

Economic and social benefits of Health Systems on local communities

Peter Beznec, Ljubljana,
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World Health
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“Sometimes, certain topics become hard to talk about because our conversations get stuck in a rut. We hear the same arguments, using the same wording, again and again, until we become numb to them. When the words we use become too loaded with historical baggage, they stop being useful for communication.”

Tim Urban

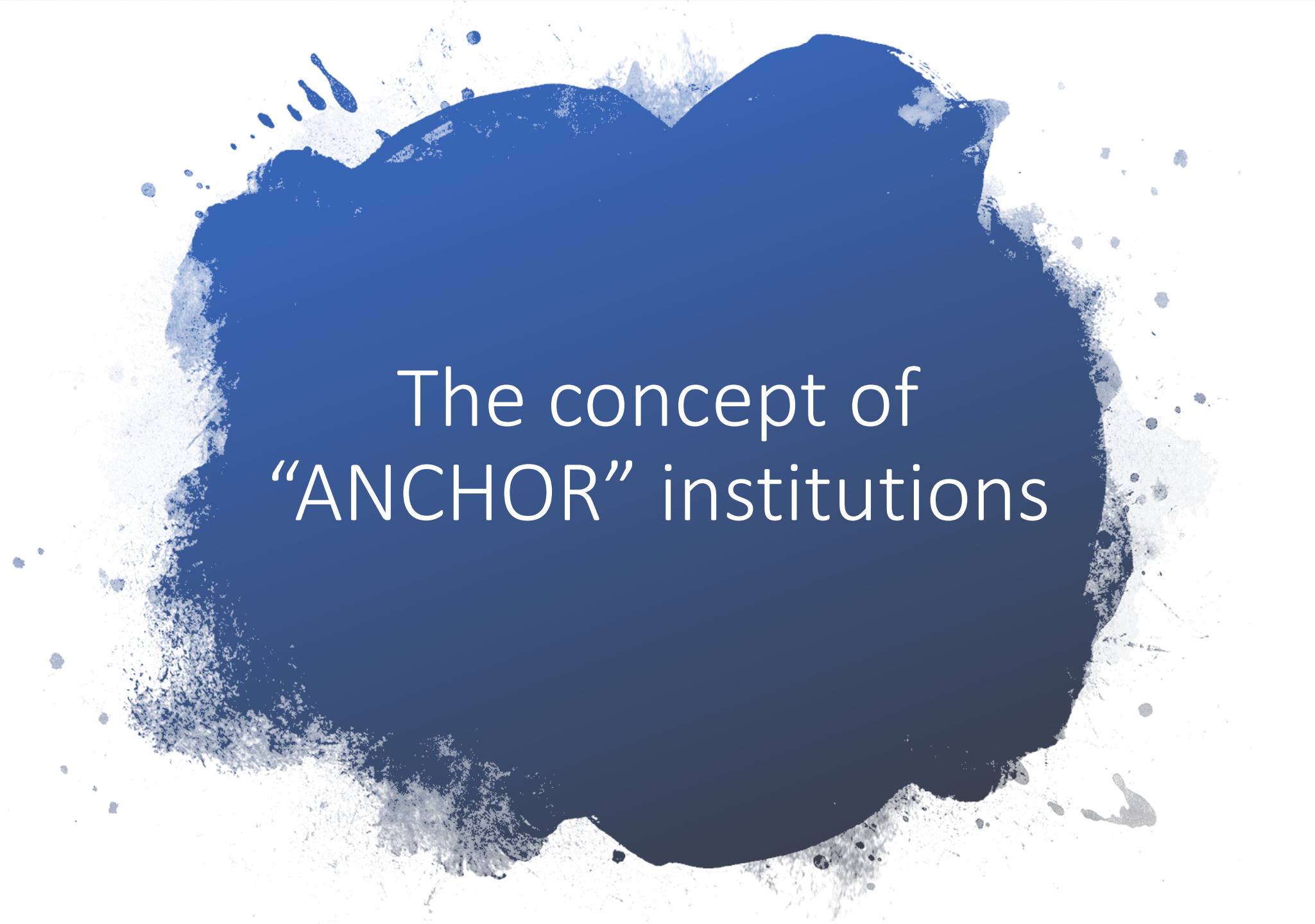
The reason to explore economic and social impacts of Health systems on communities

