

Impacts of Health Care Policy on Human Development in Vietnam and A Number of Other Countries in the World

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Received on 10 April 2019.

Revised on 10 May 2019.

Accepted on 28 May 2019.

Abstract: From a general viewpoint, sustainable development depends on the quality of human resources. A country cannot obtain development, if its population health is not good and the country does not satisfy economic, educational, and medical requirements. Population health is very important to the socio-economic development in every country. It is a fundamental human right and a crucial factor affecting directly human development. In this paper, the author describes his study on human development from the medical and health care perspectives, focusing on analysing and explaining the positive roles played by the State policies on health care in improving health care index (HCI) specifically and human development index (HDI) generally.

Keywords: Policy, health care, human development.

Subject classification: Philosophy

1. Introduction

In the modern world, human beings are seen as an important target of social development and the core of socio-economic development strategies. National development, therefore, is assessed not only from the aspects of economic development, gross domestic product (GDP), and per capita income (PCI), but also from the aspect of human development

index (HDI) of the country. The HDI was created by the United Nations to assess the development of countries in the world, ranging from 0 (the lowest) to 1 (the highest). The higher HDI a country scores; i.e. approaching 1, the better quality of life (QOL) its population obtain. The HDI is assessed via three main criteria, including: the gross national income (GNI) per capita (the gross national income per capita at purchasing power parity, converted to US

dollars); the educational accessibility (the number of years spent by people at school); and, the medical and health care accessibility (the lifespan of people). In Vietnam at present, it is really significant to do research on human development from the medical and health care perspectives, focusing on analysing and explaining the positive roles played by the State policies on health care in improving health care index (HCI) specifically and human development index (HDI) generally.

2. Health: an important criterion in human development

In history, various conceptions of health have been used, but they are generally unanimous in some main points, as defined by the World Health Organisation (WHO): "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" [6, p.847]. It was reaffirmed at Article 1 of the Declaration of Alma-Ata in 1978, according to which health consists of three components, including: physical, mental, and social wellbeing. It causes impacts on the labour productivity and socio-economic development and influences directly human development.

Physical health is expressed by muscular activities; the agility (quick reaction); the toughness (working or having activities continuously and quite long without feeling tired); the resistance to diseases; and, the ability to withstand severe conditions, such as too hot or too

cold environments and sudden changes of the weather.

Mental health refers to the emotional, spiritual, and behavioural satisfaction shown by the state of feeling relaxed and pleased, the optimistic and joyful thinking, the enthusiastic, proactive, and brave viewpoint, and the ability to cope with pessimistic viewpoints as well as unhealthy ways of life. Physical health is the foundation for mental health and quality of life, helping every individual to cope confidently and effectively with all challenges and risks in life.

Physical health and mental health make people have momentum for living positively, striving to achieve the set goals, and interacting with others on the basis of mutual respect and justice. This is the foundation for individuals integrate themselves with the community and defined as social health. It is reflected by the fact how they are accepted and approved in society; how they balance their own activities and interests with those of society; and, how they get along with the family and society as well.

Based on the analysis of the conceptions of health, we can see that health consists of many elements, of which physical health is the key to mental health and social health, aiming at promoting human development. A good status of physical health enables people to have good mental health and easily get along with the community and society. Thus, physical health in particular, or health in general, is a very precious asset to every person, every family, and the whole society. It causes very significant impacts on labour

productivity and economic growth as well as national survival and development. Physical health of people depends on the State policies and viewpoints on health care. The fact that every citizen and every community can get social support for the improvement of physical health with higher medical indexes is a very foundation for social development as well as human development. Only when the medical indexes of every person specifically and the whole community generally are improved, can we have favourable conditions for integral human development and appropriate human resources for production and economic growth. As every citizen has good health, the entire nation is considered healthy. With good health, people can be good at learning, working, and building the country. From the social perspective, the question is how the policies on health care expenditure affect the enhancement of the values of medical indicators, health status of the people, and human development.

3. Impacts of the health care policies on human development in some countries in the world

The level of economic development is always a decisive factor for human development. When a country has economic difficulties, its people and communities do not benefit from appropriate health care, resulting in obstacles to human development. For individuals, economic conditions are the causes of mental disorders, malnutrition, infection, and many other diseases. For families, the poorer economic conditions

they have, the worse living and hygienic conditions they will suffer and the more easily they will catch diseases. At the same time, it will take longer for them to recover health and the mortality rate will be also higher. Although economic development has a close relationship with improvement of health and human development, the way to use the State budget or, in other words, the way to allocate expenditure on different sectors generally and the medical sector particularly, which is concretised by the State policies, is an important factor affecting public health and human development. The State budget on health care varies from country to country.

