



## GLOBALIZATION AND ITS IMPLICATIONS ON THE NIGERIAN HEALTH SYSTEM

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### **Abstract**

Globalization is the process that describes how economies, nations, and peoples are increasingly interdependent and interconnected. It has contributed to the growth and improvement of Nigeria's health system through innovations and diffusions of health technologies, health knowledge, and human rights. The improved health system is central to human well-being and happiness, contributing to a healthy population, economic growth and progressive growth in Nigeria. However, many factors influence health care funding by government departments, civil society groups and communities, donor organizations, and ministries of health as organizations and actors. Such factors include ethnic origin, gender, geography, age, socio-economic status and educational level. This paper describes the nature and functioning of the health system, approaches to healthcare funding, pros and cons of government interventions, actors involved in public health policies at global, national and local levels, and the measures that can improve public healthcare across all level.

**Keywords:** Globalization, Development, Healthcare, Innovations, Economy

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### **Introduction**

Nigeria is a West African country that shares borders with the Benin Republic in the West, Cameroon and Chad in the east, and Niger in the northern region. Nigeria's healthcare system still has to be developed, requiring access to up-to-date, licensed medical facilities. The healthcare statistics of the nation are among the lowest in all of Africa. Its population is one of the fastest-growing in the world. By 2050, it is predicted to have 400 million inhabitants, growing at a pace of 3.2% annually and 5.5 live births per woman. Despite the demand for more than 237,000 doctors, as

shown by WHO estimates, only about 35,000 doctors are currently available, according to Fatusi (2004). This is because of the significant offshore exodus of medical personnel. As a result, medical tourism costs Nigeria at least \$1.5 billion every year (WHO, 2021).

The Nigerian federal government authorized the second National Strategic Health Development Plan to address the issues (NSHDP II, 2018-2022). The Federal Ministry of Health (MoH) and the Nigerian Sovereign Investment Authority (NSIA) have also inked a number of agreements to upgrade and scale up healthcare services with the help of the private sector. The agreements aim to increase the ability of specialized hospitals and diagnostic facilities to offer high-quality medical services (Todaro & Smith, 2022).

Ten memorandums of cooperation have already been inked, with six agreements currently in advanced stages involving the NSIA, the MoH, and various healthcare facilities located throughout the six geopolitical zones of the nation. For instance, in February 2019, President Buhari officially opened the newly constructed Lagos University Teaching Hospital (LUTH) Cancer Care Center in Lagos with technology provided by Varian Inc. and G.E. (Todaro & Smith, 2022). The MoH has ambitious new goals to improve access to healthcare facilities in addition to working with the NSIA, namely intending to increase the number of primary healthcare centres (PHCs).

The MoH intends to construct 10,000 PHCs across the nation, with at least one PHC in each ward, to ease healthcare access across a large geographic area in order to guarantee access to healthcare for 100 million Nigerians. However, five years after the project's inception, more work remains to be done because, among other difficulties, there is no sustainability plan, finance, or the necessary human resource (Todaro & Smith, 2022).

The Nigerian Federal Government, State Governments, and international health governance organizations like the World Health Organization and the World Bank are the main forces behind Nigerian health policies. The latter is crucial to global health governance because it emphasizes achieving Sustainable Development Goals and recognizes the value of good health for economic development (SDGs). Through structural adjustment programs (SAPs), the World Bank and the International Monetary Fund (IMF) were able to impact health-related policy as well (Nwosu,

2020). In addition, the IMF and World Bank introduced the Poverty Reduction Strategy method in 1999 to give pro-poor growth considerations a more significant role in aiding low-income nations (International Monetary Fund, 2004, cited in Nwosu, 2020).

### **Nature and Functioning of the Health System**

As it has favourably benefited the human population, advanced and better health for all populations has become an acceptable goal on a global scale. We may say that throughout the previous century, there have been significant increases in life expectancy (Ajiboye, 2007). However, the nature and operation of health vary from nation to nation. According to Isuzu (2002), Nigeria's health sector has been chronically underfunded for years as the nation's leaders fly off to the U.K. and Dubai to receive the medical attention they have reprehensibly withheld from their fellow residents.

Even the most important person in Nigeria would not use the healthcare system he oversees; instead, he would openly use the medical facilities his British colleagues built at great expense to the Nigerian government's coffers. The majority of hospitals in Nigeria, with the exception of a small number of elite private facilities, are nothing more than subpar consulting rooms. Even empathy is in short supply, with the underprivileged receiving the worst treatment from medical professionals who are overburdened by the daily influx of patients needing care (Ajiboye, 2007).