To shift the argument to convince people that health was not just a cost but indeed a benefit

To challenge the disinvestment in health argument, by providing concrete examples of how investing in health generates other outcomes than health

To show, that health is vital to determining the economic performance and stability of a region or a country

Has a potential to be the key sector in the implementation of local and national goals for sustainable development



The concept of
“ANCHOR” institutions

“An anchor institution is one that, alongside its main function, plays a significant and recognized role in a locality by making a strategic contribution to the local economy.”

Source: UKCES



Key characteristics of an Anchor Institution:

- 1. Spatial immobility: these organisations have strong ties to the geographic area in which they are based through invested capital, mission and relationship to customers and employees
- 2. Size: anchor institutions tend to be large employers and have significant purchasing power. Both these factors influence the level of impact these institutions can have on the local economy
- 3. Non-profit: these institutions tend to operate not-for-profit; it is much simpler for private businesses to move, meaning there is no guarantee they will continue serving the local community in the long-term. However, there are examples of for-profit organisations playing the role of an anchor.

Why are anchors important?

Evidence suggests that anchors can realise wider **social and economic benefits** across employment, procurement of goods and services, real estate and community development

Anchors can also be an example of **good practice** to inspire other local organisations to act, helping set the tone for the local economy

Anchor institutions also have a **social role, a social purpose** which enables them to develop mutually beneficial and sustainable relationships within the host community

Anchors exert considerable influence on the local economy in their own right but it is through **collaboration and collective action** that their impact can be transformational



Anchor institutions can be universities, cultural institutions, public libraries, performance arts facilities, utility companies, museums....

What about health care institutions?

Are health care institutions anchor institutions?

- Spatial immobility

Health care institutions have long term commitment to local areas such as capital and employment

- Size:

Health care institutions are large employers and have significant purchasing power within their local area

- Non-for profit

Health systems are usually not profit maximising but trying to restore and maintain health responsibly

Health systems impact on local communities



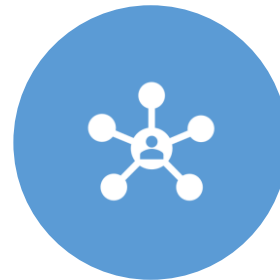
Health systems create local jobs; encourage local spending of wages; and reduce travel distance – all factors which contribute to local development



