

Health Impact of the Global Economic Crisis: the Mechanism Issues

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Background

- Seminal report of WHO (The Financial Crisis and Global Health: Report of a High-Level Consultation, Jan. 2009) has been raising lots of discussion
- Lack of evidence showing the health impact of current global economic crisis
- However, with established framework of health determinants it's possible to define the mechanism that global economic crisis could affect health
- The process of clarifying mechanism will shed light on:
 - finding vulnerabilities within health system and beyond
 - Proposing empirical research of the impact of crisis and the impact of proposed measures to cope with crisis

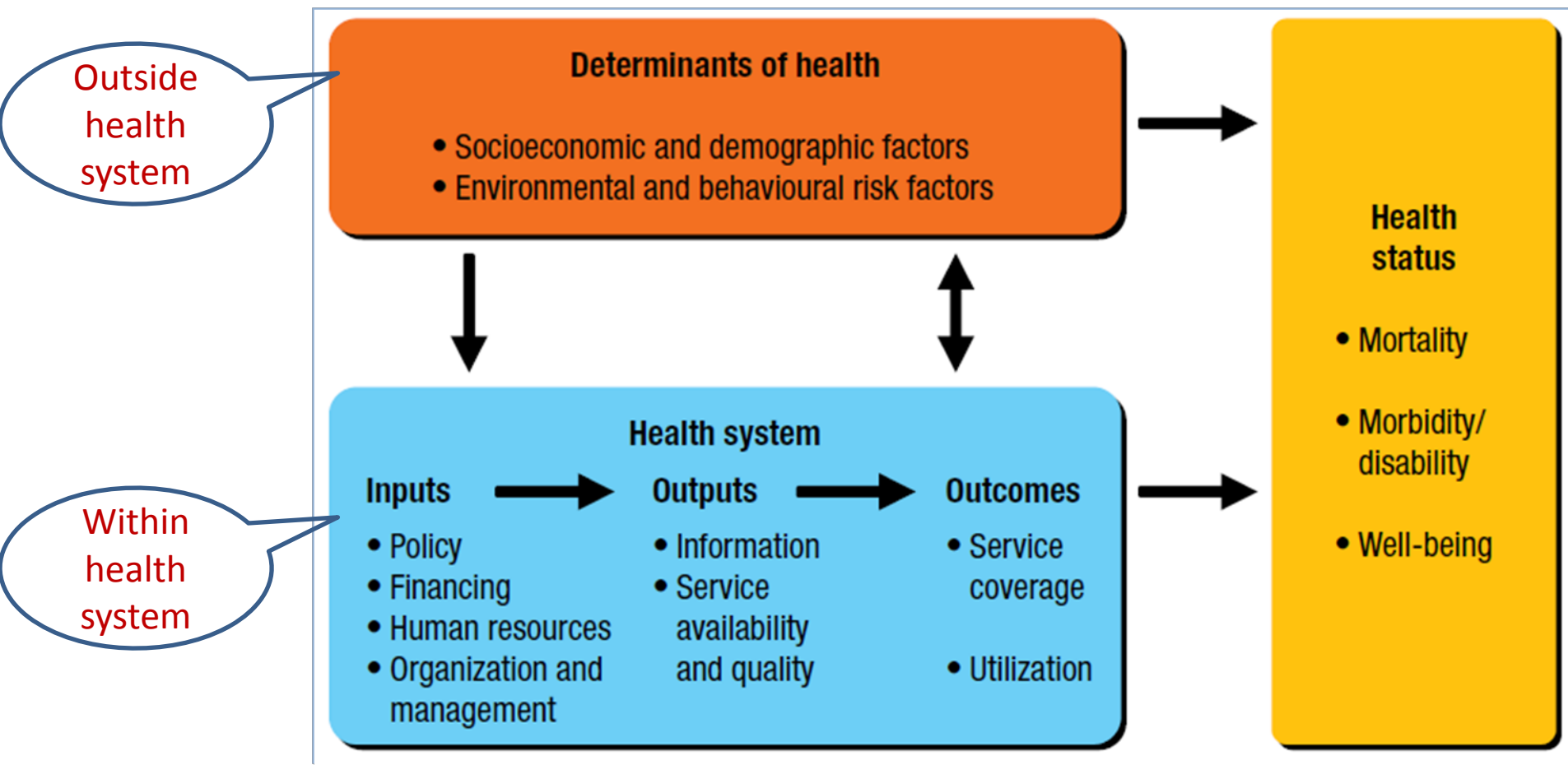
Terminology of Mechanism

- With what determinants and in what pathway can global economic crisis affect health.
- This terminology implies the necessity of defining **Health, Health Determinants, and Global Economic Crisis.**

