Health Systems Development in Asia: 
Rising to the Challenge of “Health for All”

By Vandana Shetti

The World Health Organization defines health as “a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity”.¹ In 1977, the World Health Assembly adopted the goal of “Health for All” and that one of the major social goals of governments should be the attainment by all people of the world a level of health that would permit them to lead a socially and economically productive life. The concept symbolizes not an end to disease and disability, but instead an even distribution and accessibility of health care resources for everyone. Even after a century of technological progress and improvement, Asia still faces many challenges in the global strategy of “Health for All”. Although infectious diseases of the early 20th century such as polio and smallpox have been reined under control, new threats have emerged. There are differences in disease patterns due to changing population patterns and changes in the environment. Rapid population growth, urban concentration, and pollution have also escalated the health problems such as respiratory illnesses, cancer, and HIV/AIDS. Vast medical advances in reproductive health and child survival have often not benefited the poor and marginalized groups in both rural and urban areas. Health care in many parts of the world is often a luxury only the wealthy can afford.

The recent World Health Report 2000 ranked Singapore and Japan in the top ten countries in the world in terms of overall health system performance, yet their other Asian neighbors rank far below. Reasons for these wide discrepancies in the region range from differences in per capita GNP to differences in health system policies and organization.

The most pressing questions for the region include the following: How do we align health systems to address the health needs of the population? How do we allocate limited resources in an efficient, equitable manner? What is the role of governments in health policymaking? How are the health systems equipped to deal with the new challenges of the 21st century including the threat of the HIV/AIDS epidemic and that of new resurgent diseases. This workshop will focus on answering these questions in the light of rising technology costs, the priorities of governments, traditional practices of medicine, the distribution and availability of essential drugs, and inequalities in wealth. Issues addressed in depth shall be health sector reform and financing health care to the poor.

Demographic and Population Challenges in Asia

¹ On-line at http://www.who.int
Many nations of Asia are implementing new approaches in their response to population and reproductive health issues after the 1994 Cairo Population Conference (ICPD) to link population policy more closely to poverty reduction and human development. The reproductive health approach integrates family planning, maternal health, and prevention of sexually transmitted infections.

Under the ICPD framework, individual rights and needs are placed in the forefront of population and development policies and programs. These new approaches, however, cause unique new challenges in implementation. The draft declaration of the 1994 ICPD conference reflects an emerging consensus that population policy objectives should be integrated with broader social development goals and that population program strategies should build on the linkages between demographic behavior and social and economic progress. This consensus is based on the view that interventions which are responsive to individual needs and aspirations are not only better from a humanitarian and social development perspective but are also more effective in lowering fertility than programs driven by top-down demographic targets.

Population policies and programs must be adapted to the diverse demographic, economic, and geographical conditions specific to countries. When countries have high rates of population growth, investments which have a great deal of impact are in the areas of family planning, child survival, maternal health, education of girls, and empowerment of women. Over the past few decades, fertility rates have declined to below many of the countries of Asia and Latin America. These improvements are partially due to changes in attitudes linked to increased education and economic opportunities for women, dissemination of new ideas through mass media campaigns, and organized efforts to increase access to modern methods of fertility regulation.

The poorest women continue to experience the highest rates of fertility, malnutrition, child mortality, and maternal mortality. The World Bank estimates that 120 million women who currently wish to space or limit further childbearing are also not using contraception because of lack of knowledge or lack of access. Maternal and perinatal conditions cause almost 10% of the total disease burden in the developing world. There is also great regional variation even amongst countries with similar per capita income levels.

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**Box 1: Reasons for Investing in Reproductive Health Projects**

- High-quality, user-oriented health services offering a range of reproductive health services and information can improve individual health and welfare.

- Improvements in reproductive health have multiple benefits: lower fertility, lower maternal mortality, healthier children, and better-off families.

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Slowing of population growth is still a high priority in the poorest countries: rapid population growth makes it more difficult to provide education and health services, create jobs, and preserve the environment in poor countries.

Integration of population policy with social policies, including girls' education, women's status, and poverty reduction, is more effective in reducing high birth rates than policies that focus on fertility reduction alone.

Empowerment and choice enable people to make their own choices about family size by providing them with the means - family planning information, education, supplies, and access.