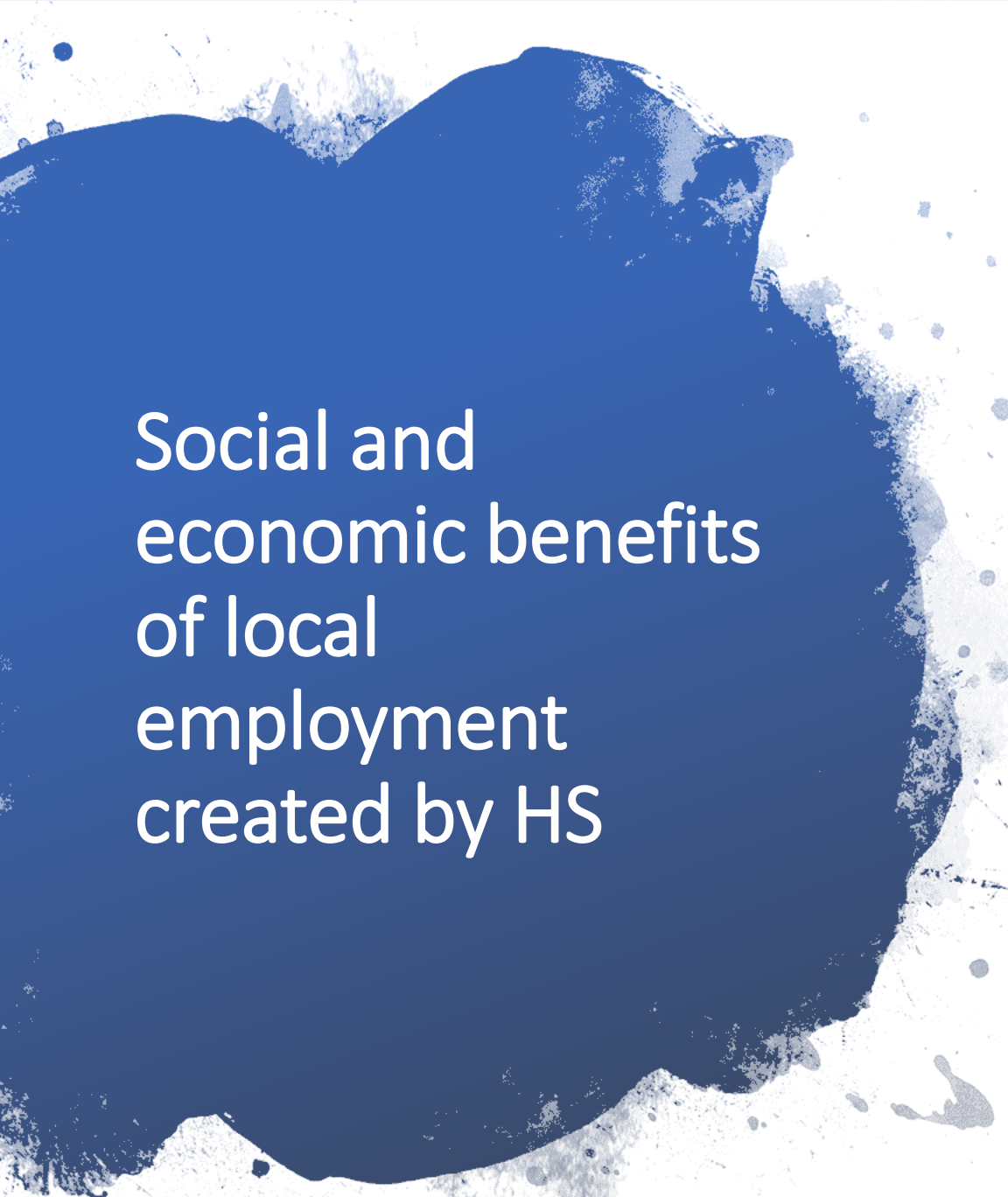
health systems are providers of high quality employment that is inclusive, secure and, often, well remunerated.



The health system is also a constant presence in every country, often working with local suppliers. Thus, it can play a role in shifting thinking about purchasing and employment.



Another indirect impact of health systems is their ability to create a good sense of community



