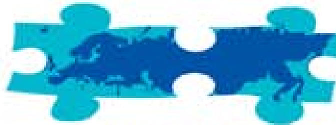
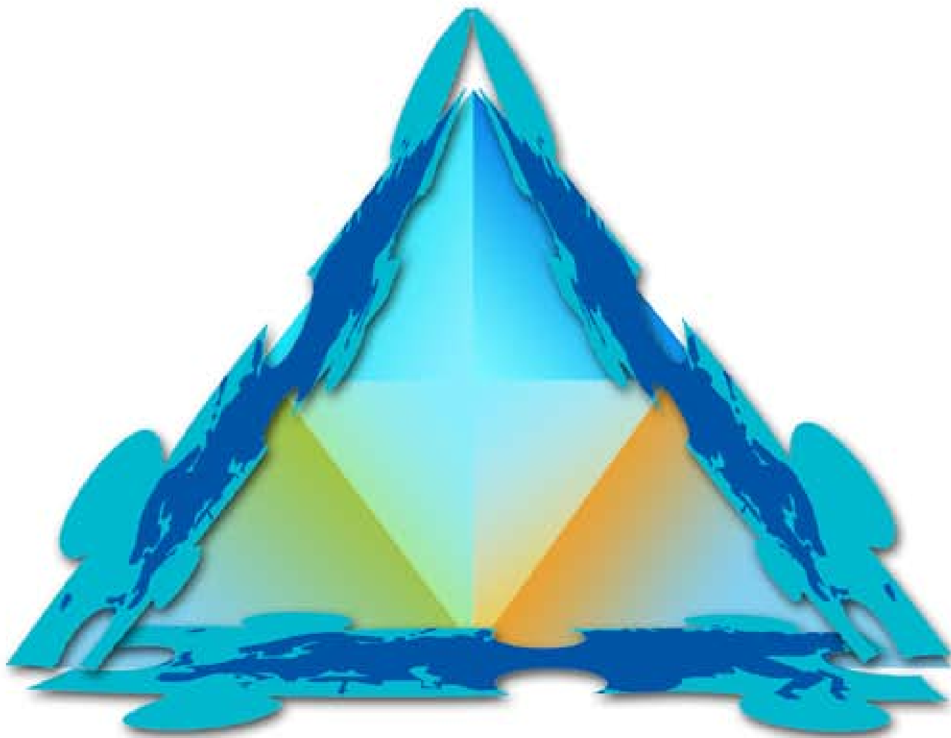


REGIONS FOR HEALTH NETWORK
IN EUROPE



TEN THESES ON REGIONAL HEALTH AND WEALTH

KEYWORDS

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TEN THESES ON REGIONAL HEALTH AND WEALTH

REGIONS INVEST IN HEALTH – AND IT PAYS OFF FOR BOTH PEOPLE AND THE ECONOMY!

INTRODUCTION

In Europe, the visions of HEALTH21, the Lisbon Strategy of the European Union (EU) and the Health in All Policies initiative of the Finnish EU Presidency have repeatedly stated the importance of placing health in the framework of human rights, stressing the common European values of equity, solidarity and participation. The concept of health and wealth shares this common ground, linking human and social rights and drawing attention to the importance of health not just for the health sector but other sectors as well. Indeed, substantial evidence indicates that policies in other sectors can significantly influence health, and that health, in turn, has important effects on realizing such goals as economic development.

The 10 theses presented here propose that explicitly linking health and wealth at the regional level will powerfully contribute to improving people's health in Europe.

- **Regions are active promoters for better health**
- **Good health is a responsibility of the regions**
- **Healthy people are the key to a productive economy**
- **Health industry is in a paradigm shift – yesterday a burden, tomorrow an opportunity for the economy**
- **Health industry is an incubator of employment, technological progress and innovation**
- **Health industry generates income – to the benefit of the local economic cycle**
- **Procurement stands between local markets, modern management and (inter-)national champion**
- **Quality and innovation in health services need the regional base**
- **International mobility of health care providers and consumers carries both risks and benefits**
- **Health and wealth must be thought anew**