Promoting better reproductive health helps women avoid the risks of too many births, too closely spaced, or initiated when the mother is too young or too old.

Poor reproductive health undermines women's potential to contribute to increased productivity and family welfare.

Source: World Bank

Table 1: Developing Countries—Population 1999

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Developing Countries</th>
<th>South Asia</th>
<th>East Asia &amp; the Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age dependency ratio (dependents to working-age population)</td>
<td>0.6</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Total Fertility Rate (births per woman)</td>
<td>2.9</td>
<td>3.4</td>
<td>2.1</td>
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<tr>
<td>Life Expectancy at birth</td>
<td>64.9</td>
<td>62.3</td>
<td>68.9</td>
</tr>
<tr>
<td>Infant Mortality rate (per 1,000 live births)</td>
<td>58.8</td>
<td>75.1</td>
<td>35.3</td>
</tr>
<tr>
<td>Population density (people per sq km)</td>
<td>49.7</td>
<td>267.8</td>
<td>112.5</td>
</tr>
<tr>
<td>Population, female (% of total)</td>
<td>49.5</td>
<td>48.5</td>
<td>48.9</td>
</tr>
<tr>
<td>Total Population</td>
<td>5.1 billion</td>
<td>1.3 billion</td>
<td>1.8 billion</td>
</tr>
</tbody>
</table>

Population in developing countries will grow more during this decade (by more than 80 million people each year) than ever before. This surge in population growth, which began when death rates declined earlier and faster than birth rates, has begun to abate as more and more countries experience the transition to lower fertility. This has lowered population growth rates. However, countries will continue to experience very large absolute increases in numbers during the next two to three decades. These large absolute increases further exacerbate the difficulties faced by poor countries in providing social services, creating jobs, and achieving sustainable economic growth.

Slowing population growth is still a high priority in many countries, not just the giants such as India and China. High birth rates and very young populations make it more difficult to reduce poverty, invest in human resources, and pursue sustainable economic development. Unplanned and poorly timed pregnancies also pose health risks that contribute to maternal and child mortality rates. The ICPD emphasis on reproductive health and rights encourages provision of high-quality, user-oriented services that offer a range of choices in addressing fertility regulation and other reproductive health needs. This

4 World Development Indicators Database. On-line at http://www.worldbank.org
5 On-line at http://www.unfpa.org
approach is more likely to change reproductive behavior and to improve individual health and welfare, particularly when accompanied by effective information about the benefits of such services.

Fertility rates in developing countries have declined by as much as half, but the number of couples in reproductive ages has more than doubled. As fertility declines toward the replacement level (the level at which couples have the number of children required to replace themselves, that is, about two), population growth does not immediately decline to zero. Large absolute increases in population can persist for several decades. This phenomenon, referred to by demographers as population momentum, is a facet of the youthful age structures of developing-country populations, which in turn reflect high birth rates in past decades. Population momentum is a major challenge, not just for poor countries with high birth rates but also for the world at large because of unequal distribution of scarce resources.

Population momentum can be reduced by investments to increase educational opportunities, to expand reproductive health and family planning information and services, and to reduce maternal and child mortality. The timing of these investments is critical to offsetting momentum. Slowing population growth sooner rather than later could reduce the future global population size by 2 to 3 billion when global population finally stabilizes at the end of the next century. Delaying such investments will only add to the ultimate costs of poverty reduction.

In addition to population growth, other demographic issues have taken on increased social, economic, and political significance: urbanization, international migration, and aging. These demographic issues cut across a wide range of sectors--health, education, infrastructure, social security, and trade among others.

Country-specific strategies are required to develop public sector interventions that take into account individual country needs, cultural values, and financial and institutional constraints. Sometimes, the appropriate role of government is mainly to ensure that adequate information is available and to remove obstacles to the effective functioning of the private sector. There are countries that do not possess the institutional capacity and service-delivery infrastructure and there is a need in investment to remedy these gaps.

