

The contribution of diaspora in healthcare development of the country of origin: time to step up

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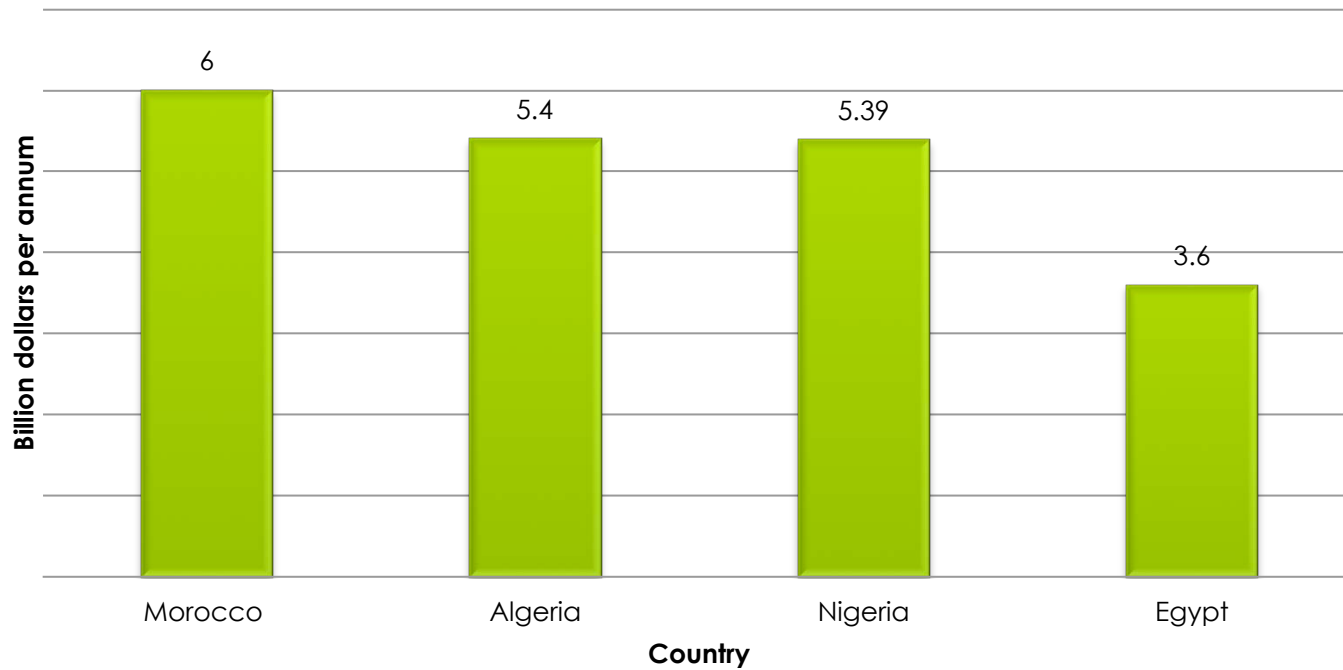
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BACKGROUND

- There are approx. 140 million Africans in the diaspora and 30 million in the west
- They are located in diverse continents USA, Europe, Asia
- They have contributed immensely to the economies of their countries of residence in all endeavors
- African diasporans often support people in their countries of origin through remittances usually in cash

- The annual remittances to Africa by diasporans is approx. \$40 billion (IFAD)
- Due to informal nature of remittances (75%), capturing the data on total remittances is difficult and it could be up to 4-5x higher than estimated (\$160 billion) (Bodomo)
- Remittances make up to 5% of Africa's total GDP thus fueling a significant part of the budget
- It is estimated that the diaspora remittances are higher than the total annual aid received by Africa from developed countries (Kayode-Anglade)

African countries with highest average annual remittances from diaspora



- Morocco receives the highest remittances with \$6 billion annually
- Algeria receives remittances of \$5.4 billion annually
- Nigeria comes third with \$5.39 billion remitted annually
- Egypt has an annual remittance of \$3.6 billion annually from its diaspora
- However much smaller/less wealthy countries show much larger dependence on these remittances as a % of their GDP: Eritrea 38%, Cape verde 34%, Liberia 26%, Burundi 23% (Radlicki)

What are the remittances being used for?

- While the common economic view is that most remittances are used on consumption other research shows that;
- In Eritrea where up to a quarter of the population are in the diaspora, a large chunk is spent on education (human capital) (Kifle)
- A World Bank study in 2011 focusing on Nigeria and Kenya shows that they spend much less on human capital (37% and 30% respectively) compared to Eritrea and more (up to 50%) on physical investments: home building, land purchases and farm improvements
- Another WB paper looking at Ghana shows that spending among families receiving remittances spent less at the margin (14%) on food and more (33%) on education

Where does healthcare feature in the spending?

- In Africa a large part of family healthcare spending is done out of pocket
- For E.g. Somalia, with diaspora spanning all continents of the world, spending is less eagerly done on healthcare and education simply because they are not available or if they are they reflect poor quality
- As the continent with the fastest growing young population, investments in healthcare and education have potential for the greatest return on investment in the future
- In 2001, the AU met in Abuja, Nigeria and agreed in the "Abuja declaration" to make available at least 15% of their country annual budgets for healthcare
- Most countries have not lived up to this commitment, even Nigeria has only 4% dedicated to healthcare in its 2016 budget

What are the acute healthcare needs in Africa?

