

# Health, Development and Globalisation

Guidelines and Recommendations for International  
Cooperation – **Executive Summary**



Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH  
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# Foreword

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Development and health are closely bound up with one another. Health indicators in countries with vigorous economic growth are generally more positive than those in poor countries.

Poverty is a risk factor when it comes to health. Inversely, sickness – especially in developing countries with no functional health insurance system – is a major factor in the impoverishment of individuals, families and entire communities. The HIV/AIDS epidemic in Africa is one extreme example, but other illnesses, if untreated, can also reduce people to invalidism and lead to heavy losses of earnings.



The Federal Republic of Germany has responded to this challenge with a commitment: its Program of Action 2015 strives to reduce poverty in partner countries by strengthening social security systems and improving public health care. As part of this, the authors of this publication wish to contribute to the discussion of key issues for the future, such as globalisation, development and health, by shedding light on the relationship between development and health and presenting some possible approaches for German development cooperation. Only by pooling our resources can we hope to meet the ambitious Millennium Goals we have set for ourselves.

Yours,

Heidemarie Wieczorek-Zeul

*Federal Minister for Economic Cooperation and Development*

## Imprint

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## 1. Introduction

Health is a basic human right and a premise for global security, economic growth and the safeguarding of human rights. This publication – based on this conviction and years of experience – is intended to foster and outline the development of guidelines, perspectives and recommendations for the future role of health in development cooperation. In addition to an analysis of the key role that this theme plays in international cooperation, we will be looking at tried-and-tested strategies and at future challenges that have emerged in the international discussion. Most particularly, however, we will examine the position Germany might well assume in international cooperation within the health sector.

Over the last 40 years, there has been growing recognition throughout the world of the importance of health to society. The effort to achieve and sustain good public health is progressively shedding its image as a form of cost-encumbered “welfare” in favour of the perception of health as an economic and social investment in society, a public asset that is well worth protecting and nurturing.

developing them. Thus, in the 1980s, development cooperation, recognising that preventive medicine was more effective than curative medicine, came to focus on the concept of primary health care (PHC). This strategy also seemed to be better adapted to economic conditions in developing countries.

The late 1980s and early 1990s were shaped primarily by the structural adjustment programs of the “Washington consensus”, which were intended



## 2. From Alma Ata to the Millennium Development Goals: international health going through changes

Development cooperation strategies and priority areas in the health sector have been redefined a number of times. During the 1970s, constructing and operating hospitals and seconding doctors to them – curative medicine, in other words – was at the fore. But with the 1978 WHO/UNICEF conference in Alma Ata, the emphasis shifted to primary health care and away from individual large hospitals. The reason was that greater benefits for a larger number of people were to be anticipated from a more holistic understanding of health, and from decentralised health services geared to the needs of a population who had collaborated in

to make social systems in developing countries financially viable in the long term by reducing public services, subsidies and human resources. However, these measures had very considerable and negative impacts on the performance capacity of social systems and on basic benefits for the poor. This setback led to a rethinking at the World Bank and the International Monetary Fund (IMF). For several years now, both of these institutions have focused on country-specific, comprehensive poverty reduction programs as formulated in “Poverty Reduction Strategy Papers” (PRSP). In concert with the Initiative for “Highly Indebted Poor Countries” (HIPC), the poorest countries receive World Bank loans on favourable terms and also, of late, subsidies for poverty reduction projects.

Since the 1990s, another priority for development cooperation has been system reforms in the health sector and within the public sphere as a whole. As part of this effort, advisory services focus on promoting democracy and good governance, decentralisation and capacity-building, participation, and equity in regard to benefits. This also includes new financing approaches, the establishment of social security systems, and the integration of the private sector into development strategies.

