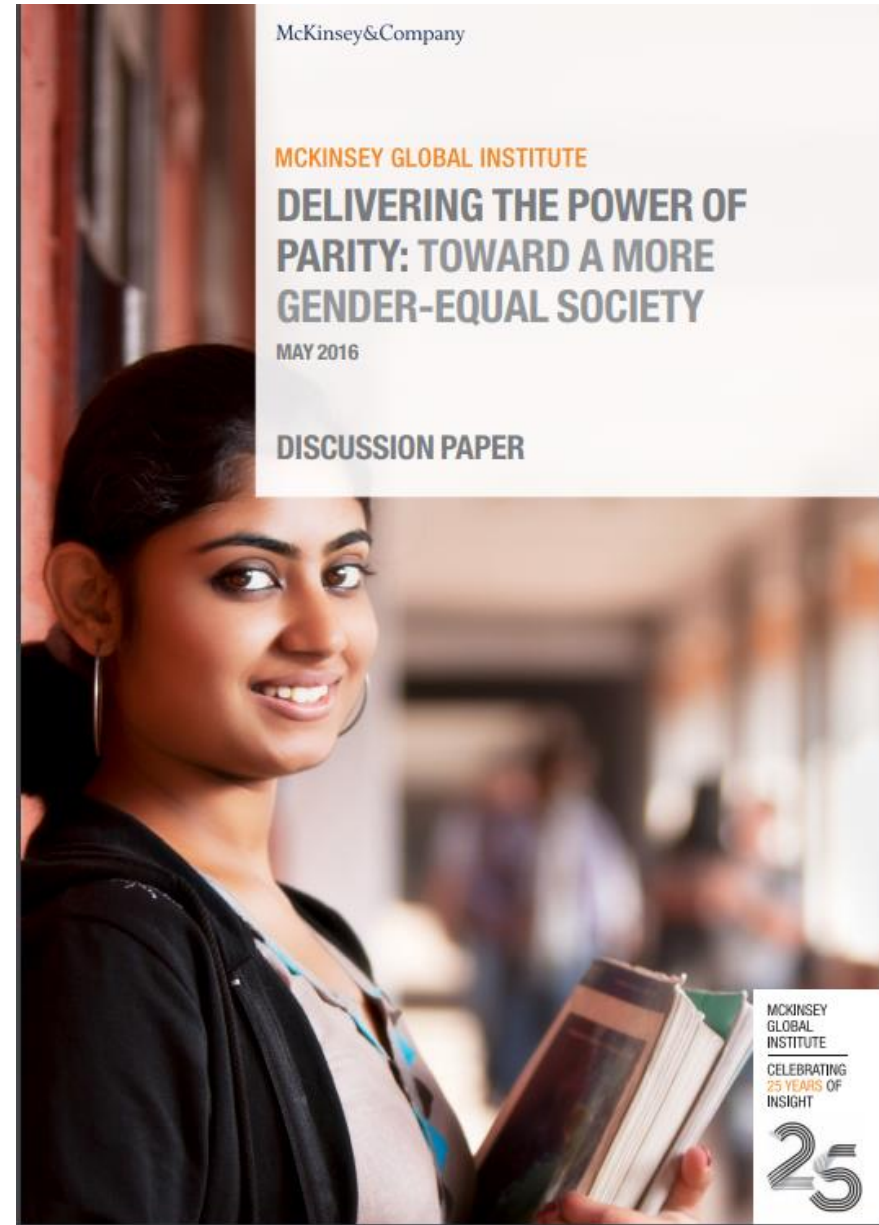
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**For the nursing workforce, these are mutually supporting and reinforcing goals!**



# The evidence – 1

- Progress in **gender equality** could result in gains on the order of **+11% of gross domestic product** (GDP).
- McKinsey Global Institute, *Delivering the power of parity: toward a more gender-equal society*, New York, McKinsey and Company, 2016.



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# 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.



