

Review Article

Implication of Economic Recession on the Health Care Delivery System in Nigeria

Jimmy Ebi Eko

Department of Sociology, Faculty of Social Sciences, University of Calabar, Calabar, Nigeria

Email address:

jimmyeko25@gmail.com

To cite this article:Jimmy Ebi Eko. Implication of Economic Recession on the Health Care Delivery System in Nigeria. *Social Sciences*.

Vol. 6, No. 1, 2017, pp. 14-18. doi: 10.11648/j.ss.20170601.13

Received: January 10, 2017; **Accepted:** January 19, 2017; **Published:** March 4, 2017

Abstract: The economic recession in Nigeria has affected various sectors of the economy including the health sector leading to low productivity, poor service delivery and poor health outcome. The Nigerian health sector is still striving to provide basic health care services with the collaborative efforts of the three tiers of government but efforts to achieve this seem unfeasible due to the current state of the Nigerian economy. Nigeria operates a dual system of health care delivery which includes; the orthodox and traditional health care delivery systems. The orthodox health care system is managed and controlled by the three levels of government while the traditional health care delivery system is managed by the traditional health institutions. Some of the challenges confronting the Nigerian health care delivery system include; lack of adequate health infrastructures, poor health funding, lack of political will, shortage of manpower and corruption. The impact of economic recession on the Nigerian health care delivery system may include; high cost of drugs, poor financing of the health sector, high cost of treatment, high disease morbidity and mortality, poor staff motivation, emergence of counterfeit drugs and increase in out-of-pocket expenditure on health care. Approaches to tackling the problems facing the health sector as a result of economic recession include; deliberate health policy reforms, full government support in terms of financing the health sector and strengthening the provision of health enablers, institutionalizing comprehensive health care services and establishing an efficient monitoring and evaluation system. Hence, to strengthen the Nigerian economy, the health care system should be given due attention by adequately tackling its problems and improving its performance so as to suppress the cycle of ill-health, poverty and under-development.

Keywords: Economic Recession, Health Care System, Health Care Services, Nigeria

1. Introduction

Health remains an integral component of man's existence even in the midst of economic recession. Before the current economic crisis, most contemporary societies especially in the third world countries were still experiencing disease epidemics while other countries/nations continually experience the endemicity of certain diseases affecting millions of life. The economic crisis facing Nigeria and some other developing countries today continues to deteriorate the structure and function of the health sector.

The economic recession in Nigeria has affected various sectors of the economy including the health sector leading to low productivity, poor service delivery and poor health outcome. The Nigerian health sector is still striving to provide

basic health care services with the collaborative efforts of the three tiers of government but efforts to achieve this seem impracticable due to the current state of the Nigerian economy. The current economic situation in Nigeria has affected public health care financing or funding and the level of patronage of the public and private health care facilities especially among the rural poor is reduced due to increase rate of poverty and deprivation [1]. While economic crisis may contribute largely to poor health outcome, it provides the opportunity for deliberate government health reforms to improve the health system performance [2].

Health is directly or indirectly linked to other sectors such as food security and nutrition, household income generation, housing, education, employment status and other social security services. This makes health an essential sector in any

polity. The vulnerable populations such as the rural and urban poor, people with disabilities, Internally Displaced Persons (IDPs), pregnant women, children and the elderly suffer most in accessing health care during economic recession. According to Health Care Financing and Organization [3] economic recession is capable of shaping health care cost and coverage, financial access to care, existing health policies and health outcomes. Therefore, this paper aims to examine the impact of economic recession on the Nigerian health care system.

2. Concept of Health, Health Care System and Economic Recession

Literally, health is the mere absence of disease. Health as defined by World Health Organization is “a complete state of physical, mental and social wellbeing and not merely the absence of disease or infirmities. This definition is all encompassing and serves to be a global standard which individuals, governments, private organizations adopts and strive to attain. However, scholars have argued the unrealistic nature of achieving the set target of “complete state of physical, mental and social well being”. This is because, judging from the definition, no individual can clearly ascertain to be healthy at any point in time.