Social and economic benefits of local employment created by HS

- Long term contracts

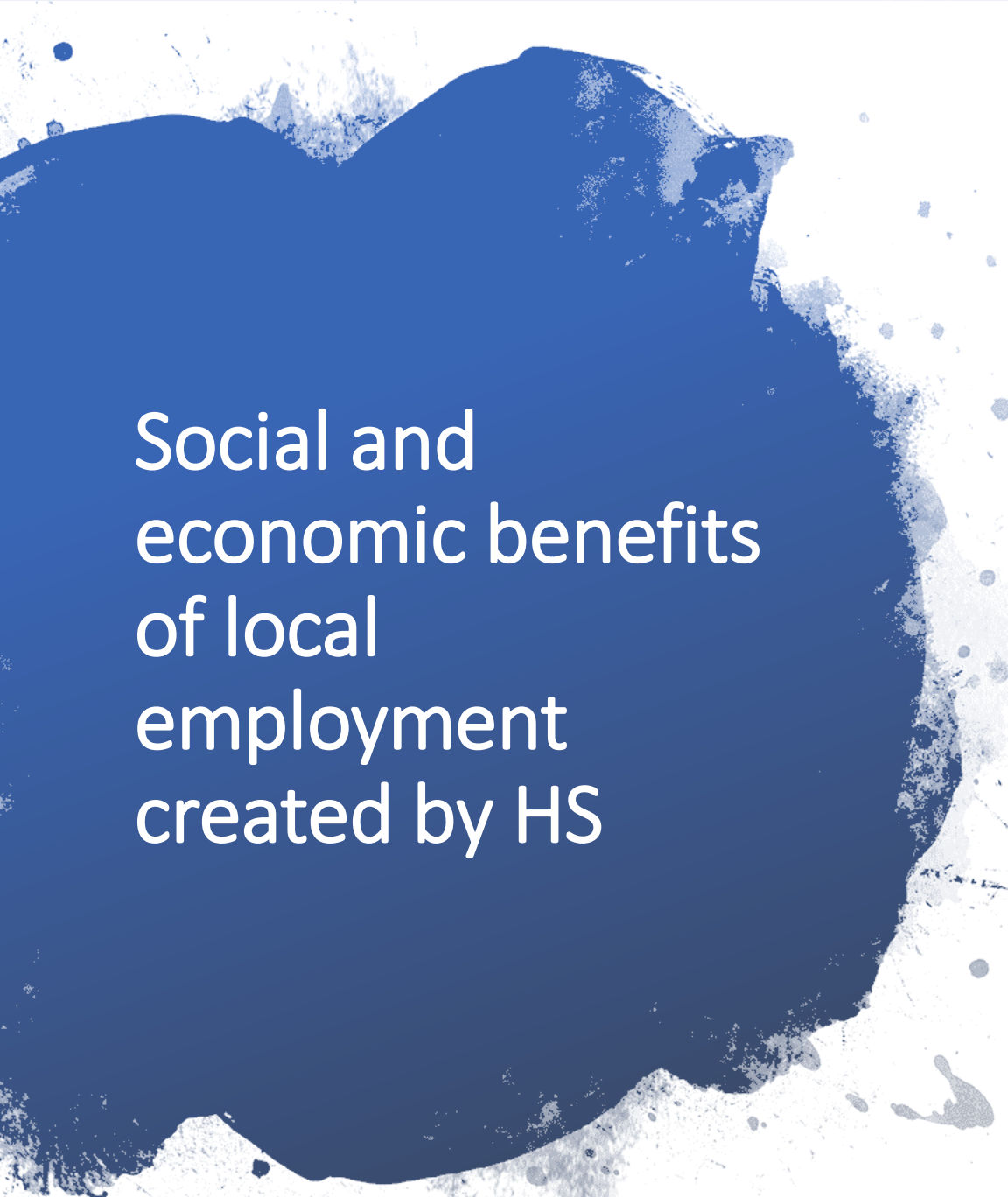
Long-term jobs make people more economically and socially resilient, especially in crisis situations

- Safe and fair work environments should be guaranteed
- Less travel to work – more leisure, family time, less emissions
- Reduced poverty

Good wages reduce poverty and income inequalities, as well as related avoidable health care costs. People with low incomes have worse health and well-being, along with lower life expectancy.

- Improved social cohesion

Supporting local employment in local public services also ensures that the community being served is reflected by those serving them. This improves measures of community cohesion and cultural competency.



Social and economic benefits of local employment created by HS

- childcare provision

The provision of childcare services allows women to re-enter employment. The distance between childcare facilities and the workplace may also benefit women, allowing flexibility in the work process.

- Inclusive employment policy

By investing in employing vulnerable groups in society, the health system contributes to economic and social inclusion, and improves community resilience.

