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Why the Caribbean Should Invest in State-of-the-art Public Health Care

Good health care yields multiple benefits in any society. A healthy style and quality of life makes for the greatest well-being of the individual and the society. This is reflected in the UNDP's *Human Development Index*, where health makes the largest contribution to a country's development score. In addition, a healthy workforce is a more productive workforce, and good health facilities are an important factor in the promotion of investment and the attraction and retention of a skilled labour force.

The impact of better health systems on the development of the society may be illustrated by the examples of Grenada and Jamaica. These countries have the same national income per year, US\$13,000, in terms of what the average person can afford to purchase. However, whereas the life expectancy at birth in Grenada is 75 years, in Jamaica a new-born can expect to live only to age 71 years. That difference in life expectancy is the main reason why, in spite of the fact that Jamaicans and Grenadians enjoy the same purchasing power, Grenada ranks much higher in the Human Development Index, at Number 68, than does Jamaica, ranked Number 110 in the most recent *Human Development Report*. Similarly, Barbados and St Lucia have the same average national income at purchasing power parities, but its life expectancy of 78 years puts Barbados at Number 70, compared with St Lucia, ranking Number 106.

These data suggest that first priority needs to be given to the upgrade of health provision in the Caribbean. Even though health and education take the greatest share of public spending, health services have in fact

deteriorated. Hospitals are outdated and poorly equipped, the quality of primary and preventative health care has not been maintained, and inadequate budgettary resources are devoted to provisioning hospitals and clinics. The salaries of medical professionals in public health systems have fallen way below the international competition; this, allied with poor working conditions and constant scarcity of supplies, creates incentives for medical professionals to emigrate.

It is no exaggeration to say that our health systems are in crisis. As a result, inequality is growing in our societies, as those who can afford it avoid the public health systems in favour of private provision, often overseas. Those who have no alternative to the public health services are plagued by shortages of pharmaceuticals and medical supplies, delays in service, and often poor service by overworked, underpaid, poorly equipped medical staff. The international competitiveness of Caribbean countries is threatened by this deterioration in health facilities.

Turning things around will require, first of all, large investment in state-of the-art public hospitals and health clinics, and the up-to-date systems and equipment needed to make them fully functional. This investment should be considered as top priority for government borrowing from abroad, ahead of all other considerations. Secondly, governments will need to recruit medical staff with the expertise to manage and operate modern medical facilities. This has implications for the structure of remuneration in the public services, because it will be necessary to go much of the way to closing the yawning gap between domestic and international salaries.

Government revenues are growing slowly, except in Guyana, and debt levels are high in many countries. In order to bring health provision up to speed it will be necessary to divert financial resources from other uses. Those decisions will be very difficult, but they are the best way to use limited resources to advance the development of Caribbean nations and the well-being of our people.

My Economic Letters may be found under "Commentary" at <u>DeLisleWorrell.com</u>.