This paper has been prepared for the WHO European Ministerial Conference on Health Systems: "Health Systems, Health and Wealth" in Tallinn, Estonia on 25–27 June 2008. It draws on discussions among the members of the Regions for Health Network in Europe (Annex 1).[1] The region of North Rhine–Westphalia, Germany prepared these 10 theses for the Network. They were presented and discussed at the Fifteen Annual Conference of the Regions for Health Network in Europe in Düsseldorf on 26–27 November 2007. The regions of North Rhine–Westphalia, Kaunus (Lithuania), Varna (Bulgaria), Catalonia (Spain) and North West England (United Kingdom) discussed and approved the theses. The Network agreed that additional discussions were needed to ensure that everyone had an opportunity to provide input and suggestions. Thus, the State Secretary for Employment, Health and Social Affairs of North Rhine–Westphalia invited all regions to participate in a follow-up discussion that reiterated the importance that health in all policies should be echoed throughout the 10 theses. After this process, the members of the Network approved the following 10 theses. These 10 theses can and should contribute to promoting health in all policies, as they share its essential philosophy.

We hope that this publication inspires other regions in Europe to reflect on these issues and take up some of the suggestions that will help strengthen the link between health and wealth in their own regions.

[1] The usage of the word "Regions" throughout this paper refers to: Any region, province, canton, county, land or oblast from a country within the European Region of WHO that is a political or administrative unit in a country, usually immediately below the national level; has decision-making power; has resources for investment for health; is able to monitor health status;

1. Regions are active promoters for better health

"Health care is a duty, imbedded in European culture, to help people in sickness, to promote a healthy society through education and the prevention of diseases."[2]

In the past decade, European regions have given increasing attention to improving their health care systems, providing healthy living and working conditions and fighting inequality in health. This increasing commitment to health is mainly based on three pillars:

- regions want to become more attractive to their inhabitants;
- regions are convinced that both a well-performing health care system and healthy working and living conditions will contribute to upgrading the performance and creativity of the regional economy; and
- regions increasingly see the growth potential of the health care industry and hence are investing in them to qualify as a top location for health care businesses.

The health care industry comprises not only hospitals, clinics and pharmacies but also a wide range of suppliers of complex technologies; logistical and organizational services; research, training and educational institutions; and organizations promoting wellness, fitness and nutrition. Taking this broader view, health care businesses are a major driver of employment, innovation and growth, with an economic potential that gives them an indisputable importance as a regional asset.

This growth in the health care industry is:

- rooted in technological and medical progress;
- driven by demographic factors, including population ageing but also by people's desire for healthy ageing; and
- fostered by a change in people's values and preferences, which tend to value health and health care services more highly.

All this is already taking place within regions. Regions are close to entrepreneurs and business and are therefore best equipped to collaborate with them to support sustainable development, in which economic growth accompanies social and environmental progress.

Meeting expectations for better health, which is an outcome of wider social and cultural processes and influences, is therefore not a matter of delivering health care and the health care structures alone. It requires analysing these wider effects; formulating and focusing wide-ranging health policy priorities; promoting intersectoral activities; and addressing social, environmental and economic issues. The local and regional levels, with their smaller and more flexible structures, are well placed to undertake the basic groundwork and develop and test models for implementing health priorities within the broader political discussion and decision-making processes.

2. Good health is a responsibility of the regions

Just as there is no "European welfare system", there is no "European health system". In most European countries, the health system is organized at the national level. These systems differ mainly in the funding and governance of systems, which are deeply rooted in national traditions of social welfare. The state funds and governs some, such as the National Health Service in the United Kingdom; others are regionally funded and governed, such as in Sweden; and others are insurance-based and self-governing, such as in Germany or Austria.

Nevertheless, working within the national funding and governance arrangements, most European regions take responsibility for operating and delivering health services to their population. For example, in Germany the federal states are

[2] Unger F, ed. *Health is wealth: strategic visions for European health-care at the beginning of the 21st century. Report of the European Parliament.* Berlin, Springer, 2004.

responsible for building and maintaining hospitals. In Finland, the municipalities have the duty of organizing adequate health care and therefore have a strong position in health policies and politics. Hence, the actual delivery of health services, the provision of health facilities and support for local initiatives to promote health and prevent disease – creating healthy living conditions – are necessarily on the policy agenda of every region, the more so as the local and regional actors are usually blamed for failures and deficiencies. Thus, there are many good reasons why regions should make a virtue of necessity and aim at excellence in providing health services and health promotion.

