

“Transition interrupted”: The links between the stalled health and macro-economic transitions in the Arab Region

The Seventh Annual Meeting of the Deputy Ministers of Finance in the Arab Countries “Online”

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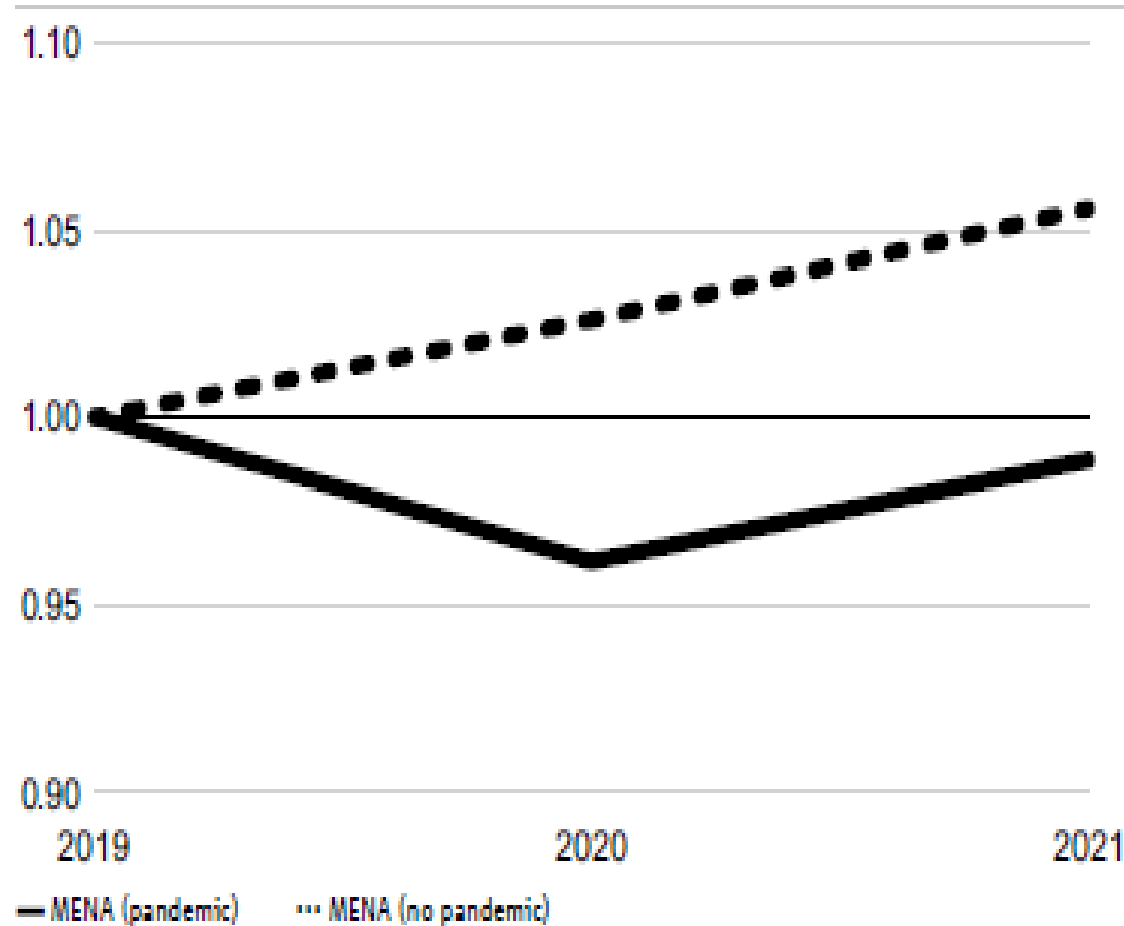


Key messages

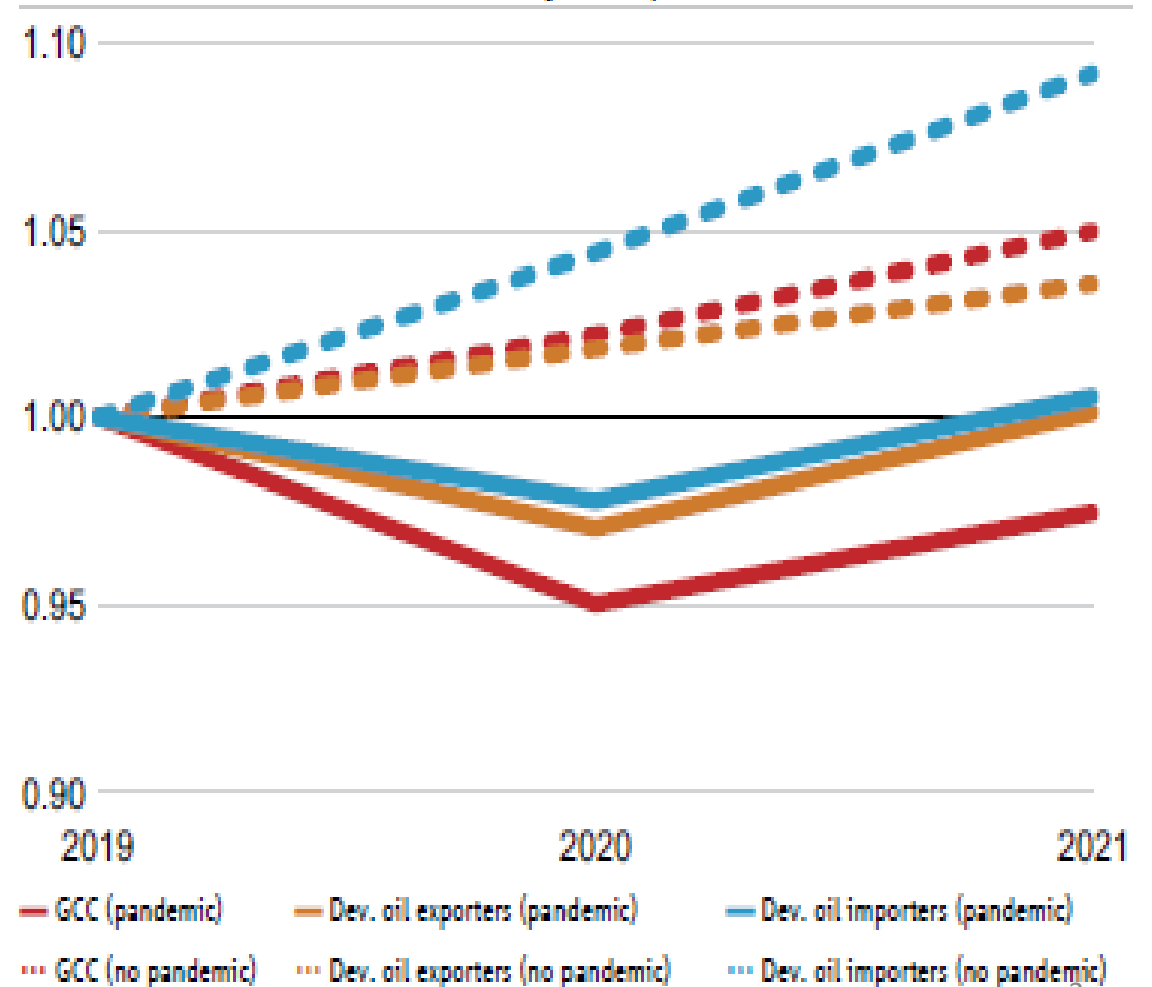
1. Macro outlook: A tenuous and uneven economic recovery in 2021
2. A focus on health systems:
 - a. Long-term socio-economic trends left MENA with over-burdened public health systems
 - b. Ill-prepared and overconfident health systems prior to Covid-19
 - c. Overwhelmed health systems during Covid-19
3. The role of data transparency

