Think Piece

The Need for Transformation to a Post-Growth Health and Economic System

> *A clear vision for a wellbeing economy within planetary boundaries that considers international solidarity and social justice will have to guide the development of future health systems.*

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The German, and most European health systems are part of an economic system that lacks intrinsic sustainability outcomes, with respect to society, health or ecology. The German health care sector is responsible for 5.2% of the national greenhouse gas emissions.[1] 51 out of 1,000 patients with diabetes are hospitalised, and this is one of the highest European admission rates for a condition that can be avoided by proper preventive measures in ambulatory care.[2] Since 2013, the share of foreign nurses in the German nursing workforce has increased from 5.8% to 11%, and can arguable be regarded as a form of braindrain from the Global South.[3] These examples are interrelated, as will be clarified in this think piece by Dr. Remco van de Pas.

Germany has an ageing population, often affected by multiple morbidities and specific health needs, factors leading to skyrocketing future demand on its health services. These problems are amplified by a health system that is on the one hand historically anchored in the principles of solidarity and subsidiarity, but on the other hand driven by economic interests and expansionary growth. It leads intrinsically to negative side-effects such as environmental pollution, inequality of access, low quality care and overconsumption of medical care – all being preventable to some extent and currently not sufficiently addressed.

The unsustainable economics of the German health system

The German health system is financed via a social health insurance model, one of the oldest and most solid modern health financing models in the world. The contributions, fiscal transfers and functions are based on an economic expansionary logic. An example of this economisation has been the strategic purchasing of hospital services and introduction of the DRG (Diagnosis Related Groups)-System about 20 years ago.[4] The robustness of this health finance model is also its Achilles heel. The system functions, and even has short-term benefits, as long as economic growth (reflected in increase of Gross Domestic Product [GDP]) and overall employment is ensured. In times of economic recession, socio-political instability or health emergencies (e.g. the Covid-19 pandemic), there need to be considerable public financial buffers, constituting a bail-out, to maintain the system. The response to the Covid-19 pandemic shows that this is possible in a high-income country like Germany, but such system shocks should not become contracted or permanent (like e.g. the impact of climate change) as this endangers the economic basis of its financing.

1 Uneconomic growth

"Uneconomic growth [...] occurs when increases in production come at the expense of resources and well-being that is worth more than the items made."

The economic incentives in the health system, whereby private investment, medical entrepreneurialism and expansion is rewarded, lead to adverse effects. These include a focus on medical treatment triggered by overdiagnosis of disease and a lack for health and social care policies focusing on prevention and health promotion. There is a tendency to medicalise conditions of ill health, which directs the public financing away from core public health functions of disease prevention and health promotion.[5] Due to a relative lack of public financial resources, enough competent staff and basic infrastructure health systems become less able over time to provide qualitative medical and primary health care, public health protection and the promotion of health and wellbeing.[6]

This phenomenon is known as 'uneconomic growth', it occurs when increases in production come at the expense of resources and well-being that is worth more than the items made.[7] In health care this becomes visible as the social and environmental costs of expansion of the health system actually outweigh its benefits.[8] Global evidence indicates that this uneconomic growth in health care expansion is characterised threefold:

1. The scale of avoidable iatrogenic harm caused by modern health care is considerable, thereby risking patient safety. Estimates across fourteen high income countries ranged from 2.9% to 16.6% of all hospital admissions incurring an adverse event.[8]

2. There is growing evidence on overconsumption in health care. Studies indicate that some 10–30% of all health care activity in middle- and high-income countries might represent overuse, which is a combination of overtreatment, overdiagnosis, low-value care and pharmaceuticalisation.[8]

