RBM

Roll Back Malaria

2001–2010 United Nations Decade to Roll Back Malaria

Economic costs of malaria

Malaria affects the health and wealth of nations and individuals alike. In Africa today, malaria is understood to be both a disease of poverty and a cause of poverty. Malaria has significant measurable direct and indirect costs, and has been shown to be a major constraint to economic development. For developing economies this has meant that the gap in prosperity between countries with malaria and countries without malaria has become wider every single year.

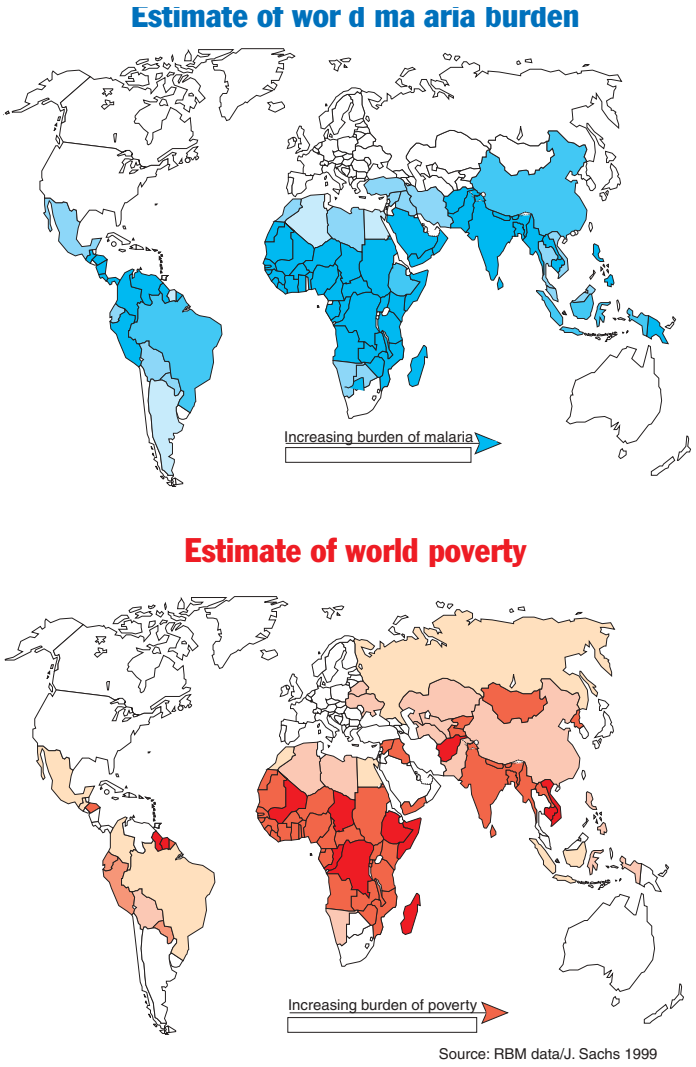
Annual economic growth in countries with high malaria transmission has historically been lower than in countries without malaria. Economists believe that malaria is responsible for a 'growth penalty' of up to 1.3% per year in some African countries. When compounded over the years, this penalty leads to substantial differences in GDP between countries with and without malaria and severely restrains the economic growth of the entire region.

The direct costs of malaria include a combination of personal and public expenditures on both prevention and treatment of the disease. Personal expenditures include individual or family spending on insecticide-treated nets (ITNs), doctors' fees, antimalarial drugs, transport to health facilities, support for the patient and sometimes an accompanying family member during hospital stays. Public expenditures include spending by government on maintaining health facilities and health care infrastructure, publicly managed vector control, education and research. In some countries with a heavy malaria burden, the disease may account for as much as 40% of public health expenditure, 30% to 50% of inpatient admissions, and up to 50% of outpatient visits.

The indirect costs of malaria include lost productivity or income associated with illness or death. This might be expressed as the cost of lost workdays or absenteeism from formal employment and the value of unpaid work done in the home by both men and women. In the case of death, the indirect cost includes the discounted future lifetime earnings of those who die.

Malaria has a greater impact on Africa's human resources than simple lost earnings. Although difficult to express in dollar terms, another indirect cost of malaria is the human pain and suffering caused by the disease. Malaria also hampers children's schooling and social development through both absenteeism and permanent neurological and other damage associated with severe episodes of the disease.

The simple presence of malaria in a community or country also hampers individual and national prosperity due to its influence on social and economic decisions. The risk of contracting malaria in endemic areas can deter investment, both internal and external, and affect individual and household decision making in many ways that have a negative impact on economic productivity and growth. Some examples include:



There is a startling correlation between malaria and poverty.

- undeveloped tourist industry due to reluctance of travellers to visit malaria-endemic areas;
- undeveloped markets due to traders' unwillingness to travel to and invest in malarious areas; and
- preference by individual farmers/households to plant subsistence crops rather than more labour-intensive cash crops because of malaria's impact on labour during harvest season.

Conscious of the drain on their economies, governments in Africa are now increasing resources for malaria control, in line with the resolutions made at the Abuja Summit of 2000. Malaria is also becoming an important topic within discussions of poverty

Above: malaria drains community and personal resources and traps families in a relentless cycle of poverty.
Below: the cost of malaria—in terms of human suffering—is impossible to estimate.

reduction and debt relief and malaria control is now seen by many to be an important element of national poverty reduction strategies for malaria-endemic countries.

Countries are also taking steps to assure that out of pocket spending on malaria is money well spent and that ITNs for malaria prevention become more affordable by reducing or abolishing taxes and tariffs on insecticides, mosquito nets and the materials used in their manufacture.

The role of the private sector

Local and international businesses operating in malarious areas are also learning that support for malaria control not only reduces levels of absenteeism and lost productivity, but also boosts labour, community and government relations.

In the long term, increased productivity will encourage market expansion, boost household spending and change consumption patterns. Increased malaria control will work to the benefit of many companies, especially those producing consumer goods or developing local tourist industries.

Some of the ways in which private companies can contribute vital resources and expertise to malaria control include:

- contributing much-needed capital to scale-up current programmes or create new ones;

Pictures: WHO/RBM. R Allan. P. Virot

- assisting in the research and development of new interventions and treatments for malaria;
- providing management and business expertise to stimulate the market for ITNs and antimalarial drugs;
- using their network of distribution channels to carry life-saving medicines and prevention measures to remote communities;
- using their marketing and public relations expertise to assist public education campaigns.

Roll Back Malaria is a global partnership initiated by WHO, UNDP, UNICEF and the World Bank in 1998. It seeks to work with governments, other development agencies, NGOs, and private sector companies to reduce the human and socioeconomic costs of malaria.

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