

Health Value for Sustainable Development, a Real Challenge

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Abstract

We are increasingly witnessing changes in values, expectations, codes of ethics, emotions, and we are observing struggles and ongoing debate about how to create business success and ensuring future protection. There is a real pressure of the awareness concerning the connections between health, nutrition and the different aspects of businesses and the imperative of identifying the right answers in the confrontation with the welfare reform, reconfiguring consistent ways with fundamental values, education being in the center of the adaptation, and solidarity could not be neglected. It is known that customer value is given by the perceived benefits minus sacrifices. There is a real need for an adequate *Value Chain Management*, supply chain visibility being critical for the customers, hence the importance of using a value chain mapping to reduce uncertainty in the designed demand. The responsible marketers acting in the health care system are identifying patients' needs and are answering with appropriate products and services, practicing for them prices so as to create patient value and also profit for health care providers. Competition in terms of value for health care consumer requires health care providers being in the business of providing services to patients to embrace a range of strategic and organizational imperatives. Health care providers are facing the challenge of having proper health plans that integrate all individual health needs when there is competition on both, providers and medical condition levels. "Agenda 21" emphasized health as indispensable to sustainable development, health and development as the process of improving the quality of human life being intimately interconnected, the quality of the environment and the nature of development being major determinants of health. There is a strong actual pledge for urgently implement the policies that improve health and promote sustainable development, and to include universal access to health care, health co-benefits from sustainable policies in different sectors, and health-related indicators in the metrics of sustainable development.

Key Words: Health value chain management, patient value, health care providers, sustainable development

JEL Classification: I11, I115, I31, M31, Z18

1. The Economy of Ideas and Sustainable Development. Institutional-spiritual reconstruction of enterprises, requirement for sustainable development in the knowledge society

It is well known that as Romanian Distribution Committee's status (C.R.D.) clearly points out the importance of seeking to promote sustainable development (<http://www.distribution-magazine.eu/about/>), in 2000, CRD organized, together with the "International Foundation Health – Environment – Sustainable development" and in partnership with "ION RATIU" Romanian Parliamentarians Club, the Symposium "*The Economy of Ideas and Sustainable development*", first reported by the Magazine "Tribuna Economica", no. 18/3 May 2000). The discussions that took place at the Parliament House, on the occasion of the works of the Symposium on May 16, 2000, were based on a study ("*Sustainable development : principles and action*", Benjamin Cotigaru, Theodor Purcarea, coordinators, Millenium Publishing House, May 2000), interdisciplinary research representing a turning point in developing a national strategy for sustainable development (<http://www.crd-aida.ro/originsvocation/dezvoltare-durabila/>). In this study the focus, from the very beginning, is centered on the need for enterprise reconstruction on the basis of negotiated competency, in the context of spiritualization of economies. It was also discussed, in the context, the opportunity to

exploit the model of Product Development Research/CDP in meeting sustainable development, CDP representing product trajectory as a specific methodological instrument. In Annex 1 the Research-Development Program (with 4 subprograms) “Sustainable Development” is presented, coordinated by the “International Foundation Health – Environment – Sustainable development” and “Romanian Distribution Committee”, non-governmental and non-profit organizations).



In 2006, the Romanian Distribution Committee, in collaboration with Bucharest Academy of Economic Studies and UGIR 1903 organized the Symposium (launching a partnership project) with the topic “*Institutional-spiritual reconstruction of enterprises, requirement for sustainable development in the knowledge society*”, a nationwide premiere. Also, the volume that contains this project, which appeared in April 2006 at ASE Publishing House and in which, at page 488, reference is made to „RESPAD Trophy” offered by C.R.D., among other things emphasizing the correlation between real success and the vision of the training team (<http://www.crd-aida.ro/originsvocation/comitetul-roman-al-distributiei-trofeul-respad-2006/>). In „Additional information regarding the event”, distributed on the occasion of the works of the symposium, the hope was expressed as to what concerns the significance „of a new partnership of public-private interests post-accession in the European Union where the education and research, employers and administration, business governance will find solutions concerning common problems of our lives regarding enterprises competitiveness, pollution of the environment and poverty, the control of risks that the evolution in the new complexity of the world of uncertainties generates...” (<http://www.crd-aida.ro/originsvocation/informatiile-suplimentare-despre-manifestare/>).