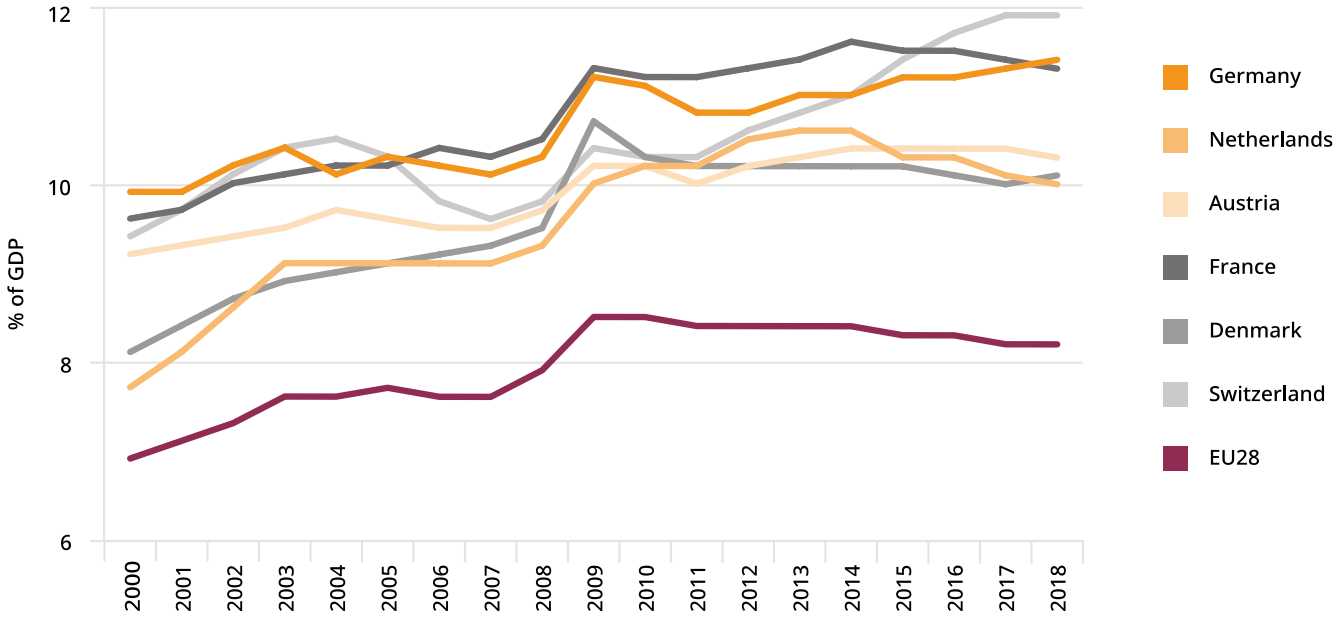
3. The environmental impacts of health systems uneconomic growth are considerable. Globally, up to 4–6% of greenhouse emissions can be attributed to health care systems and its production and consumption of medical products.[8] In addition, residues of pharmaceuticals (e.g. antibiotics), other toxic waste products and plastics are released into the environment.

This all might create a feedback loop whereby preventable health harms could lead to an 'erroneous demand' for health care whereby unnecessary and low-quality care lead to further health risks for patients.[8]

Does more expenditure lead to better health?

The tendency of the health system to grow and expand is visible in the health expenditure figures. Germany spent € 390.6 billion on health in 2018, which corresponds to 11.7% of GDP.[9] As a result of the substantial spending during the Covid-19 pandemic and the widespread economic downturn, health spending as a share of GDP jumped to 9.7% across OECD countries in 2020, up from 8.8% in 2019.[10] Germany is therefore among the European countries with the highest health expenditure (figure 1). The proportional increase in health expenditure over the last 20 years (in most western European countries) has been higher than GDP growth.[9] This raises the question whether this growth in expenditure corresponds to better health outcomes? The answer is largely negative as evidenced by several public health indicators, such as avoidable hospital admissions or amenable mortality, reflecting premature deaths that should not occur in the presence of timely and effective health care.[9]

Fig 1. Trends in current health expenditure as a share (%) of GDP in Germany and selected countries, 2000-2018 .



Own illustration according to: M. Spranger, et al. (2020). Germany: Health system review. European Observatory on Health Systems and Policies.[9]

2 Post-growth economic alternatives

"Degrowth calls for the reversal of the processes that lie behind growth: it calls for disaccumulation, decommodification, and decolonisation."

The paradigm of economic growth is usually realised by increasing GDP, basically a measurement of production and consumption of goods in a given country.[11] According to the World Health Organization (WHO), GDP indicators are a widely used but inappropriate measure for health and wellbeing outcomes.[11] It is an inappropriate measurement tool for economic activities as well, as it largely detaches these from their environmental, social and health costs (also known as economic externalities) and more intangible, nevertheless relevant values, such as workplace satisfaction.[11] A societal debate to counterbalance this trend is needed around these questions:

1. How can health and well-being be promoted while not overshooting the Earth's ecological limits?

2. What medical care, public health systems, social and care services should be prioritized and what services should be stopped?

These questions include considerations around access, quality and financing, which are legal principles for Germany's social health insurance.[12] It prompts further analysis around what a climate-neutral and shock resilient health system based on a steady-state economic model such as the 'Doughnut Economy' could look like.

