

ABSTRACT

Health Care Demand and Health Care Needs

in a Developing Economy:

A Review of the Financing Issues

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This study explores some of the major issues surrounding the attempts of many countries today to fashion a solution to the apparent need for a more efficient and effective use of resources within their health sector.

It is assumed that the issue of health sector financing and the optimal utilization of the resources of the sector, (to cater to the health care needs of the society) is much more than a monetary concern. This arises principally because of the nature of the commodity under consideration and the conditions under which it is being produced and sold.

As such, we saw our first task as that of exploring the nature and composition of the commodity being financed and the relative implications for both developed and developing economies in so far

as it relates to the issue of balancing needs, resources, and use.

The major policy conclusion would seem to be that we should first determine the nature of the existing resource gap within the sector prior to a quantification of the potential financial needs. This can only be accomplished however, after an assessment is made of the current resource utilization trends and the equity and efficiency with which the health needs of the society are being met. This task

could have been an onerous one indeed.

Moreover, the desired health care gains we hope to attain can only be realized if the mode we set in place for meeting the financial needs of the sector is in itself sustainable.

For Martin Daniel, my husband and source of inspiration,

The successful attainment of these health care goals and objectives as they relate to developing economies today, must be accomplished, *pari passu*, with their wider economic reform objectives. Economic reform introduces problems in meeting the increased health care needs of these economies given the need for fiscal austerity measures. Osborne Swan,

My sisters Susan Swan and Sara Swan and

Further, the solution to meeting the financial needs of the health care system should be done in light of the economic realities facing these economies. Moreover, this will then set the framework for ensuring that the options undertaken in the short term are ones that are sustainable and affordable, to society as a whole.