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**THE GLOBAL ECONOMIC CRISIS' IMPACT  
ON THE HEALTH SECTOR IN SERBIA**

**Eva Eraković\***

**Ivana Ilić\***

**Marija Milojić\***

***Abstract:** Subject of this research paper is the impact of the Global Economic Crisis on the Healthcare Sector. The authors indicate the negative impact of the Financial Crisis on spending on healthcare, Patient Health and Quality of Healthcare Services. Before the current crisis, spending on health care accounted for 9,9% of GDP (2007), and today it amounts to 5,6% of GDP (2012). The European Health Consumer Index for 2012. shows that the Serbia in the last place in terms of quality health care.*

***Keywords:** the Global Economic Crisis, Serbia, Public Health sector, EHCI*

**1. Introduction**

“We are meeting at a time of crisis. We face a fuel crisis, a food crisis, a severe financial crisis, and a climate that has begun to change in ominous ways. All of these crises have global causes and global consequences. All have profound, and profoundly unfair, consequences for health. Let me be very clear at the start. The health sector had no say when the policies responsible for these crises were made. But health bears the brunt.” - *Dr. Margaret Chan, Director-General, World Health Organization, October 24, 2008*

A global economic crisis represents a phenomenon which affects all the areas of the economy of a country. Over the past few years, it has been considered by many a financial disease of the economy. Moreover, it has been pointed out that just as everyone knows what weather conditions are, they also know what this phenomenon is; however, the exact definition is still missing. The current economic crisis has affected all the sectors of the Serbian economy. Its impact on the Serbian health sector has resulted in the decreased and non-sufficient budget funding.

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\* PhD students, University of Niš, Faculty of Economics, Serbia; evaerakovic89@yahoo.com, ivanica1404@yahoo.com, marijamilojic@hotmail.com  
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Health care is the most important and sensitive field of human endeavor. As it plays a significant role in the social functioning, the changes in this sector have great impact on the society as a whole. Over the past few years, the world economic crisis has brought about the slow growth of the gross domestic product (GDP), low living standards and a growing number of people with poor health all over the world. The past experience with economic catastrophes has shown that a crisis may harm human development in various ways, including the diminished capacity of health systems, expressed through the reduced quality and amount of the provided health services.

During the years of crisis, and especially during 2009 and 2010, the global economic crisis was at its peak, which could be traceable in various socioeconomic indicators. The Serbian economic policy has undergone many changes over the past years which resulted in the decreased funding of the health sector. This paper considers all the income and expenditures in this sector, the GDP rate and public spending for healthcare with the emphasis on the decrease in the funding of health care. In addition to the socioeconomic indicators, it has been also pointed out to the health indicators of the negative impact of the global economic crisis on the health condition patients in Serbia. The aim of this paper is to represent and consider the global economic crisis impact on the Serbian health sector from the perspective of the valid indicators.

## **2. The Global Economic Crisis**

The outbreak of the latest financial and economic crisis occurred in the USA and is attributed to the collapse of the real estate market. The first indicators of the ongoing crisis appeared in May and June in 2007, while the first wave of the crisis manifested itself in the second half of 2007 and at the beginning of 2008. The negative effects of the crisis and the global recession, which resembled the Great Depression of the 1930s, spread around the world during 2008 and 2009. The economic crisis of 2008 does not have the proportions of the Great Depression; however, its negative socioeconomic manifestations have increased ever since. The current economic crisis is global and structured and it has affected both strong and developed countries and small and developing countries, the recovery of which will take long.

As the immediate sources or triggers of the crisis, various authors list the fall of price in the real estate market, unbalanced distribution of industrial activities, the lack of the governmental influence in the industry, liberalization of the international trade, liberalization of the foreign and direct investments, and many others, but the challenge still lies in the uncovering of the hidden, deeper reasons.

The initiator of the crisis was free and ungoverned USA financial market which allowed the expansion of trade by means of new financial instruments, derivatives during 2008 and earlier. As the administration failed to issue the adequate regulation of the derivative market, the growth in trade within these financial instruments was not under its control which paved the way for banks, investment funds, insurance groups and other institutions to dabble in highly risking transactions in order to generate larger profit. Hence, the risk for the financial system increased as well (Savona P., Kirton J.J., Oldani C., 2011). The global financial and economic crisis started to manifest itself when Bears Stearns pledged 3 million dollars to „bail out“ one of its hedge funds so as to cover the loss caused by subprime mortgage credits. The new law on the reform of the USA financial

## **The Global Economic Crisis' Impact on the Health Sector in Serbia**

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system has issued strict restrictions for big financial institutions which were the initiators of the global recession.

