

Investing in Health: An Economic Assessment

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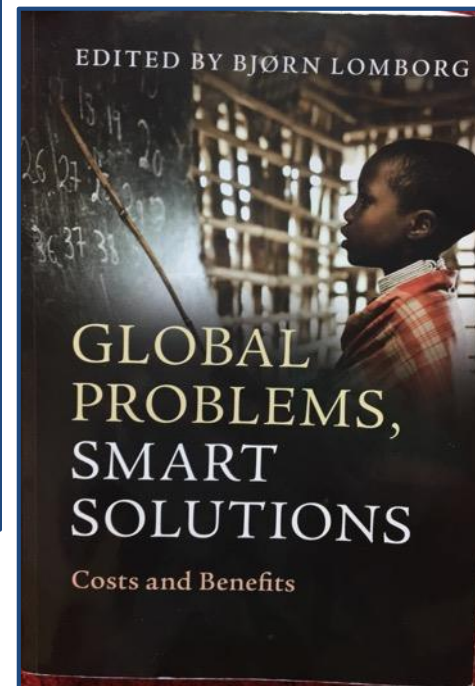
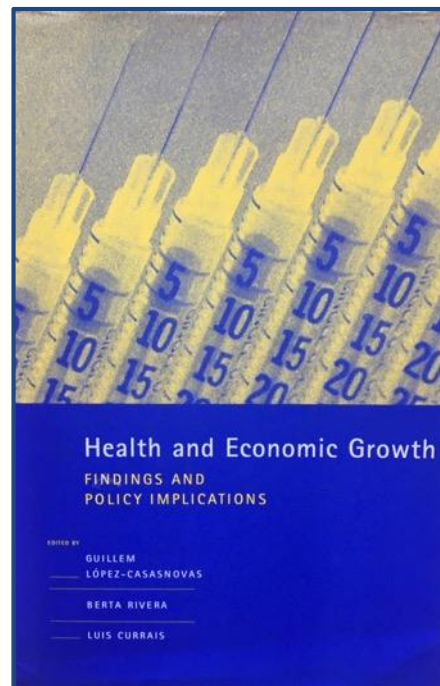
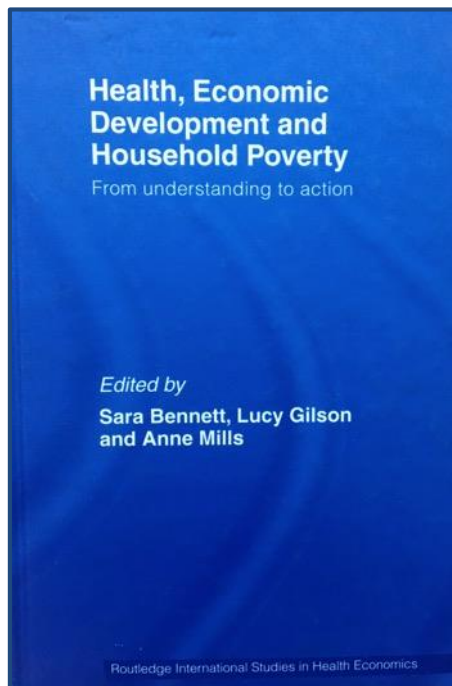
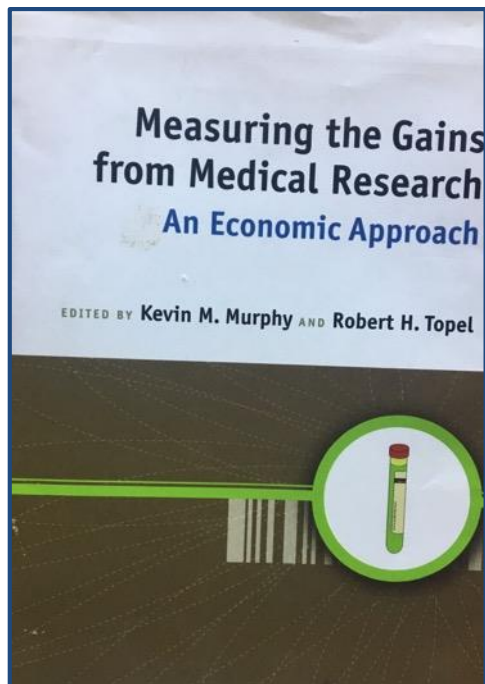


Overview

- **The returns to investing in health**
- Implications for Mexico
- Implications for pandemic preparedness

