



RURAL EQUITY

Health systems play a central role in the sustainability and growth of rural and remote economies.

According to the World Health Organisation, the provision of health services has a significant multiplier and induced effect including:

- sustaining other small health services (e.g. local pharmacy) and retail businesses (e.g. supermarket) generating jobs in other sectors;
- increasing population and tourism attraction;
- providing an essential foundation for economic investment attraction;
- reducing carbon emissions by providing services locally;
- increasing social inclusion through employment and economic empowerment;
- reducing intergenerational disadvantage by increasing adult employment and providing positive role models for children; and,
- improving population stability through increased economic activity.

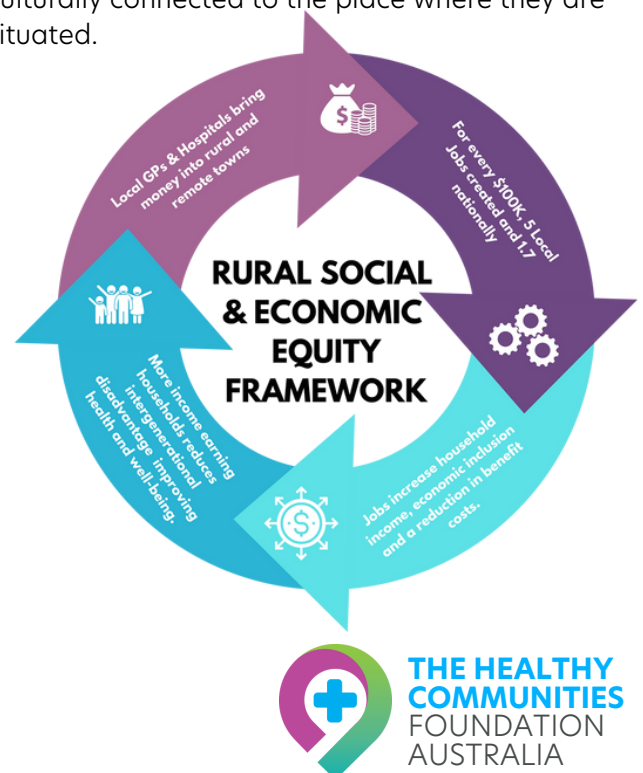
While it is common for the economic flow-on benefits of investment in health infrastructure in metropolitan and regional cities is taken into account in determining the economic benefit of investment, this is often not done for investment in health in rural and remote communities. As a result, health investments are often viewed as “costs” rather than part of a broader social and economic development approach to sustainability in rural and remote communities.

When the flow-on and induced effects of investment in rural and remote health are taken into account health funding can be seen to be an important tool of social and economic development through its flow on impact to population retention and business investment.

Further Reading

World Health Organization (2019) The Economic and Social Benefits and Impact of Health Systems

This report brings forward new evidence to show how the health sector is essential to a stable, functioning economy in all countries. The report identifies health and hospital systems as Anchor Institutions - large, non-profit-making or public organizations with a connection to their local community that goes beyond their primary role. They are thus anchored to a community, as they are unlikely to move out of the area. For example a hospital or university is unlikely to leave an area in tough economic times as they are economically and culturally connected to the place where they are situated.





As a result, Anchor Institutions are regarded as economic stabilizers, helping to control economic volatility. Anchor Institutions offer “positive social and economic change in the context of increasingly fragile local economies and widening social disparities”. These institutions deliberately use their huge resources to support local community institutions. The Report challenges the contemporary view that investment in health and hospital systems, particularly in rural and remote areas, is unable to deliver on a cost-benefit analysis by examining the wider flow-on and induced effects of health and hospital investment on social, economic, environmental and health outcomes.

Farmer et al (2012) A theory of how rural health services contribute to community sustainability Social Science & Medicine Volume 75, Issue 10, November 2012, Pages 1903-1911

Study and opinion suggest that health services play a significant role in supporting the social fabric of fragile rural communities. We draw on empirical evidence about the added-value contributions of health services to communities and unite it with theory of capitals to propose a theoretical model depicting how rural health services contribute to community sustainability.

While providing an analytical framework, the paper also points to construction of a measurement tool for enabling planners to measure the contributions of diverse sectors to community sustainability and predict or measure the impact of changes to models of service delivery on the future of rural communities.

Prior et al (2010) More than health: the added value of health services in remote Scotland and Australia

Health & place, 2010 - Elsevier

Health services are suggested to contribute to remote communities in the ways that extend beyond healthcare delivery. This international multiple case-study research provides qualitative evidence of the social, economic and human contributions (the 'added-value') that may be lost should remote communities lose in-situ health provision. We present a typology of added-value contributions that differentiates institutional aspects (residing in buildings, or embodied in the specific status, capabilities and skills of health professionals) and individual aspects (attributable to health professionals' unique personalities and choices). This typology has relevance for communities, policymakers and managers when considering the impacts of potential service changes.



FOR MORE INFORMATION

To discuss your community needs, email or call us.

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