3.1. Impacts of the appropriate allocation of the State budget on health care on the people's accessibility to health care services

The allocation and the use of social expenditure on health care cause a significant impact on the health status and the HDI. As illustrated by the examples in some countries, in spite of limited financial resources, those countries try to provide free compulsory education for all children and basic medical services for the people. Typically, they are "Vietnam, Costa Rica, and Sri Lanka, where the social services have been developed. Although the right to benefit from the public health care services encountered difficulties due to the economic crisis, generally the health status of the population has not worsened at all" [5, p.71]. The reason is that in those countries, the governments tried to maintain the social and health care services. They gave

priority to the investment and the provision of support for the people throughout the economic crisis. In comparison between Cuba and Iraq, the two countries had an almost similar per capita income (PCI) over two decades and both encountered difficulties due to the economic embargo. "The health status and human development are, however, far different from each other. Before the war began in 2003, the child mortality rate in Iraq was 15 times higher than that in Cuba" [5, p.71]. Such a great difference mainly stemmed from the social and health care policies. Cuba focused much on developing its social protection and health care systems, enabling all people to have good health during a long period of economic difficulty. On the contrary, the government of Saddam Hussein did not provide people with any priority over the whole period. This demonstrates that economic development will cause inconsiderable impacts on public health and human development, if appropriate policies and investments on health care are not implemented.

3.2. Impacts of the appropriate allocation of the State budget on health care on the reduction in the mortality rate and the malnutrition rate

In reality, countries are different in the mortality rate, the health protection and improvement, and human development, despite the same per capita income. Typically, "the child mortality rate in the countries, where the economic resource allocation is unbalanced² such as South Africa, Brazil, and Turkey, is far higher

than that in the countries, which have the same per capita income but the economic resource allocation is balanced such as Czech, Costa Rica and Malaysia" [5, p.70].

According to the findings of a survey conducted in the United States, the United Kingdom, Australia, Canada, New Zealand, and Germany, American people receive the least health care service, although the medical cost is the highest. The United States is ranked first in the cost of health care and income. The average expenditure on the prescription medicines in the US is over USD 1,400 per capita, while the corresponding figure in the rest of the above-mentioned countries is USD 750. It is, however, the country, where the health care is the worst. The infant mortality rate in the United State is the highest with 6 infant deaths per 1,000 live births, while the corresponding figure in the rest countries is just 3.6 on average. Similarly, the maternal mortality ratio in the US is higher with over 36 maternal deaths per 100,000 live births due to complications related to the gestation, while the corresponding figure in the rest countries is 8.4 [7].

According to another research, although American people earn a very high income, the health care system in the United States is encountering serious problems, which is demonstrated by the statistic data on the public health and lifespan. Of the most developed economies in the world, the United States is ranked lowest in the ranking of average lifespan (by the end of 2014, Japan with an average lifespan of nearly 84 years was

ranked first; next is France with an average lifespan of over 82 years and then Germany and the UK with an average lifespan of 81 years. Meanwhile, the average lifespan of American people was less than 79 years)³. The reason is that the United States government spent much on the medical sector (17% of GDP), but the expenditure on administrative work was too high (making up 8% of the total expenditure on health care, while the corresponding figure in the rest countries ranges from 1% to 3%); the government paid too little to primary health care and poor people [8].

The economic advancements and the proper allocation of economic resources cause impacts at not only the national level but also the household level. If the household expenditure is not reasonable (for example, too much money is paid for alcohol, tobacco, and other drinks), health of the household members will remain worse, although the household income increases. On the contrary, if the household spends much on fresh water, nutritious meals, and hygienic conditions and is equipped with appropriate information on health care, health of the household members will be significantly improved.

In the health care sector, the quality of infrastructure (including the network, facilities, and equipment) and the quality of human resources (including the competence, the professional knowledge, the skills, and the virtue) play an important role in getting success or failure. Those factors, however, can be effective or not, depending much on the State policies. The State promulgates

and enforces the implementation of the medical policies relating to the budget allocation, the health care system, the human resources, and the health insurance, etc. If those policies meet actual requirements, they will help to improve the population health and promote the human development as well.

Based on the above-described analysis, we can realise that economic development is not the sole factor affecting the public health and the human development. A more important factor is how the State uses the economic resources and organises the implementation of social policies generally and medical policies particularly for the purpose of achieving the best effect. In reality, when a high-income country spends a large proportion of the budget on health care, it does not mean that its medical and health care indexes surely will increase. The effective implementation of the health care policies is a decisive factor in improving the people's accessibility to health care services, lowering the mortality and the malnutrition rates, enhancing the people's lifespan, and contributing towards the national human development.