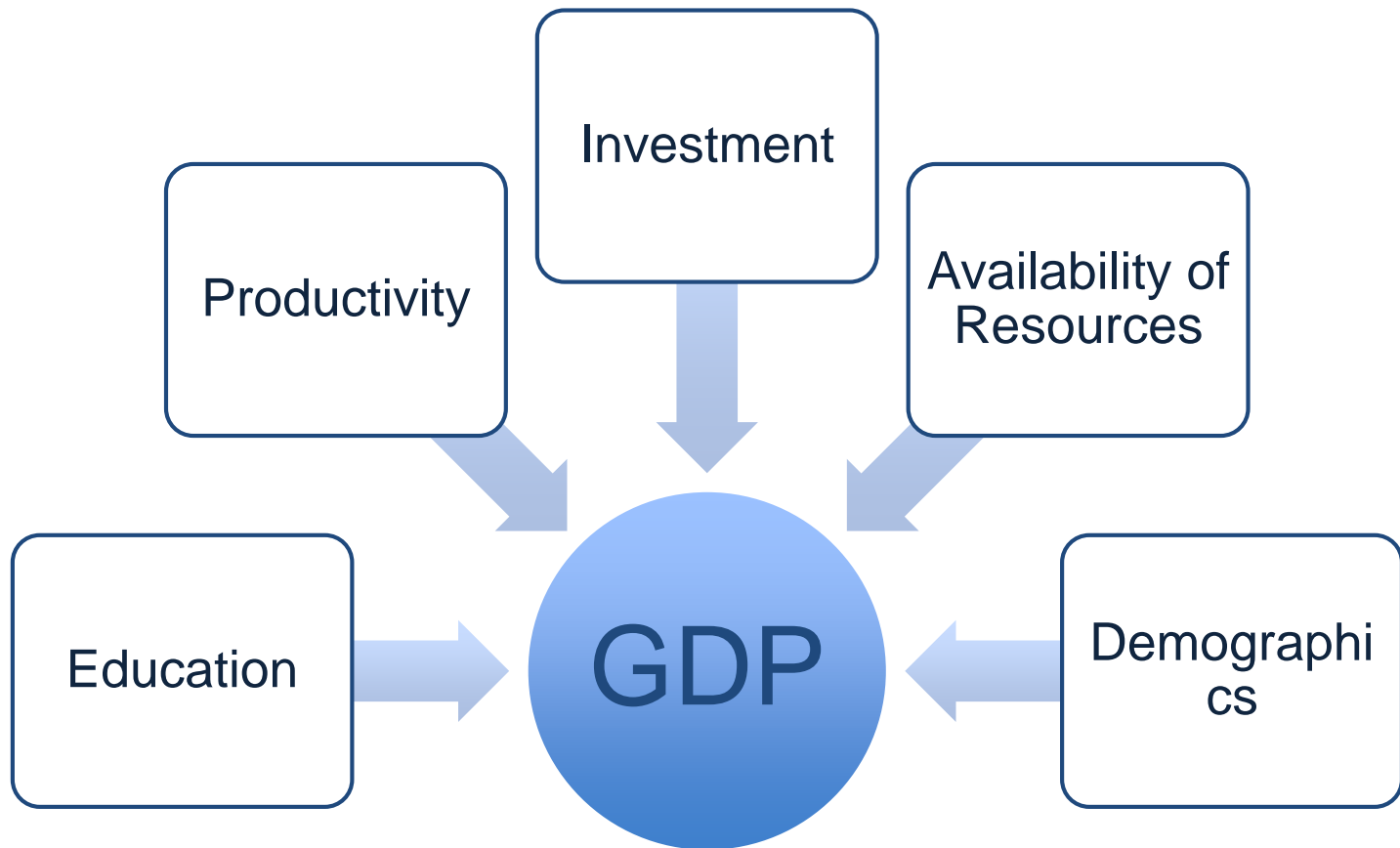


HEALTH INVESTMENTS BOOST PERSONAL AND NATIONAL INCOME





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HEALTH'S CONTRIBUTION TO GNI: FOUR CONVERGING LINES OF EVIDENCE

Historical

E.g., health improvements were estimated to have contributed 30% (or 1.15% per year) to Britain's economic growth, 1780 – 1979.

Microeconomic

E.g., In Indonesia a 1% increase in adult height was estimated to result in a 5% increase in income

Macroeconomic

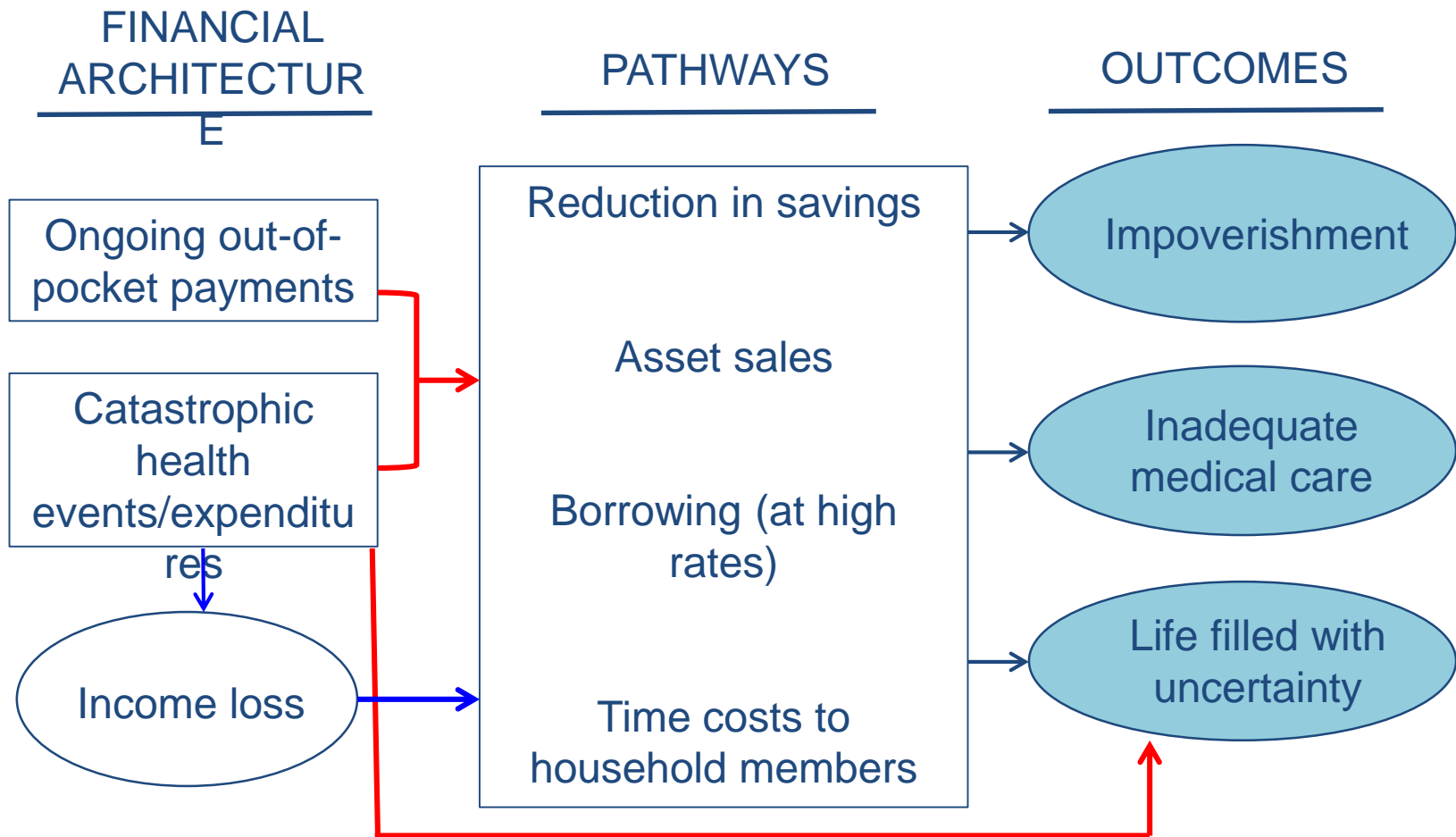
E.g., A typical study estimated that about 11% of economic growth in low- and middle-income countries, 1970 – 2000, resulted from reductions in adult mortality