A tenuous and uneven economic recovery in 2021

A. GDP Forecast for MENA

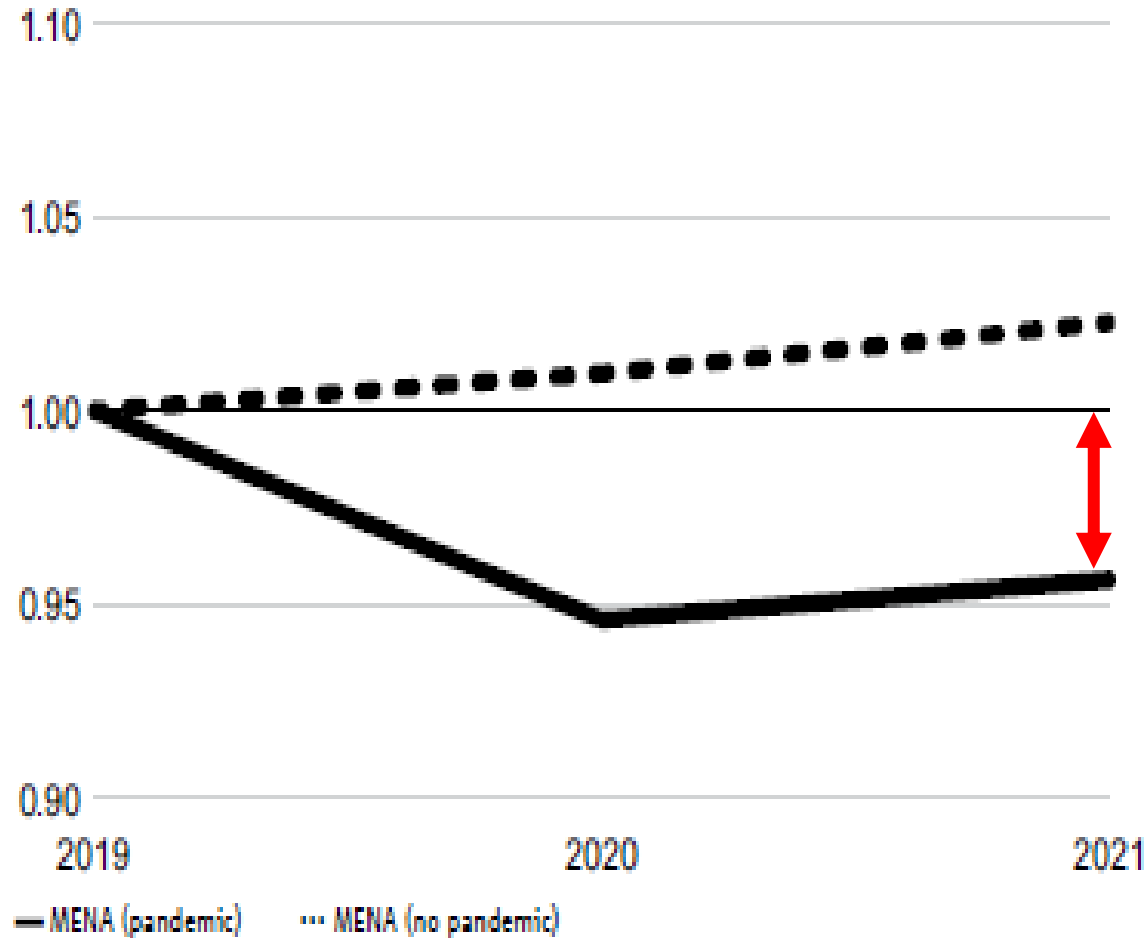


B. GDP Forecast for MENA Country Groups

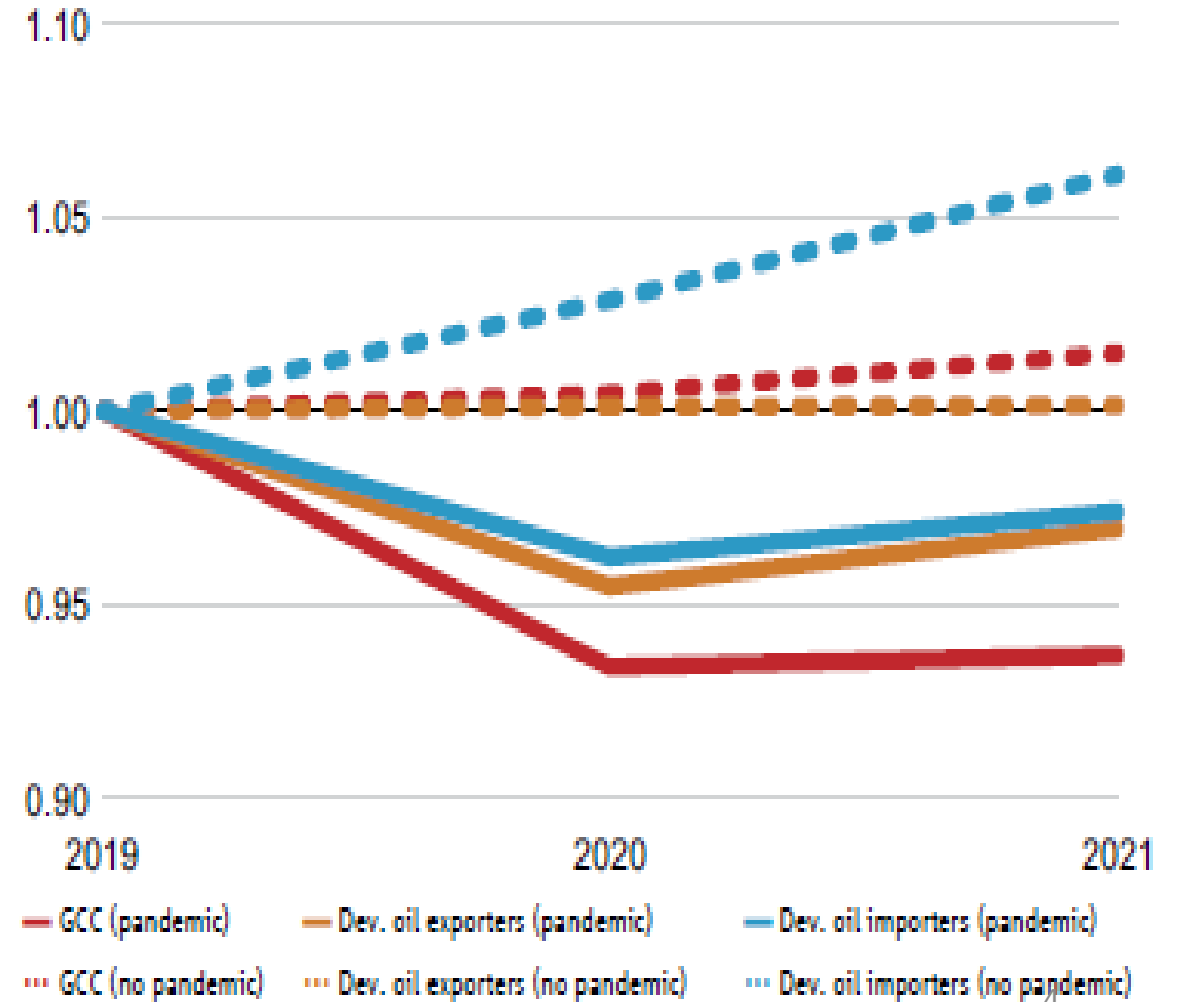


A tenuous and uneven economic recovery in 2021 – take 2

C. GDP per Capita Forecast for MENA

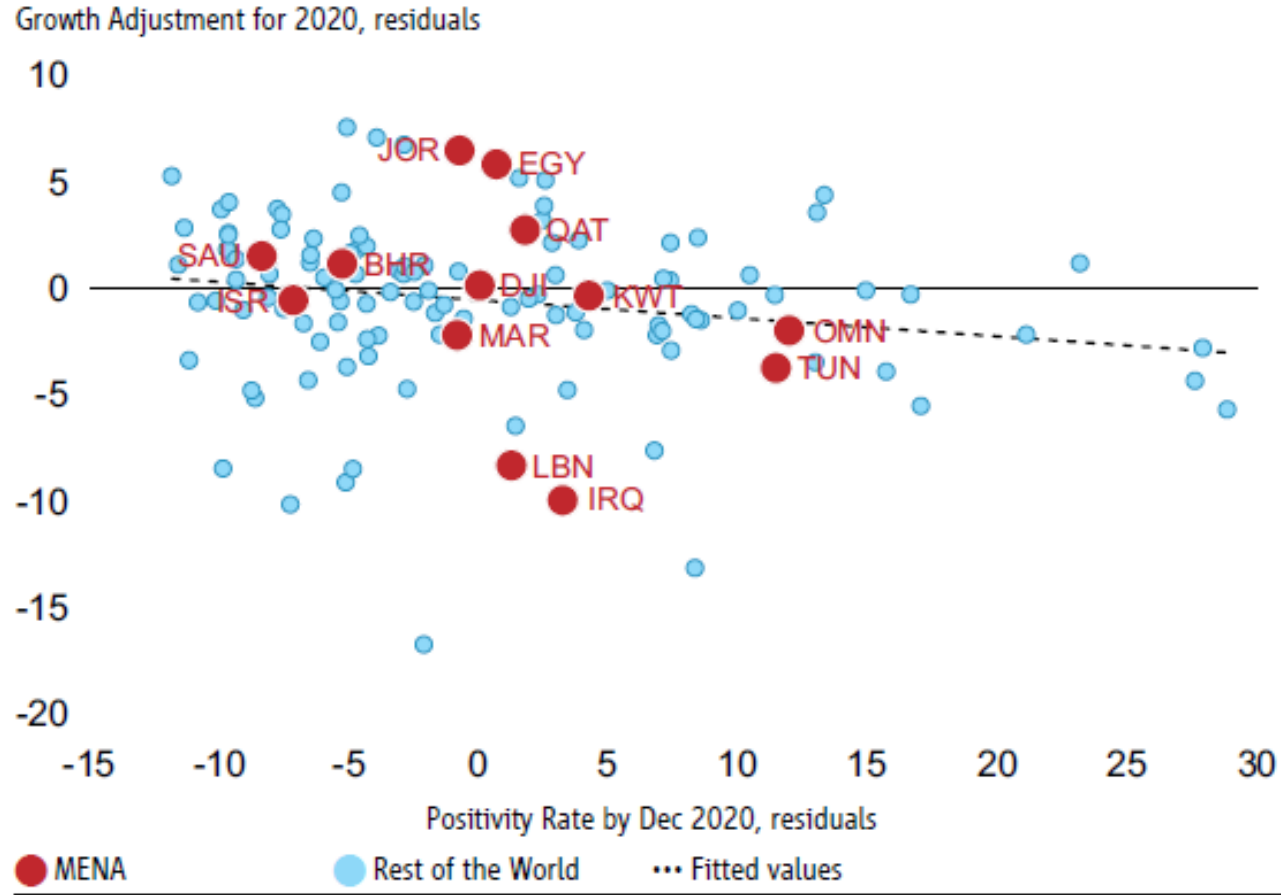


D. GDP per Capita Forecast for MENA Country Groups



