



Economic Development and Social Capacity Building

BUILDING INDIGENOUS CAPACITY IN HEALTH SERVICES AND ITS CONTRIBUTION TO ECONOMIC DEVELOPMENT

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E Nga Mana

With much Strength

E Nga Reo

With much Voice

E Nga Karanga Maha

I Call out in Welcome

Tena Koutou Tena Koutou Tena Tatou Katoa

Greetings, Greetings

To All of Us Here



KāhuiTautoko Consulting(Canada)Ltd

Supporting organisations to do great things in their communities





Introduction

- **Economic development is not just about “business and commerce”**
- **Social development contributes to economic development:**
 - health (through jobs, and keeping the workforce ‘well’)
 - education (through educating the present and future workforce)



Health services contribute to economic development in multiple ways:

- Ensuring a healthy population is available to contribute to the workforce that grows the economy**
- Providing often lucrative employment circumstances for individuals and families, thereby contributing to the family and tribal economy**
- Creating demand for allied services in the provision of health care which then creates jobs in non-medical professions such as orderly roles; gardening; deliveries; catering; administration; maintenance; driving etc**

Research on the Contribution of Health to the Economy



A 2005 European Union (EU) research report identified that:

- Health is one of several key determinants of economic development and wealth creation
- Most countries think of health and delivery of health care as a 'cost that needs to be contained' rather than an area to invest in because of its contribution to economic growth
- Human capital contributes to economic growth – since health is an important component of human capital, health contributes to economic growth [Conversely, bad health can put the brakes on economic and social development]
- Closing the gap on life expectancy between populations is key to helping reduce income differences – just as investing in protecting the health of the young population today (child obesity) to create a healthy workforce for 'tomorrow'



Impact at Individual and Household Level

Health matters for a number of economic outcomes:

- Wages and earnings brought into the home (healthy people can earn more)
- Labor force participation (healthy people participate at greater levels in the workforce)
- Early retirement (poor health leads to early retirement, loss of experienced workforce)
- More educated individuals are more productive and obtain higher earnings (impact of health on education)
- Children with better health can expect to stay longer in school; get better educated; earn more in the future

Health creates careers – where do you hear in the media “200 nurses laid off” or “100 Doctors out of work!”



Benefits to the Economy of Countries of health

- Today's economic wealth is directly attributable to past achievements in health
- Health systems in a country are a **VERY LARGE** service industry. In the EU, the health systems account for 7% of GDP in the EU – larger than the 5% contributed by the financial sector (e.g. banks); around 9% of all workers are employed in health and social sectors
- In poor countries, the focus of health is on preventing communicable diseases (e.g. AIDs, Malaria, etc)
- In developed countries like New Zealand and Canada, the focus of health is on preventing non-communicable diseases (e.g. diabetes, heart disease, obesity etc). Interestingly, these diseases (largely driven by lifestyle factors) will involve actions outside of the health sector such as sport, physical activity and changes in food habits! Food production industry needs to be wary of this...

Three Key Themes of the Presentation



The following presentations look at three key areas that health contributes to economic development of Maori communities:

- 1) Value of Jobs in Health to the economic development of Maori individuals and families (and therefore tribes)
- 2) Maori Health Service providers – their contributions to growing local community economies (and therefore the regional and national economy)
- 3) Value of health services to the well-being of the Maori population - so that they can continue to participate in the workforce and be part of the economic growth of tribes and the nation



The Value of Medical Jobs!

Medical Salaries in New Zealand (NZD as at 2007):

Registrar	\$100,000 p.a.
General Surgeon	\$180,000 p.a.
Consultant	\$180,000 - \$260,000 p.a.
Dentistry	\$75,000 - \$150,000 p.a.
Nursing and midwifery	\$47,000 - \$55,000 p.a.
Pharmacy	\$70,000 - \$140,000 p.a.
Psychology	\$42,000 - \$90,000 p.a.
Radiography	\$50,000 - \$85,000 p.a.
General Practitioner	\$130,000 - \$180,000 p.a.



Simple Calculation: Value of Healthcare Jobs held by Maori (Workforce Survey 2001)

POSITIONS	TOTAL in NZ	% MAORI	AVERAGE COMBINED SALARY VALUE
Midwives	2,081	3.4% (70)	\$3.5m
Nurses	34,895	6.3% (2,200)	\$11m
Pharmacists	2,831	.7% (20)	\$2.1m
Social Workers	2,697	18% (486)	\$26.7m
Psychologists	1,124	1.3% (14)	\$924,000
Medical Practitioners	8,615	2.3% (199)	\$30.8m
TOTAL	6 professions	2,989 jobs	\$75.02m per year



Healthcare Positions Held by Maori (as per Census 2001)