The great economic analyst such as Blanchard and Roubini claim that the universe has been saved from the 1929 scenario owing to the state intervention with active measures of fiscal and monetary policy. The majority of countries has secured fiscal and monetary stimuli in order to prevent the deepening of the recession. Nonetheless, those measurements cannot secure recovery from a crisis which can be ensured only by institutional reforms and change in the behavior of customers and investors, especially in the field of national and global financial systems (Blanchard O., Roubini N. 2009).

It is important to emphasize here that the global economic crisis has affected all the sectors and thus caused a series of harsh social and economic consequences which have been spreading over time. It is still uncertain how long the crisis will last or what all of her consequences will be. The recorded slight industrial growth and the continuing trend of unemployment rate indicate that the crisis is still going. In addition to these consequences of the economic crisis, other areas as well: the decrease in the global gross domestic product, insolvency, decrease in the foreign direct investments, difficulties in obtaining a foreign credit, and the debt crisis that has affected many countries. The global financial crisis has affected the crisis development of the World Trade Organization (Emerson M., Youngs R., Setser B., Lukyanov F., Xiang L., Mortensen J., 2009). The governments and central banks of the majority of countries have undertaken serious measures with an objective to prevent the further spreading of the crisis and recover the functioning of the interbank lending market I stopped the collapse of the world's stock exchanges.

### **2.1 The Health Sector of the Republic of Serbia**

The Health Sector of the Republic of Serbia is one of the sectors which were under reforms of the ongoing process of transition. Since 1992 the Serbian health system has been regulated by two systematic laws: Law on Health Care and Law on Health Insurance and in 1996 there were introduced two amendments to these laws which substantially centralize the area of health care. The Serbian health system of today is organized and governed by the three most important institutions. They are:

- Ministry of Health of the Republic of Serbia
- Institute of Public Health of Serbia "Dr Milan Jovanovic Batut"
- Republic Fund of Health Insurance.

Each of these institutions performs a series of task which contribute to better functioning of the health sector.

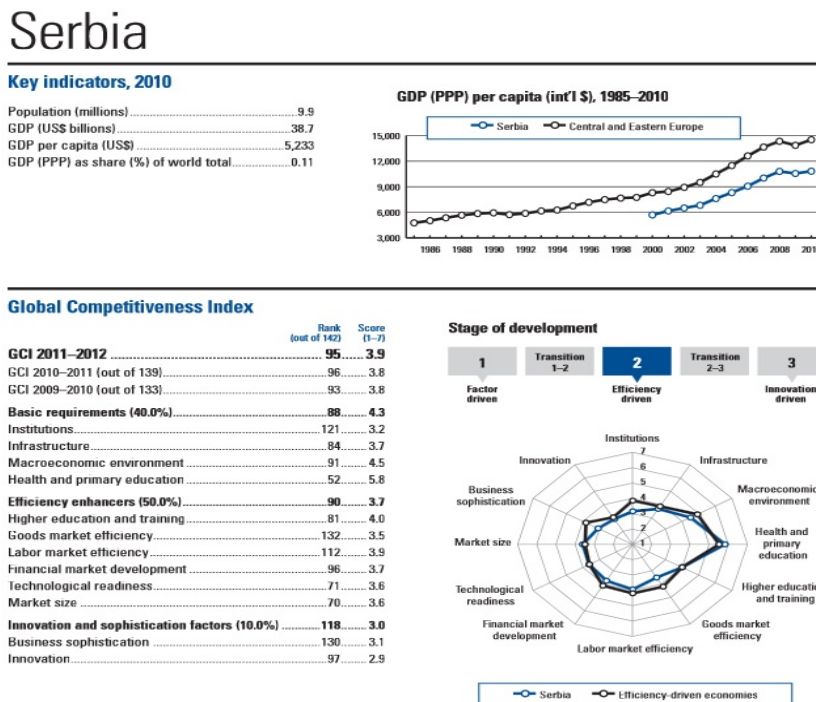
As for the funding of the health sector, the means are mainly supplied from the income contributions and the budget of the Republic of Serbia. The health care is also financed from the donations and direct user payments in the form of participations and compensation for additional servings.

The Serbian health care system is a network of public and private health facilities. The public health care facilities are in the ownership of the Ministry of Health which governs them, while the private health facilities are entirely financed by private finances and they are in the private ownership.