Within this framework, it is also important to remember that, starting with 2000, C.R.D. emphasized the impressive European solution to the first key stage of category management (deciding upon the definitions of categories and measurement criteria), as well as the importance of the existence of a complete dynamic picture of the integrated supply chain management of all producers and distributors in a country. C.R.D. analyzed and debated, since its formation, the framework which generated the export of the best managerial practices in the field, including the effects of involving certain global dominators in the food distribution in our country. Otherwise, for example, representatives of Carrefour, Metro and Cora accepted C.R.D.'s invitation, participating on *March 13, 2001, at the Parliament Palace, at the International Symposium « The distribution of fresh products », a real professional turning point, with corresponding effects* (anticipating "SANABUNA"). The symposium appeared as a turning moment also later, in the weekly journal "European Businesses", no.21/ 3-9 November 2004, which pointed out, in the context, the outline of the ECR Romania Association' structuring. Let's also remember that in 1996 C.R.D. organized the first National ECR Symposium, in partnership with Valahia University in Targoviste, and in 1999, on the occasion of the third National ECR Symposium organized by C.R.D. a Point of view was elaborated ("*Modern distribution and information technology as a strategic resource*") and sent to the Parliament, the Government and the academic environment, also taken into consideration by the media. This happened in the context in which in the previous period of time, in the world, working groups were constituted for the development of a global standard in the distribution field, the executive management being ensured by the representatives of the ECR and VICS leadership ("Voluntary Industry Commerce Standards"), as well as of some prestigious transnational distributors and producers.

On April 9, 2009, as a result of the partnership, under the patronage of the Academy of Medical Sciences and Bucharest City Hall, between the University of Medicine and Pharmacy "Carol Davila" – Bucharest, Romanian Distribution Committee and A.I.D.A. Brussels, ***the Conference SANABUNA 2009*** was held at the University of Medicine and Pharmacy "Carol Davila", which approached the imperative of reflection and responsible action on the issue "***Health, Nutrition and Welfare***", seeking to identify that new necessary direction of attitudes that would allow the establishment of a partnership between the public and the private sector meant ***to offer proper solutions for influencing the change in behavior in order to improve the economic – social health and responsibility***. The participants at the conference included representatives of the Romanian Parliament, Ministries, Romanian Academy and the Academy of Medical Sciences, Romanian Distribution Committee – A.I.D.A., several Universities (Romanian American University Bucharest, Lucian Blaga University in Sibiu, Politehnica University Bucharest, Bucharest Academy of Economic Studies, Artifex Bucharest, Valahia University in Targoviste, George Baritiu University Braşov), as well as economic operators which ***assume corporate social responsibility and sustainable development***. The event's interdisciplinary character allowed covering certain new aspects, starting from the harmonization of the preoccupations related to building a truly better life, in the context of the pressure of the awareness concerning the connections between health, nutrition and the different aspects of businesses and the imperative of identifying the right answers in the confrontation with the

welfare reform, ***reconfiguring consistent ways with fundamental values, education being in the center of the adaptation, and solidarity could not be neglected.***