The appropriate role for government depends on local circumstances and needs. Where government plays a more active role in the provision of health services, reproductive health should be included among them. Where the private sector is expected to play a more prominent role, government involvement may still be required to provide financial support or to remove legal and regulatory obstacles to information and services, including medical regulations that unnecessarily increase the amount of time and money that individuals have to spend for them. Often, the responsibility of government in terms of reproductive health lies in ensuring access to information and services, rather than in acting in every instance as financier and provider of family planning. Where the case is strong for public subsidy of low-income and rural groups, and more broadly for subsidy of family planning information, the government role may not necessarily be in providing services but in encouraging the most efficient private/public sector mix.
Demographic transitions will create many benefits and challenges for poor countries in the issues they face in reducing poverty among their populations and in protecting the natural resources on which they depend. Although slower population growth will not solve other development problems, poverty reduction through a broad range of human resource investments, including reproductive health initiatives, is the most likely way to speed up the demographic transition and achieve other objectives.

Accelerated declines in fertility in East and Southeast Asia (Indonesia, Republic of Korea, Taiwan [China], Thailand) and in Latin America (Brazil, Colombia, Mexico) were accompanied by important social and economic changes. Fertility declines have been most rapid in countries where key social policies complemented population policies. Improvements in the status of women through increased education, access to credit and earnings opportunities, and breaking down of legal and cultural barriers to women's participation in the development process are important examples. Motivation to have smaller families and to regulate fertility was also increased by broader social development efforts, economic growth, and improved living standards. Experience has also shown that high-quality, user-oriented services that provide people with a range of choices to address their reproductive health needs are most likely to change reproductive behavior and to improve individual health and welfare, particularly when accompanied by effective information about the benefits of those services.

Quality of care is an increasingly important program issue. Poor quality, as reflected in an inadequate mix of methods, poor counseling, and lack of courteous attention to clients, can have a particularly erosive effect, especially as countries move into the middle stages of their fertility transitions. In contrast, high-quality services often stimulate further demand as satisfied clients communicate their experiences by word of mouth. Programs that rely too heavily on sterilization do not serve the needs of younger couples who want to simply delay or space births. In many instances, public sector clinics offering only sterilization are underused, while private clinics that offer a full range of reproductive health services are generally very busy, even when they charge for services.

The governments of the poorest developing countries may not have sufficient resources to finance and provide the services to meet these needs. Donors can play a role, but there are also limits to what they may be able to provide. In all cases, attention needs to be given to efficiency gains in the provision of services, including those that derive from involvement of private providers, and to mechanisms to recover costs or provide services through commercial channels in situations where users are able to pay for them.

**Status and trends of HIV/AIDS Epidemic in Asia and the Pacific**

With a population in excess of 3.7 billion—representing almost sixty percent of the world’s population—the Asia-Pacific region has the potential to influence greatly the course and overall impact of the global HIV/AIDS pandemic. The spread of HIV in the region began in the early-to-mid 1980s. Early infections could be traced to sexual contacts with infected persons residing outside the region, as well as some apparent further spread within the region itself. During the 1980s, however, it had become evident that the transmission of HIV was increasing among

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6 This section is heavily based on data and information collected from the UNAIDS website. On-line at http://www.unaids.org.
7 www.unfpa.org
several populations and with great speed. The two sets of factors strongly influenced the course of the emerging epidemics included participation in sex work and patterns of injecting drug use (IDU). The following Fact Sheet, taken from the UNAIDS website, will give numerous examples of the status of HIV/AIDS in Asia.

### UNAIDS FACT SHEET

**HIV/AIDS IN ASIA**

An estimated 700,000 adults have become infected in South and South-east Asia in the year 2000. East Asia and the Pacific is mostly still keeping HIV at bay, with some 130,000 new infections this year. Overall, as of the end of 2000, the two regions combined are estimated to have 6.4 million people living with HIV/AIDS.

- In comparison with the rates of HIV infection in Africa, those in the general population of Asia are still low. The prevalence among 15-49 year olds exceeds 1% in only three countries—Cambodia, Myanmar, and Thailand. In other countries, it is often far lower. In Indonesia, the world’s fourth most populous country, fewer than 5 people in 10,000 are living with HIV. In the Philippines, the rate of HIV infection is 7 per 10,000.

- Epidemics driven by unsafe drug-injecting practices dominate in some provinces of China, Malaysia, Nepal, and Vietnam. Recent reports suggest that a similar situation is emerging in Indonesia, notably Jakarta.

