Sri Lanka: People's Alliance regime plans to dismantle free health service

K. Ratnayake
8 July 1999

The Peoples' Alliance (PA) government of Sri Lanka has prepared a plan to “reform” the health sector which will lead to the dismantling of important sections of the free health service. The report, entitled “Presidential Task Force Proposals for Reforms in the Health Sector—1997”, has been prepared by top advisers of the President on the lines of IMF and World Bank proposals.

In the early 1980s the United National Party (UNP) government of the late President J. R. Jayawardena drafted a “White Paper on Health Service”. Later the government was forced to withdraw the report in the midst of mass opposition, including health sector employees. But the UNP government began to cut expenditures on health and other related services.

As a result of these cuts, conditions in the hospitals deteriorated, in-patients and out-patients were unable to get essential drugs, medical tests had to be performed by private institutions, and national programs such as the anti-malaria campaign were halted. But the government was unable to privatize the hospital system completely or totally dismantle the free health service. The PA government's new proposals are aimed at fulfilling this task.

The Presidential Task Force (PTF) report begins with a note of self-praise, stating that national indicators such as maternal, infant and neonatal mortality rates have “all shown steady and commendable improvement in the last three decades” in Sri Lanka. But, according to the report, this situation was achieved “with little investment in health” thanks to “previous investments in ‘free' education, ‘free' health, food subsidy programs, the preventive health network and universal franchise”.

In reality, the systematic attacks by the former UNP government and the present PA government on these investments have already created unbearable health conditions for masses of people. The PTF report itself at a later point gives details of the deteriorated conditions: “The estimated number of mental disorders requiring professional assistance embraces 5-10 percent of the population. Specialized management is required in 2 percent to deal with major psychiatric disorders.” The report continues: “These figures will rise further in the future...Mental health services have deteriorated in the state sector in the recent past, principally due to a lack of personnel.”

In 1961 there were 20 psychiatrists in the sector and in 1996 this number had increased only to 26. “Of the estimated 200,000 affected with serious mental illnesses, the institutions are able to accommodate only about 5,000.”

Mental distress contributes to a phenomenal increase in the number of suicides in Sri Lanka. The annual occurrence of suicide has risen by 1,370 percent (375 to 5,500) during the period 1945 to 1995. The PTF report admits that “another major factor in the growth of mental distress is the situation related to conflict and war affecting the different parts of the country. Militarisation of a generation of children, war orphans, victims of torture, persons exposed to violent deaths or torture of family members are all problems which would adversely affect the mental health” in the country.

The free trade zones which are being established as part of the integration of Sri Lanka into the global market and the opening up of the economy to international capital have brought new health problems, according to the report. Industrial accidents have increased, but there exist “gross under-estimations,” the PTF report notes. There were about 104 fatal and 331 non-fatal injuries in 1989, according to official figures on industrial accidents. These figures had risen to 145 and 500 respectively by 1995.

“There is a dearth of adequately trained and competent personnel in the health sector.” But the state will not be able to absorb all medical graduates, whose annual number will be around 800 from 1999, according to the

© World Socialist Web Site

report.

Hospitalisation for ischaemic heart diseases have "increased 30-fold from 1970 to 1990. Ten to 30 percent of adults suffer from hypertension and 5-6 percent from diabetes. New diseases are emerging such as HIV/AIDS, whilst existing diseases continue to cause unacceptable human suffering, e.g., a cholera epidemic in early 1998, dengue in 1996/97 and drug-resistant forms of malaria. Malnutrition continued to affect almost a third of pre-school children."

The report further highlights the disparities between different hospitals, the dilapidated condition of hospitals, over-crowding, waiting lists for treatment, etc. If, however, anyone thought the PTF had highlighted these problems in the health sector in order to solve them with a massive injection of investment, he would be disappointed. The government uses the grave situation, the result of cuts in welfare programs carried out by the UNP and PA governments, to justify "encouraging the private sector".

One proposal of the PTF is to break up the present health care system into three different levels.

1. The Health Department will be responsible only for "national level special services" ("special services" have not been specified), "setting standards" in regard to drugs and equipment and overseeing the metropolitan institutions.

2. Provincial health authorities will be set up under a plan to decentralize health services and devolve responsibility to the provincial councils. They will have the task of "planning for the health of the area and ensuring financial, human and material resources for health programs and institutions in the area".

3. Boards of management will be set up for provider institutions (single or clustered), responsible for financial and personnel management, etc.

The provincial councils have shown that they cannot ensure "availability of resources" for maintaining even those health services presently assigned to them. Health workers who are placed under provincial councils have complained that they face problems in obtaining monthly wages and overtime payments. They also face inadequate staff, deteriorated quality of medical services, non-availability of drugs and political interference. This devolution of the health service is not aimed at developing it, but rather further draining it of necessary funds. The result will be the end of free health services.

The proposals for revenue and resource generation make this clear. One proposal is to promote institutional level income. There will be strict financial accounting and costing. This is a way of cutting state expenditure. Institutions will be forced to charge fees to patients.

"A billing unit will be created within in-patient facilities to cost services and, if necessary, issue receipts...The scope of billing will be subsequently expanded to receive and receipt voluntary payments." Such arrangements in other sectors are termed "self-reliance" by the PA regime.

The government is going to generate revenue at the national level by withdrawing tax subsidies on health insurance schemes and by "specific taxes on substances injurious to health" (such as tobacco, liquor, leaded petrol). These are not serious proposals to provide the massive resources needed to overhaul the health system and deal with the grave health crisis in Sri Lanka.

Implementation of the PTF proposals will lead to the shutdown of hospitals and pave the way for the spread of private hospitals. The PTF report speaks of encouraging proposals for the "independent development of the private sector health care delivery system".

Already the government has given free trade zones tax concessions to set up private hospitals. Transnationals are on the lookout for new opportunities in this sector. A well-known Indian conglomerate, Appalo Hospitals, has received permission to set up a hospital in Colombo, and there is also a move to set up a private medical college by a UK investor.

Free health care is one of the main benefits the poor in the country have enjoyed. It is now being wiped out by the Sri Lankan regime in order to make the health service a profit-making "industry" at the expense of poor.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site