

# SWOT Analysis of the Health System in Egypt

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## ABSTRACT

*The health status of the population is determined by access to health, on the one hand, and access to health services, on the other. Access to health is dependant to a large extent on factors external to the health system: genetic factors, environmental, socio-economic and cultural factors. Access to health care is almost entirely influenced by the organization of the health system. The numerous organizations in charge of service regulation, financing, and provision define the Egyptian health system. Additionally, health outcomes in Egypt reflect epidemiological change. The limited financial resources of the healthcare system are heavily taxed by the rising prevalence of noncommunicable illnesses and the persistently high levels of some select communicable diseases. Inequality in the coverage of health care and health outcomes is made worse by this, as well as financial inefficiencies. This paper applies a SWOT analysis on the Egyptian health system, identifying strengths, weaknesses, opportunities and threats, and stating some directions that health system reform must follow in order to tackle the problems that it faces.*

**KEYWORDS:** Egypt, health system, hospitals, SWOT analysis.

**JEL CLASSIFICATION:** I12, I15.

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## 1. INTRODUCTION

In today's world, where any society is obliged to rationalize and evaluate its every activity, health insurance services are also forced to shape their requirements and activities according to the economic possibilities they have, by virtue of the principle of effectiveness. The principles of scientific leadership have penetrated in recent decades in the health care sector, as a necessity imposed by the evolution of contemporary society (Ravetz, 2020).

The modern economy views health as an area of cost-effective services, determining its quality and effectiveness (Cookson et al., 2017). Quality represents a determinant factor of competitiveness in any industry any nation (Dobrin et al., 2015). This has led to the general orientation in the field of health insurance to pursue the introduction of competitive elements, specific to a market economy, in order to make it profitable, and in a controlled market health economy, health management plays a key role.

Contemporary health systems are continually developing their goals, but are not properly organized, structured, and managed to effectively implement health policies (Ginter, Duncan & Swayne, 2018). Prospective developments such as: increasing health needs of the population, advancing medical technologies, increasing health spending, and increasing political pressures for more social security will force health policy makers to seek maximum benefits with minimal effort. and expenses. This requires the improvement of health systems. A well-established health system is a system of the future that will have dynamic and integrated structures so that people will be able to live in a different way (Carroll & Rudolph, 2006). People will be able to actively participate in making decisions about their health thanks to these structures.

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## 2. RESEARCH METHODOLOGY

The aim of this empirical research is to diagnose the Egyptian health system using SWOT analysis. SWOT analysis is one of the most common qualitative assessment methods used to identify the pros and cons of the impact of the environment, as well as opportunity and risk factors (Benzaghta et al., 2021). An important feature of the method is the consideration of both internal factors, which include the strengths and weaknesses of the system, and external factors, under which the possibilities and threats of the system are understood. It is a comprehensive approach to the study of the current state of the field, and the development perspectives are the main reason for the popularity of the relevance of the analysis.

The main purpose of applying the method is to develop a strategy based on the maximum use of the strengths of the Egyptian health system and the minimization of potential risks. In order to develop the SWOT analysis, several theoretical aspects were approached, such as: presenting the health system in Egypt with the following main aspects: structure, financing, medical staff. Information gathered through sources such as research articles, scientific books, and reports helped identify and present the main strengths, weaknesses, and opportunities of the Egyptian health system. This research represents an ongoing study that will further investigate the process of improving the management of health organizations in Egypt.

## 3. PRESENTATION OF THE HEALTH SYSTEM IN EGYPT

The health system of Egypt is a component part of the social sphere that aims to ensure the health of society as a whole and of each citizen, as well as to prolong the longevity of human life. This is a composite system that includes all medical institutions and enterprises, medical staff, additional and maintenance services, necessary information, medical and information technologies, scientific research in this field as well as the most important component - the individual with his health, which needs to be the first and most important protector and promoter of one's own health.

Healthcare in Egypt is divided into both the public and private sectors. Public protection is provided through the Ministry of Health and Population (MoHP), which operates a number of medical facilities and provides health services free of charge. In addition, two main private insurers operate in Egypt. The health insurance covers from employees, to widows and students through premiums which are deducted from employees' salaries and employers' salaries. The curative care company works in certain administrations and engages in agreements with other organizations to provide care. The network of private healthcare facilities and insurance options is also available. Additionally, a lot of mosques run their own clinics, mostly in big towns. Many churches provide discounted or free clinics (Saber & Gomaa, 2020).