Health care on the other hand as defined by Eme, Uche & Uche [4] is “the provision of suitable environment which is aimed at the promotion and development of man’s full potentials”. The health care system is a conglomerate of health facilities, health institutions and health organizations that are designated to provide health services to health consumers within a geographical area. Different countries have their peculiar structure of the health care system.

Economic recession is a period of general economic decline and is typically accompanied by a drop in the stock exchange market, increase rate of unemployment and inflation. The National Bureau of Economic Research (NBER) defined a recession as “a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in a real gross domestic product (GDP), real income, employment, industrial production and wholesale-retail sales.” Noko [5] defined economic recession as “a negative real GDP growth rate for two consecutive quarters” (say first and second quarters). Judging by the above definition Nigeria is experiencing economic recession currently, since her first and second quarters growth in 2016 are -1.7% and -2.06%

3. Health Care Delivery System in Nigeria

Nigeria operates a dual system of health care delivery which includes; the orthodox and traditional health care delivery systems [6]. The traditional health care system is controlled and managed by the traditional health institutions such as herbalist home, Traditional Birth Attendant home, spiritual churches and other traditional health outlets. Their

role is to provide affordable health services to their clients using traditional or herbal medication. The traditional health practitioners (such as Traditional Birth Attendants, herbalists, traditional bone setters, etc) provides mainly curative and therapeutic health services to their clients.

The orthodox health care delivery system are manned, controlled and managed by the three tiers of government and services are provided by the public and private sectors. The primary health care system which is the first point of health care is controlled by the Local Government Administration with technical support from the state government. The primary health care system is primarily responsible for providing preventive, promotive, curative and rehabilitative services. The secondary health care system is managed by the state government and State Ministry of Health while the tertiary level of health care which is the highest level of health care where highly specialized health services are provided are managed by the federal government. The tertiary level of health care is also unique for supporting in training human resources and encouraging medical research. The private health care system is managed by individuals, non-governmental organizations and other private organizations. The structure of the Nigerian health system is built on a two-way referral system where an individual can be referred to the next level of health care especially for complicated cases and vice versa depending on the circumstance.

4. Challenges of the Nigerian Health Care System

Despite the fact that Nigeria is striving to achieve global health standards which is measurable from the attainment of the 17 Sustainable Development Goals (SDGs), the Nigerian health system is still lop-sided due to certain constraints. There are a number of challenges confronting all facets of the Nigerian health sector. One of such challenges is lack of adequate health infrastructures. This is a major challenge which has led to over-congestion of patients in a particular health care facility. This often results in long waiting time at the health facility for the patient and excess workload for the health care providers. Most health care facilities are deficient of human resources, pharmaceutical products and other medical equipments. Some existing health infrastructures are dilapidated which calls for periodic renovation and upgrading.

Another major challenge of the Nigeria health sector is poor health funding. Unarguably, the level of funding determines the quality of health care service delivery. Health care financing is a major determinant to universal access to health care. Sources of funding for the health sector include; out-of-pocket expenditure, tax revenue, donor agencies such as WHO, UNICEF, USAID and health insurance. According to existing literature, out-of-pocket expenditure remains the dominant mode of health care funding in Nigeria [7, 8].

Lack of political will or government support is also another major constrain to effective health service delivery in Nigeria.

This is because, health policies and programmes are mainly initiated, designed and patterned by political leaders. So, if the government does not see health as a basic necessity of life, then investments and allocation of resources to the sector would receive less attention. Fortunately, health care in Nigeria is seen as a core component of the Nigerian economy. However, existing policies and programmes of the government has not measured up to the contemporary needs of the health care system.

Another factor is the dwindling human resources. Quality health care can only be assured where there is adequate availability of trained medical personnel and health professionals [9]. The number of clients that visits the health care facilities continually outweighs the number of health care providers attending to them. While the Nigerian population is estimated to be 185, 095, 806, the estimated doctors' requirement is 101, 803; estimated doctors' availability is 70,390 and estimated availability gap or deficit of doctors is 31,413 as at 2016. For the nurses, the estimated requirement is 320,216; estimate availability of nurses is 236,668 and estimated gap or deficit is 83,548 [14]. Such gross deficit in health manpower threatens the quality of health care service delivery. Lack of adequate manpower could largely result in longer hospital stay, poor health outcomes and high mortality rate [14].