The health care facilities are structured into primary, secondary and tertiary facilities. The primary facilities compose community health centers, pharmacies and students' polyclinics. Serbian primary health care facilities number 158 community health centers, 35 autonomous pharmacies and 16 institutes. The secondary health care facilities comprise hospitals and there are about 77 of them in Serbia. The tertiary level comprises clinical centers (in Serbia there are four clinical centers and they are located in Belgrade, Novi Sad, Kragujevac and Nis), clinics, institutes (the data retrieved from www.cipcentar.org). The Serbian health sector has 166405 employees (the data dating from 2007, retrieved from www.batut.org.rs.).

If we observe the Global Competitiveness Index (GCI) in the World Economic Forum Report, which presents the competitiveness of a country in comparison with the 12 pillars of competitiveness, we can conclude that the health and education sector is the area in which Serbia is currently highly competitive and it is ranked 52 out of 142 countries (Figure 1). Nevertheless, the structure of the dimensions of this parameter should be examined as well (Figure 2). Taking into account all the parameters on the basis of which the evaluation of the health sector within GCI is given, we can conclude that the status of the health sector is over-valued. According to this index, Serbia is the country which occupies the foremost place in the number of people infected with malaria- 100 000, which is seen as the consequence of the geographical position, climate and flora and fauna, and not because of the quality of the health sector. The government attributes minimal funding to health care system. Moreover, due to the global economic crisis the situation worsens. Therefore, the remainder of the paper will discuss in detail the effect of the crisis on the health sector.

Figure 1. GCI 2011-2012 for Serbia



## The Global Economic Crisis' Impact on the Health Sector in Serbia

Figure 2. 4th competitiveness pillar parameters

<b>4th pillar: Health and primary education</b>			
4.01	Business impact of malaria .....	N/Appl. ....	<b>1</b>
4.02	Malaria cases/100,000 pop.* .....	(NE) .....	<b>1</b>
4.03	Business impact of tuberculosis .....	6.1 .....	<b>34</b>
4.04	Tuberculosis incidence/100,000 pop.* .....	21.0 .....	<b>43</b>
4.05	Business impact of HIV/AIDS .....	6.3 .....	<b>17</b>
4.06	HIV prevalence, % adult pop.* .....	0.1 .....	<b>21</b>
4.07	Infant mortality, deaths/1,000 live births* .....	6.2 .....	<b>40</b>
4.08	Life expectancy, years* .....	73.7 .....	<b>65</b>
4.09	Quality of primary education .....	3.7 .....	<b>74</b>
4.10	Primary education enrollment, net %* .....	94.2 .....	<b>58</b>

Source: www.weforum.org

### 2.2 Economic Crisis in Serbia

The countries which are the most active in the international capital flow and international trade, i.e. The developed countries will suffer profound consequences following from the direct impacts of the global economic crisis. Contrary to them, the developing countries and countries in transition will experience indirect effects of the crisis in the financial sector, manifested through the decrease in liquidity, reduced gross domestic product, economic slowdown and aggravated financial institution reform. The latter group of countries includes Serbia as well.

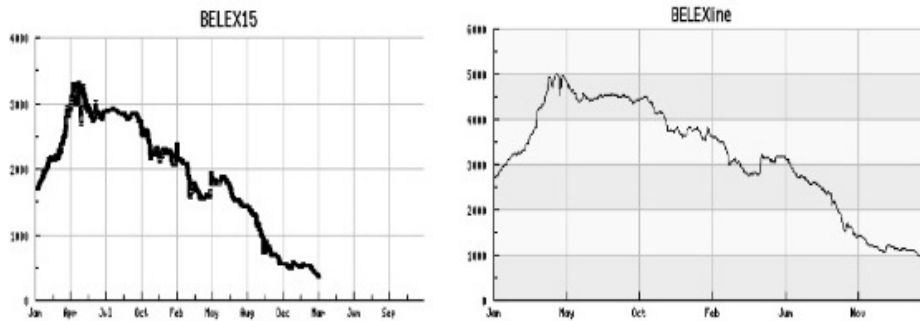
Table 1. Real-time rate of GDP, in %

Southeastern Europe	2009	2010	2011
Albania	3,3	3,8	2,6
BIH	-2,8	0,8	2,2
Bulgaria	-4,9	0,4	1,9
F.Y.R. Macedonia	-0,9	0,8	2,2
Montenegro	-5,7	0,2	3,1
Romania	-7,1	-1,9	1,1
Serbia	-3,1	2,0	3,0
Total rate – weighted index	-5,3	-0,4	1,9

Source: Regional Economic Prospects in EBRD Countries of Operations: January 2011.

