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“EU 2020”: Responses from Global Health Europe

These responses to the Commission consultation on the Future “EU 2020” Strategy are submitted on behalf of Global Health Europe, a not for profit, non-partisan think tank hosted by the Graduate Institute, Geneva to provide a platform where global health issues can be discussed by European academic, business and civil society. It is supported by the UK, Department of Health, the Swiss Federal Office of Public Health, the Global Forum for Health Research, the European Foundation Centre and the Calouste Gulbenkian Foundation.

Our response to this consultation is focussed on the role of health and healthcare both within the economy of the EU and in the global economy as a basis for sustainable development and an engine of growth. It provides an exemplar of the way in which European collective action and global health diplomacy can foster a knowledge based social market combining social and economic purpose.

Health in the EU Economy of 2020

Healthcare accounts for 8.5 % of EU GDP¹ and about 10% of employment, however, when other aspects of social care, and the “second market” for healthcare related products and services are considered the total impact on our economy may be twice this level². Moreover the economic impact of health is increasing rapidly: as our populations age, as technology improves our capability to tackle diseases and as people demand higher standards of health care. The economic downturn adds to these challenges - as the highest burden of disease in the EU arises from mental illness³, which increases with unemployment.

Our response to this challenge will be a defining feature of the performance of the EU economy. Failure in the governance of health and care could lead to levels of expenditure close to that of the US where healthcare now accounts for 17% of GDP and yet many are left without access to services⁴. European health and care systems must reaffirm their commitment to address the causes as well as the consequences of poor health. A future in which the main determinants of health in Europe⁵: poverty, stress, diet and activity, alcohol and drug abuse, smoking, poor social capital and environment pollution are left unaddressed while health and care systems are required to meet the resulting demand will be unsustainable by 2020⁶.

Health policies of previous decades were often centrally concerned with the need to contain rising costs, viewing the health sector as a drain on public resources. But by 2020 innovation in healthcare markets could be a driving economic force. Improved prevention of chronic diseases will be vital to extend the labour force potential beyond the conventional age limit of 65 years. Furthermore a “second market” for healthcare related and healthy lifestyle goods and services has developed and is projected to provide an area for further growth. This second market includes goods and services not necessarily covered by private or national health services such as fitness, wellness, organic foodstuffs, alternative medicine and healing treatments, and health tourism as well as home and palliative care and rehabilitation services that are shifting to the private sector.⁷

Health in the Global Context of 2020

The world of 2020 will be multi-polar, with states coming together not only through the UN system but within regions as in the case of the EU, or to shared positions as in the case of the BRIC countries and G20 meetings. Moreover it is not just states that shape global health policy, global public private partnerships, global corporations, global civil society movements and international academic and professional networks also form policies. Our world is both more closely linked and more fragmented. Categories of developing and developed are no longer applicable when international indicators show inequalities within countries and within regions can be just as big as they are between them. Each country has a unique trajectory for population health, education and income and it is clear that aid by itself has less impact on this progress than trade and investment. As the EU considers its role in global health it needs to do so based on a new understanding of this rapidly changing world⁸. Just as European health policy must be developed by local, national and European governance working with European civil society; global governance for health must encompass international academic, business and civil society.

The EU must ensure that global governance for health addresses not only the threats posed by infectious diseases and agents but also the spread of chronic disease by diet and lifestyle factors, the drivers for which are often multinational companies and the impact of international trade, agriculture, environmental neglect and global warming on the determinants of health in both rich and poor countries. Responsible governance of this global social market requires a careful balance between humanitarian and social goals for health and the economic incentives required to support continued innovation and international investment. This is not only crucial for better global health but also a key to a vast market.