Corruption is another contemporary issue affecting the Nigerian health care delivery system. It is a situation where the management of the hospital or health care administrators embezzles funds or resources meant for the development of the health care sector. Health care workers most times embark on incessant industrial action because salaries are not regularly paid, incentives and allowances are not given and equipments are not provided which affects job performance and morale of workers towards discharging their responsibilities. This mostly happens when funds meant for such purposes are sidetracked. Corruption, singlehandedly has been responsible for most of the challenges in the Nigerian health sector [10].

From the foregoing, it can be subsumed that major facets of the health sector such as funding, infrastructure, government support, provision of trained human resources are key elements to effective and improved health services delivery. This means that, where any of these aspects are lacking, the health system experiences a setback. Each of the aforementioned factors is interdependent on each other for the achievement of the ultimate goal of the health care system and maintenance of global best practices.

5. Impact of Economic Recession on the Health Care Delivery System in Nigeria

The current economic recession in Nigeria has largely affected the structure and functions of the Nigerian health care delivery system in so many ways which includes;

5.1. High Cost of Drugs

Obviously, in the face of economic recession, there is inflation on most commodities in the larger market. Likewise in the health sector, commodities such as drugs experience inflation. Consequently, people become vulnerable to patronize substandard or counterfeit drugs from retail distributors due to its cost-effectiveness. This may negatively affect the health of individuals and contribute substantially to the poor health indices of the country. Due to the high cost of orthodox medicine, people may subscribe to self medication with traditional or local herbs as an appropriate alternative in order to stay alive and healthy.

5.2. Poor Financing of the Health Sector

During economic recession, the health care sector suffers from lack of adequate funds which is the major driving force to improve service delivery. Funds allocated to the health sector are used for infrastructural development, purchase of drugs, medical equipments, maintenance of hospital administration and environment, payment of auxiliary workers, project and programme implementation. In this situation, when funds are not adequately available, it brings about a setback in executing certain responsibilities. This means that, the health sector cannot perform appropriately without adequate funding system. Annual government budget would also be affected during an economic recession (i.e. reduction in funds allocated to the sector). For instance, in Nigeria, there has been a sharp reduction in the budgetary allocation to the health sector from 258Bn in 2016 to 51Bn in 2017.

5.3. High Cost of Treatment

The cost of treatment from ill-health is also seen to be high during an economic recession. The poor and the disadvantaged population suffer most from this challenge. This has reduced the level of hospital consultation and admission because most clients cannot afford the cost of treatment. In typical cases where hospital admission is allowed from in-patients, the patient eventually earns a longer hospital stay without proper attention. As a result, the patient condition continually deteriorates and he or she dies thereafter. The subscription to quacks and local healers has equally become high due to the hike in the cost of treatment. These quacks administer treatment unprofessionally and as a result exacerbate the health conditions of the vulnerable populace. Some individuals with chronic health conditions that require the attention of specialized health services poorly access quality treatment due to its high cost.

5.4. High Disease Morbidity and Mortality

With the current re-emergence of infectious diseases such as Lassa fever and Avian influenza (bird flu) especially in Northern Nigeria and the continual endemicity of diseases such as malaria, TB, HIV, etc, the Nigerian populace are susceptible to high disease morbidity and mortality if due

attention is not given to tackle these situations. In the health facilities, high death rates have equally been documented which is due to high cost of treatment, high cost of drugs, poor attention to clients, shortage of health care providers, etc. Individuals are often exposed to health problems as a result of poor diet and nutrition, environmental factors, occupational hazards, low health seeking, etc. All of these factors may largely results from economic recession which directly or indirectly contributes to high morbidity and mortality.

5.5. Poor Staff Motivation

When hospital staff and health care professionals are owed their remuneration/wages, incentives and allowances, their morale towards quality service delivery is often compromised. This formulates the major reason why health workers intermittently embark on incessant industrial action. Ogunbanjo [11] and Osakede and Ijimakinwa [12] observed that improved remuneration and working condition of services are amongst the major causes of industrial action among health care workers. In some cases, salaries and incentives paid is not commensurate to the job task of workers which may affect job performance. For an effective health care system to emerge, health care providers must be dully motivated by increase in wages during economic recession. If this does not take place, it may result in negligence of duties, poor attitude towards clients, poor response to emergence situations, increase rate of corruption and fraudulent practices, etc.