Public Health Surveillance Helps Growth

Figure 2.3. Growth Adjustments and Positivity Rate



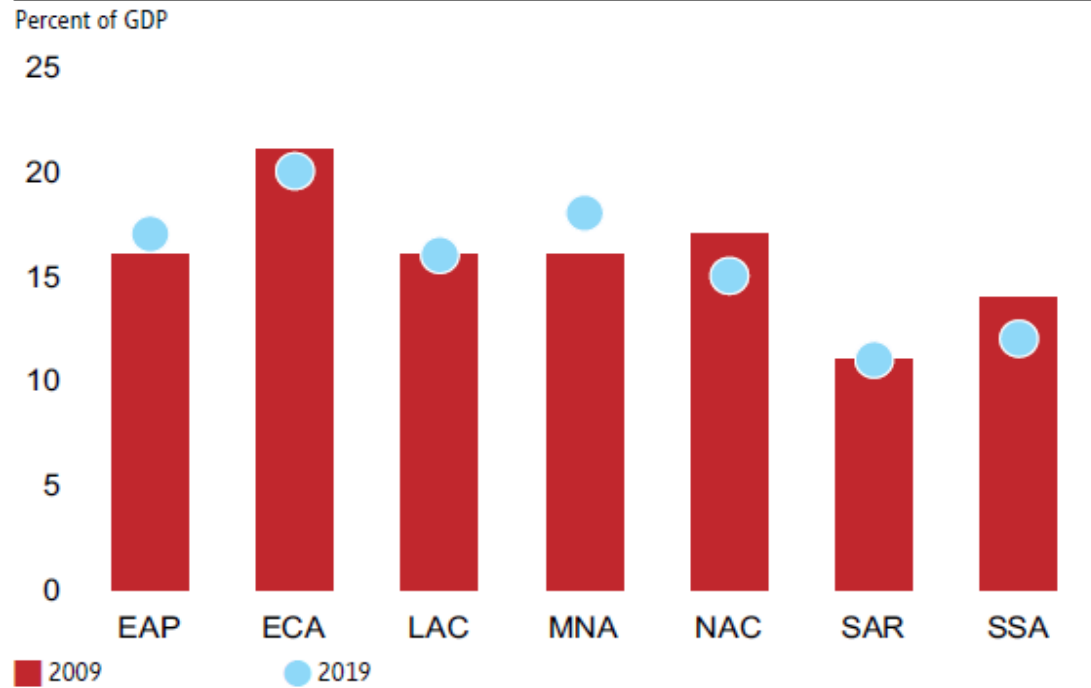
Source: Authors' calculation.

Note: The scatter plot shows the partial correlation between growth adjustment in 2020 and positivity rate,

Fiscal myopia associated with lack of economic reforms