Benefit-cost analyses

E.g., The Copenhagen Consensus 2012 ranked the 30 most cost beneficial ways of addressing global poverty. 10 of the top 15 were in health or nutrition.



INADEQUATE FINANCIAL ARCHITECTURE & PATHWAYS TO POVERTY



Red: Health finance policy determines size of impact
Blue: Social insurance policy determines size of impact



THE VALUE OF INVESTING IN HEALTH

“The Lancet Commission on Investing in Health provides further proof that improvements in human survival have economic value well beyond their direct links to GDP”

Jim Kim



World

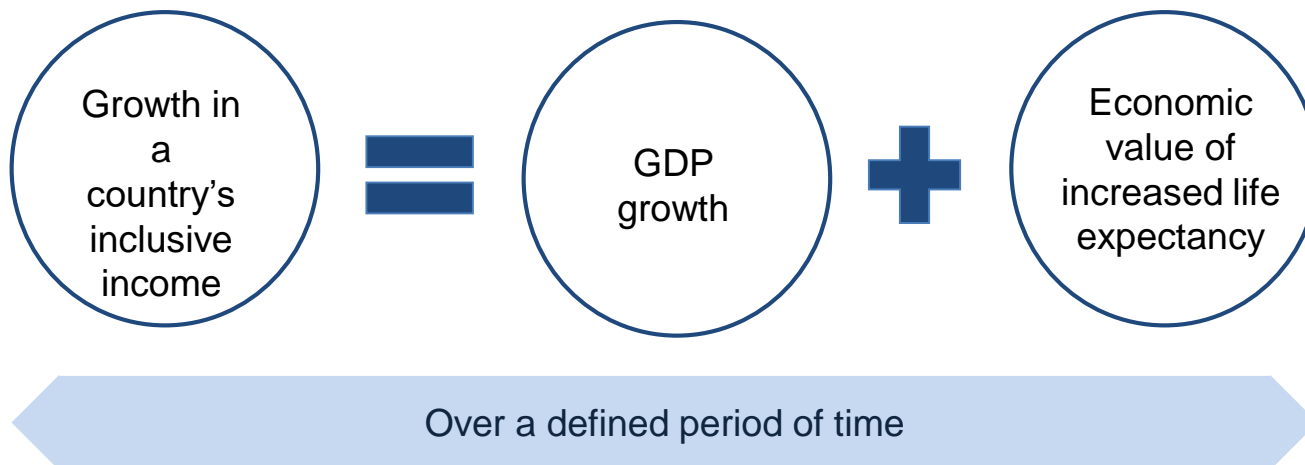
Bank President



THE VALUE OF HEALTH GOES BEYOND GDP

“A country whose citizen enjoys long and healthy lives clearly outperforms another with the same GDP per capita but whose citizens suffer much illness and die sooner”