ISSUE 1: Health

- WHO definition
- However, in the context of exploring the health impact of global economic crisis, what is the good way to operationalize the concept of health
 - Population Health vs. Individual Health
 - Global Health (**global public goods**) vs. Regional Health vs. Inter-national health vs. national health
 - Level of health vs. Distribution of Health (inequality)

ISSUE 2: Health Determinants

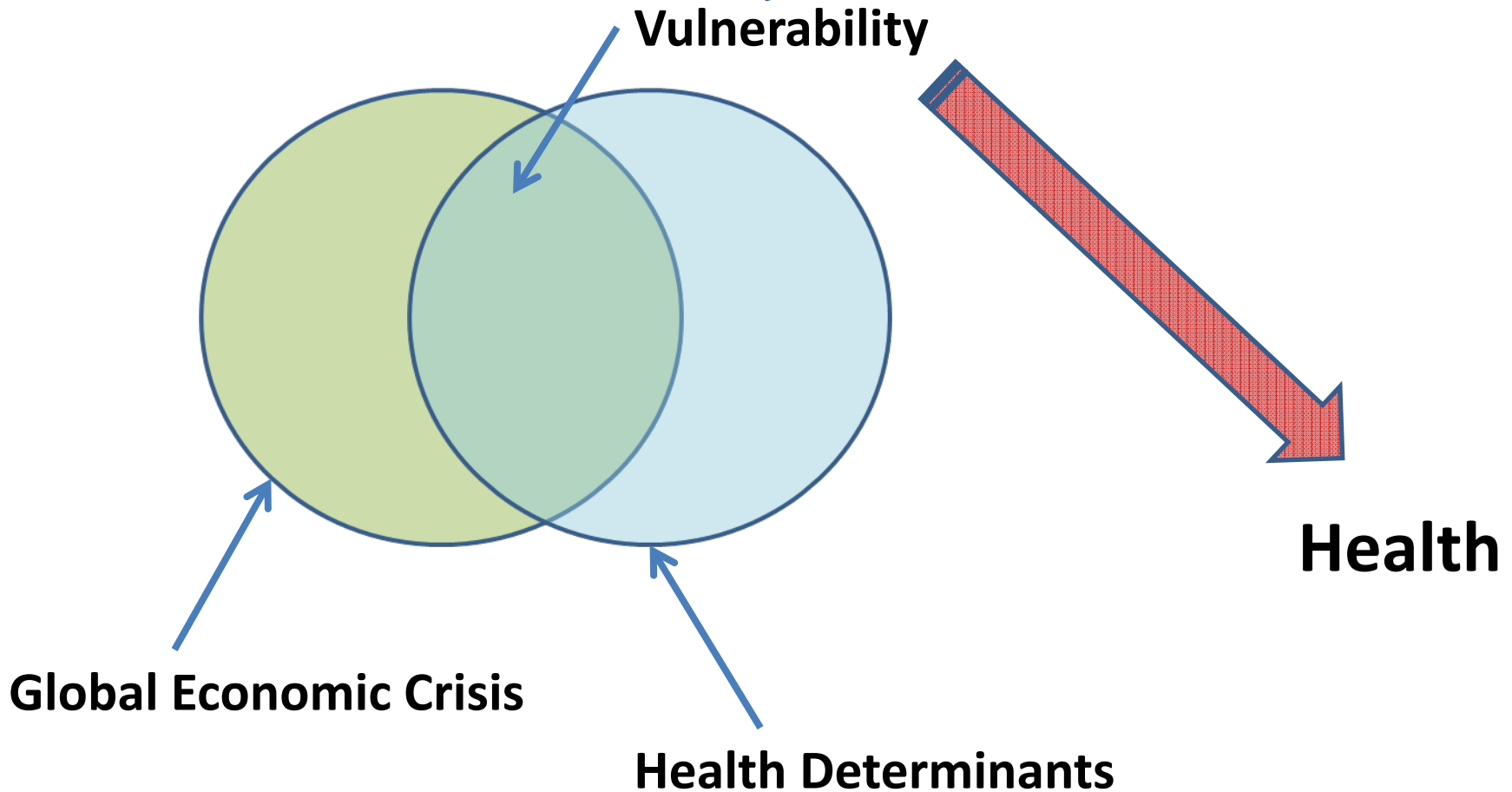


ISSUE 3: Global Economic Crisis

- The issue of operationalizing global economic crisis
 - Subprime crisis
 - Way of development and its economic or other consequences
 - Vulnerability

ISSUE 4: Hypothesis

The concept of vulnerability used here is taken from IMF study, which is based on an assessment of a country's overall level of exposure and a government's ability to cushion the impact of the crisis on exposed households.