The only region with a substantial increase in government expenditure during 2009-2019

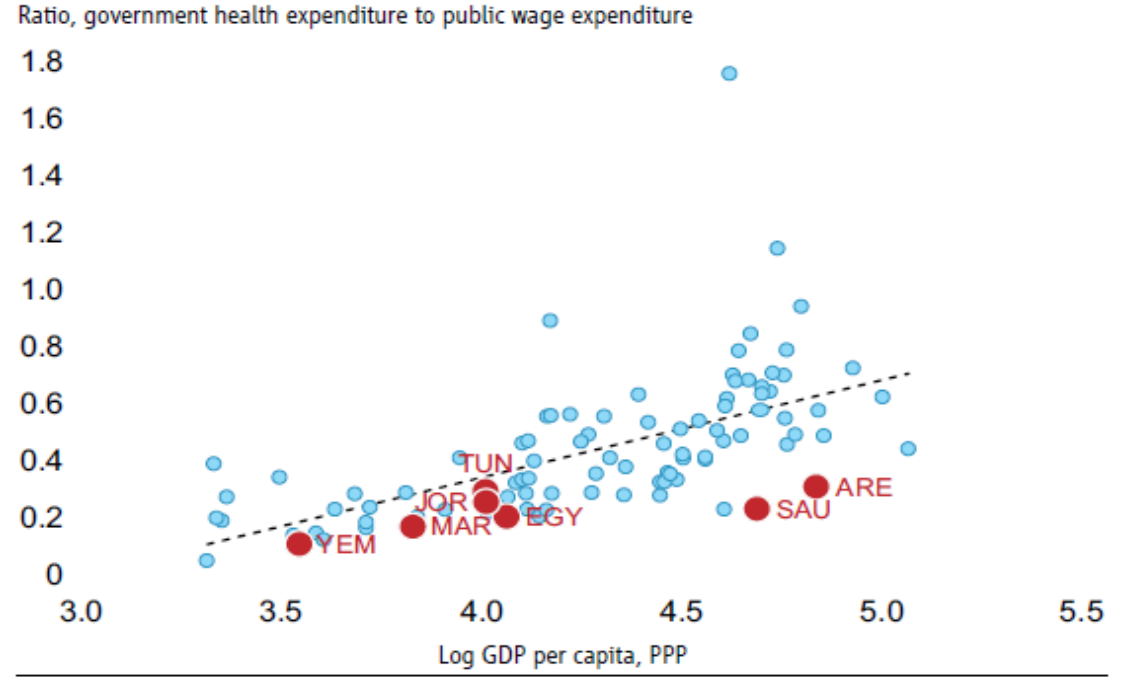
Figure 3.1. Government Expenditure in Total GDP in 2009 and 2019



Source: World Bank, World Development Indicators.
 Note: based on data from 160 countries whose data are available. Data from 2017 and 2018 are used when 2019 data is not available.