Health systems improve various aspects of inequity in working conditions

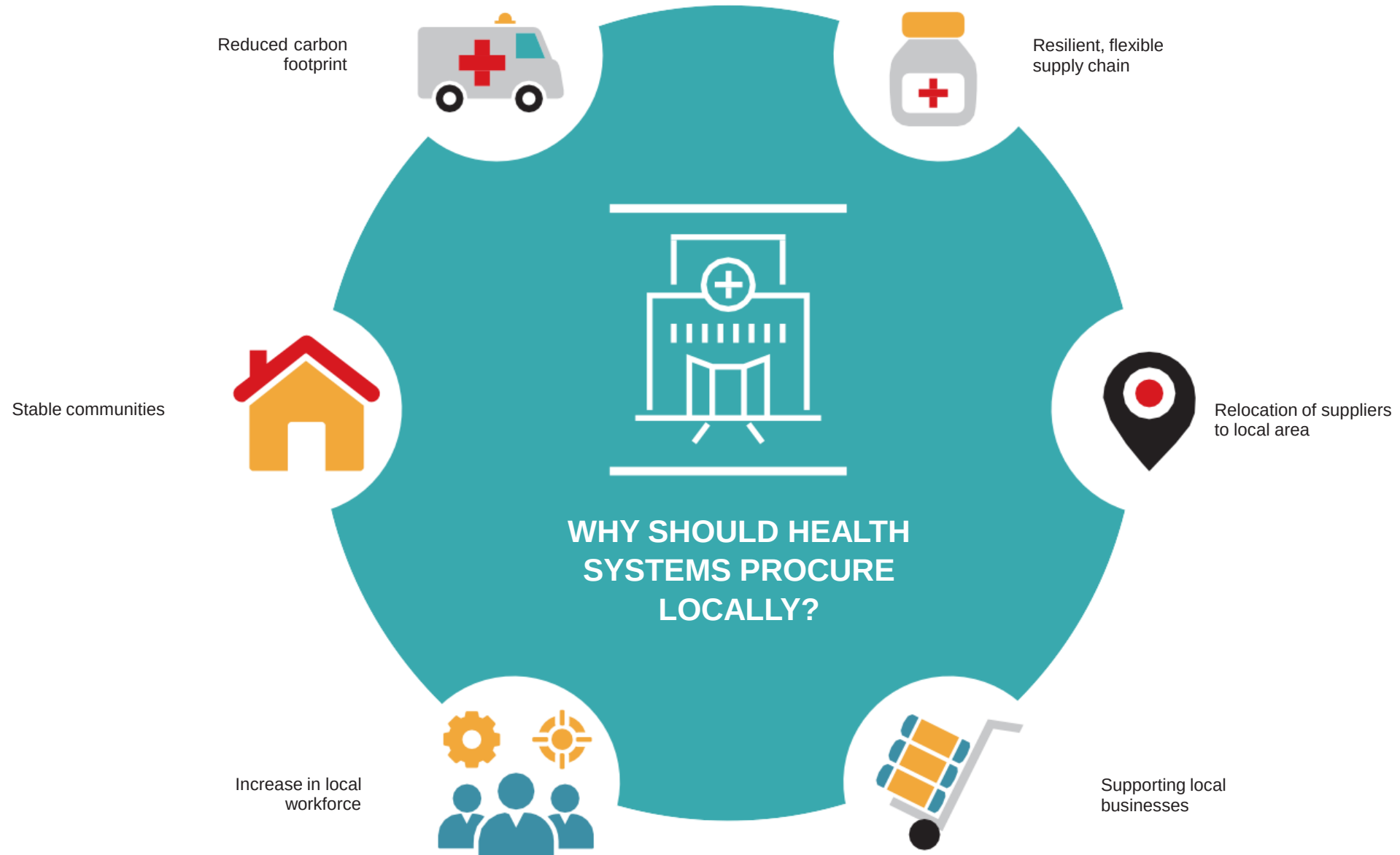
- **Gender equity** is enhanced by increasing local employment opportunities and security for women. Jobs in the health and social care sectors tend to be inclusive of women; an analysis of 123 countries found that women made up 67% of employment in the health and social care sectors, compared with 41% of total employment. In addition, more than half (55%) of bosses in the 'human health activities' sector are female, higher than in other sectors
- **Geographic inequities are improved by health sectors**, as health and social care services are important sources of jobs in rural and remote locations, unlike many other sectors, in which work opportunities are concentrated in large cities and commercial centers

