

# **Medical Practice in a Depressed Economy**

Professor Friday E. Okonofua  
Vice-Chancellor, University of Medical Sciences,  
Ondo City  
Delivered at the Edo State NMA AGM, July 2016

# Presentation Format

- Understanding economic depression
- Consequences of economic depression for demand and supply factors in health
- Conceptual framework – which effect of depression on health provision should the medical profession be worried about
- Suggested Coping mechanisms
- The doctor in administration in a depressed economy
- Concluding remarks

# What is Economic Depression?

Economic depression has been defined as a state of the economy resulting from an extended period of negative economy activity as measured by the GDP.

It is a more severe form of recession that leads to extended unemployment, declines in income and production, currency devaluation and deflationary economy

# Indicators of Economic Depression

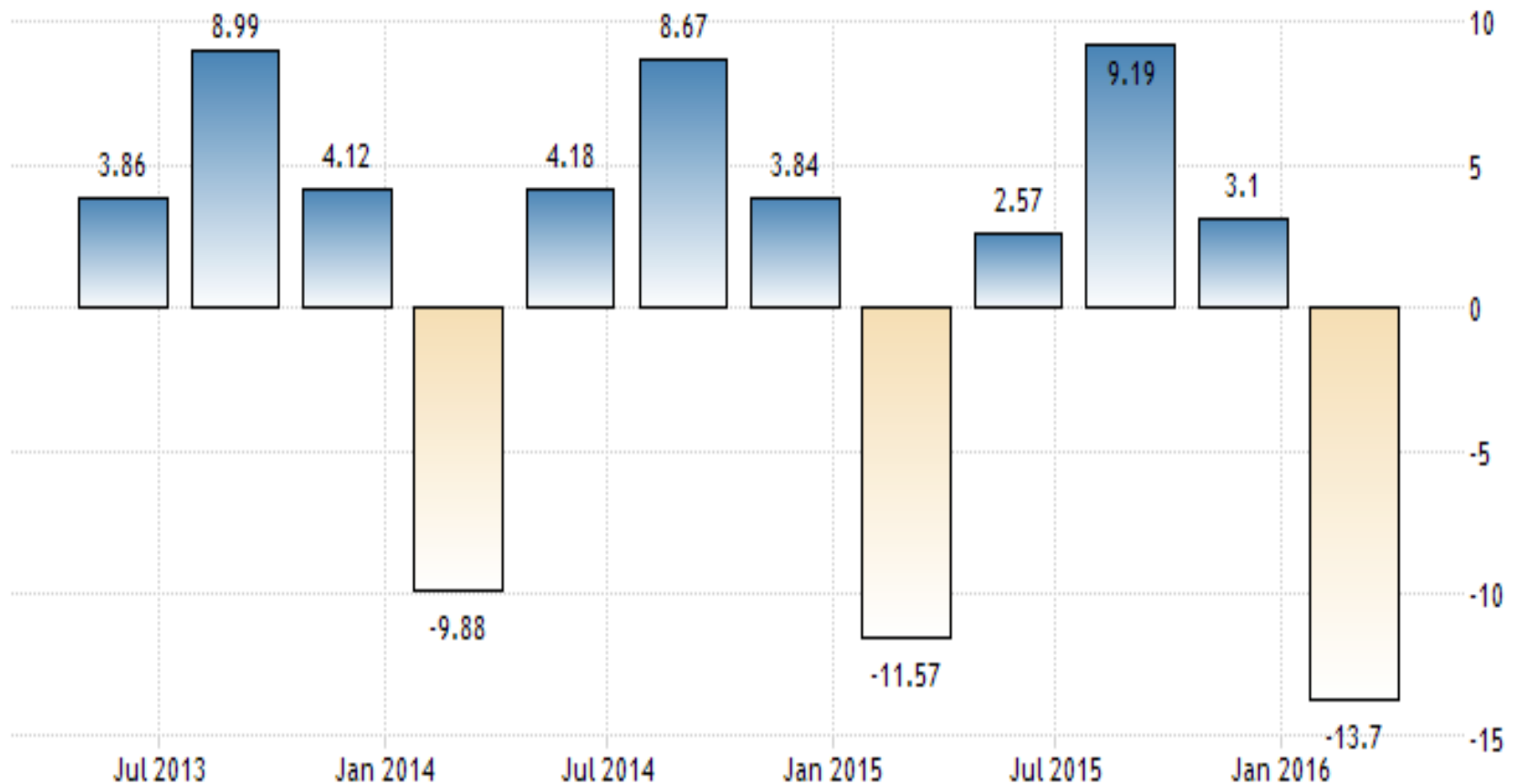
- Declining or Fluctuating GDP growth rates
- Rising rates of Unemployment
- Inability of governments to meet contractual agreements

# The Newspapers tell the story of growing economic depression in Nigeria



# Nigeria's GDP Growth Rate: 2013 - 2016

NIGERIA GDP GROWTH RATE



# Unemployment Rates in Nigeria – National Bureau of Statistics

NIGERIA UNEMPLOYMENT RATE



# Youth Unemployment Rates

“80% of Nigerian Youths are un-employed” – NBS, January 2016

“Youth unemployment rises to 42.25% in the first quarter of 2016, as the economy contracted by 0.36%” – NBS, May 2016.

