ISSUES IN MEDICINE

Establishing a Health Promotion and Development Foundation in South Africa


South Africa has a ‘quadruple burden of disease’. One way to reduce this burden, and address the social determinants of health and social inequity, could be through health promotion interventions driven by an independent Health Promotion and Development Foundation (HPDF). This could provide a framework to integrate health promotion and social development into all government and civil society programmes. On priority issues, the HPDF would mobilise resources, allocate funding, develop capacity, and monitor and evaluate health promotion and development work. Emphasis would be on reducing the effects of poverty, inequity and unequal development on disease rates and wellbeing. The HPDF could also decrease the burden on the proposed National Health Insurance (NHI) system. We reflect on such foundations in other countries, and propose a structure for South Africa’s HPDF and a dedicated funding stream to support its activities. In particular, an additional 2% levy on alcohol and tobacco products is proposed to be utilised to fund the HPDF.

South Africa (SA) is a middle-income country with a low life expectancy of 55.3 years for males and 60.4 years for females.[5] Contributing to this is the ‘quadruple burden of disease’: infectious diseases related to poverty and underdevelopment; a growing burden of non-communicable and chronic diseases; rising rates of injury; and the HIV/AIDS pandemic.[2] SA spends approximately 8.6% of its gross domestic product (GDP) on health.[3] However, expected health outcomes are not being achieved as the expenditure is essentially focused on the sick (as demonstrated by hospital expenditure increasing by 15.4% over the last 3 years).[3] This pattern must change if we are to improve the health of the nation.

The systematic impoverishment of black people over 350 years has little chance of success.

This should increase the numbers of patients utilising the services, many of whom suffer from preventable diseases. However, without tremendous efforts to promote health and prevent disease, attempts to revitalise PHC will have little chance of success.

Why a Health Promotion and Development Foundation for SA?

Globally, health promotion has emerged as a viable tool for comprehensive and equitable health and social development.[6] Recognising the importance of sustained activities that promote public and individual health, as well as the need for continuous community engagement, various countries have established health promotion foundations (HPFs).[7,8] HPFs generally operate independently of government, but support government priorities and contribute to the development of evidence-based public policy.[9] An HPF can also provide a research platform for policy development, advocacy, intersectoral planning and policy implementation.[10] In the medium to long term, an HPF reduces the costs associated with curative care, while promoting broader social and development goals.[11] The first HPF, VicHealth, was established in 1987 in Victoria, Australia, after the Victorian Tobacco Act of 1987 allowed the
state government to collect taxes on tobacco products to fund VicHealth. One of the HPF's first strategies was to buy out the sports sponsorships of tobacco companies. It could also fund other activities such as the Anti-Cancer Council established by Victoria's Sunsmart Campaign. ThaiHealth, Thailand's successful HPF formed under the Health Promotion Foundation Act of 2001, is a semi-independent state agency funded by a 2% surcharge tax on tobacco and alcohol products. Its annual expenditure includes an average of US$4.7 million on campaigns to address road traffic accidents, consequently reducing traffic accidents by 31% and road injury deaths by 10% between 2004 and 2009. Currently, about 16 states or countries have HPFs funded by dedicated tobacco and/or alcohol levies, or from general government revenues, including Austria, Estonia, Qatar, Mongolia, New Zealand, Korea, Switzerland, Tonga and the American state of Arizona.

Taking these successes into account, alongside SA's progress towards an NHI and pending legislation to ban alcohol advertising, in November 2011 the National Council Against Smoking together with Soul City organised a workshop to explore the feasibility of establishing an HPF in SA, to be called the Health Promotion and Development Foundation (HPDF). A task team of volunteers and organisations has since formed the Health Promotion and Development Foundation (HPDF). A surcharge on alcohol and tobacco products, a levy on social health insurance or value added tax, or the government's general budget surcharge would require the tobacco and alcohol industries to pay an additional percentage of their total revenues (in addition to excise taxes) to the Treasury, which would be credited to the HPDF account. The surcharge would not affect Treasury's ability to set and collect excise taxes. While the National Treasury has indicated that it is not in favour of earmarked taxes, many such dedicated taxes are already in place, including: the Road Accident Fund (surcharge on fuel purchases), carbon emission taxes on vehicles; toll roads; car license fees; the Responsible Gambling Programme (levy on gambling revenue); and the levy on plastic bags.