In the wake of globalisation, development cooperation is increasingly occupied with helping to shape regulatory policy framework conditions and global structures as they shift and evolve. International cooperation – that is, cooperation with international organisations and the negotiation and implementation of global regulatory measures – is becoming ever more significant. In terms of content, international cooperation essentially adheres to the outlines of OECD international development goals and their further evolution in the UN Millennium Development Goals. Both declarations of intent attach core significance to good health as mankind's most important asset. The Millennium Development Goals, to be met by 2015, include halving extreme poverty worldwide, reducing child mortality by two-thirds, reducing maternal mortality by three-quarters, and combating the spread of HIV/AIDS, malaria and other diseases. The German government is supporting this initiative with its Program of Action 2015 targeting the reduction of poverty. One of the Program's goals is to provide for primary social services and to strengthen social security through public health care, social insurance, HIV/AIDS prevention and improved access to medication.



### 3. Globalisation: opportunities and risks

Over the past decade, the growing integration of economies around the world has brought increased prosperity and better living conditions in many places. Now poor people, too, have access, for example, to modern medicine and technology. On the other hand, globalisation has increased social polarisation within various societies, a development that will in all probability become even more extreme in the future. The gap between the opportunities and living standards enjoyed by richer and poorer population groups is growing or, at best, remains unchanged. Some developing nations continue to be excluded from global economic growth and are sinking beneath a growing burden of debt. Faced with this situation, the countries concerned have responded by reducing social expenditure to a degree that does not allow for a reasonable level of social services for their citizens.



Within the health sphere, globalisation poses opportunities and risks that can no longer be confined within national boundaries. Scientific and technological development takes place today in a global setting, and the international transfer of prevention strategies, treatment procedures and health care financing models is raising people's general level of awareness. Developments in information and communication technology (ICT) also bring promising and innovative possibilities and prospects to the health sector. But unhealthy life styles – often taken over from the West – also cross borders. Chronic and non-communicable diseases are on the increase throughout the world. Infectious diseases are spreading all the more rapidly as people become more mobile. Socio-economic and political framework conditions induce enterprises to relocate production to developing countries, since labour is cheaper there and standards for work safety and environmental protection are often either lower or not enforced.

With the aim of improving primary health care worldwide, UN Secretary-General Kofi Annan called in 2001 for the establishment of a global health fund. The following year, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) was founded to help finance the struggle against the world's leading communicable diseases. At the same time, all international and multilateral organisations – not only WHO, UNAIDS and UNDP but also the World Bank, the OECD and the ILO – are focusing more intensely on health, education and social security. Meanwhile, a virtually countless number of global initiatives have sprung up for promotion and research purposes and to provide vaccines and medicines.

#### 4. The role that health plays in society

The German government's Program of Action 2015 calls for the poor to be empowered to promote prevention and self-help for themselves. In order to do so, they must first be able to increase their economic potential and strengthen their participation in political decision-making. Readier access to care and support structures, service packages specially geared towards the needs of the poor and viable concepts for health care financing are to provide the degree of social protection needed to reduce the vulnerability of the poor to the consequences of disease and to rescue families from poverty brought on by catastrophic health expenditures. Health promotion and development is today inexorably bound up with poverty reduction and thus also with economic promotion.

This principle has also been taken up by the WHO Commission Macroeconomics and Health (CMH), which is made up of health experts as well as economists and social scientists. In its closing report, the Commission concludes that investment in public health care brings major economic rewards. In particular, the experts demand that interventions in the health sector focus more intensively on combating the major causes of death and on assisting governments, NGOs and industry to cooperate more closely on the development of vital medicines and various means of accessing them. Other demands focus on the need to increase investment in reproductive health so as to halt population growth and to raise average per-capita health expenditure in the poorest countries from the present US\$ 13 to US\$ 30-40 in order to finance a basic service package.

## 5. HIV/AIDS

The HIV/AIDS pandemic is blocking the way to sustainable development – particularly in the poorest developing countries, but also in a number of threshold countries, too. To date, nothing has succeeded in checking the spread of this disease. Still, successful approaches to combating HIV/AIDS do exist. Multisectoral prevention measures that integrate all stakeholders and levels can be effective as long as they take into account well-rooted structures, traditional hierarchies, and socio-cultural and economic circumstances. Such measures must be geared to young people, and they must start by approaching self-help groups for people living with HIV/AIDS.