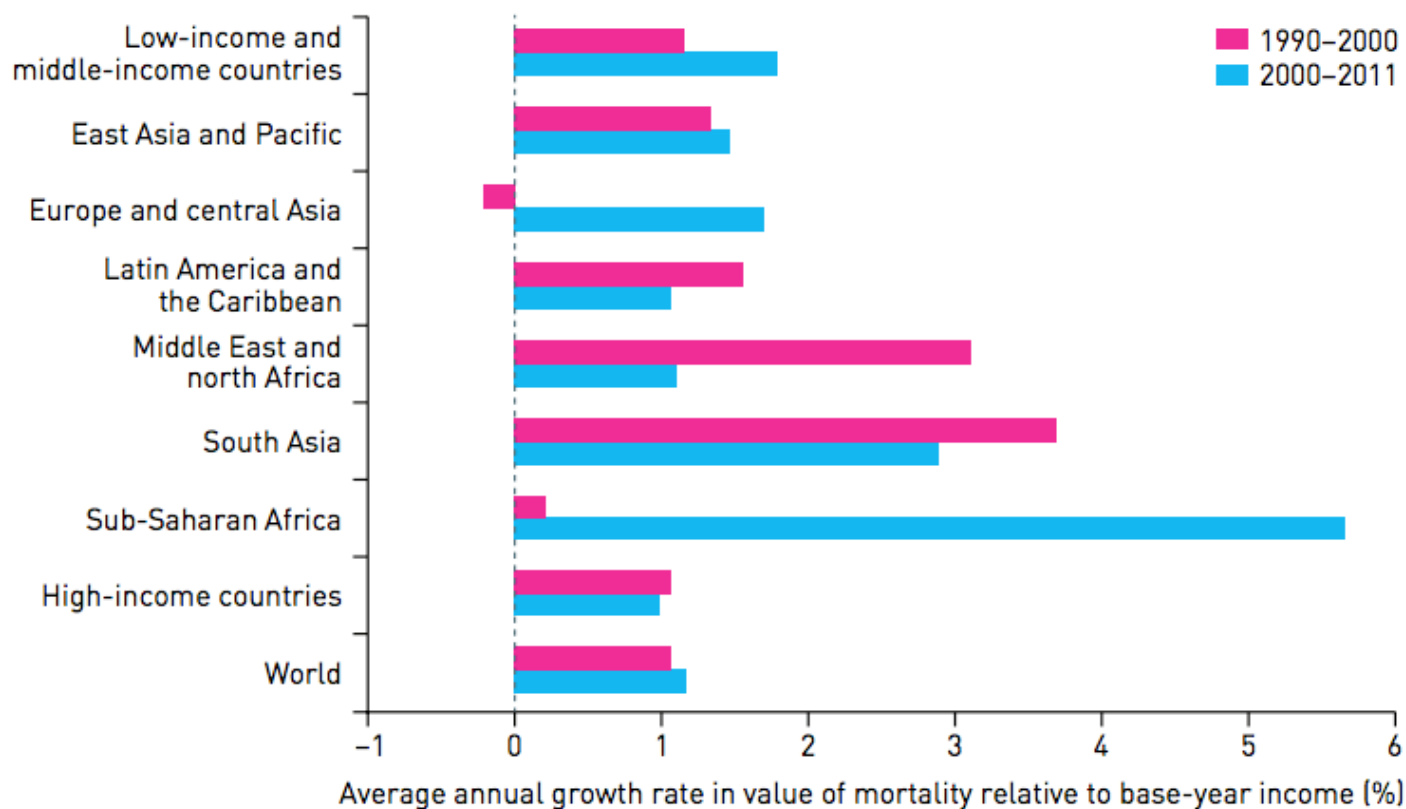
-Bloom et al, 2004





THE VALUE OF HEALTH GOES BEYOND GDP

Contribution of change in life expectancy to growth in full income
1990 – 2000 and 2000 – 2011



