

Socioeconomic Burden of Main Diseases in Eight Latin American Countries

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BACKGROUND

Health investments directly impact a country's labor supply, as workers' quantity and capabilities depend on their health. The sensitivity of Latin American economies to the level of labor supply makes this a key topic to consider when deciding not only on health policies but also on national priorities. The effect of health impairments on the labor supply can be summarized under the concept of the socioeconomic (SoC) burden of a disease. This concept refers to how a disease decreases labor supply by impairing individuals' capacity to utilize their human capital.

OBJECTIVE

Health investments directly impact a country's labor supply, as workers' quantity and capabilities depend on their health. The socioeconomic (SoC) burden is the degree to which a disease reduces individuals' ability to contribute to the labor force. We aim to measure the monetary value of the SoC burden of seven diseases: cardiovascular, neoplasms, ischemic heart disease, lower respiratory infections, breast cancer, type 2 diabetes, and migraine; in eight countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, and Peru.

METHODS

We applied a novel method combining value chain effects (Input-Output analysis) and health economics to explore how health investments drive economic development by improving population health. Healthier populations create direct benefits, spillover effects in adjacent economic sectors, and induced effects along value chains.

We addressed health-induced gains in both paid and unpaid work activities. We assumed that years lost due to disability or mortality are nonproductive, using Years Lived with Disability (YLDs) to capture presenteeism and absenteeism, and Years of Life Lost (YLLs) to measure productivity losses from mortality.

RESULTS

In 2022, between 2.5% (Peru) and 6.4% (Argentina) of GDP was lost due to labor supply decrease linked to the mentioned diseases. From 2018 to 2022, economic losses ranged from \$12.5 billion (Costa Rica) to \$367.4 billion (Brazil). Migraines and type 2 diabetes are the top contributors to the SoC burden, with diabetes rising over the past decade. Cardiovascular diseases consistently show a substantial SoC burden. Healthier populations create significant spillover effects beyond the economic sectors where individuals are employed.