In May 2009 C.R.D. suggested (<http://www.crd-aida.ro/2008/10/%E2%80%9Cpolitice-publice-si-energie%E2%80%9D-o-provocatoare-tematica-supusa-dezbaterii-in-cadrul-atelierului-stiintific-interdisciplinar-%E2%80%9Cdezvoltarea-economico-sociala-la-confluenta-dintre/>) organizing a series of debates aiming at ***the reconciliation of the market with the public policy aspirations***. Restoring the trust relationship between those who govern and those who are governed, seeking to identify ways to ensure the integrity of public policy, it is of real interest in a dramatically transformed world in which neither the markets nor the nonrepresentative systems work alone. The lack of consensus regarding going out of the crisis represents a real drama of the current public policy, being necessary to acquire wisdom of the policy of public choice. Competition is the key leader of performance and innovation which feeds economic growth, thanks to fair and open competition the best product winning and the market forces prevailing. The signals regarding the changing of the nature of competition intensify, that increasingly takes place inside corporate-controlled networks, emphasizing the necessity to apply in the global industrial network of some fresh engineering principles ***carefully building political calibrated institutions and following the approach through the whole system of human businesses, both private and public***. It is necessary that the approach based on the market helps in implementing the ambitions of the social reform. The situation is even more pressing in a global context in which it is considered that calculated dishonesty and the application of the double standard, characteristic to the agreement between the political power and the financial power, raise strong barriers to the responsible intelligent decisions.

Between 25 – 27 May 2009, on the occasion of ***the 56 Congress of the International Association of French Economists (AIELF)*** – « Compétitivité, solidarité et croissance économique mondialisée », organized at Targoviste following Valahia University's invitation , with the support of the National Agency for Scientific Research, C.R.D. representative (Theodor Purcarea) introduced the topic „***La distribution en Roumanie dans l'intersection concurrence-coopération et la provocation représentée par la problématique « alimentation – santé – bien-être »***». ***Quelle chance pour le « rêve européen » dans le contexte de la crise économique mondiale?»***.

It is also well known that the formation, in 1996, of the Romanian Distribution Committee as a Scientific Association represented a milestone. C.R.D. is mentioned in “*European Marketing Information Sourcebook*, 1st edition, Euromonitor International”, page 132. Following, reference is made to C.R.D. in the study “*Marketing issues in transitional economies*”, Springer, 1st edition, August 31, 1999, Rajeev Batra, William Davidson Institute, Business & Economics, page 167.

- 2. The dimensions of values, the attitudes based on the functional values, and the imperative of the adequate approach of the Value Chain Management. Redesigning health care system in order to create value***

If values create energies, great achievements are the expression of high values in responsible action. From the point of view of the consumer, according to V. A. Zeithaml¹, the perceived value represents a consumer's overall assessment of the utility based on perceptions of what is received and what is given. According to J. N. Sheth, B. I. Newman, B. L. Gross², there are five dimensions of value (five consumption values making differential contributions in specific choice contexts): functional value (attributed-related/utilitarian benefits), social value (social/symbolic benefits), emotional value (experiential/emotional benefits), epistemic value (curiosity-driven benefits), conditional value (situation-specific benefits). Functional value, for instance, is concerned with the utility derived from the product quality and product performance, being measured on a profile of choice attributes (functional value being presumed traditionally to be the primary driver of consumer choice). And we also have to take into account the opinion of Daniel Katz³, who developed the functional theory of attitudes and identified four attitudes based on the functional values: utilitarian function, value-expressive function, ego-defensive function, and knowledge function.

It is known that customer value is given by the perceived benefits minus sacrifices. In other words, customer value is that net value given by customer beliefs, that customer buying / using the product or service, the perceived value consisting in savings in nonmonetary costs (time, effort, psychological costs and so on). And this within the context in which the end customers have at least three different perspectives on value: economic value, market value, the relevance value (it is estimated that relevance precedes increasingly more economic and market values of traditional purchase). As perceived by the customer, value *means* benefits (solution to customer problem) *minus* costs (financial and opportunity costs) *less* risk (unfulfilled promises). The allocation and use of resources in a manner that allows: the addition of more value (process effectiveness), at a lower cost (process efficiency), faster than the competition (responsiveness), in a responsible corporate manner (economic, environmental, ethical/social) is a definite challenge. Hence, the need for an adequate *Value Chain Management* approach defined as: “*The integration of key business processes from end user through original suppliers that provides products, services and information that add value for customers*”. In other words and in this perspective: a coordinated response to an increasingly dynamic and uncertain market, regulatory and technological environment; a collaboration within and between businesses in the value chain, the purpose of which is to improve the competitiveness of the value chain as a whole; a development of new value added products/services for distinct customers and targeted consumer segments.