Spending on health is overshadowed by a large public sector wage bill

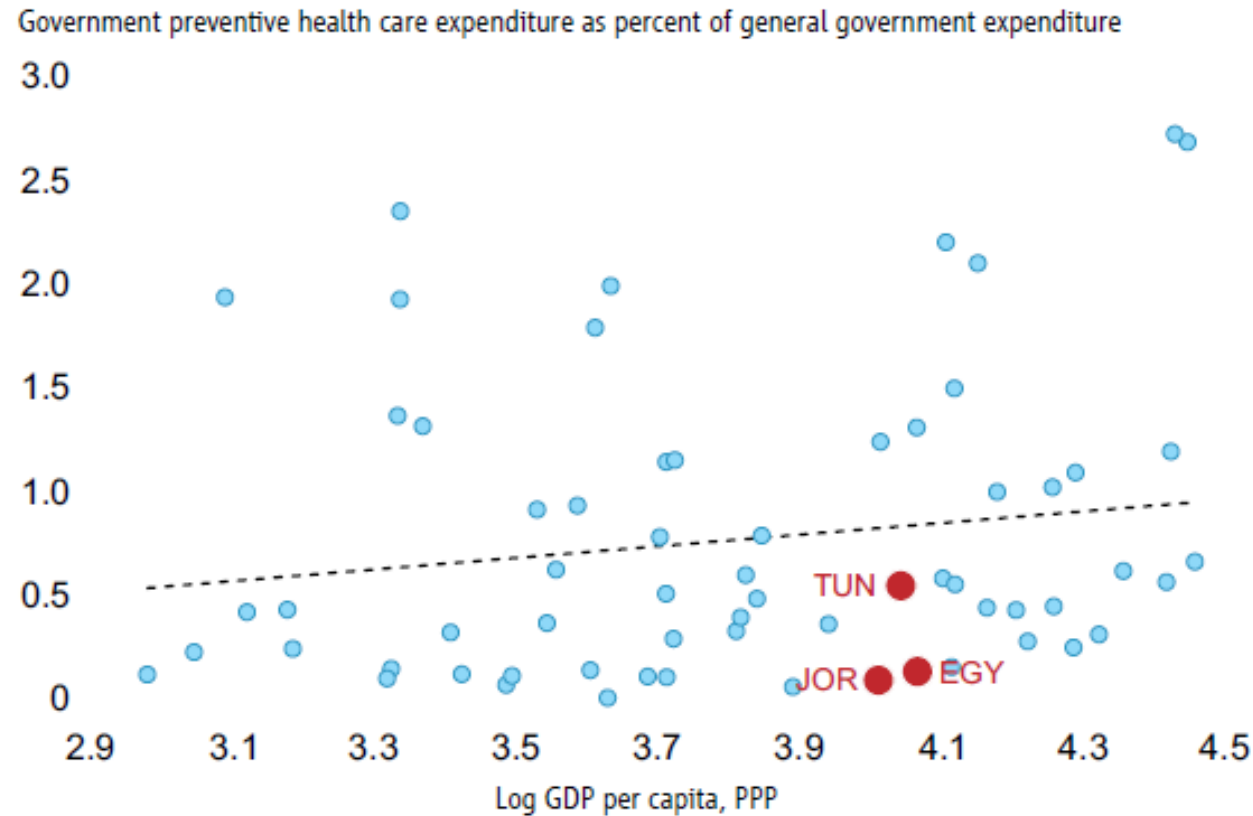
Figure 3.4. Public Health Expenditures over Public Sector Wage Bills versus GDP per Capita, 2018



Sources: World Health Organization, *Global Health Expenditures* database (government health expenditure), International Monetary Fund (GDP, public compensation expenditure), World Bank (PPP), World Bank staff calculations.
 Note: Linear trendline shown. Country data years: 2018 or later (UAE, Saudi Arabia, Jordan), 2015 (Egypt), 2012 (Tunisia, Yemen), 2011 (Morocco).

Under-funded Core Public Health Functions

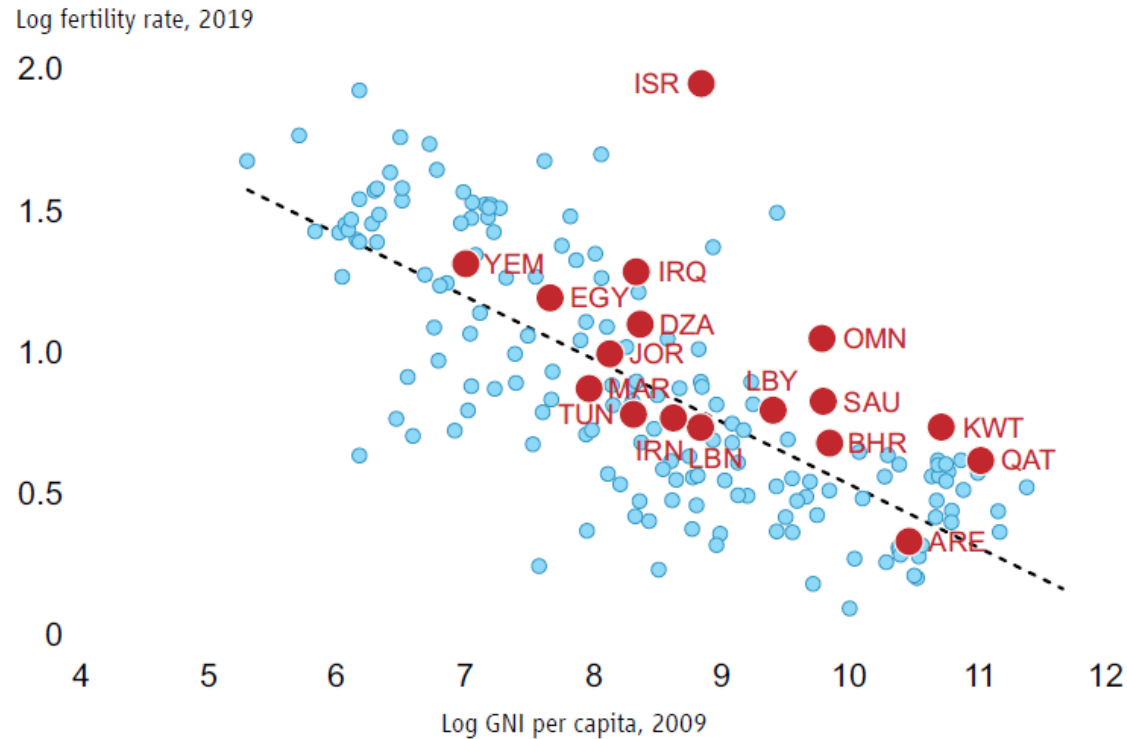
A. Preventive Health in Government Spending vs GDP per Capita



Source: WHO Global Health Expenditure Database (Government Preventive Health Care Expenditure); World Development Indicators (GDP per capita, PPP), World Bank staff calculations. Note: Observations are from 65 countries. Data are as of 2018.

High Fertility Rates in MENA countries vis a vis their comparators

Figure 4.1. Fertility Rates versus Gross National Income per Capita



Sources: United Nations, *World Population Prospects*; World Bank, *World Development Indicators*, World Bank staff calculations.

Note: Linear trendline shown.