4. Impacts of the health care policies on human development in Vietnam

After the start of the *Đổi mới*, or renovation, policy with the socialist-oriented market economy and the diversification of ownership structure for over 30 years, the economic efficiency has been remarkably enhanced. The national

economic growth has been contributing to the major role of the State in health care and human development in Vietnam.

4.1. Some basic policies on health care and their implementation

Under the direction of the Party and the State, many legal regulations and documents on public health care have been designed, reviewed, revised, and promulgated, creating a necessary legal environment for medical and health care development. The legal framework on health care has been gradually improved, based on a number of legal documents, such as: the Constitutions in 1959, 1980, 1992, and 2013 (known as the 1959, the 1980, the 1992, and the 2013 Constitutions), the Law on Medical Examination and Treatment, the Law on Donation, Removal, and Transplantation of Human Tissues and Organs, the Law on Health Insurance, the National Strategy for Protection, Care, and Improvement of Public Health for the 2011-2020 Period with a Vision towards 2030 (Decision No.122/QD-CP dated 10 January 2013), and many other documents on health care as well. People, therefore, have got more favourable conditions to access health care services, owing to the positive changes in the State policies, such as: increasing investment on health care; allocating more budget on health care expenditure; building and improving the infrastructure and human resources for the whole health care system generally and local health care services particularly;

and, providing health insurance for children, the poor, and the vulnerable... As a result, a number of significant achievements have been obtained, improving the public health index.

Highly appreciating the importance of health care to human development, the government of Vietnam raised considerably the expenditure on health care, from 5.3% of the State budget in 2000 to 6.5% in 2009 and 6.9% in 2012, which is higher than the corresponding figure in other low-income countries (4.3%) and far higher than that in many countries in the same region. Specifically, the expenditure on health care in Thailand, Singapore, and Malaysia in 2011 was 3.7%, 3.1%, and 4.4% of the national budget respectively [1, p.54]. In 2016, the expenditure on health care in Vietnam amounted to 7.15% of the State budget (equivalent to VND 97.6 trillion). It would be estimated as 7.67% of the State budget, if the government bonds on health care and the investments in five hospitals pursuant to the Decision No.125/QD-TTg were also included. For example, the expenditure on development investment was more than VND 21.990 trillion, of which around VND 5.055 trillion was deducted from the central budget; VND 5.445 trillion from local budgets; and approx. VND 6.180 trillion from the government bonds. Pursuant to Decision No.125/QD-TTg, the investment in five hospitals, including the central and the local ones, was VND 5.310 trillion. The recurrent expenditure was estimated to be VND 75.610 trillion, of which 18.640 trillion was deducted

from the State budget and VND 56.970 trillion from local budgets [4, p.127].

As the investment in health care has increased and, more importantly, the government of Vietnam has used the budget more reasonably, a system of health care services has been set up comprehensively from the central to the local levels with four levels of health care channels, including: the central level, the provincial/the municipality or the centrally controlled city level, the district level, and the commune level. The number of hospital beds has been growing, from 22.4 beds per 10,000 population in 2012 [3, p.18] to 26.5 beds per 10,000 population by the end of 2016 [4, p.154]. It was, consequently, easier for people to access services of medical examination, medical treatment, and disease prevention, compared with other countries in the region (in 2017, the corresponding figure in Thailand, Malaysia, and Myanmar was 21, 19, and 9 respectively) [9].

Focal investments were made by the State, giving priority to the provision of capital for grass-roots and primary health care services, hospitals in remote areas, regional medical testing facilities, medical research institutes, targeted programmes, leprosy and mental hospitals etc. Especially, the authorities in many local areas have increased the investments in the preventive medicine. The expenditure on the preventive centres, consequently, has amounted to 30% of the total expenditure on health care. It is a great change in the consciousness, as the expenditure on the preventive medicine used to range from 18 to 22% of the total expenditure on health

care. In some provinces particularly, the corresponding figure was even 10%. In addition, most of the expenditure on preventive medicine was provided for the recurrent expenditure, including wages, water and electricity bills (amounting to 80%). Thus, the actual expenditure on preventive medicine was about 15% of the funding; i.e. it was just enough to carry out urgent activities, when an epidemic broke out. When there was not an epidemic, funding was no longer provided. As a result, they could not take control over epidemics, making the health care services overloaded with treatment [10].

Based on the viewpoint that considers the local health care services as the “spine” of the health care system, because they are very close to people and 80% of diseases are found and treated in the local services, the government of Vietnam has paid more attention to the investment in the infrastructure, facilities, and human resources of the local health care services. A clinic has been built in every commune all over the country. The number of clinics, of which the personnel consist of at least a doctor or a bachelor of medicine, has made up over 82% of all the clinics [4, p.74]. The policy on assigning doctors of medicine to work at the local clinics is aimed at increasing the people’s accessibility to health care services and whereby the public health care will be more effective to ensure the important criteria in human development.