- According to some estimates, there are 3 million drug users in China. Needle sharing appears common, with more than 45% of injectors sharing needles. HIV infection is reported among injecting drug users from 25 provinces. In both China and Vietnam, 65-70% of detected HIV infections have been among injectors.

- In parts of northeast India, too, widespread injecting drug use provided an early entry point for HIV. In Manipur, the prevalence of HIV infection among injecting drug users shot up from virtually nothing in 1988 to over 65% just four years later. It has remained at these high levels ever since. Most cases of infection among women appear to have been acquired from husbands who had been infected in turn by sex workers, themselves part of a longer chain of transmission. In other parts of the country, there is evidence that unsafe sex is spreading HIV within the general population.

- With 100 million or more on the move, China is experiencing population movement that dwarfs any other in recorded history. In addition, having practically eradicated sexually transmitted infections by the 1960s, China is now seeing a steep rise in these rates which could be translated into higher HIV spread down the road. China has also seen a steady growth in STIs over the last several years. Reported cases increased from 5,800 in 1985 to over 836,000 in 1999.

- China and India between them account for around 36% of the world’s population. With such huge populations, even low HIV prevalence rates translate into huge numbers of infections. In India, where only 7 adults in 1000 are infected, 3.7 million people were living with HIV/AIDS at the beginning of the millennium—more than in any other country in the world except South Africa. In both China and India, the epidemic varies widely from region to region, both in size and in method of transmission.

- In India, a sharp increase in the estimated number of HIV infections from a few thousand in the early 1990s to a cumulative minimum of 3.7 million in 2000, in a context of a severe gap of knowledge about prevailing risk-taking sexual behaviors, creates great uncertainty about the future course and impact of the epidemics. HIV prevalence among sex workers in India varies widely from state to state.

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8 Source: [http://www.unaids.org](http://www.unaids.org)  (December 2000)
state with high HIV prevalence in western and southern India to low levels of HIV in eastern and northern India. HIV prevalence among sex workers tested in Mumbai (formerly Bombay) rose from 1 to 51 percent between 1987 and 1993. Prevalence among sex workers in Calcutta was consistently low at about one percent until 1994 but there are allegations that it might be rising. In Mumbai, HIV prevalence increased from two to three percent in STD clinic attendees before 1990 to 36 percent in 1994. Among antenatal clinic attendees tested in Mumbai, two percent tested positive for HIV in 1995 and around 5 percent in 1996. In Manipur, rates of HIV infection among the antenatal clinic attendees are rising.

- Countries where HIV has spread significantly through unsafe sex include Cambodia, Myanmar, and Thailand.

- Thailand’s well-publicized success in curbing a rampant heterosexual epidemic has brought to light other routes of transmission against which HIV prevention programs have been far less successful. HIV continues to spread virtually unchecked through the sharing of drug-injecting equipment and through unprotected sex between men.

- Myanmar is already in the throes of a major epidemic while Cambodia has the highest HIV prevalence rates in the region, fuelled by sexual transmission against a background of social and economic fragility.

- Vietnam’s HIV epidemic, until now largely confined to the south and the central provinces, has expanded to the northern provinces as well. There as in the rest of the country, the virus is spread through injecting drug use and there is ample evidence of steadily increasing sexual transmission.

- A number of factors have played a significant role in the spread of HIV in Asia and are likely to continue having an impact: injecting drug use, commercial sex, literacy, dependency, access to information and services, migration and population mobility.

Source: http://www.unaids.org (December 2000)

In early 2001, UNAIDS estimated that South and South East Asia accounted for an approximately 6.4 million (~18 percent) of the 36.1 million adults and children living with HIV in the world. About one third of adults living with HIV in the region are female. As the epidemic is still relatively recent in the region, AIDS is only beginning to emerge and the associated needs for treatment and care are rising steeply. In Asia and the Pacific the trends of HIV/AIDS have been diverse, localized and have differentiated over time. It is becoming increasingly clear, however, that the intensity of HIV epidemics associated with sex work, affecting both female sex workers and their clients, is primarily determined by the daily or weekly number of sex partners (clients) per sex worker, the frequency of use of commercial sex by men, and such other factors as the rate of regular condom use in commercial sex and the magnitude and quality of the response to the epidemics. Epidemics associated with injecting drug use have, in many situations, led to explosive outbreaks in the IDU population and then to their sexual partners (e.g., in the late 1980s in Thailand; Myanmar, the Yunnan province of China; and the Manipur state of India, Vietnam and Malaysia).