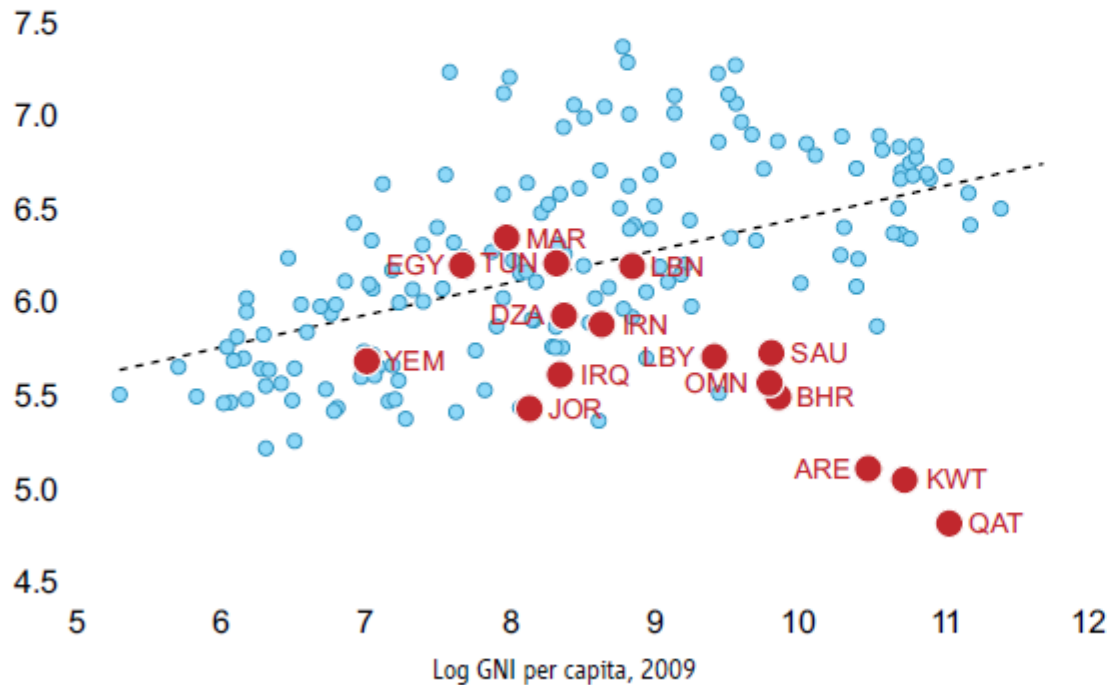
The statistical illusion of a healthy population

Figure 4.4. The Illusion of Healthy Populations when Age Demographics Differ across Countries

Deaths per Capita due to Non-Communicable Diseases

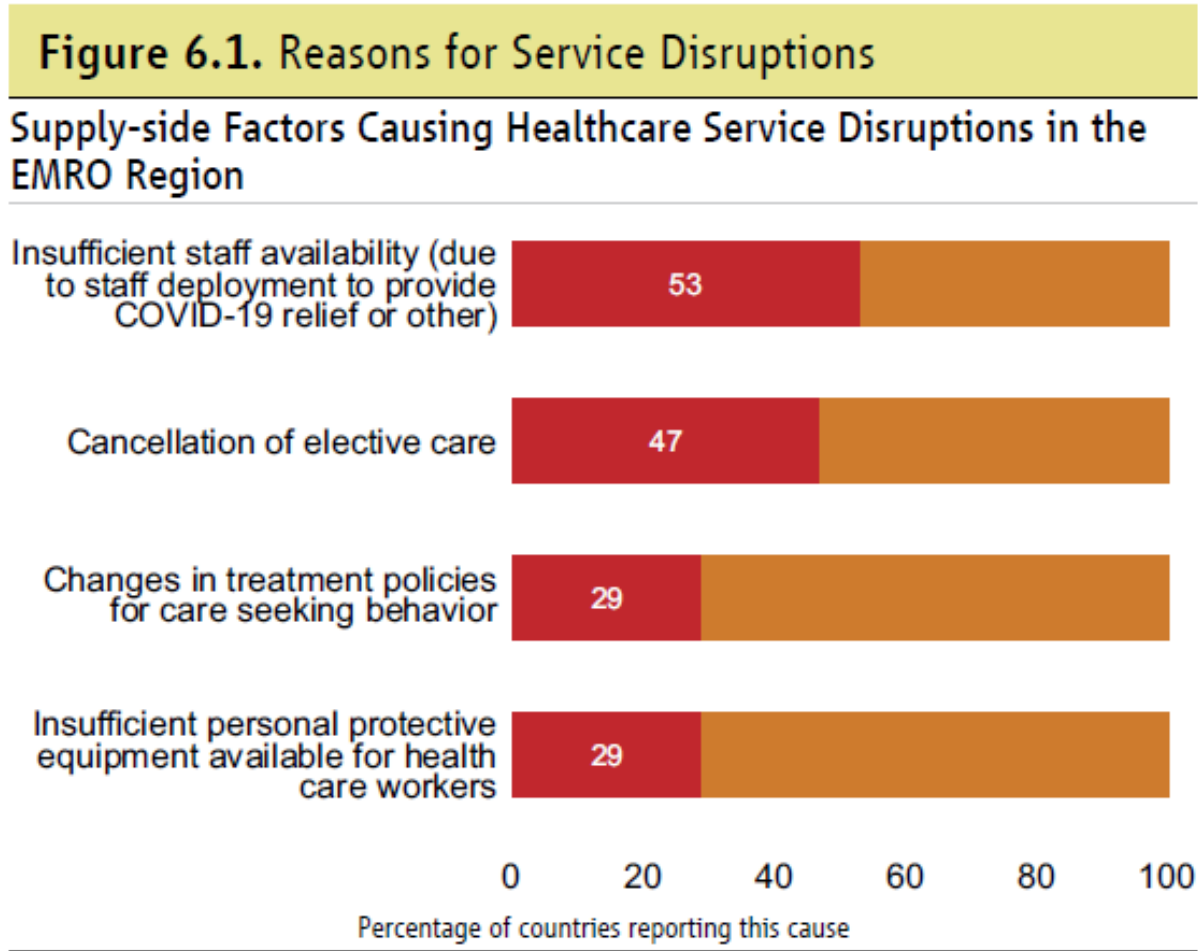
A. Without age adjustment

Log NCD deaths/100k population, 2019



Sources: World Health Organization, *Global Health Observatory*; World Bank, *World Development Indicators*.
 Note: Age adjustment calculations conducted by World Health Organization. Linear trendline shown.

Overwhelmed health system in MENA during Covid-19



Source: World Health Organization Pulse Surveys, 2021.

