

Study Tallies Disease's Cost in Poor Nations

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After epic rains drenched wide swaths of southern Africa last year, swelling the waterholes that breed mosquitoes, a tiny rural village near Dobe, Botswana, suffered a particularly bad malaria season. Practically every family had at least one person resting under a tree wrapped in blankets.

That village amounted to an object lesson on why health is essential to economic growth: A huge portion of the adults were simply too sick to work.

Now, a comprehensive World Health Organization report, compiled by a blue-ribbon commission including two Nobel laureates, puts specific dollar figures on how disease drains the economies of poor countries.

It also lays out the costs—and surprising benefits—of improving the health of the world's destitute. For just a penny out of every ten dollars in the rich countries, combined with sharply increased spending by poor countries themselves, millions of lives could be saved each year, reaping annual economic benefits in the hundreds of billions of dollars.

"Up to now, leaders have largely considered tackling health as a moral issue," says Zepherin Diabre, associate administrator of the United Nations Development Programme and a former economics adviser to the president of his native Burkina Faso, a small West African nation. But the report, he says, demonstrates the economic rationale for improving health. "It's a tremendous advocacy tool," said Mr. Diabre, who contributed to the report.

Released yesterday, the report is titled "Macroeconomics and Health: Investing in Health for Economic Development." Two years in the making, it is based on almost 90 background studies and was funded in part by the Bill & Melinda Gates Foundation.

According to the report, the lost earning potential of people killed and sickened by malaria amounts to almost 6% of sub-Saharan Africa's total 1999 gross domestic product. For AIDS, it exceeds 17%—and these represent the report's most conservative estimates.

High infant mortality, a key indicator of overall health, correlates with low economic performance. It is also "one of the main predictors" of coups, civil wars and other

Generosity Gaps

Top five and bottom five donors of aid to developing countries in 2000, ranked by percentage of donor nation's Gross National Income

Country	ODA* in millions of US dollars	Percentage of GNI
1. Denmark	1,664	1.06%
2. Netherlands	3,135	0.84
3. Norway	1,264	0.80
4. Sweden	1,799	0.80
5. Luxembourg	127	0.71
18. Austria	423	0.23
19. Spain	1,195	0.22
20. Greece	226	0.20
21. Italy	1,376	0.13
22. United States	9,955	0.10

◀ Average Country Effort 0.39%

*Official Development Assistance

Source: Org. for Economic Dev. and Cooperation

forms of state collapse, according to a study cited in the report that examined state failures between 1960 and 1994. "The United States ended up intervening militarily in many of those crises," the report states.

In the world's wealthiest countries, total per capita health-care spending exceeds \$1,900 a year. Among the world's poorest countries, that figure is a paltry \$13. Ratcheting that up to just \$34 could save eight million lives each year.

Many of the deaths among the world's destitute population are the result of preventable or treatable diseases such as malaria and tuberculosis, and childhood diseases such as measles, for which cheap and effective vaccines exist. Indeed, the world was making some progress before the advent of AIDS, which has slashed life expectancy in hard-hit countries.

The report calls for \$66 billion a year in new money by 2015 for health, nutrition and the expenses, such as new financial monitoring systems, required to scale up the treatment of the roughly two billion people who live in poor countries.

The report recommends that low-income countries pony up \$28 billion annually by channeling an additional 2% of their gross domestic product toward health and nutrition. Yet the harsh reality is that "there are places in the world that are too poor to save themselves," says Harvard economist Jeffrey Sachs, chairman of the commission that wrote the report.

Rich countries would be expected to provide the balance, \$38 billion a year in additional funds by 2015, or about one-tenth of 1% of the wealthy countries' combined GDP. The WHO and the World Bank, together with a steering committee from poor and rich nations, would allocate the funds. The report declares that rich countries should funnel aid only to "those countries that are helping themselves." Poor countries would have to meet accountability standards.

While drumming up that kind of money would be an enormous challenge, the report estimates that this investment would yield a return on investment of more than five times, "at least \$360 billion per year." The estimated benefits combine the direct earning power of individuals saved from disease and the faster economic growth that healthier populations would generate.

As a percentage of national wealth, the U.S. ranked second to last in the amount of development aid it provided to the world's poorest countries, according to 1999 figures from the Organization for Economic Cooperation and Development. The OECD pegs such U.S. aid at just 0.02% of the country's GDP. "Most Americans would be appalled to learn how little we give," said Harold Varmus, the former director of the National Institutes of Health and one of the Nobel laureates on the commission.

Among the report's other recommendations is a call for pharmaceutical companies to extend the deep discounts they have offered on AIDS drugs to all essential medicines in poor countries. If the drugs remain unaffordable, the report says, poor countries should be allowed as a last resort to import generic versions, which often sell for much less than patented medicines. The report also calls for spurring research into new treatments for poor-country diseases, such as malaria and tuberculosis. One suggested incentive that has been gaining support is a global commitment to purchase new medicines.