Post-growth economic pathways, which may build on Doughnut Economics or Degrowth concepts, are not only about reducing GDP per se, but rather about the essential need to reduce energy and material throughput.[13] While reducing throughput is likely to lead to a decline in GDP itself, post-growth policies are also concerned with restructuring societies to secure people's livelihoods in a democratic way despite a reduction in aggregate economic activity.[13] Hickel clarifies that 'growth' has become a kind of propaganda term and discourse. It sounds natural and positive. In reality, economic growth has historically been mostly a process of elite accumulation, the commodification of commons, and the appropriation of human labour and natural resources – a process that has been quite often colonial in character.[14] This process, which is generally destructive to human communities and to ecology, is glossed as growth. As such, Degrowth calls for the reversal of the processes that lie behind growth: it calls for disaccumulation, decommodification, and decolonisation.[14]

If human and environmental health is to be safeguarded today, and in the future, we cannot afford to continue to use the same extractive economic model that brought societies to these globally interrelated social and ecological crises in the first place. If we want to transition towards planetary health objectives, we require a radically different approach to organising our economies and societies, including their health systems. In essence, this would include reducing energy and resource use in high-income countries, while moving in the direction of an economy based on the satisfaction of human needs. This also implies taking shared responsibility for those essential needs that are not fulfilled in lower-income countries. This has become imperative to promote what is often termed a 'just transition' and is in essence a form of international solidarity. It will require a fundamental political-economic transformation to remove structural and institutional economic growth dependencies.

Box 1. Key concepts

Planetary health refers to the 'achievement of the highest attainable standard of health, wellbeing, and equity worldwide through judicious attention to the human systems – political, economic, and social – that shape the future of humanity and the Earth's natural systems that define the safe environmental limits within which humanity can flourish.'[18]

Doughnut economics is a visual framework for a wellbeing economy – shaped like a doughnut or lifebelt – combining the concept of planetary boundaries with the complementary requirement of social foundations.[19]

Concrete post-growth policy changes that are proposed to achieve the necessary downshifting of consumption and production include: stringent carbon taxes; wealth and income redistribution through domestic and international taxation; regulations for maximum and minimum income; a guarantee for a universal basic income and universal basic services.[15,16,17] These policies would likely lead to considerable health co-benefits.

Strategic foresight for health system transformation

A transformation of the health system would require us to have a value-based forward-looking perspective and ask what kind of health systems we would require in 25 years from now that respect the ecological limits and maintain basic social services. What kind of developments are likely to impact health systems' dynamics and its components? Such a mission-oriented outlook will help us to define a vision for how a health system could transform. From there we can trace the pathways backwards to the present and identify processes, actors and political choices needed to attain such a transformative vision. To inform this vision, the 'Konzeptwerk Neue Ökonomie' has identified the following post-growth basic values and principles for how a society, including its health system and economy, could function in 2048: through needs-orientation, democracy, flexibility, self-determination and autonomy, human security, solidarity, diversity and common provision for a shared destiny.[20]

Regardless of the vision of what the German health system could look like in 2048, it is likely to be impacted by the following post-growth economic developments and trends[21]:

1. Most probably, material resources and energy for medical procedures, technologies, pharmaceuticals, and infrastructure will be less available.
2. Due to resource limits, it is likely that there will be less societal and technical complexity overall. This might translate in healthcare systems also becoming less complex, e.g. a tendency to organise smaller scale, networked, primary health care centres instead of large hospital institutions.
3. A return to more place-bound ways of living as transport costs rise and local production increases.
4. Depending on location and contextual needs, there is less space for future growth of healthcare.

Such developments raise many questions on how to finance and transform the health system into a dynamic model with robust components whereby more integrated primary health care services and personnel becomes available that address people's medical, social and care needs.[22] These less complex ambulatory services could lead to lower environmental harms and enable the health sector to attain the goal of net zero greenhouse gas emissions faster. The commission for a modern and needs-ba-

Box 2. Definitions of economic models for decoupling growth from environmental harm[21]

Green growth: The increase in economic output lowers total environmental footprint through continuous improvements in efficiency.

Wellbeing economy: Provides capacity to create a virtuous circle in which citizens' well-being drives economic prosperity, stability and resilience. It envisions a growth model that is equitable and sustainable from the outset.

Steady-state economy (e.g. Doughnut Economy): Does not pursue economic growth (either positive or negative) as a goal but rather aims to maximise human wellbeing within a carefully determined and sustainable level of consumption and production of natural resources.

Degrowth: Active contraction in overall economic activity to a material scale and footprint consistent with remaining inside planetary boundaries. Degrowth may be voluntary (deliberate contraction) or involuntary (resulting from shocks and crises).

sed hospital care recently published recommendations for legally enabling hospitals to replace more inpatient treatments with outpatient services in day-clinics in light of staff shortages and the strained financial situation of the sector.[23] This would also be a first step towards a less resource-intensive healthcare system. Moreover, the curative and biomedical orientation of the health system should proportionally, but not completely, concede space to other forms of health care. Incentives need to be developed to channel investments into health promotion, protection of the living environment, sustainable nutrition, social care and decent employment, as well as rehabilitation and health recovery programs following a period of chronic illness (such as Long-Covid).