In doing so, regions face a particular challenge in inequality in health. The conditions under which people live, work, grow up and grow old fundamentally influence people's health, and differences in these conditions lead to inequality in health. Most inequality in health, within and between regions, is avoidable and, hence, inequitable. Our success in reducing inequity in health will be constrained by our ability to influence underlying societal causes. Technical solutions might be important but are not sufficient. Tackling the distribution of the social determinants of health might bring better returns.

Although health has an intrinsic value, there is also a more instrumental issue. Health enables people to participate in society, which has potential positive implications for social and economic development. Health could be regarded as a capital good, which relates to health as an important component of the value of people as a means of production. Health might also be seen as a consumption good, in which health directly contributes to an individual's happiness or satisfaction.

Its importance for economic growth is surprisingly high. In a study on European countries, Suhrcke et al.[3] estimated annual inequality-related losses for health as a capital good at €141 billion and losses for health as a consumption good at about €1000 billion. Inequality-related losses in health account for 15% of the costs of social security systems and for 20% of the costs of the health care systems in the EU as a whole.

Thus, inequality in health hampers both the social and economic dimensions of sustainable growth. Joint interventions and collaboration between health care, social welfare, the private sector, nongovernmental organization, policy-makers and entrepreneurs at the regional level could contribute significantly to reducing the burden of inequality in health between and within regions.

3. Healthy people are the key to a productive economy

When Bismarck (Germany, 1883) and Beveridge (United Kingdom, 1942) set out their respective systems of social security, with health services as a core element, they did this not only for charitable, humanitarian or political reasons but also with a wise and farsighted view to the requirements of a modern economy.

Good health affects productivity in two ways:

- by avoiding the costs of illness, such as working days lost; and
- more sustainably, by affecting learning capacity and hence opportunities to enhance income.

Long-term historical analysis of a broad set of (currently) high-income countries concludes that more than 30% of the growth rates of these countries can be attributed to improvements in health conditions. Given the importance of life-long learning as a precondition for survival in a knowledge-based economy, health should be recognized as a basic precondition for developing learning capacity.

Being healthy affects economic outcomes in at least four ways.

- Healthy people might be more productive at work and thereby earn more income.

[3] Suhrcke M et al. *The contribution of health to the economy in the European Union*. Luxembourg, Office for Official Publications of the European Communities, 2005.

- They may spend more time in the labour force, as people in poorer health take sickness absence or retire early.
- They may invest more in their own education, which will increase their productivity.
- They may save more, in expectation of a longer life – for example, for retirement – increasing the funds available for investment in the economy.

Although proving these causal effects beyond doubt is an empirical challenge, remarkable evidence supports at least the first two. Evidence from high-income countries shows that healthier people have higher earnings, although the scale of the association varies with research methods and data.

Many studies show that better health increases both the number of hours people work and the probability that an individual person is employed. In addition, poor health increases the likelihood that someone will retire early, although the precise relationship is affected by institutional frameworks, for example, rules on disability and early retirement benefits, and whether health insurance is linked to employment, as in the United States.

Importantly, ill health affects not only the individual affected but also his or her family. Most men whose wives become ill reduce the amount they work, whereas women work more if their husband becomes ill. Again, these trends are sensitive to the availability of health and disability benefits.

Better health may also influence the regional economy at large, although assessing the macroeconomic effects is even more difficult than the microeconomic ones mentioned above. Certainly, the current economic wealth of high-income countries (and, hence, regions) owes much to previous health gains. For example, an estimated 30% of the economic growth in the United Kingdom between 1790 and 1980 is attributable to better health and dietary intake. Better health meant that workers increased their ability to convert energy into productive work by more than 50% during this period.

Studies examining more recent economic performance,[4] whether only in low-income countries or in all countries, have quite consistently found that better health, typically measured by life expectancy, significantly determines subsequent economic growth, in some cases contributing more than improved education. Some recent work[5] has also shown that, if health is measured by more appropriate health proxies for high-income countries, such as cardiovascular disease mortality, health may also have made a real difference to economic growth in more recent decades. However, the true potential impact of health on productivity – especially among older people – may be limited by the fairly low normal retirement age in most EU countries.