Nigeria employment profile now characterised by under-employment, casualization and non-payment of salaries and benefits



# Some Reasons for Economic Depression in Nigeria

- Fall in oil prices
- Insecurity and its effects on oil production
- Mono-economy and over-dependence on oil with no efforts to diversify
- Boko Haram and resulting pressure on national resources
- Political instability and high cost of governance
- Corruption and wide-spread impunity

# Effects of Depression on the Health Sector

Effects can be divided into two categories:

- ❖ Consequences on demand – the ability of citizens to access and obtain services in the health care system
- ❖ Consequences on supply – the ability for public health institutions to deliver quality and effective services

# Effects on Demand

- Depressed economy leads to less expendable incomes
- More poor people today than in previous years – up to 100 million people in Nigeria are poor, the highest concentration of poor people in the world
- With poverty – more sickness, and people are less able to demand and access health services
- Tendency now for people to patronise quacks, traditional providers or to self medication, with increasing rates of morbidity and mortality

# Effects on Supply of services

- Emergence of new diseases and new patterns for old diseases – e.g. severe malnutrition now re-emerging
- Inability of public health institutions to meet contractual obligations
- Difficulty to implement new development health plans
- Delays in payment of salaries and personnel emoluments

# Strikes and Lock-outs by health workers

- Number and periodicity of strikes by health workers increase when there is economic depression
- Most of these strikes are related to welfare issues
- But doctors as leaders of the health sector must look beyond welfare alone.



# Multiplier Effects of Strikes and Lock-outs

- Strikes reduce the ability of the health sector to provide effective services
- For every strike action, more damage is done that takes months and years to re-build.
- While not advocating the total ban on strikes as this is what has proven to be the only weapon against governments' inaction, doctors must ensure that strikes do not destroy the very fabric of the health sector.

# The role of doctors during economic depression: A conceptual framework

- In times of economic depression, doctors must look beyond the health sector in seeking a resolution.
- This is because the health sector is only a microcosm of the overall economic sector – no amount of recovery of the health sector can take place without the recovery of the national economy
- So doctors should be part of those actively working and debating solutions to the present economic depression in the country

# Coping Mechanisms ..

- Primary prevention – doctors should be part of the solution
- Re-intensification of efforts in health service delivery as it is during depressions that the patient needs a doctor the most
- Anti-corruption measures
- Health sector investments – e.g. health insurance, co-sharing, privatisation, etc.



# Primary Prevention

- Doctors must diversify into other fields of life, not just doctoring alone
- They must be part of the actors working on the national macro-economic development and proffering solutions and strategies
- Looking forward, we are looking to seeing more doctors becoming billionaires on account of their genuine engagement with the national economy.

# Re-intensification of health delivery efforts

- Doctors must increasingly understand the social role they play in promoting the health and social well-being of populations
- So, when there is economic depression, the health consequences of those depressions on the people must also be considered by doctors
- Remember they are our friends, family members, and acquaintances
- My strong recommendation is that the NMA must come up with a strategic plan on effective health delivery in times of economic depression and lock-outs.

# Anti-corruption measures

In my view, corruption is the most dangerous virus afflicting Nigeria today.

“If we do not kill corruption, corruption will kill this country” – President Buhari

Doctors must be part of efforts to curtail and tackle corruption otherwise our economic recovery efforts will not see the light of day.

# Health Investments

To ensure that services remain optimal at times of economic depression:

- ❖ Health Insurance
- ❖ Co-sharing of costs, including partnerships – private/public partnerships, etc.
- ❖ ? Privatisation
- ❖ Improvement of internally generated revenue

# The doctor as an Administrator in a depressed economy

- The doctor is still the most competent person to deal with the multi-faceted nature of the Nigerian health system
- However, he/she must be increasingly knowledgeable in all spheres of life apart from medicine, and must be socially mobile, transparent and accountable.
- New challenges have emerged in the national health sector and the Medical Directors of the 21<sup>st</sup> century must use methods that are able to address those challenges

# The Nigerian Medical Association

- The NMA must speak with one voice – especially in times of economic difficulties
- And members must avoid in-fighting
- And must imbibe the essence of the adage which says “united we stand, divided we fall”

# Conclusions

- The health sector must accept the fact that the present economic difficulties will not go away too soon.
- But rather than being on-lookers, they must be part of those actively seeking solutions to deal with the situation.
- In all my years of doctoring, the 2015-2016 year has been one of the worst in terms of economic wherewithal for this country.
- But together, we can overcome.

**I THANK YOU ALL  
FOR LISTENING**