Healthy, wealthy and wise: Why it’s important to invest in health

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Updated: Apr 10, 2016 18:53 IST

Patients lie on mattresses on the floor, at Mumbai’s perennially overcrowded KEM civic hospital. Investment in public health infrastructure must start now, in order to have it in place by 2030, says Dr Henk Bekedam. (HT Photo)

India’s policies on tobacco control perhaps best reflect the complexities that define the nation, discovered Dr Henk Bekedam when he switched on the television after arriving in Delhi as World Health Organisation Representative to India four months ago.

“I’m still amused when I see health warnings with scenes of someone smoking -- I don’t think I’ve haven’t seen it in any other country – and it shows high awareness, but despite that, India lags in two major issues of tobacco control, tobacco taxation and pictorial warnings,” says Dr Bekedam.

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As an economist and medical doctor, he is more than familiar with complexity. The Dutch national has worked as a physician, obstetrician, gynaecologist, paediatrician and civil servant in Africa for seven years before doing a masters in economics at the London School of Economics. He joined the WHO in 1996, and his postings took him to China during the SARS outbreak in 2003 and to Cambodia to help government rebuild health systems destroyed by the Khmer Rouge.

Increase tobacco taxes
India’s new law that has made it mandatory for pictorial health warnings to cover 85% of the tobacco packages gets his approval, but its reluctance to substantially raise tobacco taxes offends both his economist and public health specialist sensibilities. “I’m very critical on tobacco taxation (policies in India). It’s one of the most efficient tools to stop people from smoking and a strong deterrent for deters people with some financial difficulty, mainly the young and the poor,” he says.

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“It’s a win-win situation – your revenue goes up and people stop using something that may kill them, but in India, this knowledge is not being used properly,” says Dr Bekedam. “The increase in tobacco taxation has been very gradual, it’s actually less than inflation. And then there are exemptions – the tax on bidis is very, very little. So people who can’t afford cigarettes move to the cheaper product. Not raising taxes is almost like targeting the poor by making their access to something that can kill so easy. And I think it is very, very unfortunate,” he says.

“If you try to control tobacco use, there’s always this fight. The industry says you’re denying people something they like, people will lose jobs, revenue will fall etc, but it is for the government to decide whether it wants people to have easy access to something that can kill or not,” he says.

**Health security drives consumption**

“India has been neglecting health for quite some time and I don’t think there are very strong systems in place,” says Dr Bekedam. Investment in public health infrastructure must start now to have it in place by 2030.

Increasing public health spend using innovative solutions is a start. “The public health expenditure is a very low 1.1%, which puts India in the bottom quarter in the world in providing support to health. This has major consequences. Life expectancy is just one issue. A Harvard study found one extra year of life expectancy is equal to 4% GDP growth,” he says.

“If you do not invest in health, you put yourself at economic risk. Look at how Ebola devastated west Africa,” says Dr Bekeman. “What I like about the Modi government is its focus on economic growth, but what is not well understood is that if 60 million people are pushed into poverty because of healthcare bills, you can’t grow economically,” he says.

More certainty in health and education boosts economic growth. “In 2006, China became a big proponent of investing in the health and education sectors because they wanted to move from economic growth based on exports and infrastructure (roads and buildings) to domestic consumption,” says Dr Bekedam. “They wanted more people buying bicycles, cars and televisions and instead of saving money for health emergencies and education. Although I haven’t seen studies on saving rates in India, but I’m pretty sure Indians save a lot, and if health and education is taken care of, they will spend more,” says Dr Bekedam.
Insurance
He is unhappy that there was no real increase in health spending in the Budget. “There are many areas in public health that need Central support, such as health insurance. In China, they moved (health insurance) coverage from 20-25% of the population in 2002 to 90% in 2007!” he says.

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Social health insurance has three dimensions, population coverage (number of people you want covered), the package being offer, and how much financial protection you want to give. “In China, partly for political reasons, they started increasing coverage quickly and kept the financial cover fairly low-30-40%. With the economic growth projected for India, you can play with these three factors – say, increase population coverage and then move to increasing the package and cover,” he says.
With the private sector providing 70-80% of services, there’s need to regulate and engage it to increase outreach. “India has to improve immunization and eliminate kala azar, leprosy and leishmaniasis, these are low-hanging fruits that need a final push,” says Dr Bekedam.

And the way to do it by building a stronger public health system. “You have it in some states, like Tamil Nadu, already. You need it in other states too,” he says.

“Health needs to get the right attention and the government need to understand is how important is a healthy population for economic growth,” says Dr Bekedam.