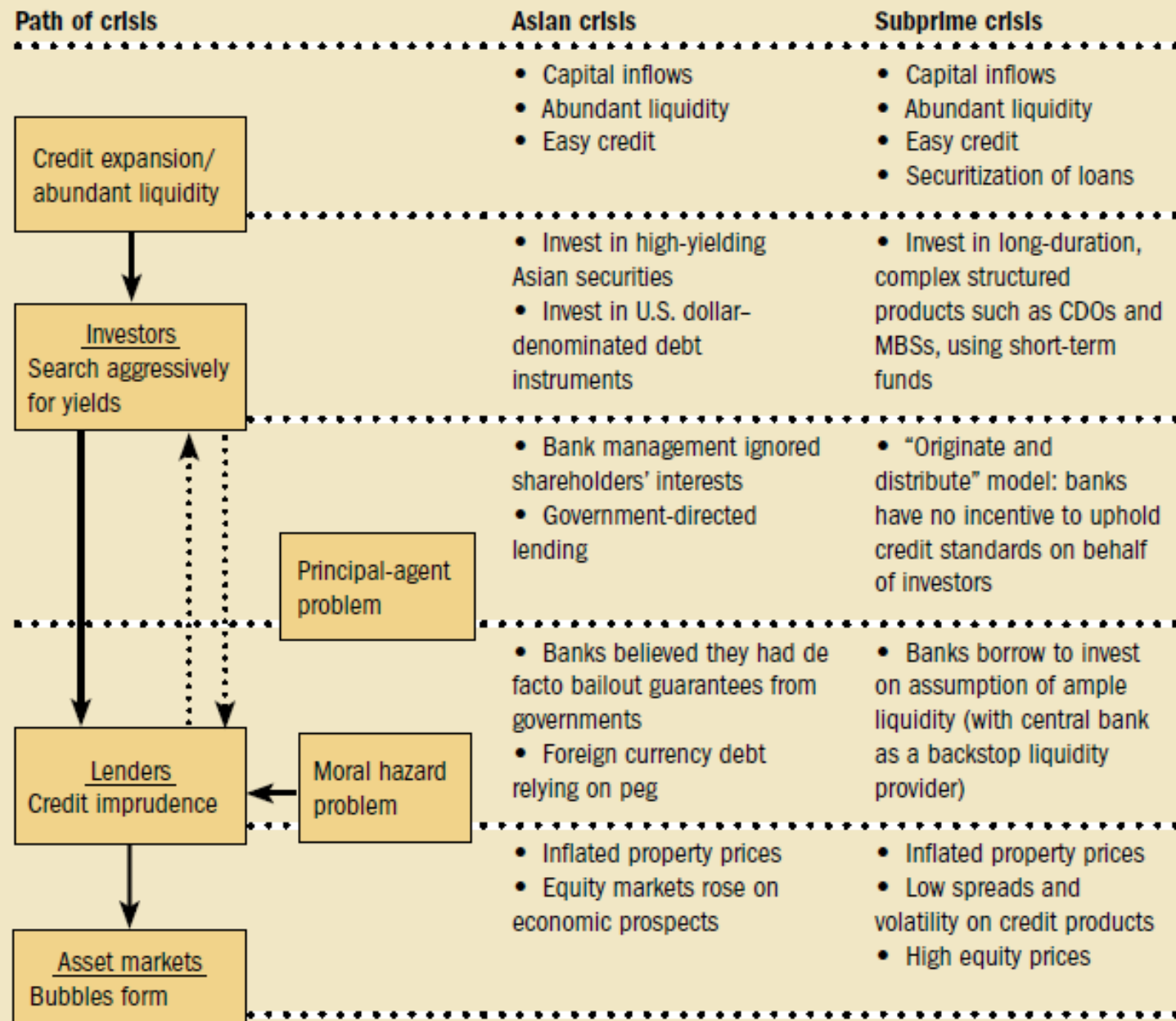
ISSUE 5: Vulnerability

- The crisis causally form vulnerability
- The measures of vulnerability
 - IMF Vulnerability (exposure to crisis, capacity to cope)
 - Other vulnerabilities

ISSUE 6: Research idea

- Relationship on the basis of vulnerability
 - Vulnerability (country level) : component index of exposure to the crisis and capacity to cope.
 - 1997 Asia crisis and current crisis have common features, a panel study of the relationship between country-level data of vulnerability with country population health, controlling other potential covariates.
 - Since 1997 and current crisis have common pathway to develop crisis, it's possible to use the 1997 data to project what the health impact of current crisis will be.
 - 1997 crisis is in Asia, the current crisis came from US, longitudinal **Asia-Pacific** study becomes interesting.

