

Statement from the WHO Director-General on the impact of the global financial and economic crisis on health

We face a severe financial crisis of unprecedented dimensions in a world that has never before been so closely connected and interdependent. The consequences are global. The situation is volatile. The current financial crisis is rapidly becoming an economic crisis and threatens to become a social crisis in many countries.

The crisis comes at a time when commitment to global health has never been higher. It comes in the midst of the most ambitious drive in history to reduce poverty and distribute the benefits of our modern society, including those related to health, more evenly and fairly in this world - the Millennium Development Goals.

A previous effort to use health as the route to socioeconomic development, launched in 1978, was followed almost immediately by a fuel crisis, soaring oil prices, and the debt crisis of the early 1980s. In the international response to these crises, mistakes were made when budgets were shifted away from investments in the social sectors, most notably health and education. Many countries are still suffering the legacy of these errors.

It is not yet clear what the current financial crisis will mean for low income and emerging economies, but many predictions are highly pessimistic. In the face of a global recession, fiscal pressures in affluent countries may prompt cuts to official development assistance. Worse still, is the prospect of cuts in social spending - health, education and social protection - that many countries, especially low income countries, may be forced to undertake. Both of these responses have occurred in the past. And both could be as equally devastating for health, development, security and prosperity as they were in the past.

It is essential therefore to learn from past mistakes and counter this period of economic downturn by increasing investment in health and the social sector. There are several strong reasons supporting this line of action.

First, to protect the poor. Rising food and fuel prices along with employment insecurity are among the factors leading to increasing inequities during an economic downturn. In this context, impoverishing health care expenditures - that in "good" times push more than 100 million persons annually into poverty - are likely to increase dramatically. Inevitably, it is the most vulnerable who suffer the most; the poor, the marginalized, children, women, disabled, the elderly, and those with chronic illness. Stronger social safety nets are urgently needed to protect the most vulnerable in rich and poor countries.

Second, to promote economic recovery. Investment in the social sectors is investment in human capital. Healthy human capital is the foundation of economic productivity and can accelerate recovery towards economic stability.

Third, to promote social stability. Equitable distribution of health care is a critical contributor to social cohesion. Social cohesion is the best protection against social unrest, nationally and internationally. Healthy, productive, and stable populations are always an asset, but most especially in a time of crisis.

Fourth, to generate efficiency. Prepayment with pooling of resources is the most efficient way of financing health expenditure. Out-of-pocket expenditure at the point of service is the least efficient, and the most impoverishing - already pushing millions below the poverty line

each year. A commitment to universal coverage not only protects the poor, it is the most affordable and efficient way of using limited resources.

Fifth, to build security. A world that is greatly out of balance in health is neither stable nor secure. Robust health systems are essential to maintain surveillance and response capacity in the face of pandemic threats. The lack of investment in sub-Saharan African health systems in the 1980s meant they were tragically unprepared for the HIV/AIDS pandemic in the decade that followed.

We must not repeat the mistakes of the past. We cannot afford, in this time of crisis, to squander our investments, to abandon our drive for greater balance in this world, which I firmly believe is a marker of civilized society. I am calling on all governments and political leaders to maintain their efforts to strengthen and improve the performance of their health systems, to protect the health of the people of the world, and in particular of those most fragile, in face of the present financial and economic crisis.