Better health, especially among older people, may also have positive macroeconomic effects, as it can reduce the need for future health care, thereby limiting the increase in health care expenditure. Although this effect may be significant, it cannot prevent further increases in health care expenditure, since the major driver of health care expenditure is technological progress.

The interrelationships between health, learning and productivity also apply to low- and middle-income countries. For example, some of the countries joining the European Union recently did not have health high on the agenda before they joined. However, in the face of increasing mobility, a state's or region's economic and social sustainability depends on its attractiveness to young talent. Adequate health infrastructure, health services and healthy living conditions are certainly critical variables in any individual's decision to stay or to move. Equally, human capital strongly influences firms' adaptation and innovation capacity and the flow of direct investment.

[4] Nolte E, McKee M. Does healthcare save lives? Avoidable mortality revisited. London, Nuffield Trust, 2004.
[5] Nolte E, McKee M. Measuring the health of nations: updating an earlier analysis. *Health Affairs*, 2008, 27:58–71.

4. Health industry is in a paradigm shift – yesterday a burden, tomorrow an opportunity for the economy

The view that health care costs are skyrocketing and approaching the limits of affordability is widely shared. This is the basis for Europe-wide debates on containing the costs of health care and restricting and rationalizing the supply. Also widely shared is the view offered by many economists and politicians that the solution is to privatize health care, thereby more efficiently using available resources. Although there is no proof of this thesis, it is largely taken as true, and most attempts to reform health systems aim at some kind of privatization, as documented by the WHO European Observatory on Health Systems and Policies.

The only certain point in this argument is the fact that health care expenditure comprises a high proportion of gross domestic product, relative to other sectors, in high-income countries. However, there is no criterion for what proportion is "too high". The European Union countries, for example, have shown a surprisingly stable level of expenditure during the past decade, regardless of the type of governance, although these years have been a period of marked economic change and intense reform activities. If expenditure had really been "too high", clear declines in the expenditure curves would have been expected, but there are none, anywhere. The United Kingdom has even markedly increased the health care budget. Hence, the conclusion is that the level of expenditure is socially and economically acceptable and reflects consumer preferences. What remains is the simple statement that the health care sector is a large sector of the economy that is meeting real demand – and this is the starting-point for many regions to act on this expression of opinion and to view health infrastructure and health services as an asset that will rise in importance.

In high-income countries, about 10% of the workforce is engaged in health care jobs, many of which are in health care and care for older people. Demography also drives the health care sector in low- and middle-income countries, as these countries are ageing even faster than the high-income countries, presenting growing pressure to develop appropriate services. In addition, health is being valued more highly worldwide – people are prepared to invest additional resources in their own health. Given these drivers, estimations for Germany predict up to 1 million additional jobs in health and care within the next 15–20 years – in addition to the approximately 4.5 million who are already working in this sector. No other industry has such prospects.

Finally, health care services have potential as economic powerhouses. They are major employers, consumers and investors. However, they use considerable energy and can generate significant waste and pollution. Reducing the waste and pollution and maximizing the benefit from their spending can do much more to support the local and regional economy by developing the workforce, fostering and exploiting innovation and nurturing local businesses. Regions across Europe are already making this happen.

5. Health industry is an incubator of employment, technological progress and innovation

From the viewpoint of industrial policy and regional policy, the health care sector is particularly important, because it acts as a strong driver for many other sectors of the economy. Many future core technologies, such as biotechnology, nanotechnology or microsystems, have huge potential for the health sector; an estimated 50% of all high-technology development projects relate to applications in the health care sector. In Germany, about 20% of start-ups are launched in or in relation to the health care sector. Moreover, the health care sector is a critical source of demand for personnel, products and services. Hence, innovation, employment and procurement are the main drivers that link the health care sector with the regional economy.

The health care sector is very important for employment. Germany has about 4.5 million health care employees, and in North Rhine–Westphalia the 1 million employees represent almost 14% of the employed workforce, more than in any other sector. The situation is broadly similar in most European countries and regions. The core areas of inpatient and ambulant care clearly stand out as the main sources of employment. The pharmaceutical and medical technology industries are relatively less important; they are far more capital-intensive than personnel-intensive because of the character and structure of their production processes. In addition, although also relatively small, the number of people employed in the more peripheral branches such as sports, leisure, wellness and tourism in North Rhine–Westphalia amounts to almost 22 000 – which is quite a few given the rather high unemployment rates in Germany. As employment in this subsector has steadily grown over time, these numbers also indicate the rising importance of health to individuals. Finally, employment in the health care sector is less volatile than in other economic sectors and hence represents a stable element in the regional labour market.