OCCUPATIONAL GROUP	OCCUPATION	NUMBER OF MAORI	TOTAL
Managers	Health Managers	168	1,530
Professionals	General Practitioners	75	3,801
	Resident Medical Officers	93	2,619
	Surgeons	9	561
	Physicians	42	1,293
	Radiologists	6	300
	Anaesthetists	6	336
	Dentists	27	1,431
	Pharmacists	42	2,316
	Dietician / Nutritionist	24	396

Healthcare Positions Held by Maori (as per Census 2001)...continued



OCCUPATIONAL GROUP	OCCUPATION	NUMBER OF MAORI	TOTAL
Professional....	Optometrist	6	483
	ALL Nurses	2,163	31,131
	Midwives	123	2,121
	Psychologists / Psychotherapists	87	1,734
	Counsellors	336	2,253
	SUBTOTAL	3,039	51,012

Healthcare Positions Held by Maori ...continued



OCCUPATIONAL GROUP	OCCUPATION	NUMBER OF MAORI	TOTAL
Technicians & Associate Professionals	Health Inspectors	69	510
	Radiologists	90	1,920
	Lab Technicians	156	3,693
	Physiotherapists	66	2,085
	Occup. Therapists	114	1,797
	Dental Therapists	69	771
	Opticians	15	285
	Podiatrists	6	210
	Chiropractor	12	213
	Social Workers	2,520	10,401
	All others	873	6,594
	SUBTOTALS	3,990	28,479

Healthcare Positions Held by Maori ...continued



OCCUPATIONAL GROUP	OCCUPATION	NUMBER OF MAORI	TOTAL
Service Workers	Hospital Orderlies	150	984
	Health assistants	630	5,259
	Ambulance officers	48	975
	Nurse aides	675	6,399
	Care givers	3,438	22,629
	Massage therapists	78	825
	Child care worker	831	7,281
	SUBTOTAL	5,850	44,352



Healthcare Positions Held by Maori ...continued

Summary:

OCCUPATIONAL GROUP	NUMBER OF MAORI	AVERAGE SALARY	TOTAL SALARY VALUE ESTIMATE p.a
Managers	168	\$60,000	\$10.08m
Professionals	3,039	\$110,000	\$334.29m
Associate Professionals	3,990	\$70,000	\$279.3m
Service Workers	5,850	\$30,000	\$175.5m
TOTALS	13,407	-	\$800m (rounded)



The Value of Jobs in Health for Maori

- These figures are 2001 (8 years old): We know the Maori health workforce has grown – so the economic value to these positions, their families and their communities will today be very significant
- Figures exclude other ancillary roles such as Hospital gardeners; maintenance people; drivers and delivery truckies; cleaners; kitchen workers – many of whom are Maori. This is likely to add significantly more monetary value to the estimates we have looked at
- The true monetary value of health care employment to the Maori community (individuals and families) in NZ is likely to be well over \$1billion in today's terms
- The greatest benefit is often these jobs are CAREERS – long term, sustainable and transferrable overseas. Good for long term benefits to Maori families and communities



The Value of Jobs in Health for Maori

- In 2009 the Ministry of Maori Development (Te Puni Kokiri) produced a report “Maori Employment” which reported that the strongest percentage of Maori employment growth for the 2003 and 2008 years has been in construction (58.3%) and Health & Community Services (49.3%)
- Construction job growth is now declining (recession) however Health & Community Services jobs continues to grow due to increasing demand for healthcare by the population

2. The Value of Indigenous Health Providers - NZ



- In New Zealand there are around 200 Maori health providers – NZ Government spends over \$110m on these specific indigenous services
- Apart from the obvious benefits of self-governance over delivery of health care in their communities – Maori health services in communities brings economic benefit to those communities
- The salary value for the Maori health provider workforce will be significant contributors to local community economies



Other Economic Spin-Offs of Supporting Local Maori Providers

- Greater levels of income for tribal providers to boost tribal economic growth and influence in communities – potential for greater distribution of surpluses to tribal members
- Local businesses receive economic benefits (petrol stations, shops, supermarkets, stationery shops, cafes etc) from having (often large) local tribal health providers
- Jobs for local Maori families in professional, technical and service worker professions – sustainable employment at a local level



