

Restructuring the Health Sector: The Development Imperative

To honestly and properly address the issues related to restructuring of the British Virgin Islands health sector and its management, one has to critically examine the present health management structure and what it has achieved in the context of the present socioeconomic situation.

As a result of this examination, all and sundry would quickly concede that over the past decade, or so, the economy has been characterized as one now in full transition from a semi-subsistence economy to a service-oriented economy based primarily on two very internationally competitive sectors-tourism and offshore financial services. Over the past decade, the economy has been expanding rapidly with a substantial amount of investment in public supportive economic infrastructure, commercial/office type accommodation and privately produced housing, mostly for rental purposes. Given that the economy is not well diversified, reliance on two (2) sectors that are very much exposed to international competition, influence and adjustment presents a challenging environment for macro socioeconomic management, especially at the policy and strategy levels.

Examination of the context of our health sector is further characterized by an economy that displays serious imbalances between the progress and development achieved by the social and the economic sectors. Generally, the economic sectors are almost exclusively private sector owned and controlled while the social sectors are run by the state. The situation is that, in general, the social sectors are somewhat behind the economic sector. Further, we must remind ourselves that the BVI has one of the fastest growing populations in the Caribbean, and this is because of the rapid economic expansion requiring the importation of labour in response to the shortage of both skilled and unskilled workers.

In summary, the socioeconomic, environmental and demographic situation has resulted in very serious sectoral imbalances, extensive pressures on the social system infrastructure, and the commensurate great expectations of the population. Once more very important characteristic is that our country is one of the few in the region with an outstanding fiscal performance over the past decade. This fiscal performance has been so good that the public sector expenditure on health, in some instances and areas., has grown faster than the national budget. Additionally, health care is the most subsidized service provided by the public sector. In fact, the subsidy is expanding rather than contracting.

Sources, reports of international agencies and the public in BVI seems to be unsatisfied with the day-to-day operation of the health sector. So much so is this dissatisfaction, whether perceived or real, residents are procuring a good portion of their medical services overseas, some because the services are not available and others for a

number of reasons mentionable and others not. However, I believe that the consensus on what are the priority problems in the service is as follows:

- (a) poor access to doctors by the districts outside Road town and the other islands;
- (b) under-developed and ineffective primary health-care services;
- (c) poor value for money in hospital services;
- (d) lack of coordination between public and private health-care providers;
- (e) the need to improve hospital management and the quality of hospital services; and
- (f) the poor physical standards of the hospital and other health-care facilities.

One of the other general problems identified with the health sector is that it has grown over time with little or no effective planning indicating the absence of nationally determined strategies and objectives. During the course of 1995, BVI will spend more than \$25.0mn on health care, and this is now becoming a significant amount of our national income. The situation is that we seem to be spending increasingly each year but the quality of service being received seems not to be improving commensurately. Added to the annual increases in spending is the rapidly developing trend of procuring services overseas. If allowed to remain unchecked, this combination of events is certain to end in a national disaster for our health sector.

Having seen the present situation in our economic social and health sectors, we now focus on what direction the country is taking if we are to address the issues of whether or not we should restructure the health sector and its management. If we are honest with ourselves, it is quite clear that the present situation cannot continue for much longer if our country is to develop in an integrated way.

The integrated model of development is what government is following in terms of developing our economy. The following activities highlight what is being put into the pipeline:

- (a) formulation of National Integrated Development Strategy (NIDS);
- (b) expansion of economic sectors of tourism, financial services, utilities, construction and agriculture;
- (c) the sustainable approach to development and use of our natural, human and financial resources;

- (d) the expansion of social infrastructure to meet the needs of the present population.

The strategy outlined above will result in a rapidly growing economy and population mainly consisting of working age persons. In addition, I hasten to remind you of the consequences for the health sector. The following things are certain to occur:

- (a) there will be a tremendously increase in demand for the full range of health services;
- (b) expenditure on health will virtually double in the next ten (10) years due to the demographic profile of the population;
- (c) the improved consciousness of health will produce greater expectations for an improved quality of health care, whether perceived or real;
- (d) the complexities involved in planning a national health and the additional problems associated with the lack of skilled personnel and human resources development will further burden the sector;
- (e) the rapidly changing technology in the health field will require a very considerate approach in order to avoid investing in inappropriate technology.

If the sustainable development of our country is not to be constrained by an under-developed and inefficient health sector in the context of an expanding economy where inputs such as human and financial resources are already critical constraint. Ladies and Gentlemen, restructuring of our health sector and its management is now one of our highest national priorities. Do not let it die, do not let our country die. Thank you, Ladies and Gentlemen.