6. Health industry generates income – to the benefit of the local economic cycle

The total income generated in the health care sector is a major multiplier in the local and regional economy. Even though many hospital employees do not have high income, the total wage expense of a hospital has important benefits both locally and across the region. In Germany, for instance, about €100 million of wage income enters the regional economy in a small town with a small hospital with only 100 beds. These rough numbers indicate the direct income effects of even small hospitals. For larger hospitals, such as university institutions with 7000–8000 employees, the income effects easily surpass those of even large industrial enterprises. Including the wages paid by supplier companies and peripheral sectors, the income generated by the health care sector will probably turn out to be the solid core of total regional income.

But there is more. Recruitment to health care professions is usually channelled through universities, for physicians, and professional schools and vocational training for other health care personnel, depending on national schemes. Taking again the example of North Rhine–Westphalia, almost 500 (non-medical) professional schools provide about 50 000 places in the health care professions. North Rhine–Westphalia is thus one of the largest suppliers of education and training and of in-house training and further training and therefore adds an important element to the health value chain, both at the regional and national levels.

Hospitals and the rest of the health care sector also offer a range of jobs that do not require high entry qualifications and offer opportunities for applicants with fewer qualifications. Although it may be an illusion to consider health and social care as a pool of simple jobs requiring few qualifications and little training, at least locally it can help to relieve problematic situations, benefiting not only professional staff and service users but also unemployed people, especially women who want to re-enter the labour market.

Ethnic origin is a major social and labour market issue in many urban and metropolitan areas. Immigrants are usually more than proportionately affected by unemployment – and youth unemployment in particular. The immigrant population does not yet make up a large proportion of the employees in health care. However, as immigrants' use of health care services grows, health systems will increasingly need to respond to their particular health-related behaviour and their special needs and religious and cultural demands. Recruiting and training personnel with appropriate immigrant backgrounds will therefore benefit the health status of the immigrant population and provide new job options for immigrants.

7. Procurement stands between local markets, modern management and (inter-)national champion

Hospitals are large consumers, and hence procurement is the other powerful driver of the health care sector within the overall economy. In North Rhine–Westphalia, hospitals purchase products and services valued at about €4 billion per year. They use between 250 and 500 suppliers with up to 100 deliveries per day per hospital.

This needs to be analysed further. Hospital supply is a national business, since supply enterprises and subcontractors operate on a national or European scale. The range and number of suppliers make logistics a major challenge. To increase efficiency, hospitals have therefore installed merchandise information systems, often contractually tied up with larger suppliers, which are capable of organizing just-in-time supply of the commodities needed. Along with national and international procurement rules (public tendering etc.), these systems reduce the discretion of an individual hospital management to use its purchasing power regionally or even locally. Another trend is collective purchasing by hospitals, matched by concentration and internationalization on the supply side, so that benefits (profits as well as related jobs) are very likely to accrue somewhere other than the local area.

Medical technology is a case in point. This is one of the most capital- and human capital–intensive sectors. Subsectors are highly specialized with only a few firms, each operating in rather small market segments. It is therefore not surprising that the medical technology market is highly concentrated in a few market leaders, such as Siemens, General Electric and Philips, who together share almost 80% of Germany's market. Hence, although medical technology is a major item in any hospital investment programme, the revenue incurred by this substantial investment does not necessarily benefit the regional economy. About 66% of Germany's medical technology enterprises have fewer than 50 employees, constituting 14% of total turnover, and the 2% of enterprises with more than 500 employees have 48% of total turnover.

The more immediate value added for a region relates to improving the stock of human capital and attracting capital inflow, and here again medical technology is very important. These suppliers invest about 8% of turnover in research and development, which is twice the rate of overall manufacturing. In addition, research and development in medical technology draws heavily on several scientific and engineering fields and, in turn, benefits these fields, as many applications can be used in other areas. Medical technology companies also invest considerable money in training, further training and personnel development. They thus provide highly attractive training places and high-quality jobs with above-average incomes.

