

MEMORANDUM FOR DISCUSSION WITH PROFESSOR PEKKA HAYRY FROM THE  
UNIVERSITY OF HELSINKI, FINLAND

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Professor Hayry, members of the South African Forum & you are  
welcome in Ulundi.

Professor, as you are born and bred in Finland, perhaps you can  
empathise with the difficulties weathered in South Africa over the  
past two years. Whilst Finland is now experiencing a period of  
general prosperity, this economic success followed a long and  
turbulent struggle during the first two post-war decades when  
inflation, unemployment, foreign trade deficits, periodic currency  
devaluations, industrial unrest and large-scale emigration were  
general features of Finland's economic scenario.

However, this was soon forgotten once the period of rapid  
internationalisation of the Finnish business sector became a  
feature in the decade of the eighties, a trend no doubt advanced  
with the skill of Finnish industrialists in capturing specialised  
markets.

South Africa too is in a state of transition. But while the world  
focuses on the political aspects of this transition towards the  
establishment of a non-racial democracy, not much attention is given  
to the inevitable economic and social changes that will be  
necessary to accommodate the increased welfare needs of the poor  
majority. i

Through the organisation of your medical relief programme in the  
Middle East, you are undoubtedly familiar with the corrosive and  
debilitating effect of the urban and rural poor under the  
restraints of a limited fiscal budget.

We have a situation in South Africa where, in the race to the  
forthcoming elections, political organisations like the ANC/SACP  
alliance are promising the impoverished masses of South Africa -  
wealth and prosperity in the new South Africa, dangerously  
heightening the expectations of these innocent victims in a  
calculated bid to strengthen their support bases. Hence, a totally  
distorted impression has been created, based on the exaggerated  
belief that in the new South Africa the State will be capable of  
miraculously solving the problems of poverty and underdevelopment.  
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This will never be the case. The burden on the future South  
African economy will be enormous. Our country has experienced a  
decline in economic growth which has had tragic consequences as far  
as job creation is concerned. Yet the South African labour force  
continues to grow at an estimated rate of 2.8% per annum, which is  
higher than the average growth of 2.4% listed in the World Bank's  
category for middle-income developing countries.

This brings us to the observation that factors such as poverty, malnutrition, poor housing, unemployment and an unstable political climate are inextricably linked to health care. The present health care system in South Africa is inadequate and inefficient. It continues to deteriorate rapidly in the face of increasing demands by a growing sector of impoverished, and politically alienated, claimants. Not only are the needs of the people increasing, but the political avenues to voice these needs are obstructed.

The formation of a new health system is a daunting task, beset with many problems. The aim of the future government of South Africa is to devise a plan geared towards making health care accessible, effective, affordable, equitable and acceptable to all. \* The merits of privatisation and commercialisation of some services should be explored in an attempt to find new ways to achieve greater efficiency and effectiveness.

These goals are very industrious and noble, which is all very well on paper. Achieving these goals for the creation of a new practical health system would require the same rigorous system of checks and balances needed to prevent the future government of this country from becoming autocratic and corrupt.

Under a properly regulated health system everyone should be able to afford health care. And this demand need not ignore the fears and apprehensions of the professional medical fraternity. Doctors, such as yourself, have expended a great amount of money and lived through many years of hardship and rigorous training to acquire their skills, and have the right to earn a decent living.

If an efficient, well-tuned health system had to be institutionalised in South Africa, it could represent a substantial saving for the health service sector in general, in order that both doctor and patient benefit from the outcome. A health system must be constructed so as to be immune to corruption, be at least partially self-supporting, and should not penalise either the taxpayer or the medical and allied professions for its existence.

Funding health care is one issue to be addressed, but so too is accessibility, and herein lies my proposed solution to this dilemma. I believe that the onus for the distribution of health care services rests both with the individual and the community. The provision of social services, district nursing care, family planning and immunisation clinics, district hospitals and outpatient clinics, should be the responsibility of the region and its residents.

In outlying rural areas, clinics need to be erected and doctors and nurses encouraged to work in them. Personnel could be trained to operate community-based centres where doctors, nurses and medical staff could be trained together and would work together, so that the requirements of the community would be met. Due to the critical shortages: of doctors in our rural areas, medical assistants could be trained to bridge the gap between nursing sister and doctor.

Basically I am referring to the regionalisation of health care - a notion which supports the KwaZulu Government's firm commitment to federalism and the devolvement of central power as stated in the

Constitution of the State of KwaZulu/Natal. Hospitals would have to be organised into academic, regional and district hospitals, according to a well thought out regional plan to accommodate the needs of our society.

We need to regionalise the establishment of our structures, creating structures in tune with the environment, as opposed to creating burgeoning, multi-million rand, hi-tech Westernised hospitals, which not only seriously bleed off the health budget but are far beyond the needs of the country and their myriad medical aid schemes. 80 percent of the population cannot afford any of this and seldom have access to it. {

The creation of provincial hospitals which are the size of small towns and which, percentage wise, have carrying capacities grossly disproportionate to their vast size and expense, is an example of our central government's bureaucratic disregard for the public exchequer. The overheads of these hospitals are astronomical.