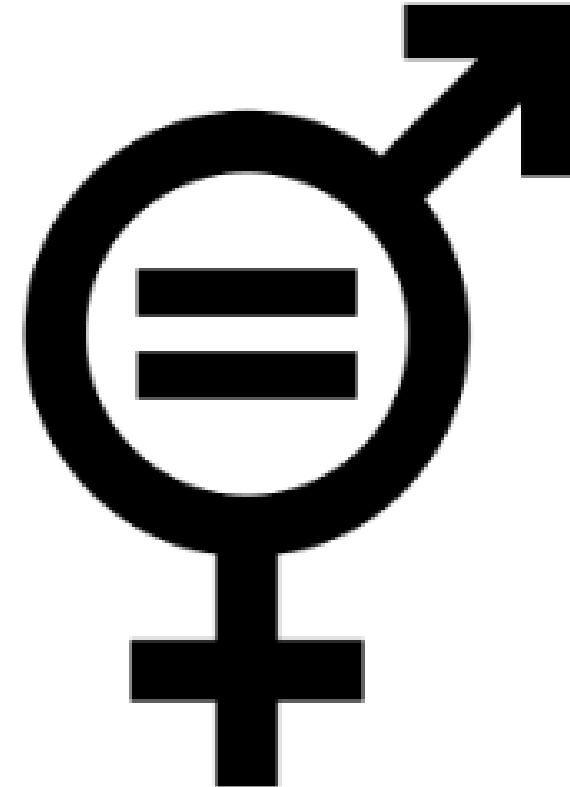
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# The evidence – 3



- **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

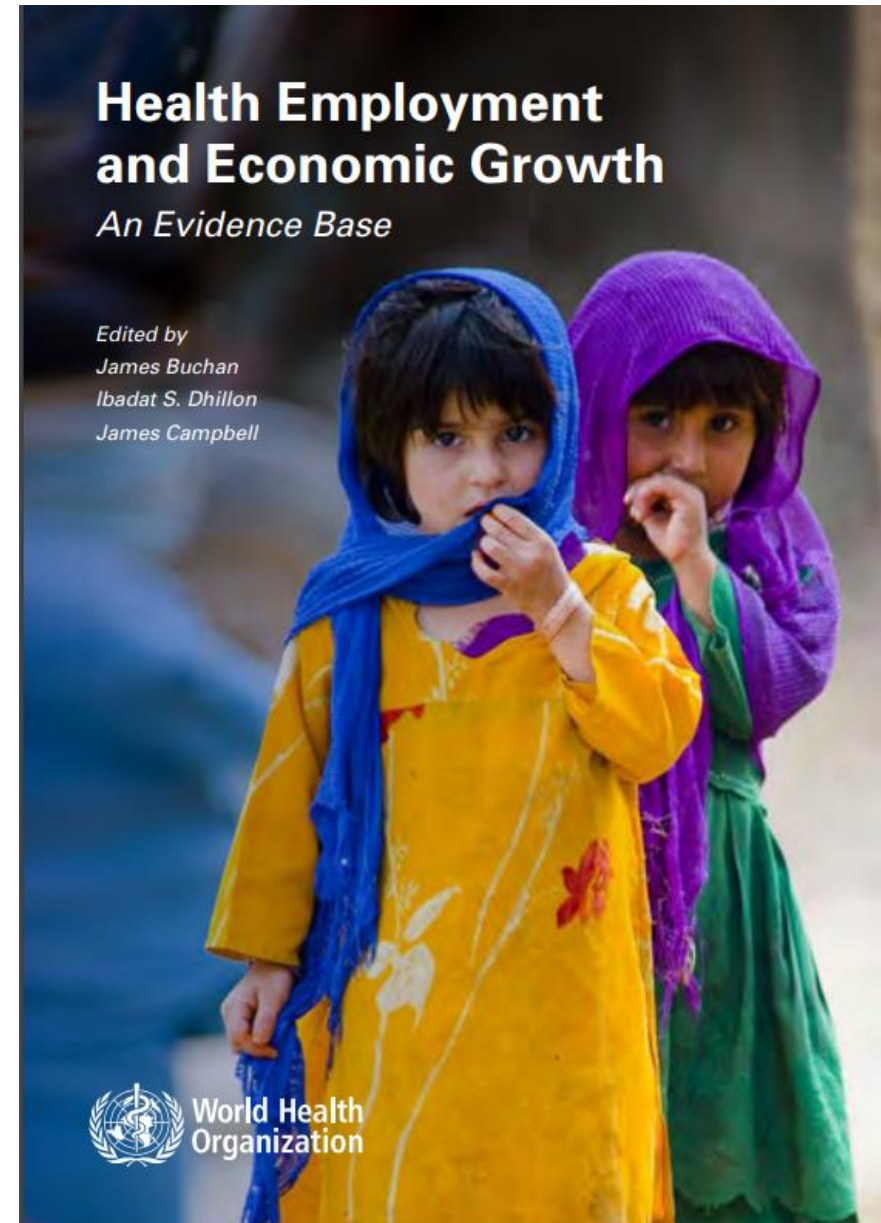
- *A critical component of the health system is its nursing workforce. **YET current working environments** limit the potential to realize UHC.*
- *Traditional professional models need to be replaced by an inter- and trans-professional approach **based primarily on primary care teams**.*
- Horton R et 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.



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# 6 Conclusions

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➤ **The State of the World's Nursing Report 2020**





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