Nigeria's healthcare system has priced out nearly 100 million poor citizens since patients must cover the whole cost of treatments. Hospitals contend, however, that in the absence of sufficient support from the government, they would be forced to close if they were unable to recover the full cost of care from patients. Patients are frequently "kept prisoner" within hospitals in Nigeria until a generous donor covers their medical fees. According to the World Poverty Clock, almost half of the population, who live in extreme poverty, cannot afford the deposits needed for severe medical illnesses before treatment can even begin (Ajiboye, 2007).

While there are still health disparities between the rich and the poor in Nigeria, the relatively recent processes of globalization are becoming more and more important to the country's future health. Many people believe that globalization is a more or less economical process (Ajiboye, 2007). These days, it is seen as a more all-

encompassing phenomenon that is influenced by several elements and events that quickly change our society. Nigeria has two complementary healthcare systems. The modern form of medicine was brought by European traders, explorers, missionaries, and colonialists. These are indigenous traditional medicine. According to Nwosu (2008), patronage of the two services cut across classes, but more of the poor patronize cheaper traditional medicine than their upper-class counterparts who incline toward orthodox medicine.

### **Approaches to Healthcare Funding and Organization**

Health financing, in accordance with the WHO, is the "function of a health system concerned with the mobilization, accumulation, and allocation of money to cover the health needs of the people, individually and collectively, in the health system," with the aim of "making funding available and setting the right financial incentives to providers, to ensure that all individuals have access to effective public health and personal health care" (Collins, 2002, p. 12).

In developing nations like Nigeria, the health sector lacks financial and human resources (American Public Health Association, 2008). Over the years, the level of government expenditures in the Nigerian health sector tells a story of neglect. Evidence reveals that by the early 1980s, the annual government allocation to health was estimated at 533.6 million U.S. dollars (Health Reform Foundation of Nigeria) but nose-dived, reaching a trough of 58.8 million U.S. dollars in 1987 (Consultative Group of Nigeria, 2000; Central Bank of Nigeria, 2005). Nevertheless, between 1996 and 1999, there was a significant increase in national health expenditure, and by 2002 it rose to 524.4 million U.S. dollars (Central Bank of Nigeria, 2005), then climaxing to about 1.79 billion U.S. dollars in 2013 (Appropriation Bill, 2013).

Even if funding for health may have increased, there has been a pattern of fluctuating funding for health as a percentage of the overall yearly government budget, rising from 3.6% in 1996 to 5.0% in 1997, down to a pitiful 2.7% in 2000, and then slightly rebounding to 5.6% by 2013. Overall, the proportion of the health budget, which amounts to roughly 5% of the Gross Domestic Product (GDP), is well below the WHO's suggestion that African countries allocate 15% of their total national budgets to health (Ugwuanyi, 2022).

Nigeria's approach to health care financing is inferior compared to other countries. Approaches to health care funding vary across different countries chiefly for the following reasons:

1. The economy of the country: A country's economy largely determines the level of resources devoted to the health sector. Advanced countries with well-structured economies and enormous resources will have no problem spending on their healthcare sector. However, developing countries like Nigeria that depend heavily on borrowed funds to run its economy always need help investing in the health sector.
2. Good Leadership: To a considerable extent, health funding depends on the country's leadership quality. A country with well-defined plans on approaches to health financing always seeks out strategies for investing in its health sector to increase international patronage.
3. Corruption: one of the challenges of many African countries, particularly Nigeria, is the problem of corruption. Funds meant for the development of the health sectors are usually embezzled by the leaders, and in the case where they get to use such funds, poor health equipment is procured, affecting the system's functioning.

### **Government Interventions in Public Health Provision**

Government intervention is essential in a developing economy like Nigeria, mostly because of the severe inequality and poverty there. This isn't due to a meritocracy, but it might be because of unjust advantages brought about by the conditions (inherited wealth, superior education). The primary benefit, minimum income for the sick and disabled, is something that governments may give. Additionally, government involvement can stop social unrest caused by severe inequality (Ugwuanyi, 2022). Here are some advantages and disadvantages of government involvement in the health sector:

- No one needs to perish from lack of access to healthcare because the government can give universal coverage. It is just to have free public health care
- High quality of life is regarded as being essential to having access to health care.

- Health care
- can be rationed by the government according to need and benefit. Millions of dollars may be spent on therapies under a private insurance system when the cost is covered by someone else, even though the quality of life may only be a little improved.
- Resources for government healthcare must be used where they are required. It is stated that the profit motive in the private sector encourages it to reduce expenses and increase efficiency. This is different in the healthcare industry, though. In contrast to other industries, doctors and nurses are not motivated by profit. Care quality may suffer if expenses are decreased.
- Employing workers will be less expensive if businesses are
- not required to cover the price of private health care.
- Long-term labour productivity can be increased by better health care since healthier workers can work longer shifts and take fewer sick days.
- The stress and expenses of becoming bankrupt due to
- medical bills can be avoided with government health care. Unexpected medical costs in the United States, where the private sector plays a key role, lead to bankruptcy.
- Instead of paying the inflated rates charged by the private sector, the government can give medications at a lower cost (Chanda, 2002).