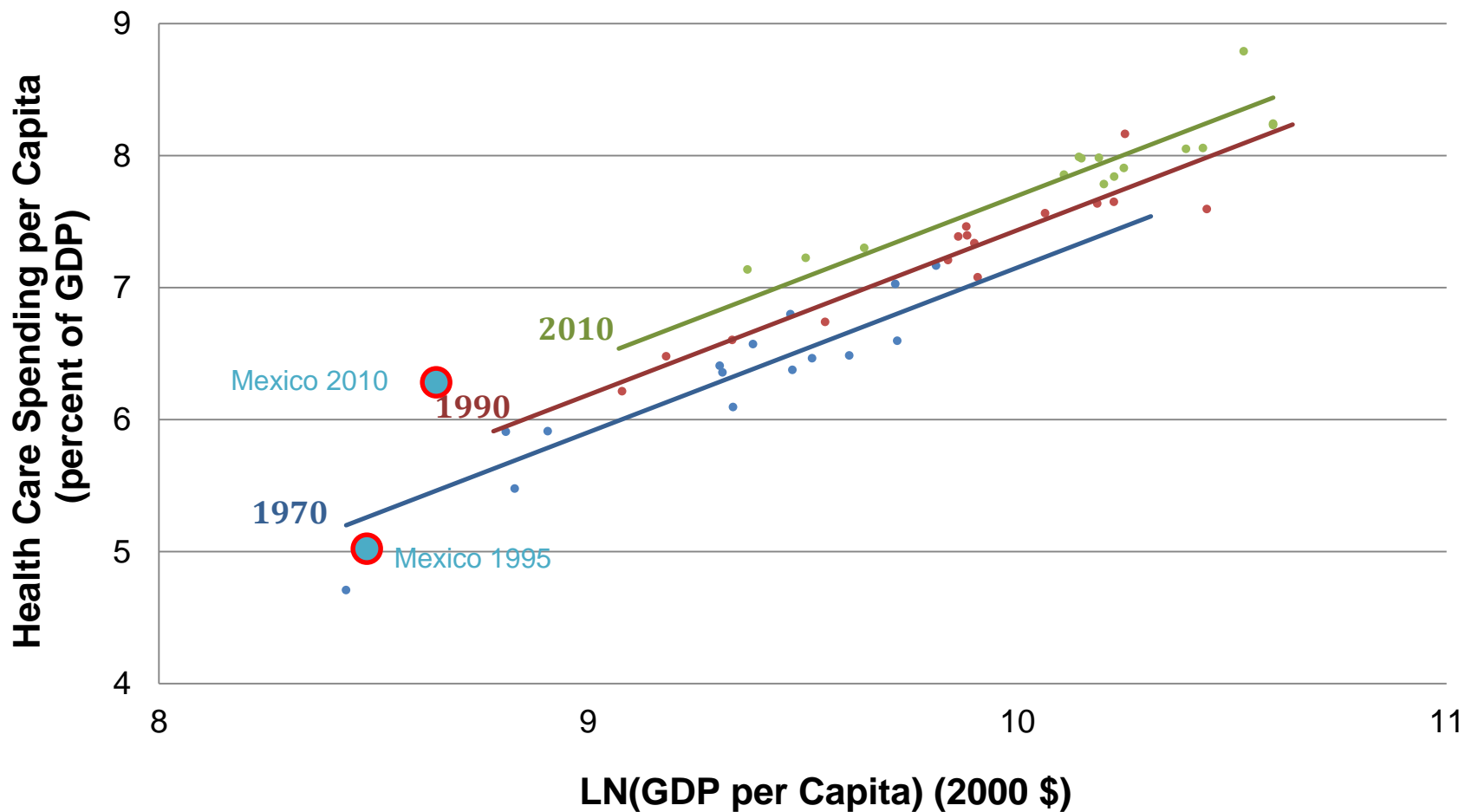


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FIRST LAW OF HEALTH ECONOMICS



Mexico's path towards the Sustainable Development Goal for health: an assessment of the feasibility of reducing premature mortality by 40% by 2030

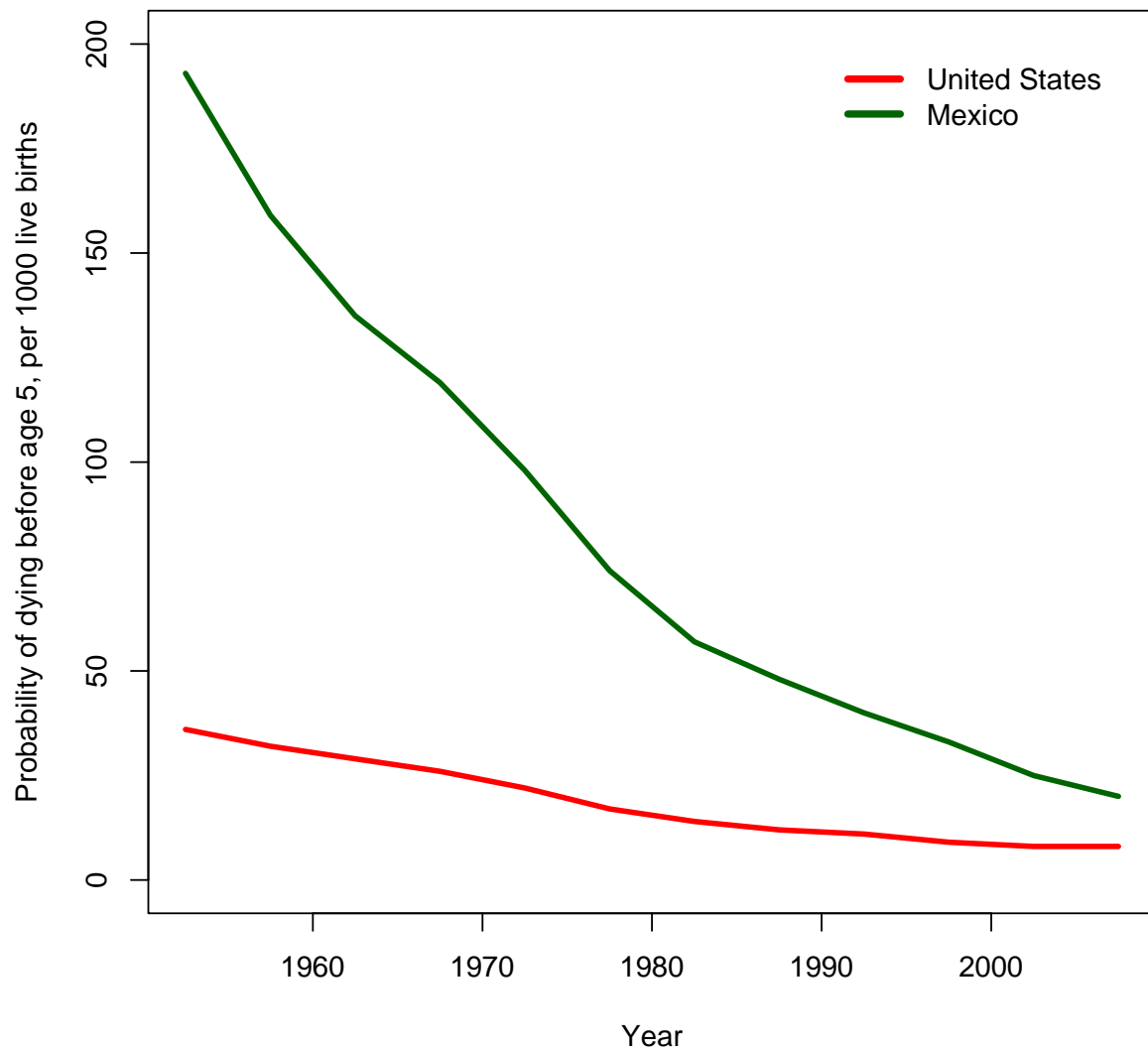
Eduardo González-Pier, Mariana Barraza-Lloréns, Naomi Beyeler, Dean Jamison, Felicia Knaul, Rafael Lozano, Gavin Yamey, Jaime Sepúlveda