5.6. Emergence of Counterfeit (Fake) Drugs

During harsh economic condition, drug vendors see the opportunity to market traditionally made concoction in the form of drugs. These drugs are mostly sold in rural areas and in strategic urban settings. High patronage of these fake or sub-standard drugs occur mostly when there is high cost of drugs, high cost of treatment and poor access to health care services. Where access to basic health care is poor, people subscribe to these fake drugs which would in turn further endanger their health.

5.7. Increase in Out-of-Pocket Expenditure

The contemporary health care system is funded largely through out-of-pocket expenditure. According to [6] out-of-pocket expenditure mean payment for services received at the health care facility. This payment begins from consultation, treatment, laboratory charges and to purchasing of drugs. For in-patients, out-of-pocket expenditure includes; payment for medical bills, food and special drugs. In situations where the public health facilities are over-congested or the service delivery is poor, people alternatively use the private health facilities which would warrant them to pay more for services. Aside the necessary expenditure within the hospital setting, other expenditure such as transport fare, nutrition and purchase of other basic needs are all subsumed under out-of-pocket expenditure on health. During an economic recession, such out-of-pocket expenditure on health

is double or tripled.

5.8. Politicizing Health Care

Since the resources allocated to the health sector may not be enough to cover the enter country especially during an economic recession, distribution of scare resources is done sentimentally via the people in political positions. Ethnicity, tribalism and cultural interest become the basis for allocation of funds, implement of projects and programmes, recruitment of health workforce and distribution of materials and medical equipments. In some specific cases, health care facilities are located in the urban setting than in the rural areas where most people who are in dire need of these services domicile [13]. This is why access to quality health care is lop-sided across the country where one geographical area has access to health care than other areas. This is to say, during economic recession equity and fairness in access to health care is completely absence.

6. Way Forward

Despite the fact that economic recession has negatively affected the health care system in Nigeria, it is not without remedies. One major approach of tackling the problems facing the health sector as a result of economic recession is deliberate health policy reforms. Health sector reforms refers to the alteration or complete change in policies, method of financing, provision of health services, structural rearrangement and organizational adjustment which is properly designed by government to ultimately improve the standard of health system [10]. The prime essence of health policy reforms is to ensure that health care services is made available, accessible, cost-effective and cost-efficient [10]. This means that, government should restructure existing national health policies to improve its coverage and beneficial packages to beneficiaries.

Health policy reforms are also specifically designed to improve the health care delivery process in terms of quality services, equitable access and effectiveness in service outcome. Policy reforms are also meant to strengthen enabling factors that would facilitate the implementation of health programmes. These factors include; safe water, nutrition, income, housing, education, sanitation, etc. Obansa et al [10] pointed out that in the event of health policy reforms, new roles/responsibilities are assigned to health professionals, the function of the health care facilities across the three levels are redefined, policies are substituted, organizational management structure is improved and there is decentralization of human and material resources. Even within the hospital structure, bureaucracy should be less rigid where clients get access to health services without passing through numerous procedures. This would also encourage equitable access to health services, prompt attention and quick commencement of treatment.

Another approach to improve the health care delivery system in the face of economic recession is full government support in terms of financing the health sector and

strengthening the provision of health enablers such as nutrition and food security, water and sanitation, housing, infrastructure, etc. This means that without full government support, an efficient health care system cannot emerge. This is because, the government control most health policies, programmes and projects. So, the survival of the Nigerian populace and achievement of better health outcome is largely dependent on the support of the government at all level.

Institutionalizing comprehensive health care services is another crucial strategy to tackle the impact of economic recession on the Nigerian health care delivery system. The comprehensive health care services could be provided at the health care facilities or it could be community-based driven. This is important because when people lack money for transport fare to the health facilities, these services should be taken to their door step and made affordable. For those who manage to get to the health facilities, hospital bureaucracy should be less cumbersome to enable their clients access satisfactory health services where all inclusive services would be provided at cost-effective rate.