In our country, the first wave of the crisis has been manifested in the most sensitive part of financial market- stock market. The unstable political situation at the beginning of 2008 has additionally contributed to the uncertainty of investments and caused the increase in the withdrawal of the foreign capital, which has altogether caused the decrease in the capital liquidity. The Belgrade stock market was affected as well. Its indices lost its value at higher velocity than the indices of the developed markets.

**Graph 1. The flow of stock market indices Belex 15 and Belex line in the period from 1 January 2007 to 11 March 2009.**



Source: [www.belex.rs](http://www.belex.rs).

Another sector in which the start of the economic crisis in Serbia has been noticed is the banking sector. The indicator which suggested growing austere proportions of the financial crisis was the increase in the bank interest rate. The difference between the interest rates at which banks marketed their means and key policy rates by the European central banks was becoming more evident. As the crisis deepened and the free capital decreased, raising new loans and refinancing of the existing debts to banks was becoming increasingly expensive. Moreover, bank interest rates were not in accordance with the tendency of reducing key policy rates of the European central banks and the interbank interest rates Euribor. In order to mitigate the effects of the financial crisis, the National Bank of Serbia introduced additional measures with the intention to stabilize the economic sector. The implementation of “Vienna Initiative” which aimed at preserving stability of the financial sector in the East European markets (Vienna Initiative 1.0), prevention of financial crisis (Vienna Initiative +) and developing sustainable commercial bank models (Vienna Initiative 2.0) (National Bank of Serbia, retrieved from [www.nbs.rs](http://www.nbs.rs)).

The impact of the economic crisis in Serbia cannot be observed by simply mentioning the financial sector, as it has affected the entire industry of the country. Therefore, what the paper will further explain is the impact of the global financial and economic crisis on the Serbian health sector.

### **2.3 Financial Aspect of the Impact of the Global Economic Crisis on the Serbian Health Sector**

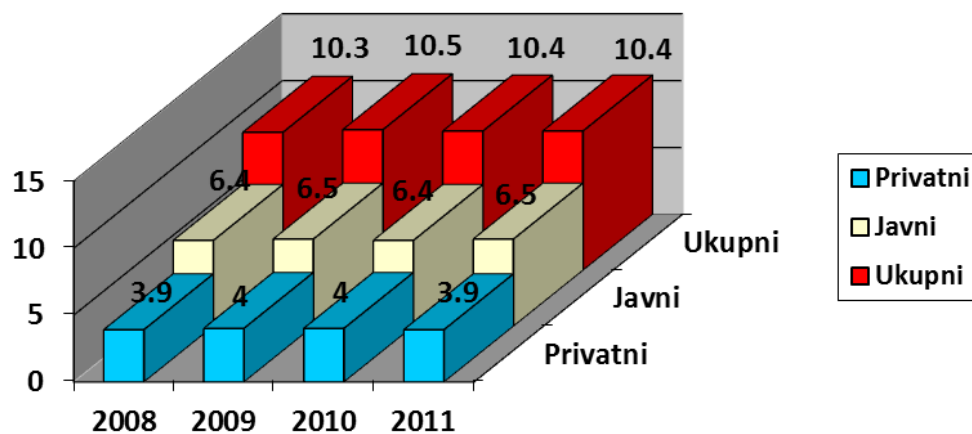
The global economic crisis as severely affected the health sector of the Republic of Serbia. A reduced health care allocation per capita reflects this fact. The amount of the health care allocation per capita over the last couple of years has reflected a downward trend in the amount of 250 euros. In 2012, the Republic of Serbia allocated 29,175.17 dinars for health care per capita (approximately 250 euros, data retrieved from [www.rfzo.rs](http://www.rfzo.rs)).