THE LANCET
Global Health



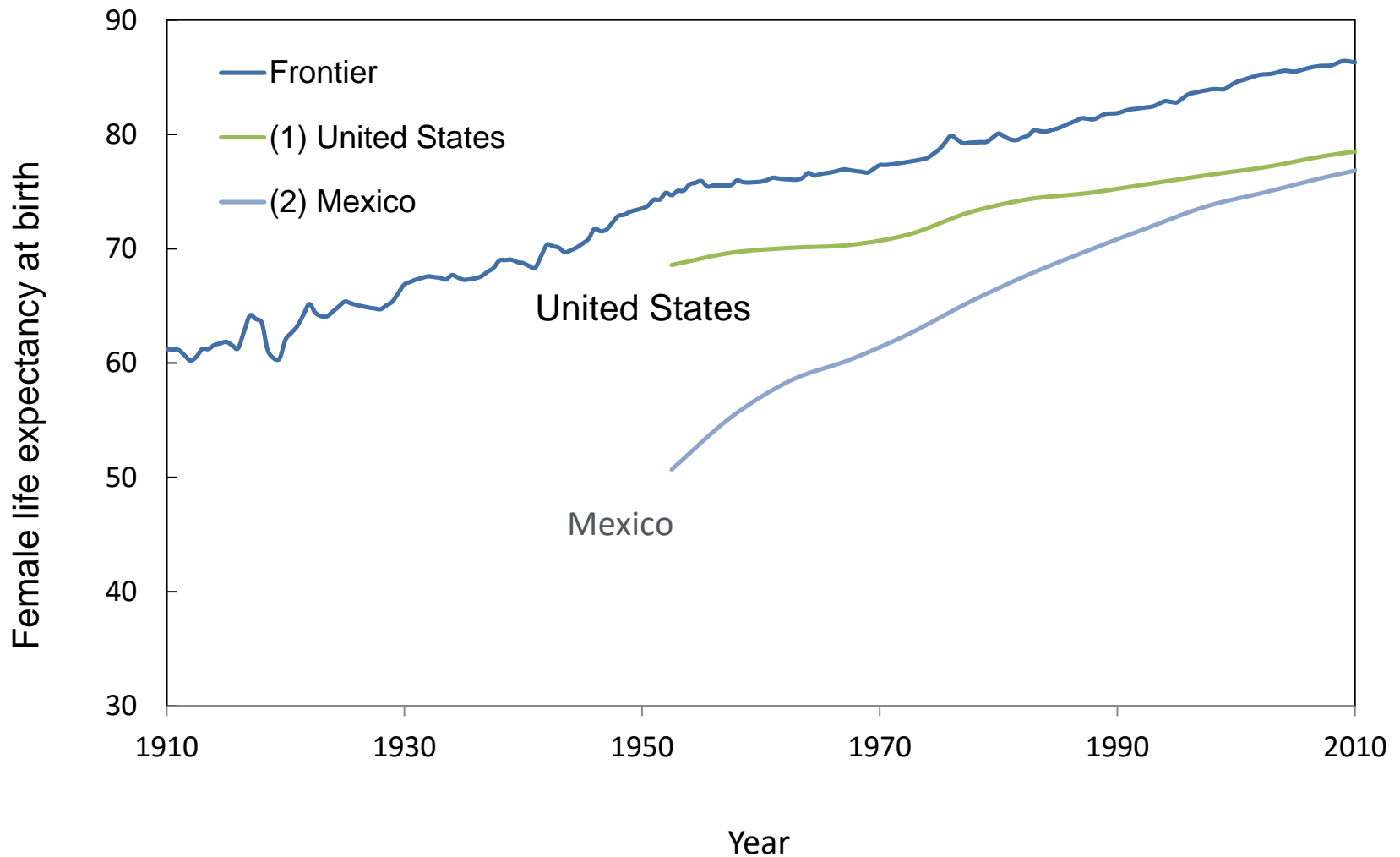
WHEN WILL MEXICO CONVERGE? UNDER-5 MORTALITY

