

## General Studies – 2; Topic: Issues relating to development and management of Social Sector/Services relating to Health,

### Healthcare and Economic Growth

#### 1) Introduction

- Health is instrumental to an individual's education, income and overall development.
- Health can be a causative factor for the aggregate economic growth of a country.
- Disease burden negatively impacts economic growth by lowering worker productivity and levels of educational attainment
- The World Health Organization has estimated that a 10-year increase in average life expectancy at birth is associated with a rise in economic growth of some 0.3-0.4% a year.
- Therefore countries should become healthy before they become wealthy.

#### 2) Health and Economy

- Health may be viewed as an integral input to productivity, similar to other conventional inputs such as labour and physical capital
- Improvements in health increase the worker productivity.
- Health affects economic growth by increasing longevity and subsequent human capital accumulation
- By reducing the burden of disease. The sick individuals are not able to function at their peak.
- India can benefit from allocating additional resources for healthcare and treating healthcare as an investment rather than a cost.

#### 3) India's Case

- India is healthier today than ever before.
- We have eradicated small pox and polio; made progress with regards to HIV infection and Aids-related deaths
- However there is "dual-disease burden", a continuing rise in communicable diseases and a spurt in non-communicable or "lifestyle" diseases.
- By 2030, NCDs will cost India a whopping \$6.2 trillion
- Overall spending on healthcare, particularly public spending is very low.
- India's health system has huge gaps in delivery infrastructure as well as skilled professionals
- Our lack of investment in the health system will come in the way of our continued economic development.
- A direct consequence of a nation's poor health on its economy is through the adverse impact on its human capital.

#### 4) Concerns / Challenges

- Quality of healthcare is low because of insufficient effort and absenteeism on part of providers.
- Health problems and the associated healthcare expenditures are a key reason for households falling into poverty
- India's existing infrastructure is not enough to cater to the growing demand.
- Majority of healthcare professionals happen to be concentrated around urban areas.
- Government contribution to insurance stands at roughly 32 per cent, as opposed to 83.5 per cent in the UK.

- 76 per cent of Indians do not have health insurance.

### 5) Solutions

- Focus on prevention, early diagnosis and assured minimum quality of care
- Government has to enable greater funding from public and private sources, private insurance and individual contributions.
- The successful model of performance-based financing being followed in Rwanda and its neighbouring countries are also worth emulating.
- Creative thinking on using the resources more effectively.
- Raising awareness about improvements in nutrition and implications for labour productivity .
- Improve the quality of primary healthcare
- “NITI Aayog’s vision projected in the National Health Policy, calls for activating 150,000 primary healthcare sub-centres to take healthcare to home.
- Staffing of centres and sub-centres with technology-enabled frontline health workers
- Training and motivating the health workforce
- Innovative pay schemes may be an effective way to incentivise officials to carry out their responsibilities.
- Need to give more autonomy to states in designing programmes in order to achieve desired outcomes.
- Engage grassroots NGOs and community-based organisations much more effectively.
- National Innovation Council should encourage a culture of innovation in India and help develop policy on innovations that will focus on an Indian model for inclusive growth.
- It is a healthy nation that turns into a wealthy nation.