

Parliamentarians' Call for Action: Regional Meeting of Parliamentarians on Economic Crisis and its Impact on Health

THE Regional Meeting of Parliamentarians on Economic crisis and its Impact on Health was held at Hotel Mulia Senayan, Jakarta, Indonesia, from 7 to 9 December 1998. The International Medical Parliamentarians Organization (IMPO) organized this regional meeting in close collaboration with the House of Representatives of the Republic of Indonesia. WHO South-East Asia Regional Office (WHO-SEARO) provided technical and financial support. It was one of the series of IMPO-WHO conferences of parliamentarians on health, with the focus on economic crisis and its impact on health.

The purpose of this meeting was to forge partnerships with parliamentarians to enhance advocacy for investment in health during the economic crisis. The meeting was planned to strengthen the role of parliamentarians in advocacy and commitment to health concerns, especially of the poor and underprivileged, in the context of the economic crisis. The main outcome, the ***Parliamentarians' Call for Action***, is presented herewith. The full report of the meeting is available separately.

Objective

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The objectives of the meeting were:

- (1) To appraise the parliamentarians of the current status of economic crisis and its impact on health;
- (2) To identify critical and urgent issues related to economic crisis and health needs;

- (3) To make recommendations for addressing the issues by parliamentarians and others concerned, and
- (4) To outline follow-up and monitoring mechanisms of the actions recommended by the meeting.

Outcom e

THE *Parliamentarians' Call for Action*, adopted at the meeting, outlines the various actions to be undertaken by the parliamentarians on issues related to the economic crisis and its impact on health.

Parliamentarians' Call for Action

THE Parliamentarians met in Jakarta, reviewed and discussed the economic and related social crises and their impact on health. The significant economic growth achieved during the last few decades, have been accompanied by a remarkable improvement in social development, including health. The parliamentarians reaffirmed that health is central to development. However, the economic crisis in East Asia, which has pushed it backward, has affected the developmental prospects of the Asian society as a whole.

This social crisis has expanded beyond the Region. The crisis may initially be financial, but the impact of the economic crisis on health development is enormous. The crisis has not only created macroeconomic imbalances, corporate bankruptcies and credit crunch, but has also reduced production capacity and increased unemployment. The sharp depreciation in the currencies resulted in an increase in the prices of essential commodities. This has led to

increasing costs of drugs and other medical supplies. The reform measures also led to squeezing of public spending in real terms. The poor and other underprivileged population groups are the ones who have been hit the hardest. There are numerous empirical evidences of short-term and long-term detrimental effects on health, especially in health care access and health outcomes.

There is growing concern that the poor have suffered disproportionately from the impact of the economic crisis. Women and children are the most affected groups. A large number of people have been laid off their jobs or have lost the opportunity to establish themselves in business with reasonable income. There is also a rise in school dropouts.

The tightening of public expenditures and constrictive public revenues have reduced the workload and efficiency of public health institutions. Many essential public health functions are barely kept running at minimum efficiency. Public health care functions are just adequate to contain major disease outbreaks. Maintaining effective control of

communicable and noncommunicable diseases is under intense pressure.

It is clear that concerted efforts are needed to sustain the momentum of health development by stepping up investment in human health and addressing inequity. Partnership for health development is the key to success.

There was an opinion that the countries should look at the way their national budgets are allocated for various developmental priorities. The high proportion of national budget allocated to defence-related activities was the major concern expressed.

Further, it was expressed that, if responded correctly, the financial crisis might actually provide opportunities to strengthen health systems and make the health services more effective and efficient.

The Parliamentarians' Call for Action, which was developed and adopted unanimously by the Jakarta Meeting, is as follows:

We, the parliamentarians from sixteen countries of Asia and the Pacific Region,

Express our deep appreciation to the International Medical Parliamentarians Organization (IMPO) and the House of Representatives of the Republic of Indonesia, for organizing this meeting with the cooperation of the WHO South-East Asia Regional Office, from 7 to 9 December 1998 in Jakarta, Indonesia,

Express deep gratitude to H.E. Mr B. J. Habibie, President of the Republic of Indonesia, for his gracious meeting and providing his vision in mitigating the economic crisis,

Thank warmly the House of Representatives and the Government of the Republic of Indonesia for their kind hospitality and support in connection with this important regional initiative,

Express deep appreciation to Dr Taro Nakayama and Professor Dr Prasop Ratanakorn of the International Medical Parliamentarians Organization (IMPO), for their personal contributions to the success of the meeting,

Affirm our faith in WHO's leadership in health development, and place on record our high appreciation of the technical support provided by WHO for this meeting,

Express appreciation to Dr Gro Harlem Brundtland, Director-General of the World Health Organization, for her inspiring message, and

Acknowledge gratefully the inspiring contribution made to the meeting by Dr Uton Muchtar Rafei, Regional Director, WHO South East Asia Region.