Small hospitals, with bed capacities suitable to the area in which they are located, would be required. A patient attended to in a rural area could be referred, if necessary, to a district hospital, and then, if further treatment is required, to a regional or academic hospital.

Crucial to the transformation of South African society, is an emphasis on what is practically possible, and what can be implemented, for political, social and economic life cannot be reduced to what is immediately attainable. However, the question of socio-economic transformation, incorporating the principle of democratic government which will guarantee the well-being of its citizens, would ultimately have to move beyond the existing norms and structures of South African society.

For too long now the people of South Africa have suffered from excessive centralist government practices and apartheid oppression. We have a vast population of underfed, under-educated and under-motivated people. The adverse socio-economic conditions of extreme poverty and deprivation impacting on our communities germinate discontent and moves us further from the possibility of reaching a peaceful political settlement. It is clear that a central government cannot cope with the deficiencies inherent in our society.

Centralism widens the divide between the rulers and the ruled. Centralism isolates people from their means and the decision-making processes that affect their daily lives, adding to their feeling of hopelessness and despair.

Over the years the provinces in this country have become increasingly emasculated, as the reign of control from Pretoria has tightened. For decades the provinces have been dictated to with regard to their fiscal budgets and restraints, provision of services and future development. For KwaZulu/Natal in particular this has had a devastating impact on the health care services available. For decades KwaZulu/Natal has been an unwilling victim of apartheid bias in Government spending. '

The enormity of state under-spending in this region was revealed last week by Deloitte and Touche, highly reputable management

consultants who had prepared a report for the KwaZulu/Natal Joint Executive Authority which was tabled at the Durban Regional Chamber of Business.

The report disclosed that health expenditure per person in our region is 77 percent less than in the Cape Province, 24.2 percent less than in the Free State and 12 percent less than the Transvaal. The region receives less than 20 percent of the State's health funds and yet it has 25.9 percent of the country's population. Gross under-funding of KwaZulu/Natal by the central Government has seriously exacerbated an already desperate situation, but instead of steps being taken to address the problem, Natal has recently been included in the national cutback on health services. By March 1993, an as yet undetermined number of beds are to be closed and staff released, resulting in some 500 000 patients being deprived of health services.

More specifically statistics in KwaZulu/Natal reveal that only: 3% per cent of cancer patients can be given treatment and only 10 per cent receive appropriate treatment. The administration is unable to address deficiencies in nursing staff levels, despite the fact that the nurse-bed ratio in KwaZulu/Natal is worse than any other province. Lack of resources allows only three out of every ten patients with kidney failure to be put on an appropriate treatment programme.

The stark reality of KwaZulu/Natal has been blatantly ignored by central government. Our region has continued to be grossly under-funded relative to other regions despite the fact the population here is expected to double in less than 37 years, infant mortality is above average, preventative health services are inadequate, and diseases associated with poor socio-economic conditions are prevalent.

South Africa lacks the federal tradition and possesses a highly centralised State structure. We desperately need to identify mechanisms to open up free and fair government and to enable community empowerment. Federalism is more suited to the provision of regional services on an efficient and cost-effective basis, and it is better designed to increase the autonomy of regions thereby promoting regional development and the supply of services in areas most in need.

My Government's belief in federalism clearly acknowledges that most governmental functions are best exercised at regional level, empowering the regions with the necessary functions to be exercised - in a well-proven framework of co-ordination with the States.

The KwaZulu Government has published a constitution on the premise that federalism alone reconciles the need for bottom-up community participation in development with top-down resource allocation. Federalism is about practical, sensitive, and most importantly, even development. Federalism creates structures which are at once politically accountable and economically sensible. The hallmarks of the centralist past, where difficulties in accessing and affording services and facilities even affected the most privileged White sector in our society, and where economic development programmes increasingly sacrificed regional interests on national altars, are eliminated with federalism.

Federalism is a positive step forward when addressing regional imbalances that exist. Regional redistribution can be used to ensure that the poorer regions are able to render at least a minimum standard of essential services. It is the only form of government which can effectively safeguard the rights of all South Africans by providing checks and balances against the possibility of tyrannical rule by a one party centralist government.

The KwaZulu/Natal State Constitution has allowed for a government which is more answerable and in closer proximity to the people it governs. If power is devolved to the separate federal units,

political actors are able to exercise power over the country so the voice of the people can be heard. Hence, regional interests and needs will be better represented, and at the same time! a greater

emphasis can be placed on the structural inequalities that exist.

The KwaZulu Government demands a democratic solution for the future South Africa where all South Africans have an equal stake in the future of this country, and the interests and needs of all individuals and political groupings benefit from meaningful representation. With a sense of political security imparted to all South Africans, who have a strong regional state government accessible and responsive to them, inroads will be made in creating a spirit of peace and reconciliation in the national context.