## The Global Economic Crisis' Impact on the Health Sector in Serbia

To assess financing the health care allocations in the Republic of Serbia one should begin with the analysis of incomes and expenditures. The analysis was carried out for the period from 2008 to 2011. The structure of incomes is comprised of social contributions, compulsory social insurance transfers, budget transfers and the other incomes and revenues. The structure of expenditures consists of the health care expenditures, insurant allowance, employees' expenditures and the other outlays. In 2008 the planned income was achieved in its fullest (100%) amount. However, in 2009, the realized income was lower for 733.12 million dinars than the planned income, which resulted from the reduced industrial activity which is the consequence of the impact of the global economic crisis on our industry. During the following year, the downward trend in the plan realization was about 2% and the ratio of the amount of the realized expenditures in the amount of income was greater. Despite the trend of the continuous growth of incomes and expenditures, the budget transfers in 2011 were reduced by 24.39% as compared to 2010. The source of the reduction is the reduction of the budgetary obligations towards the range of means for the health care funding for an individual defined by the Article 22 of Law on Health Care (data have been retrieved from the Republic health care fund Report on financial transactions).

The gross domestic product is the most important macroeconomic aggregate, which is at the same time an indicator of the economic development and macroeconomic stability. This macroeconomic aggregate measures the total economic activity of the all residential institutionalized units which produce all the material goods and offer all kinds of services. The amount of gross domestic product per capita oscillates in the period from 2008 to 2011. In 2008, the GDP was 6 498 US dollars per capita, while in 2009 it was significantly decreased for 1000 US dollars. The decreasing trend continued in 2010 as well. However, in 2011, there was an increase in the GDP, so the GDP was 6312 US dollars per capita. By observing the rate of growth in the GDP in the analyzed period, we can see that there are a slight decline in the industrial activity and the negative growth rate in 2009 ranging from – 3.1%. The situation changed in 2010 when the GDP growth rate became positive again with 1.4 %. In 2011 the growth continued and reached the rate of 2.5%. This increase was principally based on the growth of export demand and investment spending.

**Graph 2. The expenditure participation for the GDP on health care in Serbia**



Source: [www.worldbank.org](http://www.worldbank.org)

The public spending in the health sector in the period of the crisis equaled 14% of the total amount of the budget expenditures. The health care spending per capita, given in US dollars, shows the same movement as the GDP per capita given in the same currency. The greatest fall, in comparison with 2008 figures, was in 2010 and it was 19%. The ratio of the total amount of expenditures for the health care given in per cents to the GDP is more or less the same over years, which is about 10,4% GDP. In addition, the total amount of the participation of public and private expenditures for health care remains nearly the same. The public expenditures for health comprise part of 6.5% GDP, while the private participation equals 3.9% GDP (data retrieved from [www.worldbank.org](http://www.worldbank.org)).

The era of retrenchment had a serious impact on the health budget both in the world and in the Republic of Serbia. It is unarguable that, during the period of crisis, inefficient industry cannot secure the adequate amount of the material resources for the normal functioning of the health system. The problem lies in that the inadequate rationalization of providing health services and the working of health care facilities leads to the catastrophic scenario of drastic number of diseases and deaths, especially among those parts of the population which are at risk.

#### **2.4 The Impact of Global Economic Crisis on the Patient Health in Serbia**

Global economic crisis as the universal phenomenon has had consequences for the health of Serbian patients. The quality of patients' health condition has been deteriorating over the years of crisis. The year-after-year reduced allocations for health had significant impact on a health condition. Hence the service packet offered to patients comprised less and less types of services. Today, the basic packet of health care service contains: prescription drugs from the list of medicaments which are issued at the cost of RFZO, drugs given in the health facilities, basic and specialist check-ups, laboratory tests, , X-ray recording, ultrasound scanning, MRI, surgery, installation of stents and pacemakers, dialysis of kidney patients, vaccines for children and adults, dental care for children, pregnant women and students, two attempts of in vitro fertilization, and orthopedic assistive devices according to the regulations, the cost of sick leave longer than 30 days, referral to rehabilitation spa centers, referral to treatment abroad according to the rules and regulations, and salaries of the employed in health care. The question arises whether it is possible to realize this packet of services with respect to the current health care allocations per capita in Serbia. Due to the growing number of patients, it is unlikely to achieve the realization of such packet with 250 euros, which is the amount allocated for the health care.