Note that:

- This meeting is an excellent forum of parliamentarians to bring together medical/public health professionals, public administrators, planners and economists and development partners to discuss the most important issue of social crisis currently persistent in the region which has been adversely affecting the health of peoples of the Region;
- The opening address by Honourable Mr. Harmoko, Speaker of the House of Representative, Republic of Indonesia, and the

addresses by Dr Ida Yushi Dahlan, Chairman of the Organizing Committee, Professor Dr Prasop Ratanakorn, Secretary-General of IMPO, the message of Dr Gro Harlem Brundtland, Director-General of WHO, and the address of Dr Uton Muchtar Rafei, Regional Director of WHO-SEA Region provided the general overall policy and views of various stakeholders on the social and economic crisis and the response to them.

- The special presentations by Dr H. Tb Rachmat Sentika, MP, Indonesia, Professor Prasop Ratanakorn, Senator of Thailand, Mr Ui Hwa Chung, MP of the Republic of Korea, H.E. Professor Dr H. Farid Anfasa Moeloek, Minister of Health of the Republic of Indonesia, Dr Somsak Chunharas, Director, Health Systems Research Institute (HSRI), Thailand, senior officials and representatives from the World Health Organization, the World Bank, the Asian Development Bank, and the UN-ESCAP Office, were the practical analysis of the past, present and future scenarios of the economic crisis and its impact on health in the Region. The addresses and presentations further elaborated on the roles

of stake-holders dealing with the economic crisis had provided the backdrop and direction to the deliberations of the meeting, at which the following broad themes were discussed:

- Role of International agencies in support of national health safety net,
- Role of governments in health sector reform, and
- Role of parliamentarians in ensuring equity and social justice.

Issues and Challenges

We, the parliamentarians, having taken note of and deliberated critical issues related to the current economic crisis and its impact on health, put forth the following priority issues for appropriate actions by governments, international agencies as well as ourselves:

Pursuing health and well-being in an era of globalization and particularly in the current period of economic turmoil is one nodal objective of every government in the Region. The economic growth and social development, which had been achieved in the last two decades by most countries of Asia and the Pacific, have been undermined by the recent economic crisis affecting all segments of the society. As a result, many problems have been observed throughout the society, including health and in particular, some of the priority communicable diseases such as Tuberculosis.

Effects of Economic Crisis

Economic crisis can have adverse effects, both directly and indirectly, on health services and health outcomes in the following ways:

- Depreciation of currencies causes massive increase in the cost of imports fuelling inflation;
- Inability of private sectors to repay short-term loans forces them to make production cut-backs and lay-off;
- Decreasing public revenue drastically reduces available public budget;
- National macro-economic changes above lead to changes at household and community level:
 - Loss of employment and switch to less-productive jobs;
 - Decreased household income; and
 - Massively increasing prices on essential commodities, especially staple food items.
- Increasing criminals and social unrest.

Vulnerability of Health Sector

The economic crisis has had a serious impact on the health sector mainly because of the shortcomings of the health systems, which existed before the crisis. The efficiency of the health systems to ensure equitable access to health care and social justice will become a major problem. The problems that existed before but exacerbated by the economic crisis are:

- Rising prices of drugs and medical supplies, especially those with a high proportion of imported components;
- Inability to pay for imported materials leading to shortage of drugs and vaccines;
- Reduction in the utilization of health care services by the poor and newly unemployed, leading to lower health status and increased illness;
- Switching from private to public sector services, causing an overall increase in the demand for health care services provided by public facilities;

- Contraction or closure of private health facilities because of lower demand, leading to non-profitable operations;
- Reduction in the consumption of essential food items leading to increasing nutritional deficiency disorders and vulnerability to infection;
- Under-funding of public health activities due to reducing government budget;
- Increasing deterioration in environment (water supply and sanitation, housing) leading to increasing risks of diseases;
- Reducing allocation to public health expenditure; and
- Delay in adopting or adapting the appropriate technology for health.