### **Government Intervention and Consequences**

- Government regulations could limit the options available to people who choose to select their own private insurance and healthcare providers.
- The private sector can be motivated by financial incentives to reduce prices and provide novel new therapies that are sought.
- Services provided by the government could be constrained by tax income. The likelihood of rationing services, which results in longer waiting lists and unavailability of treatments, is higher.
- Higher revenues will be necessary for government health care. Despite the fact that taxes will increase and health insurance expenses will decrease, a higher income tax may result in fewer incentives to work (Chanda, 2002).

Nigeria's revenue for financing the health sector is collected from pooled and unspooled sources. The pooled sources are collected from budgetary allocation, direct and indirect taxation, and donor funding. However, the unspooled sources contribute over 70% of total health expenditure, which can be in the form of fees of about 90% and payments for goods (medical products such as beds, nets, or condoms). Despite these health financing options in Nigeria, the finances are still disproportionately distributed across the health system, with regional inequity in healthcare expenditure (Nwosu, 2020).

### **Theoretical Framework**

This essay is anchored on modernization theory. Modernization theory portrays marked influences of classical theorists such as Durkheim, Marx and Weber (Rex, 1961). However, many analysts of modernization follow the examples of Durkheim, Tonnies, Parsons and Merton. Both Durkheim and Merton were concerned with the moral breakdown and social disorganization which followed the loss of traditional society (Ajiboye, 2007). The basic approach of modernization theory is the tendency to dichotomize between traditional and modern society. It argues that a wide gap between developed and underdeveloped countries could be closed by diffusing the characteristics of developed societies to underdeveloped ones.

Also, the theory submits that underdeveloped nations must jettison their traditional characteristics, which are considered encumbrances to their development and embrace modern characteristics typified by western models. Globalization, urbanization, industrialization, western education, and information technology advances are all by-products and indicators of modernization. There is a relationship between globalization as an aspect of modernization and the State of the health of nations which could be positive or negative (or both) depending on a country's position as a 'core' or 'peripheral' actor in the globalization chain. The relationship is also affected by a country's rules and policies towards globalization. It is a fact that the over-dependence of underdeveloped countries on the integrated global economy dominated by the West has resulted in positive health/development outcomes in the centre (West) but stagnates the socio-economic and health attributes of the periphery (underdeveloped nations). This is mainly because globalization as a socio-economic phenomenon is driven and manipulated to its advantage by the West. They dictate

the tune and direction in their favour. Also, globalization is capitalist-driven rather than welfare-or people-oriented (Pearson, 2004).

### **Conclusion**

Globalization has positive and negative effects on health. Nigeria and other third-world nations are disadvantaged in the new socio-economic order associated with globalization. They are estranged from core decision-making positions, thus compounding their poor health and economic indices. In summary, the challenge is how to make globalization work for health and to use health to foster better forms of globalization.

The alternatives accessible to those who decide to choose their own private insurance and healthcare providers could be restricted by government rules.

Financial incentives can encourage the private sector to lower costs and offer sought-after revolutionary new medicines.

The government's ability to offer services could be limited by tax revenue. The chance of service rationing, which causes longer waiting lists and treatment shortages, is increased.

For government health care, higher revenues are required. A greater income tax may lead to fewer incentives to work, even if taxes would rise and health insurance costs would drop (Chanda, 2002).

The risks and negative effects of globalization must be addressed, but they must not be allowed to overshadow its overall beneficial effects on development and health. The private sector is becoming increasingly important in boosting Nigeria's healthcare fortunes since the government lacks the resources to carry out its ambitions for the sector. The Public Private Partnership (PPP) model is being used by the federal and State governments of Nigeria to entice private sector involvement in health projects. For instance, Lagos State proposes to use a PPP to construct a 120–150 bed Medical Park (MediPark) that will provide a full range of cutting-edge, high-tech specialist medical and diagnostic services.

The Lagos State School of Nursing previously occupied the 18,750.15 square meters of land where the \$247.3 million project would be built. The State also started building the 150-bed Massey Children's Hospital in April 2021, which the government claims would be the largest hospital in sub-Saharan Africa. In order to



achieve this, the Nigerian government is prepared to adopt global trends in subsidizing the health sectors and make them profitable for its people.

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