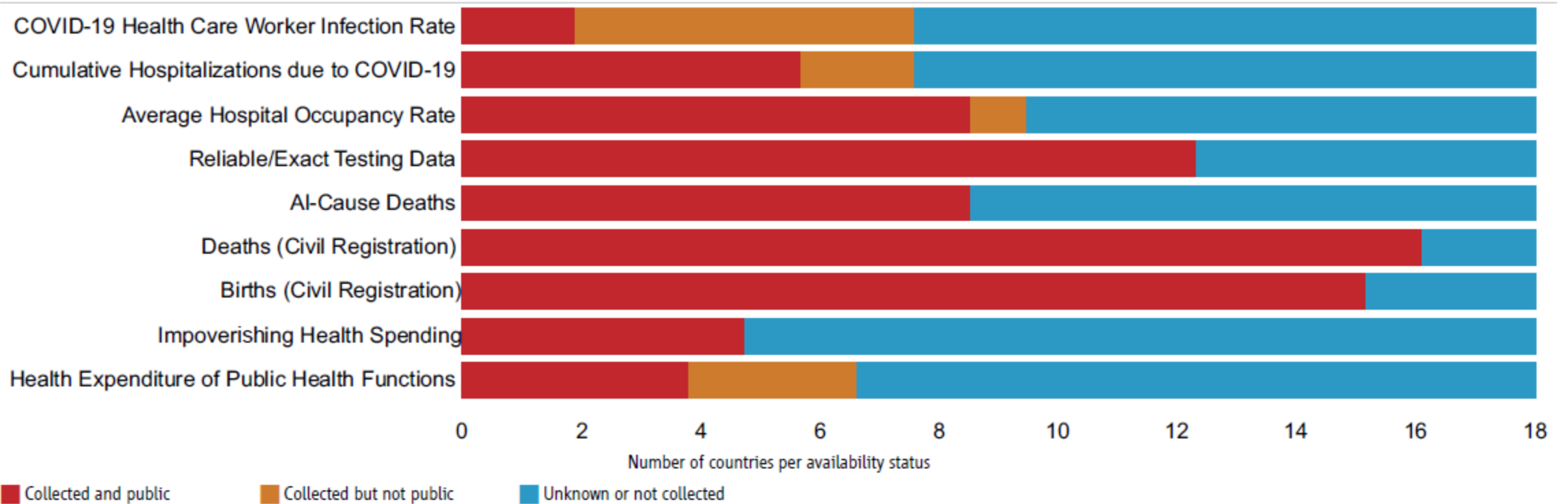
Ill-prepared and overconfident health systems prior to Covid-19

Table 5.1. Overconfident MENA: Public Health System Preparedness versus Self-Assessments

A. Externally Assessed Preparedness Relative to Benchmarks				
Country	Surveillance capabilities	Information sharing	Health system capacity	Regular planning & readiness exercises
QAT	-1.47	-2.02	-0.66	-2.47
UAE	-2.20	-1.36	-0.44	-0.94
KWT	-0.39	0.15	-0.48	-1.19
SAU	0.56	0.04	0.67	-0.80
BHR	-0.34	-1.08	-1.13	-1.83
OMN	-1.32	-0.39	0.27	-0.58
LBY	-1.26	-0.08	-0.23	-1.40
LBN	-0.30	0.56	1.15	-0.70
IRN	0.93	-0.60	0.66	-1.32
EGY	-1.15	-0.07	-0.25	0.69
DZA	-0.86	-1.14	-0.91	-1.66
TUN	-1.08	-0.74	-0.25	-1.64
IRQ	-0.91	0.41	-1.24	-1.63
JOR	1.42	-0.10	0.56	1.26
MAR	0.79	1.34	1.24	-1.12
DJI	-0.87	-0.62	-1.08	-1.37

Public Health Data in MENA Are Lacking

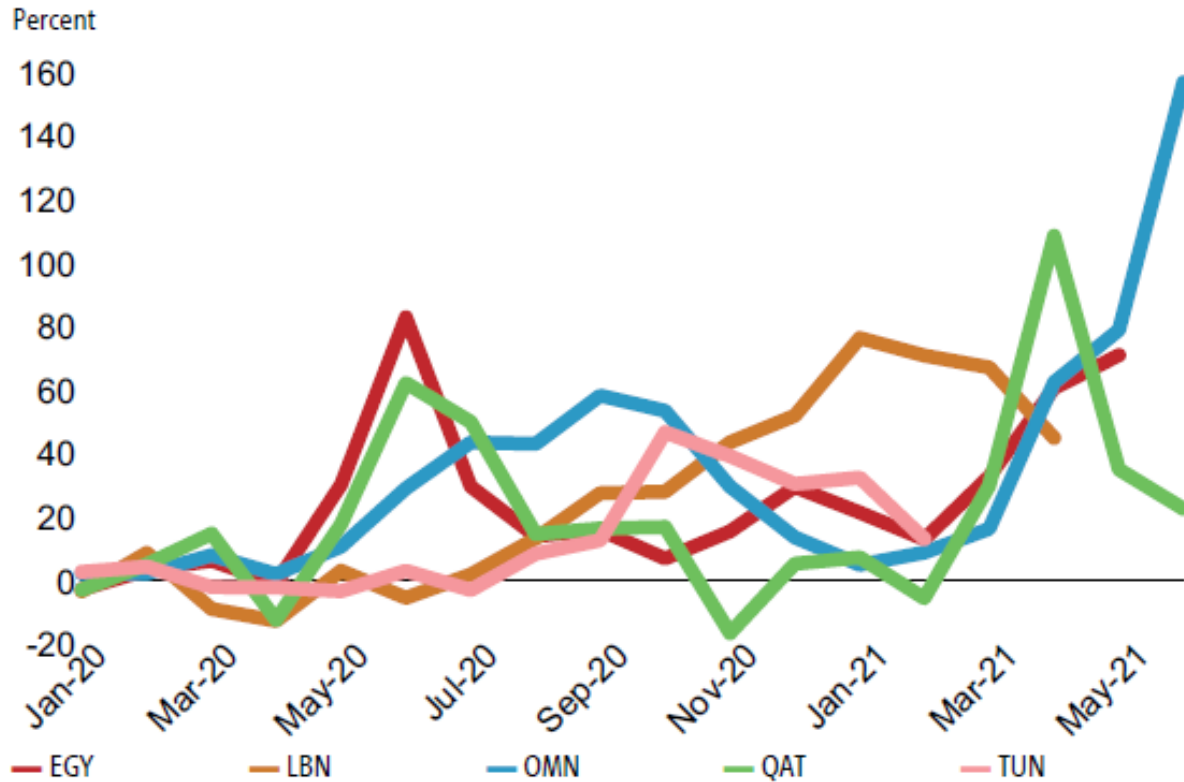
B. Availability across Countries for Each Indicator



Note: The fields in Panel B are key to a better understanding of the spread, severity and impact of Covid-19 in countries and can be used to conduct comparisons. This assessment aims to determine the status of collection and public availability of these fields per country in the MENA region. Data is either collected and publicly available, collected and not publicly available, or not collected/collection status. Panel A lists the availability/status of nine fields for each country. Panel B lists the availability status for each field by country.

