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Prescription for disaster

Kalim Siddiqui

The main thrust of the World Bank Report 1993 on health care seems to be a cost-containment policy by reducing government involvement in the health sector. This is a general line of the World Bank to reduce government spending and thereby taxes. The Bank claims that such reduction will improve the levels of health in the poor countries. It will fail because it does not attack the main cause of health problems, which is poverty, in the third world countries. It is said that eight per cent of the global income (\$1700 billion) was spent on health care worldwide. And only 10 per cent of this amount is spent in the third world, i.e., the countries of Asia, Africa, Latin America and the Far East. The report put forward various ways to minimise costs and the bulk of its recommendations are for the third world.

The Bank admits that some government involvement is necessary in health care but would like the government activities reduced to a 'clinical package', i.e., primary care. These activities are treatment of tuberculosis, child care, family planning, sexually transmitted diseases, etc. According to the Bank this 'clinical package' will cost the poor countries about \$60 billion - just a little more than the amount (\$50 billion) spent on cigarettes annually in the rich countries and about twice as much as the amount (\$31 billion) on beer in the US alone per year. Actually those health care spheres where profits are lower, the private entrepreneurs will not invest in. The Bank argues that 'special groups', i.e. the rich within the third world, benefit from the large proportion which is spent on secondary health care and it would be more effective if spent on primary care.

What this redirection will mean is that all surgical operations and long term medical aid will be denied to the poor people. A recent Indian government study on health care shows that even the poor turn to private doctors for minor ailments and medicines, while they usually go to public hospitals for major operations and hospitalisation. Even though most of the government hospitals are located in the cities, not only the rich and town population receives such facilities, but the rural poor as well, although it is insufficient. Certainly, it would be better to extend medical services to the rural areas, but the Bank is not arguing for such policies. What the Bank appears to be interested in is minimising government involvement. The fact is that the Bank does not worry if a country like India spends only 2 per cent of its budget on health care, while it spends as much as 17 per cent on defence. Even the leader of free-market regimes like the US spends 13 per cent of its budget on health care.

The Bank claims that the health of the poor will improve if its recommendation is followed. This is far from the truth. In fact, the major causes of disease and death in the third world are nutritional disorders and communicable diseases, which were conquered in the West long ago. Historically the experiences of the developed countries show that the major reduction in infant mortality and increase in life expectancy resulted from an increase in food availability, education, incomes, along with expansion of public

infant mortality dropped as female literacy went up along with various reform measures undertaken by the State government. The Report does not attack the main source of ill-health, i.e., poverty. It tries to avoid the real problems by showing that the poor suffer from ill-health due to misuse of government funds, inefficient management and paucity of doctors. It refuses to admit that an economic system in which, for example in India, about 40 per cent of the population live below the poverty line and social and

Despite the progress made by the third world compared to the colonial period, the struggle against infectious and parasitic diseases has yet to be won. The Bank's argument for cutback in public funding while increasing the role of private capital in the health sphere is going to affect the poor adversely most of all. The Bank regards human beings as inputs to growth, whose cost and contribution need to be measured for optimum choices. Not surprisingly, in keeping with this ideology, the Bank's 1993 Report stresses the need to obtain value for money in the health sector

health care. Poverty cannot be cured with medicine. Elimination of poverty requires a more equitable distribution of resources, better education and employment opportunities for people in the third world. The World Bank seeks to maintain the political, economic and social status quo in the third world rather than change it.

The experience of Kerala State in India shows how government intervention in health care through an increase in female literacy and land reforms, even though minimal, has had a positive impact on the improvement of health conditions of the people. In Kerala, in spite of low per capita income compared to the all-India average income, health indices are well above the all-India average.

political power is concentrated in the hands of a small number of the elite this elite uses state policies to extend its privileges and power. In such a system, these problems are predictable and inevitable. They can be solved only by radically restructuring social, economic and political relations.

The Bank suggests that private enterprise is the only way to increase efficiency, equity and consumer satisfaction. Equity can never be achieved since delivery depends on capacity to pay and therefore the poor will never be able to attain certain medical facilities. As for efficiency, the predominantly private sector medical system of the US spends eight times as much money in per capita terms as the predominantly public sector

in Great Britain and achieves only a similar level of health indices. The recent report by the American Medical Association shows that patient satisfaction is very poor in the US. Since profit is the main criterion in private enterprise, private health care will concentrate on expensive and profitable services rather than what is necessary. Profit rather than patients' welfare becomes the prime motive. The Report's aim to lower government spending in order to reduce taxes might undermine general health care for the poor.

Over the years, the Bank has not only served as the intellectual leader of 'free-market' led development, but has contributed in no small measure towards ensuring that the third world opts for 'free-market' strategies. A major part of these policies has been drastic cuts in public spending and various welfare measures. But in a number of areas, such as health, education, environment, infrastructural services, the markets themselves are not as friendly as they should be if they are the prime determinants. The Bank's 1993 Report emphasises cost-effective government spending and proposes that market incentives can deliver better results.

Education and raising incomes, especially for women, is an important way to improve the health situation in the third world. The Bank ignores that the substantial progress made since the 1950s in the developed countries, also after independence in the third world countries, in reducing mortality and raising life expectancy is essentially because of control of communicable diseases including deaths from maternal and perinatal causes, and here public spending played a key role. Despite the progress made by the third world compared to the colonial period, the struggle against diseases like diarrhoea, TB, malaria, worm infection, etc. i.e., infectious and parasitic diseases, has yet to be won. Improvement in living conditions and improved knowledge on health care, particularly of women, in the third world affects the health status, as evidenced earlier by Kerala in India, Sri Lanka, China, Costa Rica, etc. In short, the Bank argument for cutback in public funding while increasing the role of private capital in the health sphere is going to affect the poor adversely most of all. The Bank regards human beings as inputs to growth, whose cost and contribution need to be measured for optimum choices. Not surprisingly, in keeping with this ideology, the Bank's 1993 Report stresses the need to obtain value for money in the health sector.

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