Few managerial functions have changed as much as procurement and logistics in recent years and have, in turn, changed the structure and work processes in other industries. This took place very much under the influence of new information and communication technologies and new organizational concepts.

Attempts to modernize and streamline logistics in health care services mainly aim to reduce costs; this, in turn, affects personnel rather quickly. Yet even with large-scale rationalization of logistics, the likely immediate labour market effects are reshuffling of personnel between the actors involved rather than a net gain of jobs or losses.

The more sustainable effect is in the change of structures and work processes induced by modern logistics systems. This becomes very clear in the latest observable trend among large hospitals to reverse the outsourcing strategies of the 1990s in favour of insourcing strategies and, by restructuring the value chain, looking again to the market to provide facility management services, leased medical technology (such as radiology and cardiovascular technology) and laboratory

or pharmaceutical services. A frequently quoted example is the Berlin Charité group, which has set up several subsidiaries that serve the Charité clinics and other hospitals and also medical practices in the Berlin area. As for processes and the management of work flows, modern logistics have paved the way to benefit from the experiences of, for instance, the automobile industry to restructure the work flow of a department of surgery, with a lasting impact on productivity. In this respect, procurement and logistics also provide a vehicle for the transfer of innovation from other parts of the economy and thus contribute to upgrading the overall health care sector.

8. Quality and innovation in health services need the regional base

However, the supply industries are not completely footloose. Health is created at the local and regional levels, as health services have to be close to the people being served and require the collaboration and compliance of people where they are. Equally, most service users seek relief and want services where they live, and only unusual circumstances will prompt them to look for treatment elsewhere. In essence, health services are a static business tied to the point of demand.

This therefore establishes a regional framework that is the starting-point for improvement and innovation in most cases – particularly if intersectoral innovation is involved, in such fields as cooperation between hospitals and ambulant care services for older people living at home with multiple health problems or for models of integrated care for chronic diseases. Another example is telemedicine, which only makes sense when it is supported by regionally based services that can provide a rapid response to issues as they arise.

Hence, regions can benefit less from overall comparisons of health systems than from interregional benchmarking exercises, which reveal how regions can benefit from upgrading a health service to a health enterprise. This is the case both for regions that need to improve health to support economic development and for regions looking forward to become a prime location for the health care industry. Interregional exchange makes it easier for regions to cooperate and to collaborate to obtain mutual benefits and is the best defence against “health imperialism” in whatever guise.

9. International mobility of health care providers and consumers carries both risks and benefits

Internationalization has two contradictory effects on the chances of a successful regional health care sector – both reinforcing and undermining it.

On the one hand, highly developed and well-tested solutions in one region can accelerate developments in another. For example, integrated strategies to prevent and treat cardiovascular diseases developed in Finland may provide helpful advice, instructions or technical solutions that can be taken up elsewhere. Similarly, collaboration between high-technology medicine in Europe and the United States and traditional Chinese and Indian medicine may lead to a mutually beneficial exchange of knowledge, products and patients.

“Patient tourism”, on the other hand, which aims at attracting better-resourced patients from low-income or even medium-income countries away from their home region, may hinder the growth of their domestic health care sector or even provoke downscaling. The inherent danger is that this may erode both the financial and the knowledge base, or they may never reach the take-off stage. To counter this, regions in the lead should take the initiative to transfer knowledge and expertise, such as on how best to organize efficient hospitals and link them to a network of suppliers and thereby assist regions with limited resources. Here, advanced regions carry a particular responsibility.

10. Health and wealth must be thought anew

The health care sector adds value not only in the large numbers of jobs it can generate. Unlike other sectors, the health care sector tends to support a balance between economic, social and environmental development; in other words, health by its very nature promotes balanced growth.

The health professions are quite demanding; they require well-educated and trained personnel and intensive further education and training. This is also the case for the up- and downstream branches, such as medical technology and biotechnology or logistics and facility management. Hence the health care industry contributes considerably to improving human capital across the economy, and in regional economies in particular – resulting in a relatively low level of overall unemployment and a relatively high level of income, the effects of which are felt in large part at the local level. In sum, the regional weight of the health care industry derives in part from the employment intensity of the health services (the core) and of the peripheral branches. It comes also from the mutually reinforcing interaction between all these elements, which drives innovation, disseminates into other branches and in turn enhances the attraction of the region for capital inflows.