Overwhelmed health system in MENA during Covid-19

Figure 6.2. Excess Mortality P-score



Source: Our World In Data.

Note: The lines capture excess mortality P-score, which calculates the *percentage difference* between the number of deaths in 2020–2021 and the average number of deaths in the same period—week or month—over the years 2015–2019.

Country	Undercount Ratio	Data until
Egypt	13.1	30-Nov-20
Iran	2.4	21-Sep-20
Lebanon	1.2	30-Apr-21
Oman	0.9	31-May-21
Qatar	1.4	30-Apr-21
Tunisia	0.6	14-Feb-21

Source: Karlinsky and Kobak, 2021

In Summary

- MENA countries were **overconfident about preparedness of their public health systems** – (relative to peers and objective assessments)
 - Data and Information systems weak, and underutilized.
- **Three long-term trends undermined growth & made MENA ill-prepared for health system shocks**
 - **Economic** → Large public sectors, crowding out of investments in social services, fiscal myopia.
 - **Demographic** → High fertility rates (still) and dependency ratios (young+old)
 - **Epidemiological** → High incidence of communicable and noncommunicable diseases, unlike income peers
- **Covid as stress test**
 - **Unmasked the weaknesses and ill-preparedness**
 - **Illustrated the relevance/benefits of data systems**, as supported by the research
- **Policy implications:** Improved availability/use of data → Facilitate appropriate planning & preparedness for regular/emergency health care.

Appendix: Forecast Table

	Real GDP Growth				Real GDP per capita Growth				Current Account Balance				Fiscal Balance			
	<i>percent</i>				<i>percent</i>				<i>percent of GDP</i>				<i>percent of GDP</i>			
	2019	2020e	2021f	2022f	2019	2020e	2021f	2022f	2019	2020e	2021f	2022f	2019	2020e	2021f	2022f
MENA	0.4	-3.8	2.8	4.2	-1.3	-5.4	1.1	3.2	2.5	-1.5	2.0	2.5	-4.3	-9.9	-5.2	-3.3
Middle-Income MENA	-0.4	-2.7	3.0	3.6	-2.0	-4.2	1.4	2.1	-2.6	-4.5	-2.2	-1.4	-5.3	-8.0	-5.6	-5.1
Oil Exporters	-0.3	-4.2	2.8	4.2	-2.0	-5.8	1.0	2.4	4.6	-0.9	4.0	4.6	-3.6	-10.6	-4.7	-2.3
GCC	1.1	-5.0	2.6	4.7	-0.9	-6.6	0.3	2.4	6.5	0.9	5.1	5.7	-3.4	-11.4	-4.9	-1.9
Qatar	0.8	-3.7	3.0	4.8	-1.0	-5.3	1.3	3.1	2.4	-2.5	3.1	4.0	1.0	-3.6	-0.9	3.0
United Arab Emirates	3.4	-6.1	2.7	4.6	1.9	-7.3	1.7	3.6	8.5	6.0	6.5	7.7	-1.0	-7.1	-1.3	-1.0
Kuwait	-0.6	-8.9	2.0	5.3	-2.2	-10.2	0.7	4.1	24.4	20.8	12.2	13.3	-9.5	-33.2	-24.4	-10.3
Saudi Arabia	0.3	-4.1	2.4	4.9	-1.3	-5.6	0.9	3.4	4.7	-2.3	4.8	5.0	-4.2	-11.1	-3.8	-2.2
Bahrain	2.1	-5.1	3.5	3.2	-2.4	-8.5	0.8	1.1	-2.4	-9.6	-4.2	-3.7	-9.0	-17.6	-8.4	-7.5
Oman	-0.8	-2.8	3.0	3.4	-3.7	-5.3	0.7	1.4	-5.5	-13.6	-5.0	-1.1	-6.1	-18.6	-2.8	1.8
Developing Oil Exporters	-2.5	-3.0	3.2	3.3	-4.1	-4.5	1.6	1.7	0.0	-5.7	0.9	1.6	-4.1	-8.3	-3.9	-3.3
Iran, Islamic Rep.	-6.8	3.4	3.1	2.4	-8.0	2.1	1.8	1.2	1.5	-0.3	1.4	1.5	-5.0	-6.9	-7.3	-6.9
Algeria	0.8	-4.9	3.9	1.8	-1.1	-6.6	2.2	0.2	-9.9	-12.3	-3.8	-2.7	-9.6	-11.7	-5.3	-5.5
Iraq	5.2	-15.7	2.6	7.3	2.9	-17.6	0.2	4.8	6.1	-6.3	4.4	5.5	1.4	-7.0	1.4	3.7
Developing Oil Importers	3.3	-2.2	2.8	4.3	1.7	-3.8	1.2	1.5	-5.4	-3.5	-4.9	-4.4	-6.7	-7.6	-7.1	-6.8
Lebanon	-6.7	-21.4	-10.5	..	-6.8	-21.0	-9.8	..	-21.2	-6.9	-10.1	..	-10.5	-3.3	-3.0	..
Egypt, Arab Rep.	5.6	3.6	3.3	5.0	3.5	1.6	1.4	3.1	-3.6	-3.1	-4.1	-3.8	-8.1	-8.0	-7.5	-7.2
Tunisia	1.5	-9.2	2.9	3.5	0.3	-10.1	1.9	2.6	-7.9	-6.0	-6.1	-7.5	-2.9	-9.4	-7.6	-5.7
Jordan	2.0	-1.6	1.9	2.2	0.6	-2.5	1.2	1.9	-2.1	-8.0	-11.3	-8.0	-4.9	-7.3	-5.8	-5.0
Morocco	2.6	-6.3	5.3	3.2	1.6	-7.4	4.0	2.0	-3.7	-1.5	-3.7	-3.5	-4.1	-7.6	-6.7	-6.6
West Bank and Gaza	1.4	-11.5	2.9	3.3	-1.2	-13.6	0.4	0.8	-10.4	-6.9	-7.5	-7.8	-4.7	-7.4	-7.5	-7.4
Djibouti	7.8	0.5	5.1	5.6	6.1	-1.0	3.6	4.1	28.9	11.6	-1.0	-0.5	-0.3	-1.7	-1.6	-1.3
Memorandum																
Libya	2.5	-31.3	66.7	..	1.0	-32.2	64.6	..	11.6	-46.4	-6.2	..	1.7	-64.4	18 -9.0	..