The Health Insurance Organization (HIO) and also the Curative Care Organization (CCO) are the two biggest public health care payers in Egypt. HIO delivers basic coverage to workers, widows, and students, through its own clinics and hospitals and serves 60% of the population (Mosallam, Aly & Moharram, 2013). Inpatient and outpatient care that has been established as a result of the privatization of Egypt's healthcare providers over the past 20 years is provided by CCO through contracts with people and businesses. Despite offering universal basic coverage, the public system faces chronic underfunding, poor service, and high out-of-pocket costs (Gericke et al., 2018).

The public health insurance system in Egypt provides generally poor-quality healthcare. Government hospitals are known to be negligent and generally provide minimal care. Because

of dissatisfaction with the service quality, only 6% of Egyptian patients actually use the services of the Health Insurance Organization (Zineldin, 2006). Egypt is currently working on a review of its public health system in order to improve its quality. A bill was approved in October 2017, which would help increase the contribution of citizens from 4% of current salaries to 5%.

Private healthcare providers are believed to be of superior quality than public ones, including pharmacies, hospitals, and doctors. Private health insurance is rarely used, and the majority of private services are paid for in cash (Gericke et al., 2018).

### **3.1. General Considerations**

In Egypt, all four types of inequities in access to care services are evident, which causes inequities in the health of different population groups, communities in different geographical regions, and economically disadvantaged groups (O'Donnell, 2007). These disparities are manifested by basic indicators of modest health, but also by a low level of information on health risk and protection factors or the health care system and the basic package of services in Egypt.

Medical services are currently provided based on the contribution to the health insurance fund. Primary health care is provided by public clinics, in order to emphasize the importance of primary services, as a filter for the development of problems. Access to outpatient and hospital care and access to free medicines is through clinics.

A significant portion of Egypt's population lacks health education, including a lack of understanding of the value of prevention and the habit of seeking medical attention when something goes wrong. This highlights the diminished importance that the health system has given to population health education programs. (Abdelaziz et al., 2018). As a result, in Egypt there are the highest values of the incidence of diseases of the circulatory system, TB, as well as some other infectious or parasitic diseases (Mashaly et al., 2017).

Maternal and infant mortality rates are significant indicators of the problems of access of some mothers and newborn children to medical care, the low quality of the services offered to them, as well as of the degree of insufficient information regarding the methods of disease prevention and of sanitary hygiene maintenance. Despite the declining trend after 1990, the infant mortality rate in Egypt is three times higher than the average for countries in the region and twice as high as in countries in the region (Boutayeb & Helmert, 2011).

Conditioning access to services, by introducing health insurance, has led to the rise of population segments that, through uninsurance, can only have access to the emergency service. Social inequalities are significant. The risk of premature death is higher for disadvantaged groups and unskilled workers.

In 2017, Egypt's population was 94.8 million. Egypt falls in the African average in the distribution by age categories as follows: 26% young people under 20 (the average in Africa is 24.6%), and 15.4% people over 65 years, a percentage close to the average in Africa, 15%. The proportion of people over 75 is estimated at 6.6% and relatively high compared to the African average, respectively, 6.1%, but according to studies, a rate of 8.2% is expected in 2022 which is lower than the African average forecast at 8.9%. About 75% of Egypt's population is concentrated in a small number of urban areas. The capital alone has 10 million inhabitants, other large cities have over a million inhabitants.

Life expectancy in 2016 was 82.0 years for women, while in Africa it is 80.2 years, and 74.1 years for men, while in Africa the life expectancy of men is 73.9 years. It is observed that both values are high compared to the African average.

The leading causes of death in Egypt are cardiovascular disease and cancer. The male mortality rate from cancer is very high. For women, the main cause of death is cardiovascular disease. The estimated incidence of AIDS in 2016 is still very high, respectively, 72 new cases diagnosed per million inhabitants. The DMF index of health in the dental field was 2.1 in 2013. This figure is higher than the African average of 1.9, respectively. In 2012, tobacco use was higher than the African average for men and lower for women: 38% for men and 20% for women all smokers over 15 years of age. The average in Africa is 37.1% for men and 25.1% for women.

