

Who Pays for Global Health, and How Much?

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Roughly 6 million children under the age of 5 die from infectious diseases every year, mainly in low-income countries. The most common of these diseases, including diarrhoea, measles and birth complications, are potentially preventable at low cost. Although global health is a public good, like many public goods it suffers from the tragedy of the commons. The benefits of global disease prevention are shared by net contributors and free riders alike, and we currently lack the tools to manage the global health commons effectively.

A recent breakthrough by Asst Prof Roman Carrasco of the Department of Biological Sciences, working in collaboration with Dr Alex Cook and Dr Richard Coker of the Saw Swee Hock School of Public Health, may provide just such a tool. The team proposed a new global cap-and-trade market for disability-adjusted life years based on countries' health expenditures and the cost-effectiveness of their health interventions.

Implementation of this market would help to achieve the WHO's Health Millennium Development Goals – reducing child and maternal mortality and improving the management of infectious diseases – by more accurately identifying the contributions expected from each country. As Figure 1 shows, the US, China, Germany and Japan need to scale up their global health donations, whereas Luxembourg, Norway, the United Arab Emirates and the UK are currently paying more than their fair share.

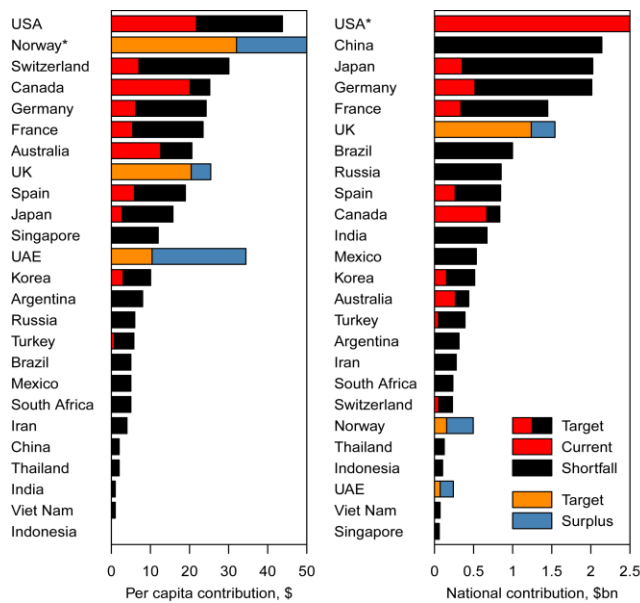


Figure 1. Total and per capita annual contributions needed to meet WHO Health Millennium Development Goals by country. Norway pays an excessive share of the global healthcare burden, whereas the US has a \$6.8 billion shortfall in donations.

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