The health economies of countries such as Brazil, Russia, India and China will accelerate their demand for health solutions over the next ten years as their citizens transition from low to middle and higher incomes. Populations at least the size of the current EU are emerging within such countries with similar demands for healthcare and rapidly increasing ability to afford solutions offered by EU healthcare based industries. Opportunities are emerging for new pharmaceutical products, medical devices and living aids, specifically to meet the needs of such markets. Information and communications technology for health is

a fast developing market in these economies. Developments in microbiocides, genetics, stem cell research and nanotechnology as well as the “second market” offer global market opportunities for EU based companies. It is also true that health and care in the EU will offer opportunities for producers in BRIC countries.

However, it is increasingly clear that delivering health solutions requires long term partnership at government and national health system level and with global and local academic/professional groups, businesses and civil society. Thus global health diplomacy, based on a European understanding of social markets offers the key to opportunities for the knowledge based health industries of the European Union.

Building on Our Strengths

The healthcare sector demonstrates many of the characteristics required to succeed as a social market within European and Global markets.

Knowledge based: The importance of knowledge based practice and development has long been recognised in the healthcare sector where ethical standards and conduct are a requirement of professionals and a commitment to lifelong learning is expected. Mechanisms have been developed to harmonise professional and educational standards and to share research and development findings. Common EU standards and mechanisms have been adopted for pharmaceutical and other health products. Technical standards for information and communications in health are being developed. EU research and development funding has been directed towards strategic goals in health including orphan drugs and other measures to support health and health systems development globally.

Empowering people: European health systems recognise the importance of citizen empowerment⁹ and strive to help citizens to make healthy choices and engage in health policy decision making. Health policies also recognise the importance of building social capital bonding families and communities, linking between communities and providing a bridge to engage people in services and community action. Behaviour change is a difficult but vital public health issue which requires further research on a European and global scale.

Competitive, connected and greener: While European healthcare systems share common values of solidarity, universality, equity and quality there are many differences in their funding, organisation and operations. Creating opportunities for connection across this diversity and sometimes competition across borders is valuable in demonstrating different approaches and hence stimulating innovation and creativity. It ensures a more competitive sector. A social market must equally ensure that healthcare solutions are sustainable and affordable, knowledge sharing of cost effectiveness studies is gaining ground. It is also important to note that health services are major energy consumers and producers of harmful wastes, measures to reduce the environmental impact of health services are also an important field for research cooperation.

Regional and global governance: of the healthcare sector in Europe is strengthened by the leadership provided by the WHO Regional Office for Europe and the policy initiatives taken by the European Commission Health and Consumer Protection Directorate General including the strategy “Together for Health” and the EU mandate to consider “Health in All Policies”. “The EU Role in global health” is the title of a current consultation and the UN Resolution on “Global health and foreign policy” (A/RES/64/108) was adopted at the General Assembly by consensus on the 10th of December 2009 with the support of the Swedish Presidency speaking on behalf of the EU. It is also notable that at the EU/US summit on the 9th of November agreement was reached on joint action to address antimicrobial resistance. These steps add weight and impetus to the development of the sector as a European and global social market.

Challenges to be Addressed

While European healthcare is a social market that has many strengths on which it can build and lessons for other sectors, it must also address many outstanding challenges if it is to maximise its contribution to European and global economies:

Governance: The complex governance arrangements for EU health reflect the fact that healthcare systems are best managed at national and local levels with support to learn from one another, while many aspects of the determinants of health require regional and sometimes global governance. Europe is rich in agencies of the EU, of the UN and academic, business and civil society contributing to the governance of health. The challenge is to enable all these agencies to work together, while respecting their different roles and responsibilities.

Employment: Healthcare is a major employer throughout the EU and globally. There has been good progress in mutual recognition of professional standards, but skill requirements are changing rapidly, particularly in the care sector, it would therefore be useful to establish broader planning for the health workforce of EU 2020. This should ensure that the EU provides education and training to meet its needs with less harm to other countries subject to brain drain¹⁰

Research: The EU provides support for research and development cooperation in pharmaceutical development, health informatics and health systems. There are many other areas such as behaviour change and geriatric care in which research cooperation could accelerate development. Early cooperation between health providers and different health solution providers could be very helpful in identifying health targets that offer the greatest potential social and health value.