- **Equity is improved in other areas of employment**, such as increasing opportunities for groups who traditionally have more challenges securing full-time employment positions (e.g. people with disabilities or minority groups). Among the highest proportions of older workers can be found in human health activities, and at least 30% of workers are aged 50 years or older
- Health systems also improve equity in terms of **progression and training**. The number of years spent in education, and skills acquired, have a significant impact on health and well-being, contributing to creating resilient individuals and communities. Compared to other sectors, health systems provide ample education and training opportunities, as well as maintaining and improving the skills of their workforce. Over 50% of workers in human health reported receiving employer-paid training.

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Social and economic benefits potential through purchasing and procurement of HS

- Health systems have **large procurement budgets** and as a result are highly powerful and influential purchasers of goods and services.
- Not all goods and services can be produced locally and efficiencies can be gained when health systems bulk purchase at the national level, but...
- **Shifting a small percentage of purchasing budgets to local suppliers could have a substantial effect on local communities**
- In 2018 the EU stated contracting authorities can and should apply “other criteria than the lowest price or cost effectiveness only, including qualitative, environmental and/or social aspects”



Strategic Social Purchasing aims

SSP aims to have a long-term impact on local and regional economies, as local businesses employ local people, keeping wealth circulating in the local area.

SSP seeks to shift to buying goods and services from local business, social enterprises or MSMEs, in order to better support local communities.

WHO, the World Bank and the EU all advocate SSP to have a significant role in creating successful and sustainable economies and communities.

Strategic Social Purchasing....

shifts procurement from an administrative activity to a strategic tool for inclusive and sustainable growth;

uses procurement budgets to improve local societies, health and well-being;

questions practices related to procurement, taking into consideration the medium- and long-term effects of purchasing;

incorporates the needs and priorities of citizens in the distribution of health care;

promotes inclusive development, equity, quality of care and efficiency.

SSP by health systems at regional and local levels is a powerful mechanism, capable of:



supporting, enabling and strengthening local businesses



fostering growth



increasing local employment



improving the skills base in the local job market

Involvement of community

- It is not always obvious to local populations and policy-makers that health systems have significant economic and social impacts.
- In fact, they are an unrecognized potential, capable of having significant economic and social benefits on local, regional and national economies. More holistic approaches are needed, which emphasize sustainable development, as well as create systems in which funding stays in local communities

Importance of local partnerships

For health systems to influence local economies, they need to create partnerships with a wider range of sectors and organizations

Organizations and institutions that have similar aims (e.g. seeing local areas thrive economically and socially) should be targeted for partnerships.

In multisectoral partnerships, health systems have an important stewardship role, acting as innovators and providing evidence on the high return rates of the economic and social benefits.

The missions of health systems should be aligned with local and regional development goals and plans

The Health System...

is vital to determining the economic performance and stability of a country and a key sector in the implementation of local and national goals for sustainable development

has a positive impact on the economic performance of other sectors that make up the national economy, through jobs created, both directly, and indirectly through purchasing

reduces social exclusion at the local level through its impact on employment, working conditions and household income

Resources



<http://www.euro.who.int/en/publications/abstracts/economic-and-social-impacts-and-benefits-of-health-systems-2019>

INFORMATION



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