

NHI will be healthy for SA's economy – Business Day 6 September 2019

Many nations have launched universal healthcare during tough times — and this country

When Nelson Mandela walked free from prison and defeated the evils of apartheid, he knew he had to restore SA to health. The years of oppression, division and ostracism had wounded the nation's moral, political, economic and physical state of well being.

Twenty-five years ago SA's health system was structured according to the same discriminatory principles as all other aspects of public life, with the privileged white minority enjoying the bulk of resources and the black majority left fending for scraps from the table. SA today is a transformed and vibrant country, but the wounds of apartheid take a long time to heal. Inequality and inefficiency still scar the health service and blight the life chances of the poor and most vulnerable.

The country spends 8.5% of GDP on healthcare, but about half of these resources are spent through inefficient private insurance schemes. These cater for only 16% of the people, who tend to be better off. About 76% of SA's white population belong to one of these schemes compared to only 10% of the black population.

The national health insurance (NHI) reforms proposed by President Cyril Ramaphosa and his government offer a chance to tackle these deep-rooted problems and move the country towards universal health coverage. We believe this path is right, timely and affordable. With appropriate policies, political consensus and rigorous implementation, SA could be a leader in universal health coverage on the continent and a champion of the wider sustainable development goals.

We are writing as former heads of government with a deep and abiding connection to SA, amplified through our membership of The Elders, the group of independent global leaders founded by Madiba in 2007 to work for peace, justice and human rights. We know the hard realities of government, of having to juggle competing interests and priorities, and implementing social policies in a way that stimulates rather than hinders economic growth.

Mandela faced these hard choices when he was elected president of the new, multiracial and democratic SA in 1994. But it was his determination to fight for justice, equality, dignity and human rights that explains why one of the first significant reforms he introduced was universal free healthcare for pregnant women and children under six, and then universal free services at primary-care level in 1996.

Today, SA needs to take further bold steps to improve access to quality health services for all its people, build social solidarity, improve governance and accountability and deliver the vision of a healthy, equal society that Mandela foresaw. To do this, it is important to counter the argument that the NHI reforms are unaffordable in the context of the wider economic challenges facing the country, from unemployment to the future of state-owned industries.

In fact, investment in health represents an effective investment in the economy as a whole. A Lancet Commission chaired by Harvard economist Larry Summers has estimated that the economic returns to investing in health will be at least 10 times the outlay of public spending. These findings have been endorsed by more than 350 of the world's leading economists.

Many countries have launched universal health coverage reforms in times of economic difficulty, including the UK and Japan after World War 2, and Thailand after the Asian economic crisis of 1999. In our own countries of Chile and Norway, health reforms played a key part in the reconstruction of civic and political life after the dictatorship of Augusto Pinochet and wartime Nazi occupation respectively.

Establishing a publicly funded health system that was accessible to all helped restore a sense of social solidarity and gave people a tangible sign that the state was there to support rather than oppress them.

All over the world, universal health coverage builds institutions with which the public can identify, that give them the rights they deserve, and in which they can feel a collective sense of ownership and pride. Every country that has achieved universal health coverage has relied on public financing mechanisms to build social solidarity and ensure effective coverage for the poor and the sick. This requires a move away from private, voluntary financing to more efficient and equitable public financing. SA, like the US, needs to make this transition.

SA will also have to improve the efficiency of healthcare spending, strengthen procurement systems and tackle corruption throughout the health sector. It is crucial to support these reforms by building stronger accountability measures involving parliamentarians, the media, patients' groups and civil society. The task ahead is not for the faint-hearted, but we know South Africans are resilient, practical and determined.

If the NHI reforms are implemented in a fiscally responsible, transparent and accountable way, we have every confidence they can transform the realities of public healthcare and help deliver Mandela's vision.

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