When it comes to the quality of the health condition of patients in Serbia, we should start from the mortality rate. During the period of the global economic crisis there has been recorded an increase of 0.207% in the mortality rate in Serbia. According to the data of Institute of Public Health of Serbia "Dr Milan Jovanovic Batut", the 2008 mortality rate was 13.974%, i.e. The ratio was 1397.4 deaths of 100000 citizens. During 2009, this ratio increased to 1420.6 on 100000 citizens. The years to come have reflected the insignificant downward trend. According to the latest report of this institute from 2012, the mortality rate in Serbia is 14.181%. The causes of the increased percentage of the mortality of citizens comprise: cardiovascular diseases, malignant tumors, chronic diseases of the lower respiratory system, diabetes, injuries and other causes. Approximately 100000 people in Serbia die of these causes. Almost every second resident dies from heart and blood vessel



## **The Global Economic Crisis' Impact on the Health Sector in Serbia**

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diseases, every fifth of malignant tumors, and one in ten dies of consequences of injuries, diabetes, and obstructive lung disease (represented indicators in 2011, Institute of Public Health of Serbia "Dr Milan Jovanovic Batut", Belgrade 2012, page 23). On the other hand, the birth rate in 2008 was 9.4% only to fall in 2012 to 9%. By comparing the mortality rate and birth rate, one can notice the negative population growth in Serbia which in 2012 was -5.2%. It is the economic situation in Serbia that affects reduced population growth, which only gives rise to the emergence of the growing number of elderly people and the diseased population.

Cardiovascular diseases count for one of the more significant causes of death in Serbia. The principal causes of the occurrence of these diseases according to Mile Vranes (magazine Akter) are stress caused by losing a job, inability of providing for family, lack of the possibility of finding a job. Stress is a trigger for a heart attack, heart failure and high blood pressure which lead to the bursting of the aorta. It is certain that stress and unsolved situation lead to greater problems and heart diseases. In Serbia, on average, 55% of the deceased died as victim to heart diseases. In 2008, the death rate due to the cardiovascular diseases comprised about 780.4 people out of 100000 residents which given in percentage is 55.3%. Over the years, there has been an insignificant decrease in this rate so in 2009 it was 53.9%. According to Dr Mile Vranes, in Serbia, during 2012, about 5000 operations on open heart were performed, and there was a need of 8000-9000 of them to be performed. This data indicates that there are long waiting lists for such an important operation, and the consequences of their emergence are lack of staff, operating and material means.

In addition to cardiovascular diseases, malignant tumors are also frequent cause of morbidity and mortality. Serbian Association for cancer prevention has warned that research shows that there is an alarming number of the cancer diseased in Serbia and that it can be expected that this trend will continue. According to World Health Organization estimate, it is expected that the number of people diseased of malignant tumor will culminate in 2015 on the territory of Serbia. Over the last few years there has been recorded a continuing increase in deaths caused by malignant tumors. The mortality rate from malignant tumors, in the period from 2008 to 2011, increased to 0.4%, i.e. from 20%, as recorded in 2008, to 20.4% in 2011. Malignant tumors which are usually found in Serbian residents are, in men lung neoplasm and in women breast neoplasm. The percentage of the neoplasms in the total mortality rate is significant and it is 34% of men's deaths due to lung neoplasm and 50% of women's deaths due to breast neoplasms. According to the newest report of Institute of Public Health of Serbia, annually, in Serbia, about 15053 Serbian residents die of malignant tumors. This outcome is caused by a lack of chemotherapy devices (there are only 12 chemotherapy devices, and it is needed that there is one such device for 25000 people), and incompetence of the staff to work on chemotherapy devices. The mortality rates from cardiovascular diseases and malignant tumors indicate the quality of the health system, as these two groups of pathology are under the influence of functioning of health systems.

Next cause of the increased mortality in Serbia is diabetes. The number of diseased from diabetes has been increasing for many years. In Serbia, about 36000 people or 8% of the Serbian population suffers from this disease. The statistics show that the number of people living with diabetes in Serbia will be increased to 10.2% of the population by 2030. More than 90% of the diseased suffer from diabetes 2. The main causes of the diabetes 2 are stressful lifestyle in the periods of crisis, obesity resulting from poor diet, reduced

physical activity and cardiovascular diseases. Annually, about 3000 people die from diabetes. The years of the global economic crisis exhibit the increase in the overall mortality rate from diabetes. In 2008 this rate was 42.4 to 100000 residents only to fall in 2009 to 41.9 in 100000. The following year was characterized by a significant increase in the total mortality rate from diabetes, which is as high as 43.8 in 100000, only to be reduced to 43.2 in 100000 in 2011.