A surcharge has the added benefit of increasing the cost of products that are harmful to health, as companies invariably pass these costs on to the consumer. Research has shown that raising the price of harmful products decreases their consumption and prevents young people from starting to use them. In SA between 1993 and 2000, *per capita* cigarette consumption decreased by a massive 37% in response to a 92% increase in real price.

**Partners and stakeholders**

Government should be a major partner in an HPDF – at all levels (local, provincial and national). The departments involved should include health, social development, transport and traffic, development planning, human settlements, and education. Other key stakeholders and partners should include civil society (including community representatives), universities and research organisations such as the Medical Research Council (MRC) and Human Sciences Research Council (HSRC), and the private sector.

**Financing**

An HPDF requires a long-term and sustainable revenue base to support its activities and to ensure long-term and proactive planning. Internationally, HPF sources of funding have included a surcharge on alcohol and tobacco products, a levy on social health insurance or value added tax, or the government's general budget surcharge (Table 1). Botswana uses funds from an alcohol levy (currently 40% of the retail price) to fund activities such as educational programmes, promoting alcohol-free youth programmes, counter advertisements, monitoring and research. Scotland has passed legislation providing for local councils to apply for a social responsibility levy on alcohol retailers.

Imposing a surcharge on tobacco and alcohol industries, and directing the funds to the HPDF, is a preferred option in SA for 3 reasons:

- A surcharge benefits public health by directly changing behaviour: increased prices discourage consumption and stimulate good behaviour (e.g. quitting smoking and drinking less).
- It shifts the burden of paying for actions to reduce the social, economic and health costs of tobacco and alcohol use from the government to the industries – the basis of the ‘polluter pays’ principle.
- It can generate significant long-term, sustainable revenue.

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**Conclusion**

There is overwhelming evidence of the health and economic benefits of allocating resources to promoting health and development, reducing illness by improving living environments, and promoting healthy lifestyles. HPFs have been established in various parts of the world to intensify and enable environments for health promotion efforts. The ultimate result is immense savings in disease treatment.
Health promotion and development is a comprehensive and inclusive social and political process. HPFs work collaboratively across all levels of society, encouraging intersectoral co-operation.

An HPDF would: (i) bring together all government, civil society and private sector stakeholders and experts in health promotion and social development; (ii) complement and enhance government health promotion initiatives by working in parallel with government departments in their key focus areas; (iii) potentially provide a sustainable mechanism for financing, implementing and co-ordinating health promotion initiatives, thereby acting as an additional health financing option for government’s public health mandate within the NHI; and (iv) strengthen the NHI but, importantly, not compete for funds that have been earmarked for health mandate within the NHI.

Other strengths of HPFs include low administrative costs, lack of bureaucratic impediments, quick turnaround and response time, inclusion of community inputs, and the potential to shield governments from unpopular funding decisions. HPDFNet is therefore urgently mobilising support for the establishment of an HPDF in SA.


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Table 1. Sources and levels of funding for selected HPFs

<table>
<thead>
<tr>
<th>HPF</th>
<th>Population (million)</th>
<th>Annual budget (US$)</th>
<th>Annual budget per person (US$)</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>ThaiHealth</td>
<td>61</td>
<td>100</td>
<td>2.00</td>
<td>2% surcharge on tobacco and alcohol</td>
</tr>
<tr>
<td>Australian HPF</td>
<td>8</td>
<td>9</td>
<td>1.09</td>
<td>Value added tax</td>
</tr>
<tr>
<td>ViHealth</td>
<td>5</td>
<td>27</td>
<td>4.60</td>
<td>Treasury budget</td>
</tr>
<tr>
<td>Healthway (Western Australia)</td>
<td>1.8</td>
<td>20</td>
<td>9.09</td>
<td>Treasury budget</td>
</tr>
<tr>
<td>Korean HPF</td>
<td>45</td>
<td>19</td>
<td>0.42</td>
<td>Tobacco excise tax</td>
</tr>
<tr>
<td>Malaysian HPF</td>
<td>20</td>
<td>7</td>
<td>0.26</td>
<td>Treasury budgets</td>
</tr>
<tr>
<td>Swiss HPF</td>
<td>7.5</td>
<td>16.7</td>
<td>2.20</td>
<td>Health insurance</td>
</tr>
</tbody>
</table>

HPF = health promotion foundation.

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18. Forney C. Making the Polluter Pay: The case for a Health Promotion Foundation in SA funded by a Levy on Alcohol. Soul City and National Council Against Smoking Health Promotion Indaba 2011, Johannesburg.

Accepted 17 September 2012.