Recent studies have confirmed that within the economic environment of recent years the supply chain visibility is critical for the customers, being necessary to have a value chain mapping to reduce uncertainty in the designed demand, because the real time sharing of information enables rapid response (agility) and efficient operations (lean), and greater understanding of consumer behavior enables alignment of innovation process with consumer demand; executives expect environmental concerns to be a more significant issue for supply

¹ V.A. Zeithaml - Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence, *Journal of Marketing*, 1988, 52(3), pp. 2–22

² J. N. Sheth, B. I. Newman, and B. L. Gross - Why we buy what we buy: A theory of consumption values, *Journal of Business Research*, 1991, 22(2), pp. 159-70

³ Daniel Katz - The functional approach to the study of attitudes, *Public Opinion Quarterly*, 1960, 24(2), pp. 163-204

chains in the years ahead, being wise to prepare to respond quickly to any sudden shifts in environmental expectations and requirements ; it is critical that the enterprise consider the cross-functional marketing and supply chain interactions of value-added processes, in order for a firm to promote a sustainability agenda to its markets, long-term enterprise sustainability requiring an integrated perspective incorporating both marketing and supply chain considerations.

The responsible marketers acting in the health care system are identifying patients' needs and are answering with appropriate products and services, practicing for them prices so as to create patient value and also profit for health care providers. Marketing concept is the philosophy of serving and mutual benefit. Competition in terms of value for health care consumer requires health care providers to embrace a range of strategic and organizational imperatives. It was found that a growing number of health care providers have started to address more imperatives, but there are very few that addresses all these imperatives, even though the transition to value-based model is self hardener.⁴

A specialist in psychology, Martin H. Fischer, said that "*the patient is not interested in the scientific knowledge of the physician, what he wants to know is if the physician can cure him.*"⁵ According to Michael E. Porter and Elizabeth Olmsted Teisberg⁵, *in order to create value and effective competition, the health care system must be redesigned, by starting from redefining the relevant business around medical conditions (patient centric) seen over the full cycle of care, considering the fact that: health care providers (who must understand the geographic market or service area over which it is competing, and correctly define the set of medical conditions in which it participates) are in the business of providing services to patients; it is important to have a clear view of how value is created as a precondition for excellent performance; patient value (which may be greater if preventive care and advice is provided over time) in health care delivery is determined by how well providers deliver care in each medical condition, given their particular patient mix, skills, and other circumstances, and adequately matching the complexity and acuity of the conditions diagnosed and treated, by concentrating on products and services that create unique value for patients. In this view, it is required to have health plans that integrate all individual health needs when there is competition on both, providers and medical condition levels. A system based on value to the patient keeps health plan outside supplier, and suppliers compete at the level of the medical condition. Health plans play an important role in encouraging medical records because they help run a higher value in the health care system. Health care, concludes Michael Porter, is a co-production of physician and patient.*

3. Responsible partnership in the context of the knowledge society and sustainable development. A strong pledge for urgently implement the policies that improve health and promote sustainable development.

There has been more often or less often the question of how people feel the world in which they take their daily lives on and which is their motivation model, considering that the

⁴ Florian Popa, Theodor Purcarea, Monica Ratiu, Victor Lorin Purcarea – Marketingul serviciilor de ingrijire a sanatatii, Editura Universitara Carol Davila, Bucuresti, 2007, pp. 187-211

⁵ Michael E. Porter, Elizabeth Teisberg Olmsted - Using Competition to Reform Healthcare, HBS Working Knowledge, June 5, 2006, An excerpt from Redefining Health Care: Creating Value-Based Competition on Results

baseline standards is given by the building of a better world for everyone.⁶ We are increasingly witnessing changes in values, expectations, codes of ethics, emotions, and we are observing struggles and ongoing debate about how to create business success and ensuring future protection, about guarantees to make the daily trip in the right direction, within the huge pressure to rebuilding trust in business, markets and investment analysis due to increasing in force recession, step by step. Life makes us cherish the hope, as a state of mind, in producing knowledge for wisdom, recognizing the moment of truth and becoming architects of conversation generating responsible action.