Global markets: Currently the vast majority of pharmaceutical and other health products are consumed in OECD markets, however, by 2020 the BRIC countries are likely to be major consumers and demand will rise globally. Within these countries there are very different levels of affordability between markets sometimes even within countries. The challenge for the health supply industry and the EU is to ensure appropriate pricing levels for each market while preventing parallel imports to destroy existing markets.

Global Health Diplomacy: As a social market of global scale healthcare is always going to require political as well as marketing skills. In recent history European health supply firms have lacked the support needed to guide them through such issues and the EU has lacked the capability to provide this sort of guidance. The development of skills in global health diplomacy would be good for business as well as an important basis for demonstrating EU values.

Health in All Policy: The requirement for the EU to consider health in all its social and economic policies is very encouraging, but its impact would be very much greater if it were applied to European multinational companies and civil society movements who also influence European and global health.

Making it Happen in Health

Healthcare is a major sector of the EU economy and a source of export earnings. It presents major challenges and opportunities within the EU and globally. Successful governance of healthcare requires EU leadership and partnership with governments, academic networks, businesses and civil society. We therefore suggest that healthcare should be a focus for the EU 2020 strategy as an exemplar of a global, knowledge based, social market. We suggest that a more comprehensive sector development programme should be established building on current strengths, policies and opportunities:

- To strengthen arrangements for sharing experience across EU member state health and care systems and for addressing shared public health concerns.
- To develop dialogue and joint working with other national governments, international agencies such as WHO, academic/professional groups, businesses who have an impact on health and civil society groups in this field.
- To underline the EU's commitment to health and foreign policy by developing appropriate knowledge and skills in global health diplomacy within the European External Action Service
- To ensure EU education and development in health matches future demand, to increase employment and reduce the brain drain on poor countries.
- To build on European and global research cooperation to address future health problems with high potential social benefits :e.g. geriatric conditions, neglected diseases, behaviour change and health systems research.
- To work with academic, business and civil society groups to address issues of equitable research and market access in all countries recognising the balance required between economic interests and social and development concerns.
- To develop cooperation on the potential for reducing energy consumption and climate changing emissions from the health sector.
- To support the development of an ongoing European Strategy for Global Health recognising that this is also a business and employment opportunity.

- To promote responsible action for health by EU multi-national businesses as a defining characteristics of European socially responsible business.
- To promote safe access to essential medicines by a range of practical measures to improve the delivery of medicines and health knowledge and address drug pricing and parallel imports affecting drugs and medical devices produced by EU based companies.
- To support and develop awareness of global citizenship including action fair trade, fair health and gender equity as European values.
- To promote global funding mechanisms for global public goods for health, both within the EU and in global health governance meetings.

References

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⁴Katherine B Wilson California Health Foundation “Healthcare costs 101 2009 edition” April 2009 accessed on 08 January 2010 at <http://www.chcf.org/topics/healthinsurance/index.cfm?itemID=133630>

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⁷ Klaus-Dirk Henke and Karl Martin “Health as a Driving Economic Force” chapter in “Policy Innovation for Health” edited by Ilona Kickbusch, published by Springer, 2009

⁸ Ilona Kickbusch speaking at the “Nobel Forum on the EU as a Global Health Actor” 4 December 2009 as reported in the event report accessed on 08 January from <http://work.globalhealththeurope.org/index.php>

⁹ Elke Jakabowski and Graham Lister “Ninth Futures Forum: on health systems governance and public participation” World Health Organization Regional Office for Europe Copenhagen 2006

¹⁰ See EU policy and action programme to tackle the critical shortage of health workers in developing countries (COM(2006) 870 of 21 December 2006; and SEC(2008) 2476 of 16 September 2008), and the Green Paper on the European workforce for health adopted in 2008 (COM(2008) 725 of 10 December 2008).