The government of Vietnam has promulgated a positive policy, according to which VND 20 trillion (accounting for 27% of the State budget on health care) is used

to buy health insurance for the poor [4, p.168]. It is very useful for implementing the health insurance policy and other policies on medical examination and treatment for the poor, the nearly poor, children under the age of six, the elderly, the ethnic minority people who are encountering socio-economic difficulties, and the vulnerable so that they can get more opportunity to access health care services.

4.2. Positive impacts of the State health care policies on the improvement of medical indexes, contributing towards human development in Vietnam

The increase in the medical indexes and the improvement of individuals' health depend on many factors, such as the gene structure, physical conditions, living conditions, the expenditure on health care, the state of mind, and how they get along with society, etc. Meanwhile, community health also depends on a number of factors, of which the decisive one is played by the government. As the government has financial strength owing to the budget, the public health care can be carried out effectively, if the budget is used appropriately. For the past few years, the expenditure on health care has increased and, furthermore, has been allocated more reasonably. As a result, hospitals, facilities, and equipment have been upgraded; the quality of human resources has been enhanced; and particularly, free health insurance has been provided for the poor, the nearly poor, children, and the vulnerable, making the proportion of those who have health insurance in the whole

country reach 87.2% by the end of 2018 [11]. It has been more favourable for people to access health care services. Although the proportion of the State budget spent on health care is not high and even considered low in comparison with that in developed countries, the expenditure has been used appropriately (for preventive medicine, local health care service, and primary health care). Thus, Vietnam has gained remarkable achievements in enhancing its medical indexes, contributing towards human development in the country: "In 2017, the population quality has been improved in various aspects. The average lifespan has been getting rapidly longer, reaching 73.4 years in 2016, which is far longer than that in many countries of the same per capita income. The proportion of malnutrition, maternal mortality, and child mortality has reduced significantly. The physical body and health of Vietnamese people have been improved" [12].

Over 10 years, from 1989 to 1999, the average lifespan of Vietnamese people increased by 3.1 years (it was 65.2 years in 1989 and 68.3 years in 1999); i.e. it increased by 0.31 years per year. In 2005, the lifespan of Vietnamese people reached 71.3 years, exceeding the set target (which was 70 years). And then, it became 72.8 years in 2009 and 73.0 years in 2012 [3, p.42]. In 2016, the average lifespan of Vietnamese people amounted to 73.4 years [4, p.170].

The infant mortality rate (among children under one year of age) reduced rapidly over the past years, from 55‰ in 1983 down to 17.8‰ in 2005, 16‰ in 2009, and 15.4‰ in 2012 [3, p.42]. In 2016,

it was 14.52‰, exceeding the set target of 16‰ [4, p.170].

The under-five mortality rate (among children under five years of age) also dropped down, from 42‰ in 1999 to 27.5‰ in 2005, 24.1‰ in 2009, and 23.2‰ in 2012 [3, p.42]. By the end of 2016, the rate remained 21.8‰ [4, p.170].

The (underweight) malnutrition rate among children under the age of five reduced from 41% in 1990 down to 16.2% in 2012 [3, p.42] and 13.5% in 2017 [4, p.170].

The appropriate implementation of relevant policies and the reasonable allocation of economic resources on health care have caused positive impacts on the medical indexes and have improved the physical health of Vietnamese people. It is a favourable condition to increase the labour productivity and accelerate the economic growth, creating more material resources to satisfy spiritual demands and promote integral human development.

5. Conclusion

To obtain the remarkable achievements in the public health and human development, it is necessary to rely on a number of factors, of which the most important is the State policies on health care, because the State plays the role of “a bandmaster” in regulating resources and directing social organisations/institutions to perform the policies. Looking at the health care policies and the practice of health care in each country, therefore, one can imagine socio-economic development

particularly and human development generally in the country. The quality of spiritual life and health care is a very indicator that shows whether the society is civilised and progressive or not and whether the justice, the equality, and the human rights consisting of the right to life, the right to health care, the right to education, etc. are ensured and respected. This means that appropriate policies on health care are really helpful in creating favourable conditions for human development.

Notes

¹ The paper was published in Vietnamese in: *Nghiên cứu Con người*, số 5, 2018. Translated by Nguyen Tuan Sinh.

² The unbalanced allocation of economic resources is shown by the fact that the expenditure on health care and education is too little.

³ According to the World Health Organisation (WHO), the lifespan of American people and the lifespan of Cuban people are both 79 years at present.

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