In 2005, I discussed with the distinguished Professor Beniamin Cotigaru⁷ about the possibility of a dynamic partnership in the context of the knowledge society and sustainable development, based on several considerations, such as: our approach aimed to promote interdisciplinary and inter-institutional research aiming at a sustainable enterprise that takes into account the core values of sustainable development; the question was how we could respond responsibly - to this compelling challenge - by an action for capacity building to address and to rethink the enterprise so as to stimulate the initiative of the true builders and users, by benefiting from a proactive national policy, by articulating appropriate initiatives, by participatory planning and focusing on socio-cultural variables; in a vision of participatory governance and building of democracy actors, establishing the public-private-citizen partnerships (tomorrow challenge) implies identification, testing, evaluation and dissemination of successful partnership combinations, placing the issue of commitment in ethics in human service on the Man-City-Nature quality alignment; in the public space - as a manifestation of interconnection of the policy decisions and their consequences on social and economic resources for development – the interdependence between state, market actors and different sectors of civil society is emphasized; democracy is an attitude and solidarity is not just a quality of the democracy but a constituent part of its duration; so we are in the situation of accepting a challenge consisting of change management targeting a reconstruction model considering: the globalization of cultural patterns due to the globalization of economic relations, the opportunity for a transfer of models from natural sciences in the phenomenological framework of the economy and sociology, the identification of the transfer methodology; none of the life spheres, neither human activities cannot be independent of ethics, one of the constant concerns of humanity. Note that since the aforementioned Symposium, organized by the Romanian Distribution Committee in May 2000 at the Parliament House, we emphasized the importance of understanding that the society is at the heart of sustainable development and adaptation of business, focusing on social trajectories (being aware of the problems; social movements, building sustainable communities: Local Agenda 21) and received responses (response indicators reflecting achieved progress).

As we know, “Agenda 21” emphasized *health* (defined by World Health Organization⁸ as a state of complete physical, mental and social wellbeing and not merely the absence of disease and infirmity) as indispensable to sustainable development, health and *development* (as the

⁶ Theodor Purcarea - Responsabilitatea si performanta sociala corporativa sub presiunea imperativului restaurarii increderii in dezvoltarea durabila, in Volumul „Responsabilitatea sociala corporativa: de la relatii publice la dezvoltarea durabila”, Editor Facultatea de Comunicare si Relatii Publice – SNSPA, 2010

⁷ Theodor Purcarea, Beniamin Cotigaru - Este posibil un parteneriat dinamic in contextul societatii cunoasterii si al dezvoltarii durabile?, Economistul, nr. 2021/2022/8 decembrie 2005

⁸ <http://www.who.int/en/>

process of improving the quality of human life) being intimately interconnected, while *sustainable development* encompassing environmental (the quality of the environment and the nature of development being major determinants of health) and economic sustenance and sociodemographic and health dimensions. We also see today that there is a strong pledge (such as of Mario Raviglione⁹ and colleagues) for *urgently implement the policies that improve health and promote sustainable development*. In June 2012 WHO released a set of thematic briefings on measuring health benefits of sustainable development in relation to the key themes (such as: sustainable cities; agriculture, food and nutrition security; jobs; water; energy; and disaster risk management)¹⁰ discussed at the UN Conference for Sustainable Development (UNCSD, or Rio+20), *stressing the importance of measuring health benefits as a way to assess progress on the three pillars of sustainable development since many achievements directly benefit public health*.