To put it more generally, current debates on health, wealth and regions prompt rethinking about the relationship between health and the economy. Most economists have argued that funding for health has to be generated in other sectors, mainly such sectors as the production of vehicles or machines. What is emerging is the insight that good health is an attractive product that meets widespread demand, both public and private, benefits regions that serve this demand and attracts considerable public and private investment. Although healthy living conditions and high-performing health systems will not work without public political engagement, that is, without public funding, investing public resources in health generates a respectable return. Hence, the question to future research in health economics is not “How much health expenditure can we afford?” but rather “How much do we need to invest in health to become or stay competitive?”.

Nevertheless, again, health and wealth have even more far-reaching implications transcending the economic and industrial dimension and the issue of supply and demand. The expression *health and wealth* combines two most basic values – and, consequently, there are logical connections to almost every other element of social and political life: the overall economy, social affairs, housing, environmental protection, health promotion, young people’s issues etc. Conceptualizing and operationalizing health and wealth with its full range of implications thus will lead to an overall strategy for health in all policies – which requires:

- assessing the likely effects of and on health;
- introducing into other political fields health-related thinking and revising political priorities;
- assessing and formulating the reciprocal benefits of integrating health-related, economic, social and environmental issues;
- institutionalizing health in all policies in the regional context and giving it a political status and working structure (the Liverpool City-Region Health is Wealth Commission may serve as one model for this);
- providing local and regional visibility of the philosophy of health in all policies by way of a dedicated public relations campaign;
- supporting the public acceptance and understanding of the complexity of health and fostering community engagement and bottom-up initiatives in health promotion; and
- making this ambitious and most aspirational vision practical and breaking it down into realizable steps.

A new assessment of the economics of health care and its many links to our overall social life – the major concern of this paper – is a valuable first step in that direction. The challenge is to do both:

pursuing health economic goals and the grander vision of health.

Elaborating theses on health and wealth should be of practical consequence. Some exemplary recommendations for regional initiatives on the subject are listed below.

A HEALTH AND WEALTH ACTION PLAN FOR REGIONS

The health and wealth model offers great potential benefits but also pitfalls. Excessive emphasis on the economic benefits of the health care industry may distract attention from the need to protect fair access to high-quality health services for all. A message that good health can be bought might undermine other efforts to promote good health.

Regions will need to think carefully how to secure the benefits. To counter this potential difficulty, regions might consider the following suggestions.

1) Regional health and well-being governance

In addition to existing arrangements for managing health care systems at the regional level in Europe, regions should consider developing a parallel approach for health and well-being.

This would identify what health deficits exist and how the market and the state together can promote and support the whole population.

2) Making visible the economic costs and benefits of population health

Investment decisions will be better if they are based on evidence. The positive economic contribution of improving population health should be clearly identified. European regions should assess the economic costs they face as a result of inequality in life expectancy and health status within the region. Explicit calculations of illness-related exclusion from the labour market and sickness absence from work causing lower labour market productivity should be part of this assessment of the financial effects of suboptimal health.

3) Calculating the tangible benefits of health and well-being

Regions should consider what social, economic and environmental benefits might be realized by realigning existing public- and private-sector investment behind the notion of health and well-being as a regional asset (both goods and services based).

4) Improved asset management of health and well-being

European health and health care systems have considerable unrealized economic assets and capacity. Regions should consider how they might develop regional mechanisms to identify and release these assets more systematically. In addition to accelerated economic growth, these assets create better health, with multiple social, economic and environmental benefits for society.

5) Increasing local procurement

Given the demonstrable environmental social and economic benefits arising from local procurement, regions should set ambitious but achievable targets for the percentage of the region's public- and private-sector expenditure to be commissioned from within the region itself. The health care system, in close collaboration with regional economic development agencies, is in a strong position to lead this work.