### **3.2. System Structure**

The state plays the most important role in the Egyptian health system. It assumes responsibility for the protection of all citizens (Van Lerberghe, 2008). The central government deals with the health of the population in general and with the social protection system as a whole, controlling the relations between the different financial bodies, exercising its tutelage over the public hospital sector, and organizing the professional training in the field of health. The Ministry of Health and Population (MoHP) is the central public administration body that deals with health estimation, elaboration and promotion of the unique state policy in the field of health care, health system reform in accordance with new processes taking place in society and providing the population with quality health care. MoHP sets public health objectives and has the mission of evaluating medical practices, quality, and performance established by the public and private health sector.

At the regional level, the regional directorates of health and social issues implement the planning of health and social equipment and ensure its follow-up and establish the number of beds by specialty and area and establish rules for the installation of expensive medical equipment. The compulsory social health insurance system has a quasi-universal coverage.

### **3.3. Financing System**

The financing of the health system is mainly based on contributions from employers and employees (Ahmed, Ramadan & Sakr, 2020). The Egyptian health insurance system covers 74% of total health expenditures. A share of 6.8% of the expenses is covered by the mutual society and 5% by the private insurances. Taxation contributes less than 3%, while direct patient participation in costs amounts to more than 13%. The government determines the level of funding for public hospitals.

Public hospitals are financed by global allocations calculated at the level of expenditures from the previous year. Services are paid on a daily basis. The staff of public hospitals is employed, as well as that of private institutions, and is generally remunerated on the basis of documents.

Health insurance plays a major role in setting tariffs for private healthcare providers. Private hospitals are funded according to a formula that combines the price per day of hospitalization with the payment based on documents.

In the outpatient sector, doctors are remunerated based on documents according to conventional rates. Reimbursable drugs are listed. The prices and the proportion of the co-payment are established by ministerial decree. Over-the-counter products that are not refundable are not regulated by the state. There is no budget limit for drug spending.

### **3.4. Medical Staff in Health Organizations in Egypt**

Human resources play a significant role in improving the performance of the healthcare sector (Potcovaru & Gîrneală, 2015). The human resource in the health sector in Egypt is

represented by the medical or non-medical staff, which makes individual or selective health intervention possible and is the strongest resource of the health care system exclusively due to the related financial effort. The comparison with other states shows the worrying situation of health and the health system in Egypt, but also the comparison between different regions of the country and between different rolling groups shows major discrepancies in both the access to health services and, in this case, the health indicators. There are areas in Egypt where the number of medical resources is well below the national average, and access to basic medical services is restricted, the rural environment continuing to be in the most difficult situation from this point of view (Rashad & Sharaf, 2015).

In the same time, in addition to the reduced number of national medical resources, there is a significant geographical imbalance, the agglutination of human resources in the urban environment to the detriment of the rural area and the avoidance of the poor regions or of the risky areas due to minorities, poverty, etc. (Gericke, 2005). Thus, the sanitary system does not adequately respond to the needs of such groups or regions.

The salary of doctors in Egypt is low. Monthly salaries range from 1,218 Egyptian pounds (\$ 69) to 6,365 Egyptian pounds (\$ 361). Of the members of the Egyptian medical union, only about a third work in the country.

At the level of the health authorities and, in general, at the level of the Ministry of Health, there is no coherent human resource policy in the healthcare system. The planning elements are mainly based on the education capacity of universities and less on the citizens' health needs that the healthcare staff should respond to.

Decisions to increase the number of physicians in medical care are made on the spot. For example, although Egypt has a low number of doctors related to the population number, only a small number of university graduates are employed.

#### **4. SWOT ANALYSIS OF THE HEALTH SYSTEM IN EGYPT**

A system's ability to comprehend and adapt to its surroundings is thought to have a significant impact on how effective it is. Planning, structure, control, working practices, and suitable legislation are all necessary for effective management. SWOT analysis is the most crucial management strategy for comprehending the strategic position of an organization. It is a managerial tool that gathers and organizes information to enable managers to act, defend, and promote the business's objectives with greater success:

S - Strengths - define the positive values and internal conditionings that can be sources for the success of the organization in achieving the managerial objective.