Under-five mortality



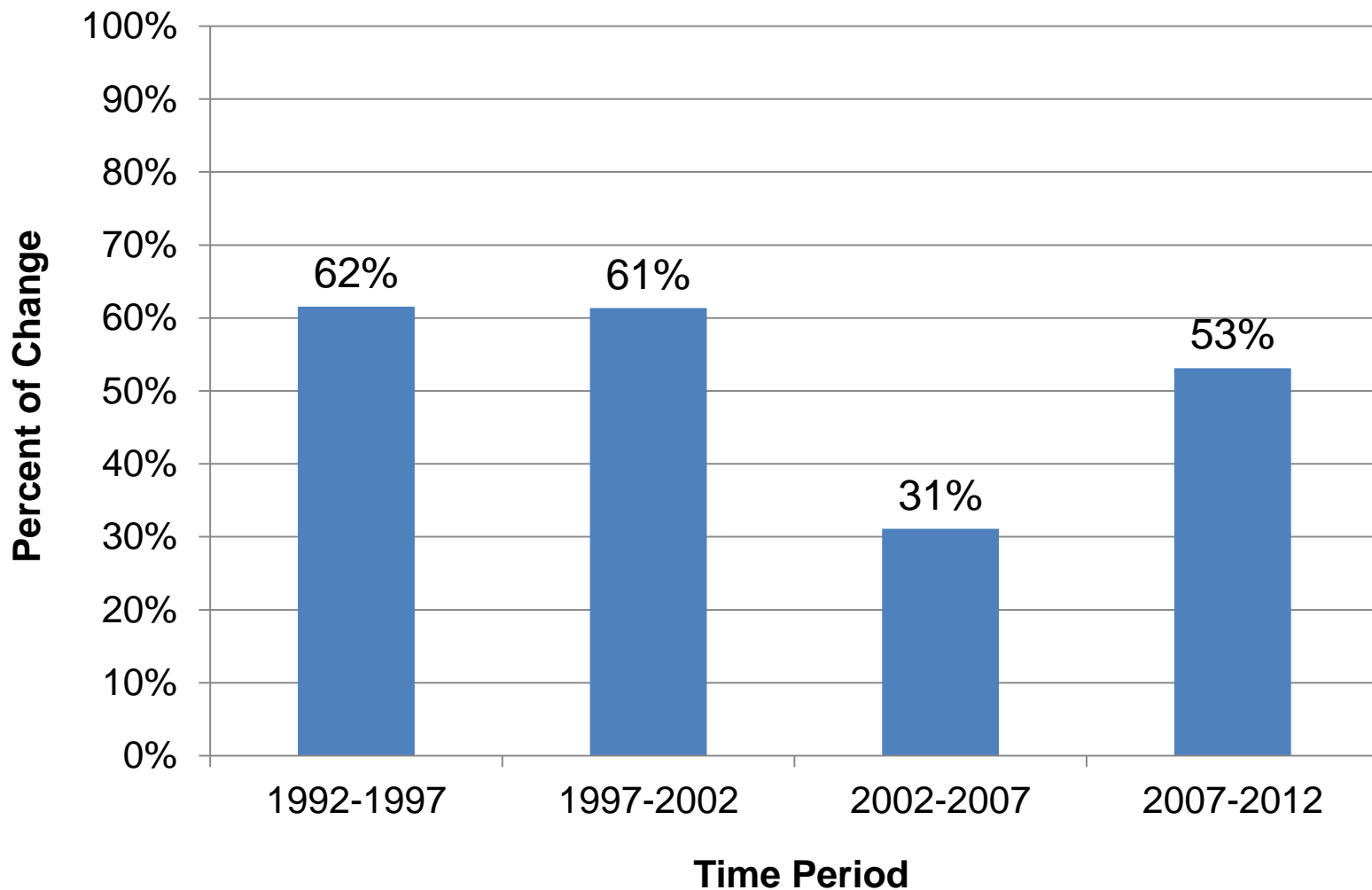


WHEN WILL MEXICO CONVERGE? LIFE EXPECTANCY





VALUE OF MORTALITY DECLINE AS % OF CHANGE IN FULL INCOME IN MEXICO



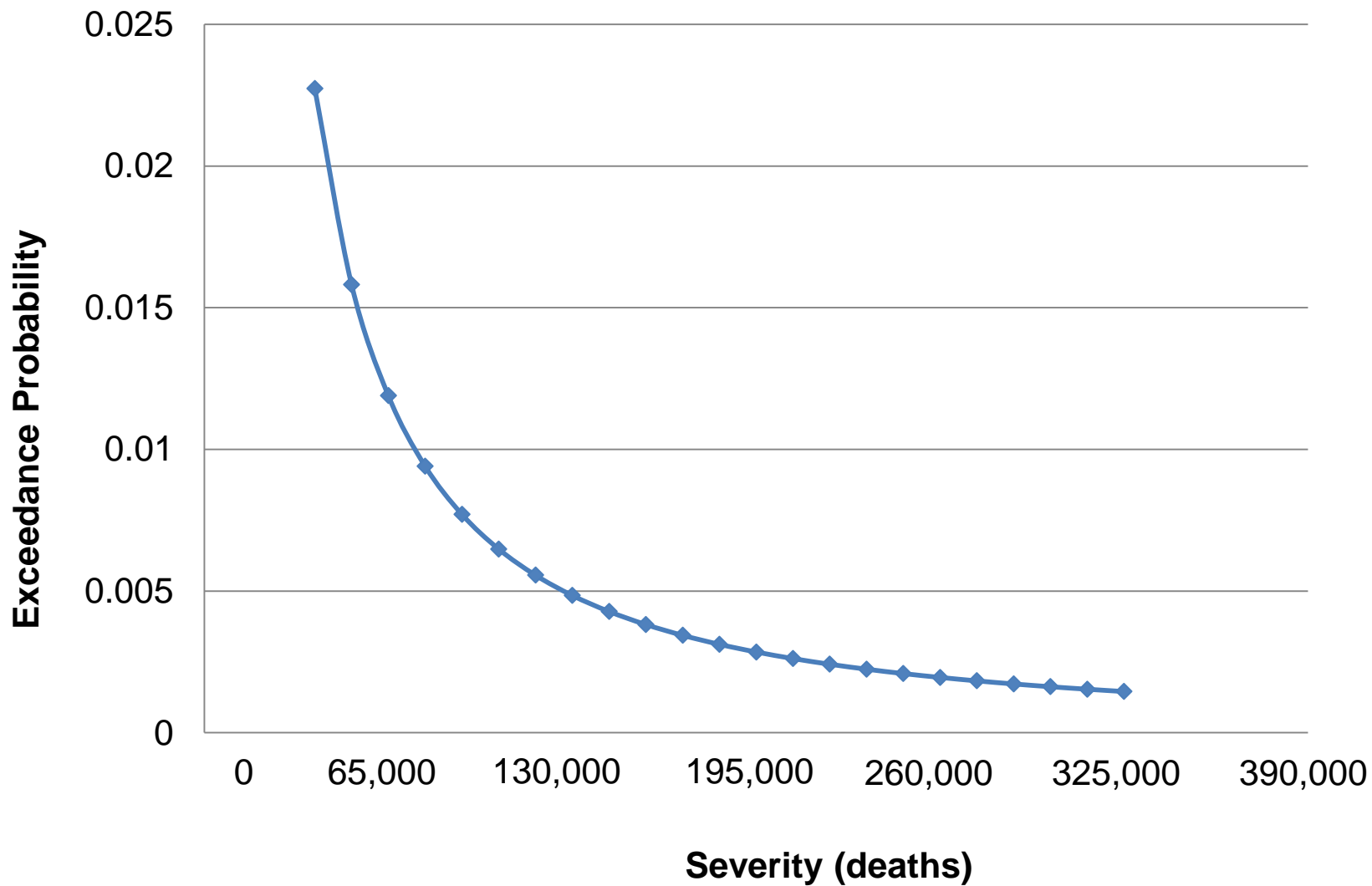


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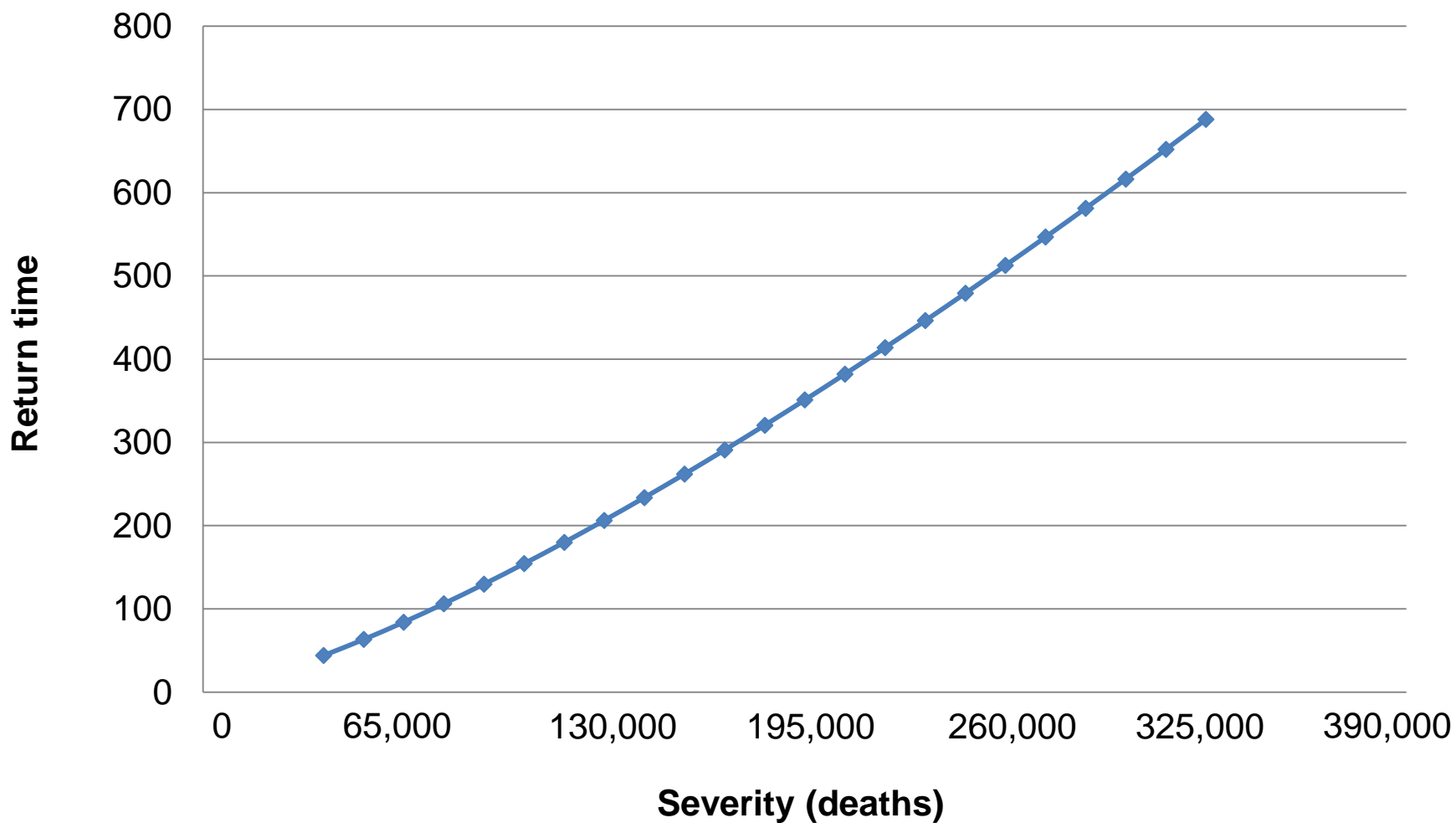


ESTIMATING PANDEMIC RISK IN MEXICO





RISK EXPRESSED AS RETURN TIME





INCLUSIVE ESTIMATES OF PANDEMIC LOSS

The Inclusive Loss from Pandemic Risk

Victoria Y. Fan, Dean T. Jamison, Lawrence H. Summers
NBER Working Paper 22137, April 2016

Expected Annual Loss from Pandemic Influenza Risk **(subject to substantial uncertainty)**

Lower-middle income countries	1.6% of GNI
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MEXICO

1% of GNI

High-income countries	0.3 – 0.4% of GNI
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THANK YOU