Actions

We, the parliamentarians, after reviewing the issues and challenges of economic crisis and its impacts on health, adopt the following Call for Action. We would urge our respective parliaments and governments to carry out health sector reform activities based on this Call for Action.

Action by Parliamentarians

- (1) Advocacy to accord health as a high priority on the political and development agenda;
- (2) Influence the governments and parliaments of all countries to increase investment in health, in order to prevent ill-health and ensure equity and social justice, and also strengthen the role of women in community for health;
- (3) Promote appropriate allocation of resources within the health sector to ensure basic health care services;

- (4) Advocate and mobilize support to maintain a national health safety net within the overall national social safety net programme, in order to meet the health needs of the poor;
- (5) Maintain and even enhance support for comprehensive poverty reduction programmes, especially targeting the basic needs of the poor and disadvantaged in society; and
- (6) Monitor and oversee health and health-related development programmes in the respective constituencies.

Action by the Governments

- (1) Take corrective measures to promote economic recovery in the shortest time and resume sustained growth, which would facilitate the establishment of a viable social safety net, as a measure to alleviate the worst sufferings of the poor;
- (2) Formulate sound policies and promote programmes to increase productive employment and promote food security, especially for the vulnerable population groups using targeted food subsidies, as appropriate;

- (3) Improve the efficiency of public sector through good governance initiatives;
- (4) Implement appropriate health sector reform measures, especially adopting the most relevant health care financing mechanisms and processes;
- (5) Promote community action for health development and foster partnerships with nongovernmental organizations and the private sector;
- (6) Establish crisis management centre to monitor and ensure equitable access to essential health care, such as communicable disease control, promotion of reproductive health, and provision of other essential health services;
- (7) Ensure the availability and affordability of essential drugs and vaccines, particularly to the poor and vulnerable groups, especially those population groups hardest hit by the economic crisis;
- (8) Promote regional and South-South cooperation for health development within the framework of technical cooperation among countries and the work of intergovernmental bodies, or any other regional arrangements;

Action by International Agencies

- (1) International agencies should have more dialogues with parliamentarians and the national parliaments to improve the understanding of different roles of all stakeholders for health development, as well as ownership of the programmes by those who implement and benefit from such programmes.
- (2) International agencies should help the parliament to formulate and enact appropriate legislation and regulations responding to health care financing and privatization of health care that will ensure access to basic health care by the poor and vulnerable.
- (3) International financial institutions should provide foreign exchange liquidity for short and long-term macroeconomic stabilization and make supplemental loans and grants or technical programmes available to help reduce the negative effects of economic crisis on health. A system of accountability should be established to ensure that the targeted strata utilize the funds.
- (4) International financial institutions should provide adequate financial support to strengthen the social safety net programmes to protect the poor in the wake of the economic crisis. WHO and other UN agencies should also play, in addition to their technical advisory role, an advocacy role with all branches of governments, both national and the international

NGOs and international donor community to establish a social safety net, especially for health services of the poor.

- (5) International agencies, especially World Health Organization and other United Nations agencies, should facilitate the work of the governments in monitoring the impact of the economic crisis, and provide effective advice and feedback to the governments in advance for taking corrective measures.
- (6) International agencies should collaborate closely with the governments in undertaking the health sector reform measures. Knowledge and evidence obtained from comparative analysis of various reform initiatives undertaken by the same country or different countries should be disseminated widely. Support should be provided to acquire the basic data required to design and formulate healthy public policies for the parliamentarians and to implement appropriate health reform initiatives.
- (7) International agencies should support and facilitate regional and inter-country health development efforts, by sharing information and experiences.

- (8) International agencies, especially WHO, should assist the countries in enhancing their resource mobilizing capacity.

Meeting Participants and Office Bearers

A total of 62 Parliamentarians participated in the Meeting, representing 7 countries of WHO South-East Asia Region and 9 countries from the Western Pacific and Eastern Mediterranean Regions of WHO. In addition, 41 observers from nine countries attended the meeting. Furthermore, WHO and IMPO provided technical and administrative support, respectively. The office bearers of the Meeting and participants are listed below:

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