The 1997 Asian crisis and the current subprime crisis followed similar courses.



ISSUE 7: Other Research ideas(1)

- Research on the basis of defining other vulnerabilities
 - Access to essential medicine
 - Worsening aging burden in the context of crisis
 - Unemployment, and related outcome of unsafe migration patterns (ASEAN's warning, Feb. 2009)
 - Poverty: the global financial crisis could add pressure to donor organizations, the World Bank estimates that as many as 100 million people are at risk of poverty because of higher food and energy prices

Unemployment (Numbers of People, Million)

Region	2007	2008	2009 (f)	Change Between 2007- 2009
Advanced Economies	29	32	40	+11
Emerging and Developing Economies	150	158	190	+40
Africa	31	32	36	+5
North Africa	7	7	8	+1
sub-Saharan Africa	24	25	28	+4
Asia and the Pacific	79	84	105	+26
East Asia	30	32	46	+16
South-East Asia and the Pacific	16	17	19	+3
South Asia	33	35	40	+7
Middle East	6	6	8	+2
Central, Eastern Europe and CIS	15	16	18	+3
Central and South America	19	20	23	+4
World	179	190	230	+51

Source: ILO, *Global Employment Trends*, January 2009

ISSUE 7: Other Research ideas(2)

- Vulnerability differed among sub-region of Asia-Pacific (eg. East, South, Pacific)

Global and Regional Growth, 2008 and Beyond (percentages)

	2008	Projections	
		2009	2010
Advanced Economies	0.9	-3.8	0.0
Newly Industrialised Asian Economies	1.5	-5.6	0.8
Emerging and Developing Economies	6.1	1.6	4.0
Africa	5.2	2.0	3.9
Asia and Pacific	7.7	4.8	6.1
Middle East	5.9	2.5	3.5
Central and Eastern Europe	2.9	-3.7	0.8
Commonwealth of Independent States	5.5	-5.1	1.2
Central and South America	4.2	-1.5	1.6
World	3.2	-1.3	1.9

Source: IMF, *World Economic Outlook*, April 2009. Numbers refer to real GDP growth calculated in Purchasing Power Parity (PPP) terms.

Per Capita Growth, 2008 and Beyond (percentages)

Region	2008		Projections			
	GDP	Per Capita GDP	2009 GDP	2009 Per Capita GDP	2010 GDP	2010 Per Capita GDP
Central Asia	5.7	4.8	3.9	3.2	4.8	4.0
East Asia	6.6	6.1	3.6	3.0	6.5	6.0
China	9.0	8.4	7.0	6.3	8.0	7.4
South Asia	6.8	5.3	4.8	3.3	6.1	4.6
India	7.1	5.6	5.0	3.5	6.5	5.0
Southeast Asia	4.3	2.4	0.7	-0.8	4.2	2.6
Pacific	5.1	3.3	3.0	1.2	2.7	0.9
Asia-Pacific	6.3	5.4	3.4	2.5	6.0	5.1

Source: ADB, *Asian Development Outlook 2009: Rebalancing Asia's Growth*, March 2009. Numbers refer to real PPP GDP growth.

ISSUE 7: Other Research ideas(3)

- Research on the basis of defining other vulnerabilities
 - Health financing (budget cut-down) : at country level, then is its further link with health
 - Aid: to what extent aid to country may not work because of the crisis in the donation countries, then is the further impact on the country health
 - Global financial crisis puts success of MDGs at risk
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Final messages

- Lessons of past crisis and related health impact have been synthesized by International agencies like WHO, WB, and major development assistance agencies like AUSAID and USAID.
- One thing necessary to be of precaution is Asian countries become seriously keen on the crisis and its health impact, although the economic downturn was not originated in Asia this time and some country looks not so much affected in the short run. Long-term perspective is already suggested by international community.
- Research should not be regarded as a luxury. Rather, research can be a critical tool in developing the health response to the crisis.



THANKS