3 The way forward: a care-centred post-growth transformation

"As such, care commoning practices are prefiguring a socioecological transformation that moves us beyond growthism"

The path forward does not only include transforming the formal health system. In our endeavour to build economies and societies based on caring relations, wellbeing and equity, the post-growth movement can draw a lot from feminist thinking around the concept of care in a holistic manner. It may refer to our individual and common ability to provide the conditions that allow the vast majority of people and living creatures to thrive – along with the planet itself.[24] The focus on care shifts post-growth pathways away from being a 'negative' project of reducing and sacrificing production and consumption levels into a transformational project that is life-affirming by allowing for human and environmental well-being to flourish.[25]

This care-centred post-growth transformation requires the recognition and strengthening of endeavours that already exist in the characteristics of today's growth-focused societies, most notably in what can be called the 'Commons'. In a common, a community collectively cares for a shared resource or amenity with limited interference from the market or state. In commons, citizens participate and have control over the management of the resources or facilities, such as energy, food and shelter, but also healthcare, internet and knowledge. These acts of self-organisation centred around care is what can be called 'care commoning'. Re-centering our economy around reciprocal caring practices means moving it away from transactional ones. A system that stimulates citizens to feel a sense of responsibility for maintaining the reproductive wealth of their local community is radically different from a system that promotes individuality and material productivity. As such, care commoning practices are prefiguring a socioecological transformation that moves us beyond growthism.[25]

Political and economic choices informed by a planetary health vision should hence be geared towards putting

Box 3. Examples of post-growth health services and care commons

The Poliklinik Syndicate is an association of projects that have set themselves the task of building and operating solidarity-based health centres. In this way it wants to counteract health inequality and advocate for a just and solidary society. The GesundheitsKollektiv Berlin and Poliklinik Veddel Hamburg are groups within the syndicate.[26]

Commoning Care & Collective Power is an example about childcare commons and the micropolitics of municipal democratisation in Barcelona. It as a story of how mothers' networks, commons nurseries, powerful webs and infrastructures of mutual care in the neighbourhood of Poble Sec have developed.[27]

care centre stage. Practically, it should be about decoupling people's livelihoods from waged, often extractive, work in an equitable manner through, for example, establishing a shortened work week or a care income. This is especially relevant for the German health system, since its financing is closely linked to employment. In addition, if the health sector is to further this transformation, the education and training of medical and health professions needs to be redirected to address the ecological, social and political determinants of health.

The Limits to growth and beyond

50 years after the launch of the Limits to Growth report of the Club of Rome[29], time is not on our side - nor are growth-defending political and corporate interests that continue to manifest themselves as deeply entrenched within health systems. A care-centred post-growth transformation of the German and other European health systems as part of a larger-scale economic transformation would allow us to overcome the deadly social and ecological impasse we find ourselves in. A clear vision for a wellbeing economy within planetary boundaries that considers international solidarity and social justice will have to guide the development of future health systems. We should resist the old saying that 'there is no alternative' to economic growth and the pushback that a post-growth transformation of health systems will not be politically realistic. Please do hold on to the hopeful insistence that 'Another world is not only possible, she is on her way. On a quiet day, I can hear her breathing.'[30]

Open questions

To advance the discussion and transition to a care-based and post-growth health system the following questions could be further explored:

1. **Uneconomic growth in health care:** What are the features of uneconomic growth in the German health sector and to what extent is it a problem?
2. **Health system priorities and limits:** What are the consequences of a health system that is doing enough according to the public needs instead of doing everything that is possible?
3. **A vision for the health system in 2048:** What would be the values and principles of a future vision for German health system? How can we design and foster strategic foresight within an inclusive dialogue for the health system in 2048? On this path, what are the enablers and barriers for the transition to a care-centred post-growth health system?
4. **Health system potential:** Are there existing examples of integrated, post-growth approaches in the German health system and in other countries? What kind of lessons do they provide and what kind of potential for scaling-up can be identified?
5. **Networked transformation:** To what extent are health system actors connected with post-growth developments, thinking and actors outside the health sector? Where is the political, professional and societal space for a post-growth 'great transformation'?[28]

About the Author

Dr. Remco van de Pas is a Senior Research Associate at the Centre for Planetary Health Policy (CPHP). His work focuses on planetary and global health governance, its political economy and foreign policy with special attention on health system strengthening, health finance and workforce employment, care economies, the socio-ecological determinants of health, public health functions, globalisation and its impact on equity.

This is the first part of a series of think pieces that introduce new topics and raise questions on how to shape policy-making in order to ensure the health system stays within planetary boundaries . They are intended to serve as thought-provoking impulses to trigger deep thinking and reflection. Our think pieces reflect the research, work and opinion of the authors and went through a three-step internal review process.

Further reading

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