Especially in countries where the epidemic is still in the early stages, major impacts can be achieved at comparatively little expense, as has been the case in Senegal and Thailand. Antiretroviral medication has proved effective in the prevention of mother-to-child transmission (PMTCT). Joint initiatives with the private sector (public-private partnership (PPP)), such as workplace programs targeting HIV/AIDS awareness-raising, prevention and treatment all show promise. Large companies are especially interested in such measures, since HIV/AIDS has a direct impact on the frequency of illness, motivation, and morale among workers and thus on corporate productivity. Wide-ranging prevention measures, such as the social marketing of condoms, specifically exploit the potential for better public-private cooperation both by instructing and informing target groups and by making high-quality condoms available.

Following the massive increase in resources made possible by the founding of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the declarations of intent by the G8 and at the UN summit on HIV/AIDS in 2001, what is needed now is close cooperation between local, regional, national

and international actors and also increased efforts especially with regard to health-sciences and planning expertise in international development cooperation.

## 6. Health systems and health system financing

Health systems in developing countries are generally chronically underfunded, inefficient and provide only short-term solutions. The reform and development of viable health systems takes time, persistence, flexibility and circumspect advice. German development cooperation sees itself as consistently pursuing a fair, responsible, equitable and peace-promoting social policy in its partner countries. In regard to policy advising, therefore, the principles upon which the German health system is founded – universality, solidarity, social responsibility, subsidiarity, independent administration and pluralism, negotiation and consensus building – all play a major role. These elements can be readily integrated into the policy dialogue in international cooperation, especially in the context of program-oriented joint financing (basket / budget financing).

The priority areas of German development cooperation – based on experience and expertise – are:

- > The formulation of health policy strategies that are adapted to macro-economic framework conditions
- > Strengthening of managerial, administrative and planning capacities with an eye to pluralistic health systems
- > Inclusion of the population in health policy and socio-political decision-making
- > Decentralisation and creation of subsidiary structures
- > Establishment of health financing and health care systems based on solidarity (social health insurance systems)

## 7. Research and development

Although 84 percent of humankind lives in developing countries, only 11 percent of global health expenditure goes to this part of the world. This imbalance is reflected in health research and development as well. Despite the much higher rates of disease in developing countries, almost all investment in research is in wealthy countries and relates to the diseases occurring there. In order to redress the balance, international development cooperation should move toward strengthening the national research capacities of developing countries. Particularly worthy of promotion is research into the specific health problems of each individual country along with possibilities for targeted improvements in prevention, diagnosis and cures of the most important diseases.

Research and product development practiced by the pharmaceutical industry must start to address the specific problems of poor countries more strongly than it does now. This calls for the creation of significant incentives for the development, marketing and distribution of “global public goods”, i.e., for essential medications, vaccines, diagnostic procedures and vector control methods.

## 8. Prospects for the future

Investment in health is an indispensable basis for sustainable development and in particular for poverty reduction. The key priorities are in the following areas:

- > Access to life-saving medications
- > Promotion of reproductive health
- > Wquitable provision of and access to care
- > Cost-effective organisation and management in health systems
- > Social health insurance systems
- > Combating of communicable diseases (e.g., HIV/AIDS, malaria, tuberculosis)
- > Quality control of health care



New priorities will emerge in the future:

- > Prevention and treatment of non-communicable diseases (chronic and nutritionally-determined diseases, diabetes, heart and circulatory diseases, etc.)
- > The consequences of the consumption of alcohol, tobacco and other drugs
- > Prevention of accidents and violence and care for victims thereof
- > Environmental medicine and safety concepts (in regard to genetically modified organisms, emissions, crisis management, etc.)

With its comprehensive experience in development cooperation and the contributions of its able partners, Germany can actively and effectively help to improve the health of the world's people. Furthermore, working with others on global health issues will secure Germany's position as a key player in the economic and social development arena.



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