One Regional Example

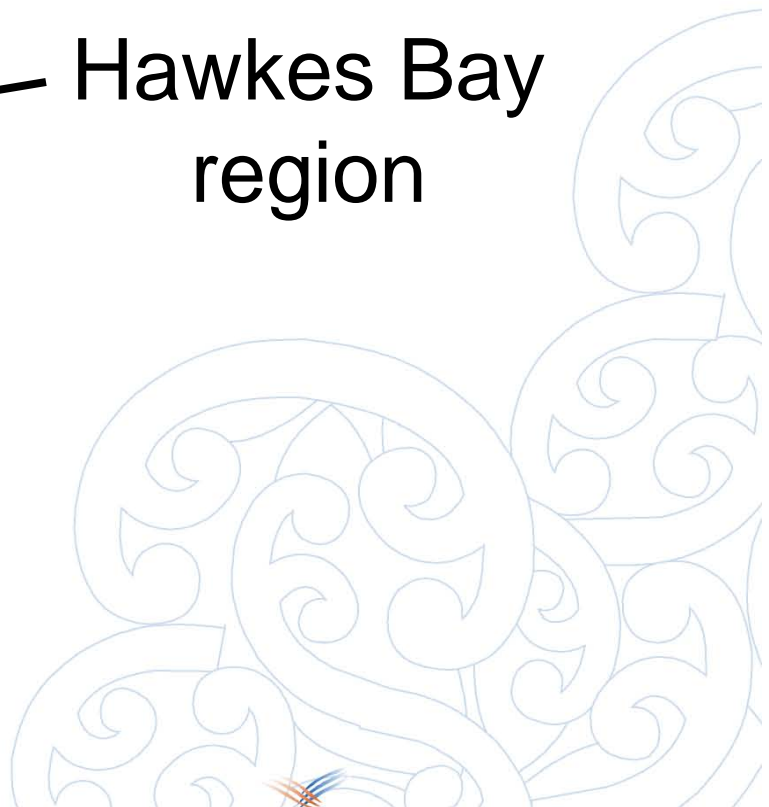
- Hawkes Bay region (see map next)
- Maori make up 22 % of the Hawkes Bay population
- 12 Maori health service providers exist in the region
- In 2008 the total value of their HEALTH contracts was \$7.338m (excluding other contracts held with social and educational agencies) contributed to local economy
- Average of \$564,000 income p.a. per provider – on a national scale (200 providers) this means around \$112.8million in Maori provider revenue going directly to tribal and Maori groups



New Zealand Map



Hawkes Bay region





3. Maori Health Contribution to Well-being of Maori populations

- Prof Mason Durie noted (Jan 2009) that Maori demographics between 1800 and 1900 experienced a rapid de-population, which looked as if we were doomed for extinction.
- Around 1900 - largely because of Maori leadership - that graph reversed and our population began to expand slowly and then quite sharply. At 2006 Census there were 565,000 Maori compared to 45,000 a hundred years earlier
- The projection is that by 2050 it will be 800,000 and if you add to that the 200,000 living either in Canada, UK or Australia, we're talking about a million people (about 22% of the total New Zealand population).
- Since much of our population is today “young” (under 25) – it is our population that will be the EARNERS of tomorrow

Benefit of Investing in Maori Education and Careers



- Since Maori will be the main earners in the workforce in the future - our taxation dollars will be needed to run the country - if we are in low paying jobs, our taxation will be low meaning Government would need to lower its investment in social and economic investment
- Low paying jobs in the future also means low incomes coming into Maori families, communities and tribes
- VITAL that young Maori today are educated so that they can participate in well paid / sustainable employment that can sustain their families, their communities, their tribes and contribute to the nation's growth and development
- For our young people to learn well however – they must be physically, mentally and spiritually well today



Benefit of Investing in the health of Maori

Today Māori life expectancy is lower than that of non-Māori by about 7 years but it has been improving in recent decades.

A Māori boy born in 1996 can expect to live 67 years (in 1951 a Maori boy could expect to live 54 years) - a Māori girl born in 1996 can expect to live to age 72, up 16 years on her 1951 counterpart

A century ago – the life expectancy gap was around 20 years – so this gap has reduced to 6 – 7 years which is good – but not yet good enough!



Benefit of Investing in the health of Maori

Investing in the health of our Maori community means:

- ❖ Maori will continue to live longer and the older generation can continue to be productive in the workforce;
- ❖ income earnings extend over a longer period of time this benefitting the family and the tribe;
- ❖ The likelihood of savings for retirement increase;
- ❖ The ability for Maori to participate actively in the workforce increases
- ❖ The ability for Maori to achieve better in education / schools improves – so that they achieve higher qualifications and better paying jobs
- ❖ Better paying jobs means CAREERS and sustainable income for a longer period of time



SUMMARY

- ❖ The Health System is a key contributor to economic development – not only for individual Maori – but their families, communities, tribes and the nation
- ❖ Occupations and Careers in health offer a long term sustainable income opportunity for Maori – benefits already from health careers exceed \$1billion just in the pay that is earned and returns to Maori families
- ❖ Investing in indigenous health service provision has positive economic spin-offs not just for the workers, but the local community businesses and economy
- ❖ Investing in the health of indigenous people assures a greater economic future for the nation – especially when considering that today's young Maori, are tomorrow's leaders and taxation earners!

Thank you



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