Infectious diseases are another cause of morbidity and mortality in Serbia. In 2011, 457055 people were reported to be suffering from infectious diseases, which is the largest value in the previous decade. The trend of deteriorating of the social and economic situation in Serbia negatively affects the health condition of the population, and consequently on the epidemiological situation of the infectious diseases. Although, there is a widespread belief that consumption is the disease of the last century, it is not true as her presence records from the first decade of the 21st century. The World Health Organization has stated that consumption is universal, global health hazard. In Serbia, during 2011, the reported incidence of consumption resistance is 18 to 100000 citizens. The mortality rate has increased significantly in the period from 2008 to 2011. In this period of time, the mortality rate from infectious diseases increased from 2.81 to 4.58 in 100000 residents of Serbia. The most drastic increase is found in 2011 when the rate was 4.58, while in 2010 I was 3.46 in 100000 citizens. Due to the consequences of infectious diseases in the year with a drastic increase in the mortality rate 334 people passed away. Some of the infectious diseases can be prevented by timely vaccination which is carried out in Serbia, but even here there is a shortage of material means which are needed for more efficient prevention.

Depression as a disease is a leading cause of disability, and by 2020 it will be second most frequent disease. Currently, according to the research of Institute of Public Health of Serbia "Dr Milan Jovanovic Batut", 4.4% women and 2.7% men, which is together 6.8%, have been diagnosed with depression. In Serbia, according to the 2011 census lives 7120666 residents, which means that the number of diseased is 484 205. The treatment of each and every of them with only one cure (anti depressives) which cost 495 dinars (retrieved from the RFZO list of prescription drugs) for monthly package would cost Serbia 239681619 RSD monthly, and 2876179328 RSD annually (approximately 26147086 euros). In the expenses covered in the following part, we have not included the expenses of hospital treatment of more serious cases, absenteeism from work by working population, patients' family member's absence from work and so on. There does not exist any data on the nature of the consequences that crisis may have exclusively on the increasing number of the diseased from depression; however, it is true that that happens and that it bears with it a huge increase in the cost of treatment which only creates *Circulus vitiosus*. The global economic crisis has increased the number of patients, cost of treatments and absence from work. As the global economic crisis is becoming more evident, what follows is the further increased in the number of diseases.

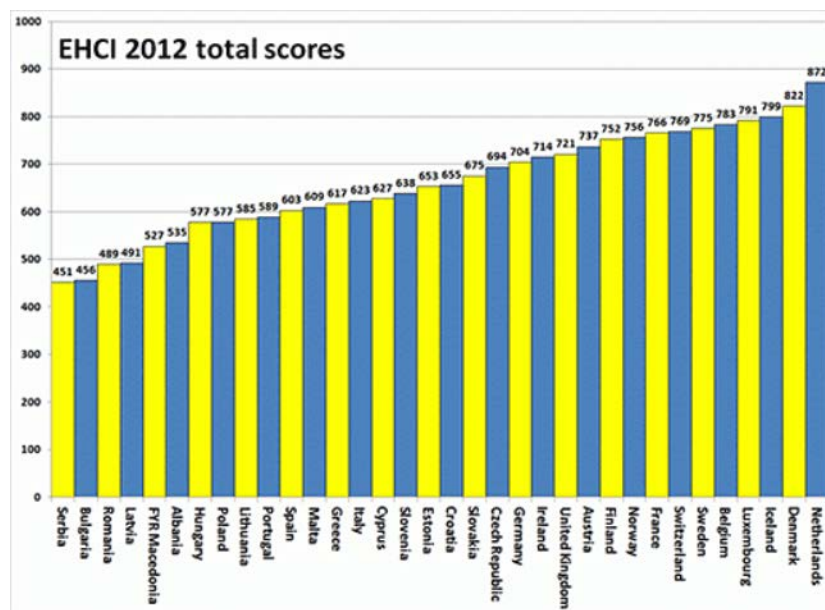
## **2.5. Euro Health Consumer Index EHCI**

Euro Health Consumer Index (EHCI) is a standard of measuring European health care. It includes 42 indicators, grouped in five categories which are of key importance to a consumer of health services: rights of patients and information, waiting time for treatment, outcomes, prevention and pharmaceutical means. Each of these categories comprises specific

### The Global Economic Crisis' Impact on the Health Sector in Serbia

indicators related to the quality of health care. EHCI index reflects the progress of health care in Europe, improvement of the treatment outcomes and general conditions. An index is made of a combination of public statistics, surveys conveyed among patients and independent research conducted by the founder. The first report on the quality of health care based on EHCI index dates to 2005 and it was published by expert organization Health Consumer Powerhouse - HCP“ based in Sweden. Serbia was ranked for the first time in 2012. Out of 34 ranked countries (27 EU countries and Switzerland, Norway, Island, F.Y.R. Macedonia, Serbia and Albania), Serbia was at the bottom of the list of the quality of a social care with only 451 points out of maximum 1000. The leading countries on this list are the Netherlands (872), Denmark (822), Island (799), Luxembourg (791) and Belgia (783).