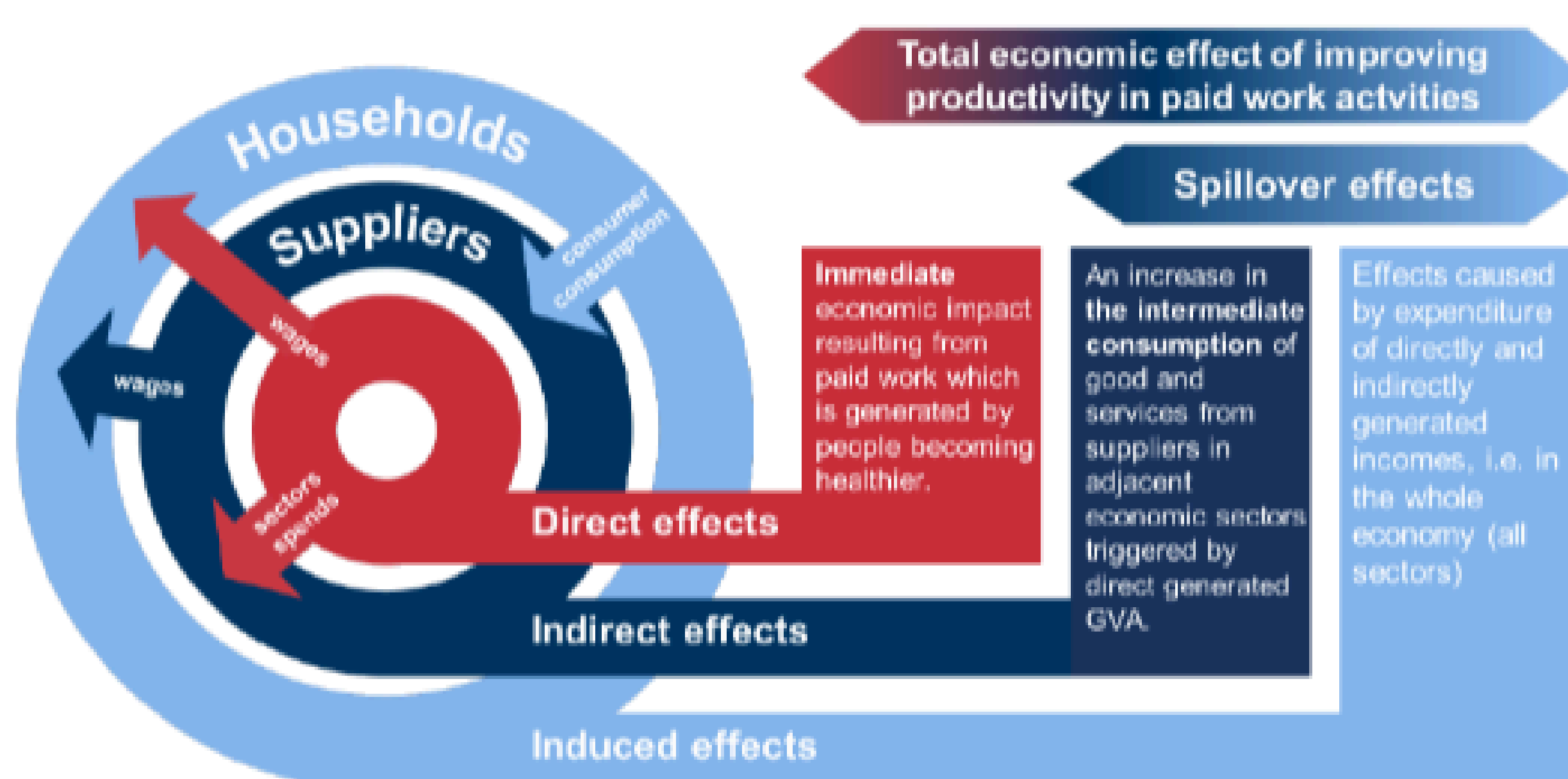


Figure 1. Gross Value-Added effects in paid work activities

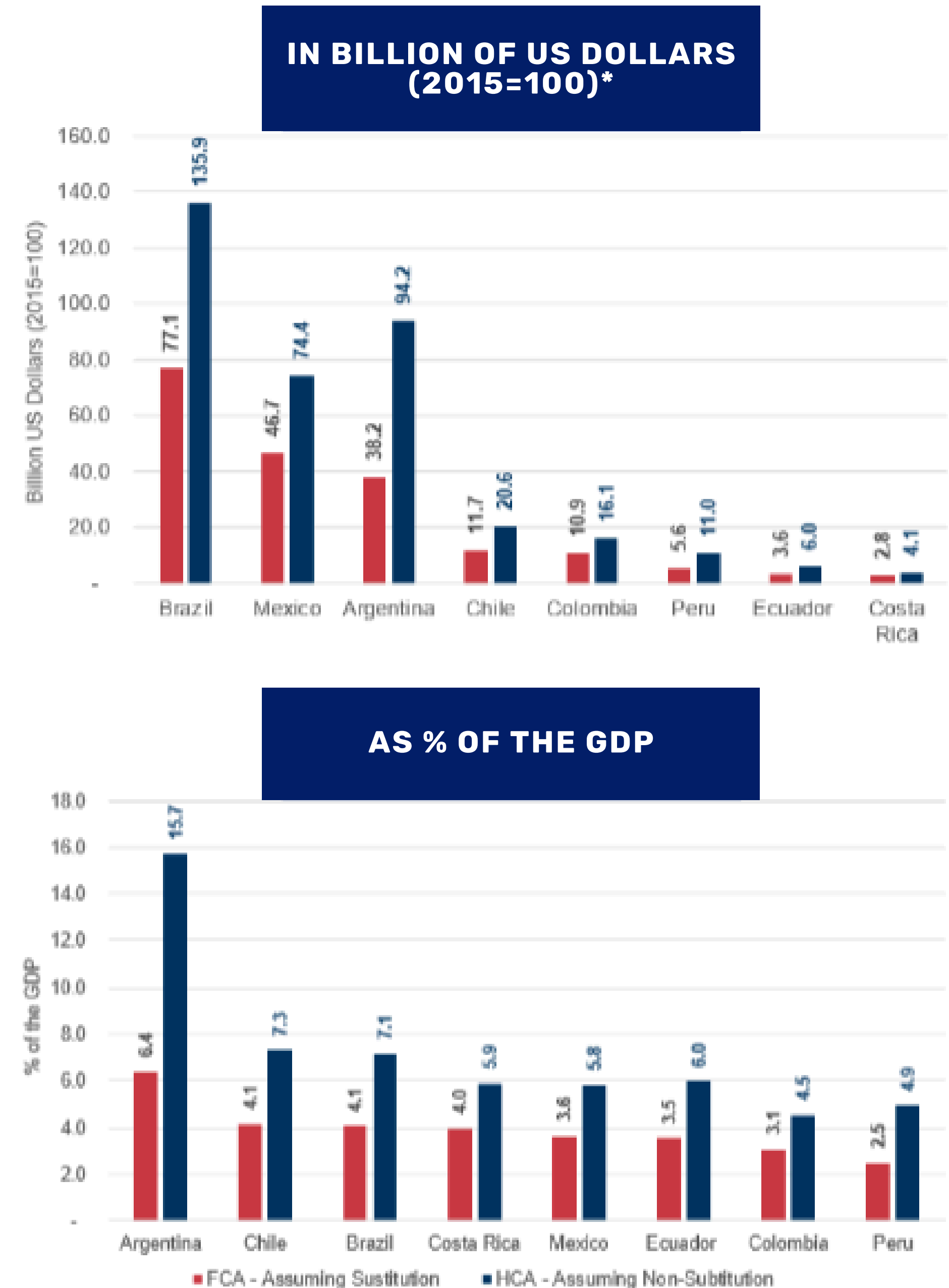


Figure 2. SoC burden related to the seven selected diseases - 2022. *Monetary data is comprehensively accounted for and presented at the 2015 price levels to be consistent with the constant values supplied by the World Bank. Source: WifOR elaboration

CONCLUSION

The seven diseases' SoC burden is highly relevant to the Latin American economies. Raising awareness of health's impact on productivity across economic sectors is crucial. Measuring the SoC is the first step in understanding the value of investing in health and how healthcare strategies can benefit economic development.

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