According to the last study cited above the Rio+20 conference¹¹ must put the link between health, the environment, and sustainable development at its center (and of course re-examined, a healthy environment being a prerequisite for healthy people and vice versa). In the same time there has been saluted the correct suggestions made by WHO that universal access to health care, health co-benefits from sustainable policies in different sectors, and health-related indicators must be included in the metrics of sustainable development. It was also underlined that Rio+20 must contribute to a new era for human wellbeing rooted in principles of equity, social justice, and sustainability.

The international campaign “*Beyond 2015*”¹², aiming to kick-start and accelerate the post-2015 (and *post Millennium Development Goals*) planning process, brings together more than 280 organisations (in over 70 countries). Its target is to become a legitimate and effective global development framework as part of the post-2015 United Nations Development Agenda’ as stressed in Para 108, and in this respect “Beyond 2015” have identified *four principles which must be the foundation for the Sustainability Development Goals: holistic* (capitalizing on synergy across different sectors, and understanding and responding to the complex interrelations between global development challenges); *inclusive* (process through which the goals are formed must be open and participatory, recognizing access to information and decision-making as the foundation of good environmental governance, through consultation of vulnerable communities and people impacted by poverty); *equitable* (ensuring that the targets achieve reductions in inequality both within and between nations, give priority to meeting the challenges faced by the most disadvantaged within each nation, and that fair allocation of resources is given to both poor people and poor countries to allow a just transition to a developed world); *universally applicable* (all countries, whether developed or developing, have obligations, ownership and accountability through a global framework).

We face today, both at the national and global level, a real serious challenge with “**Health, Nutrition, Fitness and Wellbeing**” requiring a more rapid adaptation to changing economic trends and new thinking. This “**Health, Nutrition, Fitness and Wellbeing**” philosophy of action about how shared intention and action should be understood, demanding

⁹ [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(12\)60923-4/fulltext](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(12)60923-4/fulltext)

¹⁰ <http://uncsd.iisd.org/news/who-releases-briefing-series-on-measuring-health-gains-from-sustainable-development/>

¹¹ <http://www.uncsd2012.org/>

¹² [Beyond_2015_SDG_MDG_relationship.pdf](#)

something from all of us to all of you had a good start. Ten years ago, M. K. Smith¹³ said that he believes that the very process of rediscovering our engagement in groups makes the endeavor worthwhile. Of course, we all know that “*To see far is one thing, going there is another*”, as said by the famous Romanian sculptor Constantin Brancusi. We also know that it is said that: as the world is changing, we can either prepare or react, our brains being constantly busy collecting and filtering information; the world is moving so fast these days that the man who says it can’t be done is generally interrupted by someone doing it; our selective perception is the door through which we choose to let the world into our conscious, our engagement is smashing through the selective perception filter, and our emotion is fundamental to our engagement.

In deed, for example, „*Eat well to stay healthy*” is a well-known agreed European message, within the context of determination to understand consumer choice through consumer science, an essential basis for any policy-making on diet and nutrition. Let’s remember the words of Seth Godin¹⁴: “*Ideas that spread through of people are far more powerful than ideas delivered at an individual... Movements are at the heart of change and growth... The opportunity is to note the distinction between an old style organization and a powerful movement. Either choice can work, as long as you in fact make the choice and commit.*”

Let’s conclude by citing Patrick Dixon¹⁵: “*Biggest ethical test for every culture and every nation: **creating a better world, improving life for people. This core value drives every political debate, underwrites all laws, and is the basis of all team leadership.** It is impossible to lead effectively for long without using this principle: will the world be a better place as a result of this activity or not? It is the key to all effective management, marketing and motivation.*”

¹³ M. K. Smith - Globalization and the incorporation of education, The Encyclopedia of Informal Education, 2002

¹⁴ Seth Godin - Meatball sundae, Piatkus Books, UK, 2009, pp. 229-230

¹⁵ Patrick Dixon, <http://www.globalchange.com/secret-of-business-success-most-important-value-in-the-the-world.htm>