ANNEX 1. MEMBERS OF THE REGIONS FOR HEALTH NETWORK IN EUROPE

Armenia

Sunik Region

Austria

Carinthia

Belgium

Flemish Community

Bulgaria

Varna Oblast

Czech Republic

Usti Region

Germany

Lower Saxony (Niedersachsen)

North Rhine–Westphalia

Hungary

Gyor-Moson-Sopron County

Szabolcs-Szatmar County

Israel

Northern District

Italy

Emilia-Romagna

Sicily

Tuscany

Veneto

Lithuania

Kaunas

Poland

Upper Silesia

Portugal

Madeira

Romania

Timis Region

Russian Federation

Chuvash Republic

Vologda Oblast

Spain

Catalonia

Valencia

Sweden

Västra Götaland

Switzerland

Ticino

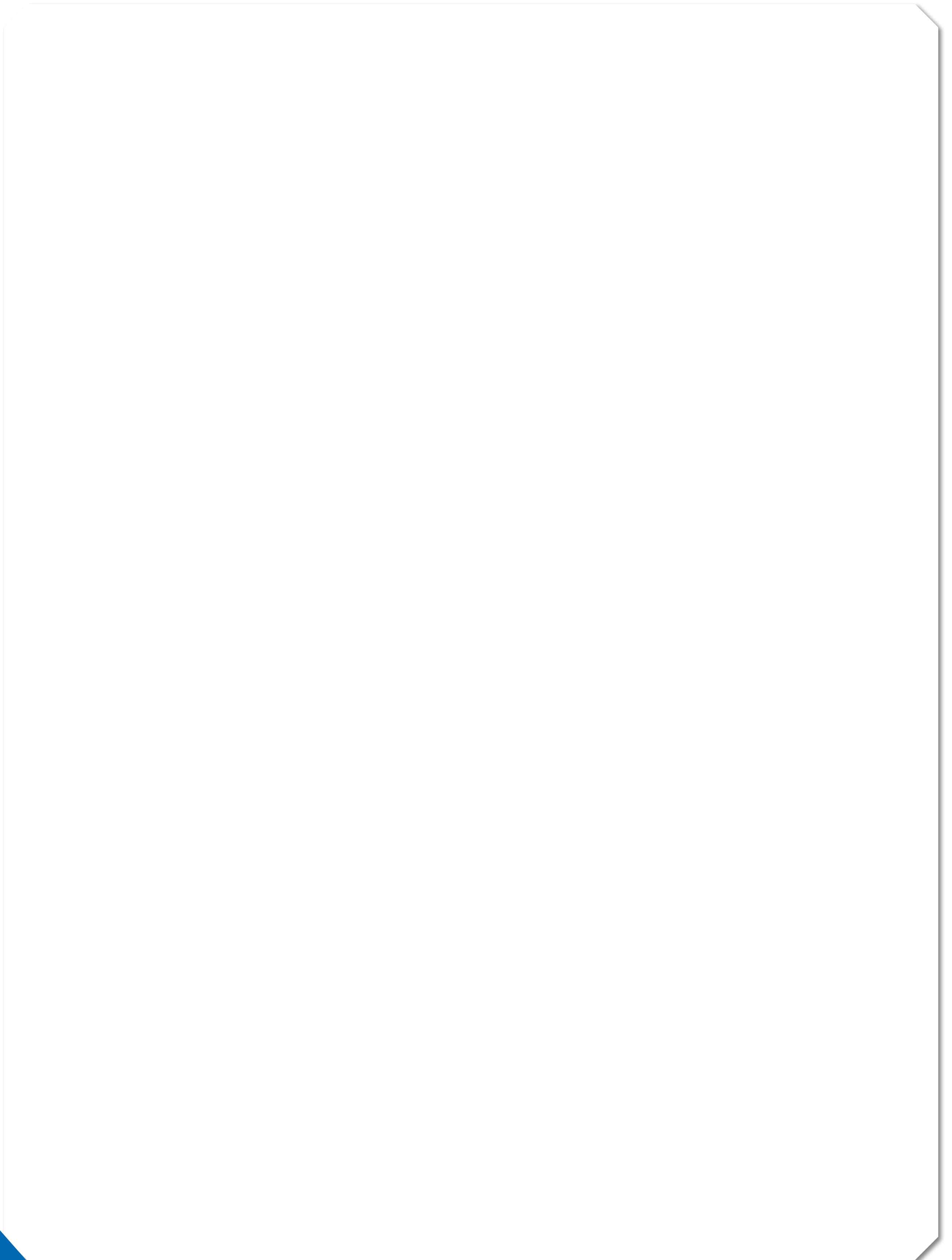
United Kingdom

Northern Ireland

North West England

Wales

NOTES



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