From a regional perspective, the magnitude and short-term trends of HIV epidemics are largely dependent on the extent of ongoing epidemics in a few countries: Cambodia, Indonesia, Thailand, Myanmar and, because of their population size, India and China. With a population close to 1 billion and multiple epidemic foci, India
projects the image of a complex epidemic, involving focal outbreaks among injecting drug users and extensive HIV spread among female sex workers and their clients in several regions.

Of increasing concern in the region is the issue of blood safety and HIV transmission. In 1995, WHO estimated that less than 50 percent of blood transfusions in the region were being routinely screened for HIV. Currently in Bangladesh, virtually no screening for HIV antibodies is performed in the nearly 200,000 units of blood transfused annually. In India and Myanmar, screening of donor blood for HIV remains far from complete and measures are being taken through improved donor selection to address this issue.

If the HIV epidemics were analyzed on a country-by-country basis, as if HIV epidemics respected national geopolitical boundaries, most countries in the Asian-Pacific region project the reassuring image of low prevalence (proportion of adults living with HIV/AIDS) and low incidence (proportion of adults newly infected each year).

In Japan, an initial dramatic outbreak of HIV infection among people with hemophilia was brought under control in the mid-1980s and where other modes of transmission are only contributing minimally to a limited HIV burden in the country.

In some countries, HIV prevalence has remained very low (less than 0.1 percent in the 15- to 49-year-old population, but others have seen an increase. In the Philippines, AIDS case reporting has slowly increased from a total of 954 reported as of September 1997 to 28,000 by the end of 2000. When examined through the lens of current national HIV prevalence and incidence rates, most other countries in Asia and the Pacific would conform to a pattern of low prevalence and slow HIV spread.

There is a need to question whether HIV epidemics likely to expand abruptly in the countries in Asia and the Pacific. Empirical evidence exists showing that sudden and sharp increases in HIV incidence can and have occurred in Asia. However, the lack of quantitative and qualitative epidemiological, behavioral and social information on the nature of and linkages between sexual networks in any of these countries rules out any reliable prediction of the future course of HIV epidemics in countries that would intuitively appear vulnerable to rapid spread. These countries include, in particular, Malaysia, Nepal and Vietnam, where rapid increases of HIV incidence in various vulnerable populations are being noted. There is an urgent need to collect and analyze systematically the information needed for the dual purpose of projecting epidemic trends and targeting prevention toward factors that seem to influence the vulnerability of the population to the further spread of HIV.

The potential for continued spread of HIV/AIDS in Asia and the Pacific is real and requires determined and sustained prevention efforts. Several countries have already experienced intense HIV epidemics in certain population groups or, in some cases, in the population at large. In these countries, including India, Thailand, Myanmar and Cambodia, the individual impact of HIV has begun to be felt as AIDS has imposed new demands on the health care systems. It is essential that countries reinforce their prevention and care efforts in order to enhance

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10 On-line at http://www.unaids.org
their response to the existing HIV/AIDS challenge. In addition, countries should make every effort to collect and analyze the information needed to assess and monitor the evolving potential for large-scale HIV epidemics.

Recognizing the threat of emerging or fast-growing epidemics in certain populations is essential to an early and effective response. Efforts and resources must be directed towards people who are most at risk to maximize the impact.

Analyzing Health Sector Performance

Over the past few decades, the Asia-Pacific region has made great strides in improving health status, but problems are still widespread. Many of the developing countries of Asia and the Pacific face a significant burden of communicable disease that disproportionately affects the poor. These countries also face the challenge of coping with the increasing trends of non-communicable diseases. Because of this, governments face many difficulties in allocating resources to maximize health and address vulnerable populations such as the poor, women, children, and the elderly.

In order to take full advantage of scarce resources that are available, policymakers have advocated prioritizing health-sector interventions based on the burden of disease and cost-effectiveness. This does not, however, always result in equity and efficiency. Ethics, politics and economics all influence how health systems work and how they are evaluated. Measurement tools include studies of sources and expenditures (also known as National Health Accounts) and prevailing socio-economic indicators.

