

## Unaffordability of NHI as Universal Healthcare Model

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There should be a distinction between *implementing the NHI* and *implementing Universal Health Care* as is stated in the NHI White Paper. Universal Healthcare is not dependent on the NHI model being implemented. The NHI is only a funding model. Universal Healthcare will ensure access for all in an integrated system, without the costs of the NHI's proposed radical reorganisation of the NHI system.

Affordability of Healthcare reform for South Africa is indicated by comparison to various other developing, Middle Income countries in the NHI White Paper. In Section 47 of the White Paper it is stated that "Previous attempts of health care reform worldwide that did not encompass reforms to health care financing have not always been successful in some countries whilst countries such as Mexico and Thailand are examples of countries where attempts to transform health financing have been positive."

Comparing South Africa with these developing, middle income countries is an inappropriate comparison, as can be seen in Table 1. This table clearly illustrates the radical differences in Unemployment rates between South Africa and the countries used for illustrative purposes. There are also large differences between the GINI coefficients of South Africa and these countries. On average, South Africa's unemployment figures are 5 times as high (25.4% vs 5.84%) as the countries it is compared to and the GINI coefficient is 48.9% higher than these comparative countries.

**Table 1 Country Comparison of Unemployment and GINI Coefficient**

Country	Population	Unemployment Rate	Gini Coefficient
Turkey	74.93 Million	9.2%	40.2
Brazil	202 Million	6.8%	52.9
Costa Rica	4.87 Million	9.7%	49.2
Thailand	66 Million	0.8%	39.3
South Korea	50.42 Million	2.7%	31.3
<b>Average</b>	<b>79.64 Million</b>	<b>5.84%</b>	<b>42.58</b>
<b>South Africa</b>	55 Million	25.4%	63.4

Table 2 compares levels of employment in South Africa to other countries with Universal Healthcare systems. In Paragraph 49 of the White Paper, Brasil, Canada, Finland, Norway, Sweden, Thailand, Turkey and the UK are specifically mentioned (Section 49) as countries that successfully implemented Universal Healthcare. The average percentage of employed people in these countries, is 59.38%. It can be seen in this comparison that South Africa has 52% less employed people in the population than these countries mentioned in the White Paper. When one includes other countries utilising Universal Healthcare, such as Denmark, Mexico, France, Iceland, Japan, New Zealand, Costa Rica, South Korea

and Australia, a similar employment pattern can be noted. This creates a major barrier for funding of the NHI through tax revenue, as there are simply not enough people that can pay for the system.

**Table 2 Employment percentages<sup>1</sup> in selected Countries with Universal Healthcare**

<b>Country</b>	<b>2014</b>
Brasil	65
Canada	61
Finland	54
Norway	62
Sweden	58
Thailand	72
Turkey	45
United Kingdom	58
<b>Average</b>	<b>59.38</b>
Denmark	58
Mexico	59
France	50
Iceland	70
Japan	56
New Zealand	63
Costa Rica	58
South Korea	75
Australia	61
<b>Average (ALL)</b>	<b>60.28</b>
South Africa	<b>39</b>

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<sup>1</sup> World Bank employment to population ratio. <http://data.worldbank.org/indicator/SL.EMP.TOTL.SP.ZS>