- Lack of formal universal healthcare coverage and insurance especially for rural areas where majority of Africans live
- In countries like Nigeria over 80% of the HIV response is donor funded by PEPFAR, Global FUND for AIDS, TB, Malaria
- A huge dearth of skilled manpower in healthcare
- Emerging epidemics like ebola have taken a toll on HCWs in Liberia, Guinea, etc
- Insecurity in countries like Somalia, Libya, Nigeria, Mali etc. has led to destruction of large proportions of infrastructure including hospitals, clinics, maternity homes, private pharmacies etc. and death and forced migration of HCWs
- However Nigeria \$1 Billion dollars (GBP690 million) was spent on medical tourism in 2015 alone!



Description of Health facilities affected by the insurgency in Borno state, N=266 health centres

Type of facility	Number (N)	(%)	Burnt	Affected by weather	Vandalized
PHCs					
Total	537				
Affected by insurgency	248	46	190	56	1
SHCs					
Total	38				
Affected by insurgency	18	47	6	7	5
THCs					
Total	2				
Affected by insurgency	-	-	-	-	-

Time to step up

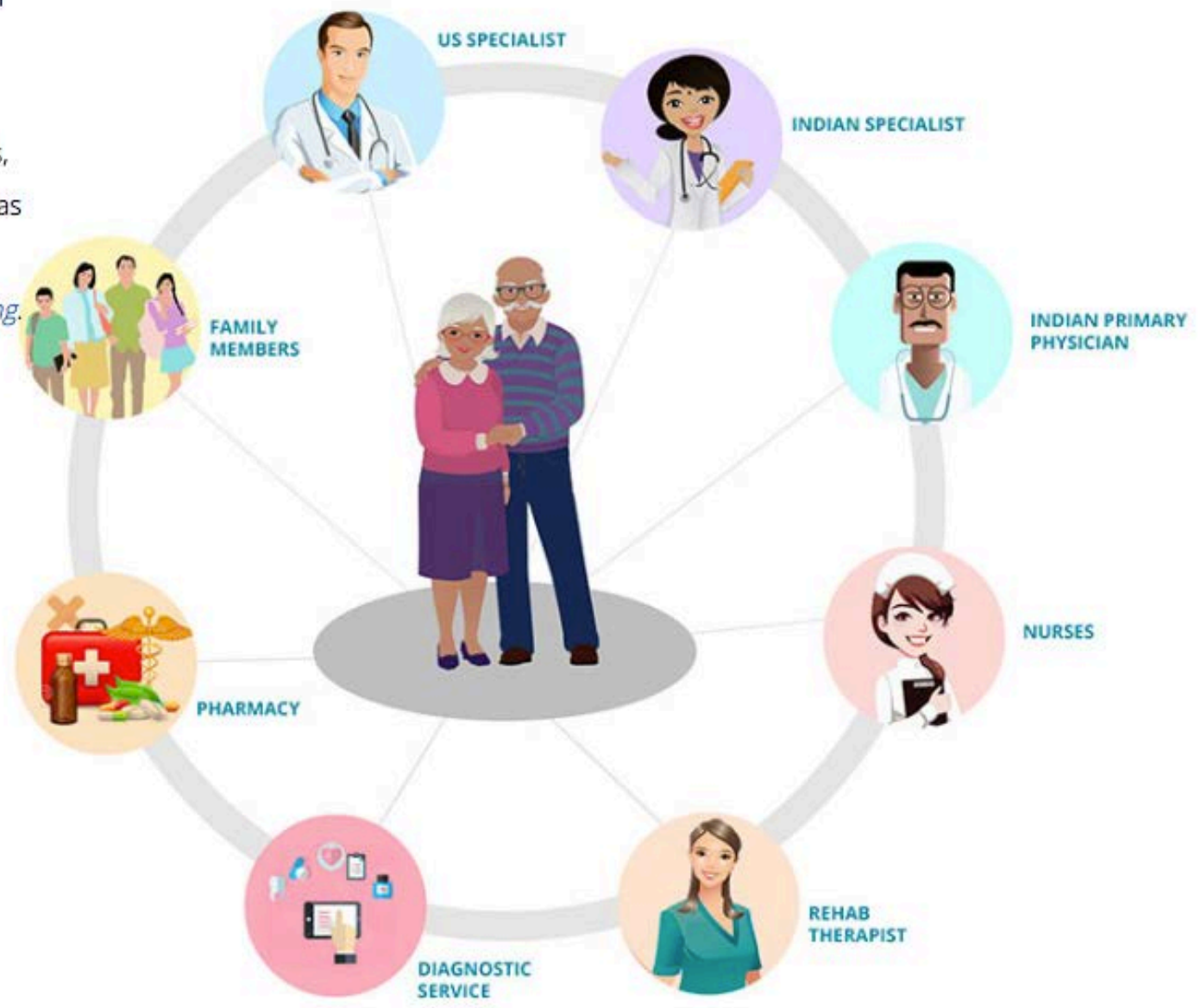
- Create diaspora insurance companies and HMOs, make investments in community hospitals and charities
 - India has good examples like Apollo group, Forever care etc.
 - Diaspora bonds can be a good option to finance projects
- HC professionals could offer services at countries of origin annually free or at subsidized rates
- Encourage training overseas and funding training institutions in Africa
- Provide pressure from diaspora associations on African presidents and policy makers when they travel to your countries of residence and pressure diasporans in politics in developed world

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CONCLUSION

- The diaspora have a large and growing important role to play in ensuring economic and healthcare development in their countries of origin
- It is time for Africa to wean itself off donor funds for healthcare and depend on its prominent sons and daughters
- The skills are out there, they however will need to more formally transfer it back to the motherland



Thank you for listening!