There is great demand for public sector (government) involvement in the health sector to promote access and equity. Equity has to do with the extent to which resources in the health sector reach vulnerable populations and whether they have access to services and positive health outcomes. Governments can address inequities by informing the public, regulating the health sector, and through policymaking.

Another imperative question that arises while considering health systems is the issue of financing. The sources of funds to pay for health care include taxes, obligatory insurance, voluntary insurance and out-of-pocket payment. Different sources have different implications for equity, efficiency and costs, which depend also on how resources are pooled and channeled through funding institutions. For example, user fees are often instituted or increased in order to generate revenues, but these fees often become an obstacle to the access of the poor. Social health insurance offers policymakers a method to pool risks and protect people from catastrophic medical expenses. However, in order to initiate social insurance, countries need to have attained a high level of national income and a well-developed formal employment sector. Governments also have a crucial role both in raising funds through taxes and social security, and in regulating public and private insurance.

There is also the question as to how providers of health care are remunerated based on who produces what, how much it costs, and who benefits. Different payment mechanisms have distinct economic incentives and consequences for performance. Remuneration often involves contracting in advance for services. Governments can play a role in regulation of provider efficacy, safety and quality of care.
Throughout the world, governments are reassessing their role in health service delivery. They are doing so in response to common problems with public sector service delivery including inefficiency, poor quality and responsiveness to users, waste, and sometimes, fraud and corruption. Towards the goal of improving performance, health sector policy makers are applying a variety of organizational and management reforms.

These reforms share the characteristics of maintaining (predominantly) public financing as well as public ownership while simultaneously "mimicking" best practices from the private sector -- such as more performance oriented organizational and management structures, stronger incentives and exposure to increased market pressures. In the effort to improve equity, efficiency and responsiveness, many health systems have experimented with devolution and decentralization.

Pharmaceuticals are essential to the production function of health care, and often account for 20-25 percent of costs. The health sector must determine pharmaceutical needs and organize purchasing, storing, and distributing, as well as regulating production, prescription and use. Waste and inefficiency are constantly prevalent and it is crucial to assure that health services do not fail for lack of drugs.

To carry out any institutional reform, it is crucial to understand why organizations operate as they do, and what it takes to change them. The experience of institutional reform involve health sector consideration of incentives, politics, commitment, and how actually to promote reform. Often, changing health behaviors is crucial and involves a combination of education, communication programs, and a participatory approach in the community. To be successful, a Ministry of Health needs to use a formalized operational system to reach its health system objectives. These priorities require both planning and evaluation as well as careful adaptation to countries specific circumstances and needs.

Other Health Concerns in Asia

Malnutrition

Malnutrition continues to be a major cause of morbidity and mortality in children under 5 because it increases susceptibility to infectious and parasitic diseases. In countries in Asia and the Pacific, excluding China and India, it is estimated that child malnutrition is responsible for 12.3% of total deaths among children under 5. There are many health gains that could be achieved through national nutrition programs and policies address this need.

Environmental health

Many countries in Asia, facing pressures for economic growth and development, have often neglected consideration of health and environment issues. This has resulted in cycles of pollution and disease including the following concerns:

- Air and Water pollution compromises efforts to prevent and control communicable diseases.
- Poor agriculture and forestry practices threaten food safety and self-sufficiency and nutrition.
- Degradation of the environment has lowered the quality of life in both urban and rural areas.
Access to safe water

Demand for water to meet domestic, industrial, and agricultural needs is continuing to increase. The percentages of the population with access to safe water in the region of Asia varies considerably throughout the region. Poor water and sanitation coverage allows many diseases to spread.

Aging Populations

Population aging is expected to reach unprecedented rates during the coming century due to changes in life expectancy. While there is great variation among countries in Asia, the speed at which populations are aging is of major concern. As larger proportions of the population begin to age, additional stress falls on family members and the younger populations of society. There is also a need to prepare government and public health services to meet the health needs of these rapid demographic changes.

Infectious Diseases

Infectious diseases, not cardiovascular disease, cancer, or injuries, make up the largest cause of death and disability in the world. Developing countries, however, carry the burden of a disproportionate amount of these diseases, which include malaria, HIV/AIDS, tuberculosis, and respiratory illnesses.