The government should establish an efficient monitoring and evaluation system which would be saddle with the responsibility of monitoring the activities of the health sectors, the unplanned changes that may occur, how funds realized to the sector are utilized, how resources provided are used and effective execution of projects and health programmes. Such feedback mechanism is essential for health policy reforms, minimize corruption and embezzlement of funds as well as guide sustainable planning and implementation of health programmes. During economic recession, data generated from the monitoring and evaluation system would guide health policy makers re-strategize, redesign and rearrange the structure of the health care system to suit the current health needs of the populace. As highlighted by [10] monitoring and evaluation would help track the progress of achieving SDGs targets.

All of the aforementioned approaches can be institutionalized if an integrative mechanism is put in place to establish synergy between the government and relevant stakeholders (especially the private sector) so as to improve the quality of health care delivery.

7. Conclusion

Arguably, the impact of the Nigerian economic recession has affected the health care delivery system. The health system before the economic recession has been confronted with numerous giant challenges that require the intervention and collaborative efforts of other sectors of the economy for it to reaffirm its purpose. For there to be wealth creation, the populace must be in good health. Hence, to strengthen the Nigerian economy, the health care system should be given its due attention by adequately tackling its crisis and improving

its performance so as to prevent the cycle of ill-health, poverty and under-development.

References

- [1] Nolan, A., Barry, S., Burke, S., & Thomas, S. (2014): The impact of the financial crisis on the health system and health in Ireland. WHO Regional Office for Europe, UN City, Marmorvej 51, DK-2100 Copenhagen Ø, Denmark.
- [2] Yang, B., Prescott, N., & Bae, E (2001): The impact of economic crisis on health care consumption in Korea. *Health Policy and Planning*; 16 (4): 372-385.
- [3] Health care financing and Organization (2009): Impact of the Economy on Health Care. Retrieved from <http://www.hcfo.org/publications/impact-economy-health-care>.
- [4] Eme, O. I., Uche, O. A., & Uche, I. B. (2014): Building a Solid Health Care System in Nigeria: Challenges and Prospects. *Academic Journal of Interdisciplinary Studies MCSEER Publishing, Rome-Italy*; 3 (6): 501-510.
- [5] Noko, E. (2016): Economic Recession in Nigeria: Causes and Solution. Retrieved from <http://educacinfo.com/economic-recession-nigeria/>.
- [6] Oyibocho, E. O., Irinoye, O., Sagua, E. O., Ogungide – Essien, O. T., Edeki, J. E. & Okome, O. L. (2014): Sustainable Healthcare System in Nigeria: Vision, Strategies and Challenges. *IOSR Journal of Economics and Finance*; 5 (2): 28-39.
- [7] Olakunde, B. O. (2012): Public Health Care Financing in Nigeria: Which way forward? *Annals of Nigerian Medicine*; 6 (1): 4-10.
- [8] Osuchukwu, N. C., Osonwa K. O., Eko, J. E., Uwanede, C. C., Abeshi, S. E., Offiong, D. A. (2013): Evaluating the Impact of National Health Insurance Scheme on Health Care Consumers in Calabar Metropolis, Southern Nigeria. *International Journal of Learning & Development*; 3 (4): 30-45.
- [9] Nwakeze, N. M., & Kandala, N. (2011): The spatial distribution of health establishments in Nigeria. *African Population Studies* 25 (2): 680-696.
- [10] Obansa, S. A. J. & Orimisan, A. (2013): Health Care Financing in Nigeria: Prospects and Challenges. *Mediterranean Journal of Social Sciences*; 4 (1): 221-236.
- [11] Ogunbanjo, G. (2014). Doctors and Strike Action can this be morally justifiable? Punch Newspaper, Wed. April 13.
- [12] Osakede, K. O. & Ijimakinwa, S. A. (2014): The effect of public sector health care workers strike: Nigeria experience. *Review of Public Administration and Management*; 3 (6): 154-161.
- [13] Etobe, E. I. (2005): *Sociology of Health and Rehabilitation*. Revised edition, De Arizona's publishers, pp. 69.
- [14] Adebayo, O., Labiran, A., Emerenini, C. F., & Omoruyi, L. (2016): Health Workforce for 2016-2030: Will Nigeria have enough? *International Journal of Innovative Healthcare Research* 4 (1): 9-16.