W - Weaknesses - identify elements that can prevent the achievement of goals.

O - Opportunities - presents the ways in which the interests of the organization can be influenced by general trends present in the external environment.

T - Threats - establish threats to the growth of the organization, negative aspects that arise from overexploitation of the organization's resources, or limitations that are imposed on the organization by a changing external environment.

Based on the above, we can summarize the analysis of the following strengths, weaknesses, opportunities, and threats of the Egyptian health system.

##### **Strengths:**

- Access to medical services is equal for everyone, people can benefit from the treatments they need regardless of their social status or job.

- The financing is made from general taxes and fees through the state budget, and the doctors are state employees.
- The system was developed on the principles of equity, ensuring access to comprehensive health services for almost the entire population.
- Medication is influenced by necessity and not by the ability to pay.
- Political will and the existence in the system of the potential for the implementation of strategies at the level of the health system.

**Weaknesses:**

- Insufficiently developed physical infrastructure and insufficient endowment of medical institutions.
- Predominant coverage with quality medical services at city level.
- Insufficient motivation of medical workers.
- Lack of an integrated and unitary information system, which interconnects all health care providers, as well as institutions with responsibilities in health insurance.
- The high incidence of chronic non-communicable diseases and the inadequacy of measures to prevent them.
- Insufficiency of fundamental research on risk factors for chronic non-communicable diseases.

**Opportunities:**

- Existence of investment projects in the health system.
- Increasing the competence in the health system and increasing the quality of the medical act.
- Willingness of international bodies and donor countries to provide financial and technical assistance to the health system.
- The large number of non-governmental organizations active in the field of health and in the medical-social field, which can be used as resources in partnership programs.

**Threats:**

- Maintaining the preferences for the urban health system over the rural one.
- The exodus of labour from the health system.
- Insufficient managerial skills and abilities at the level of the health system.
- The risk of increasing and worsening communicable and non-communicable diseases, which together cause serious human, social and economic losses.

The stabilization of health insurance, which is considerably low due to the economic slowdown, holds the first place in the order of priorities. Finding a balance between different care systems remains a priority. The Egyptian health system needs to be reformed from two points of view: to deal with the complex problems involved in the aging population and to focus on prevention activities that focus on strengthening behaviour change among the general population. Currently, in Egypt, there is a lack of health programs or services adapted to the specific needs of the elderly population. The inevitable process of population aging will lead to a very large increase in the consumption of health services and an increase in public spending on health. To respond to these new needs, the health system must take concrete measures to assist the elderly.

Strictly medical services need to be doubled by social policies that provide adequate health and social services to the elderly, along with the promotion of physical activity and their involvement in social activities, which increase self-esteem, autonomy, and independence of the elderly. A country with many elderly people does not mean a country of inactive people

and consumers of resources. On the contrary, the workforce of retirees must be reconsidered and their life experience revalued, which is an asset for the family and the community.

The second direction that health system reform must follow is to focus on disease prevention policies. Specific mortality by causes shows a tendency to increase the number of deaths from cardiovascular diseases, both in young adults and the elderly, as well as a significant increase in the share of deaths from tumours, especially in young people and women. Changing these trends requires promoting a healthy lifestyle, balanced nutrition, combating sedentary lifestyle, and stress, as well as tobacco and alcohol consumption. Also, the strengthening of health and social services in rural areas would ensure the improvement of the population's access to such services.

## 5. CONCLUSIONS

Accessibility to health care services is regulated by the convergence between the supply and demand of such services, or, more specifically, the real availability of care facilities in comparison with the demand on the basis of the real need for health. Access to care is unequal for at least four reasons: ethnic or racial; economic, here counting the direct costs endured by the population as well as the indirect ones; inadequate geographical location of care facilities; unequal quality of services of the same type.

In order to build on the principle of sustainability in the health system in Egypt, a set of measures must be identified to conserve, increase, and capitalize on all the resources available to the health system at any given time, and among these, human resources become a priority due to the fact that the development of a social system is achieved primarily through people and especially for people.

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