Graph 3.:EHCI index for 2012



Source: Health Consumer Powerhouse “Euro Health Consumer Index 2012 Report”

Out of 42 indicators which EHCI index examines, Serbia has good results in only three of them namely the representation of patient rights as given in the Law on Health Care, availability of patient medical record and vaccination of children against diphtheria, tetanus, pertussis and infantile paralysis (polio). Serbia obtained an average grade for following indicators: inclusion of patients in the organization, absence of insurance malpractice, registry of conscientious physician, web or 24/7 HC info line, the availability of the family physician, the direct access to specialist, cesarean section, dental care included in the public health care, 10% of dialysis done outside of the clinic and access to new medicines. For seven out of ten indicators which are grouped in different categories there exist no data. The most alarming situation among indicators is found in mortality from myocardial infarction, malignant tumor survival rates, the number of years of life lost per 100,000 residents, and undiagnosed diabetes. In the category of pharmaceuticals, Serbia

has the lowest number of points while the most points in the category of accessibility and waiting time for a check-up.

Director of the HCP organization which conducted research, Arne Bjorbeg emphasizes that Serbia should not be compared with rich members of the EU, as it is not objective, but that it should be compared to its neighboring countries from the region which obtained far better results. To illustrate, Croatia is scored 17 on the list of the quality of health care. It also estimated that the consequence of poor social care in Serbia stems from the presence of the economic crisis which affected the budgetary reductions. As it is emphasized in the report of HCP organization, Serbia should pay special attention to the tendency of long waiting for expensive surgical operations, increased participation part for a certain number of treatments and the lack of improvements, even deterioration, in the approach to new medicines.

### **3. Conclusion**

The global economic crisis is a warning to all the countries which had not governed their industries well. Countries which paid more attention to low inflation and less to the stability of financial system found themselves even more affected by the crisis. In addition, countries in transition and developing countries had an even harsher experience of the impact of the crisis.

This paper presents the impact the economic crisis had on Serbia in the context of the global financial and economic crisis, but thereat has been some deliberations about the authenticity of the crisis, with respect to the present state of industry in Serbia.

The effects of the economic crisis were felt in all the industrial sectors. Even though some slight decrease of the recession has been recorded, the aftermath of the economic crisis will be felt in the future. Neither in the post-crisis period will Serbia be able to function without serious difficulties due to the deep structural and functional weaknesses. One of the sectors greatly affected by the economic crisis is health sector. The health system is a complex business system ruled by all the economic principles and which materialize sustainable economic business. However, the global economic crisis is both a reality and a potential mask for continual long-term irrational and inefficient functioning of the health care funding. Hence, it is necessary to adjust immediately the residents' need for quality social service, effective work of the employed and the responsible work of the state officials so as to contribute to the normal functioning of the health care system.

This paper presents the graveness of the situation in the Serbian health care sector and the negative impact of the crisis. The authors gave an account of how the public spending for health records negative tendency in the years of crisis. The explained conclusions are brought upon the analyzed facts, and thus they represent a basis for further research.

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## **The Global Economic Crisis' Impact on the Health Sector in Serbia**

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## **UTICAJ GLOBALNE EKONOMSKE KRIZE NA ZDRAVSTVENI SEKTOR SRBIJE**

**Rezime:** Predmet istraživanja u ovom radu jeste uticaj globalne ekonomske krize na zdravstveni sektor u Srbiji. Autori ukazuju na negativno dejstvo krize na finansijska izdvajanja za zdravstvenu zaštitu, zdravstveno stanje pacijenata i kvalitet zdravstvenih usluga. Pre aktuelne krize izdvajanje za zdravstvenu zaštitu iznosilo je 9,9%BDP (2007. godina), dok je u 2012.godini bilo 5,6% BDP. Evropski zdravstveni potrošački indeks za 2012.godinu pokazuje da je Srbija na poslednjem mestu, od 34 evropskih rangiranih zemalja, po kvalitetu zdravstvene zaštite.

**Ključne reči:** zdravstveni sektor, Srbija, EHCI, globalna ekonomska kriza