Learning from Other Countries: Significance of Investing in Health for Economic Growth and Social Development

Overview
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Key global reports on health and development


- **World Development Report: Investing in Health (1993)**: rapid improvements in health would lead to increased economic output and rapid gains in welfare for the poor

- **WHO’s Commission on Macroeconomics and Health Report (2001)**: evidence that “a healthy population is an engine for economic growth”

- **MDGs (2000)**: committing world leaders to combat poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women
  
  — Recognize interdependence of health and all MDGs

- **The Lancet Global Health 2035 by the Commission on Investing in Health (2013)**
How improved health leads to increased personal and national income

Evidence for health improvements stimulating economic development

- Historical case studies
- Microeconomic studies at individual or household level
- Macroeconomic studies on the effect of health improvements on income, income growth, or investment rates

Jamison, Lau, and Wang\textsuperscript{1} reviewed this literature and concluded that \textbf{11\% of economic growth} in low- and middle-income countries from 1970-2000 was from reductions in adult mortality

Better Health Increases “Full Income”

- People place a high value on living a longer, healthier life
- National income accounts measure income in a narrow sense
- “Full income” is a broader concept that values income accounting as well as mortality risk

We used “full income” approach to better assess health’s contribution to a nation’s economic well-being
Myanmar total health expenditure as % of GDP compared to countries of similar GNI per capita, 2004-13

Source: World Health Organization Global Health Expenditure Database

Myanmar government expenditure on health as % of total government expenditure compared to countries of similar GNI per capita, 2004-13

Source: World Health Organization Global Health Expenditure Database
Myanmar total health expenditure as % of GDP compared to other ASEAN countries, 2004 - 2013

Myanmar government health expenditure as % of total government expenditure compared to other ASEAN countries, 2004-13

Source: World Health Organization Global Health Expenditure Database
Conclusions

• Evidence is compelling: there is an enormous payoff from investing in health
  
  • Better health stimulates economic growth
  
  • Better health has a value in and of itself
  
  • Growth in “full income” quantifies both income growth and the value of increased life expectancy
  
  • High priority for investing in health and in investments that affect health (e.g. water and sanitation)