

# Morbidity and Economic Growth

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## Overview

Our study reviewed the current body of peer-reviewed scholarship that explores the impacts of morbidity on economic growth. We provide a concise introduction to the major theories and empirical evidence linking morbidity – and the myriad different measures of morbidity – to economic growth, which is defined primarily in terms of gross domestic product (GDP) and related metrics (wages, productivity, etc.).

Through a systematic review of published manuscripts in the fields of health economics and economic development we further identify the most commonly-used pathways linking morbidity to economic growth. We also highlight the apparent gaps in the empirical literature (i.e., theorized pathways from morbidity to growth that remain relatively untested in the published empirical literature to date).

## Methodology

In order to identify the pathways from morbidity to growth that have been established in empirical literature, we undertook a systematic literature search using the Scopus academic database, supplemented by the Google Scholar search tool.

## Evans School Policy Analysis and Research Group (EPAR)

The Evans School Policy Analysis and Research Group (EPAR) provides research and policy analysis to support the work of the Agricultural Policies team at the Bill & Melinda Gates Foundation.

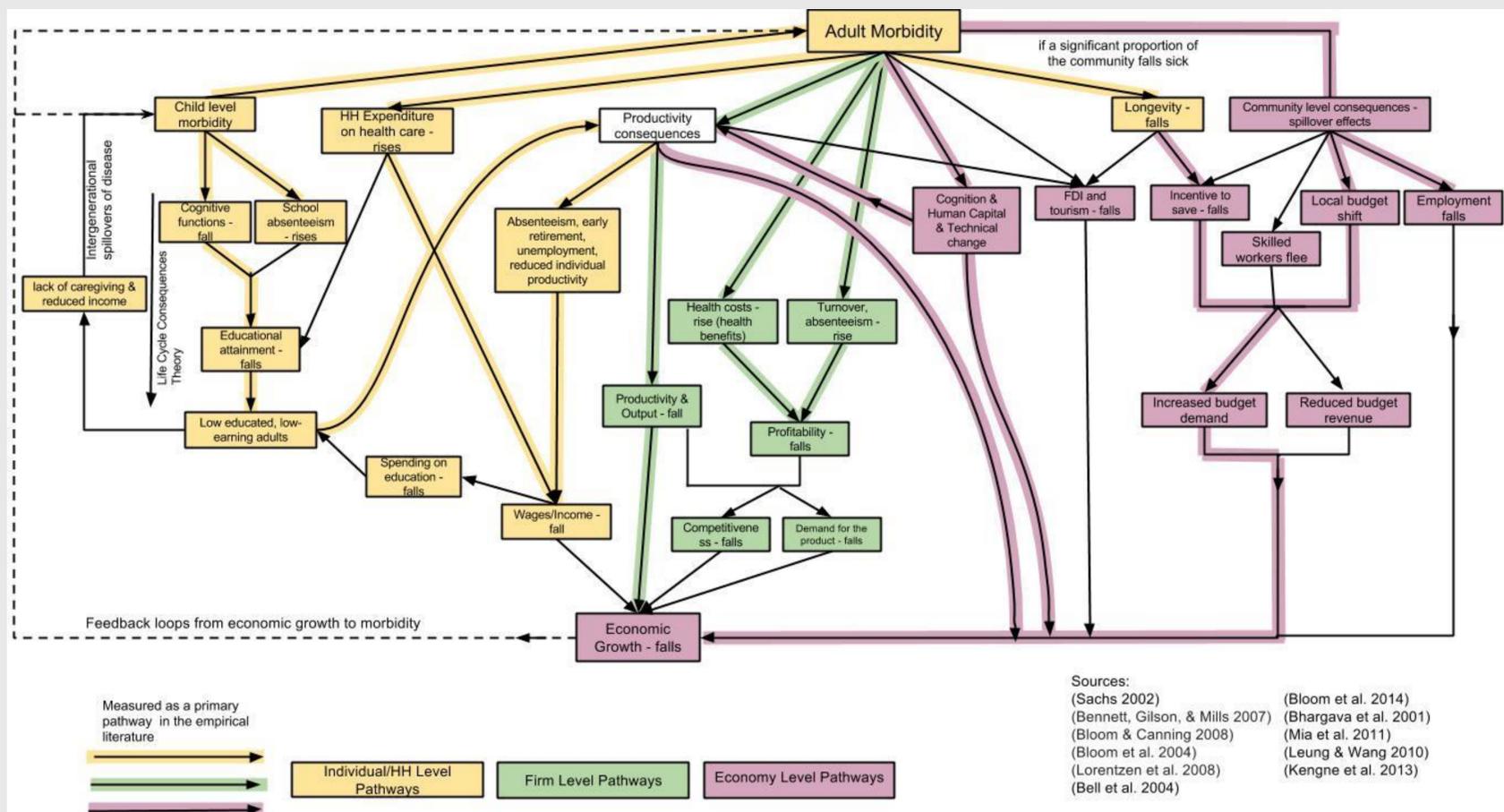
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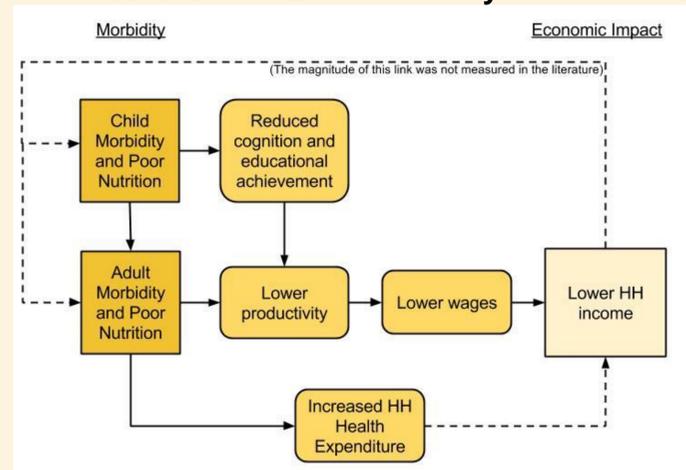
\*Produced with the support of the Department of Global Health's Strategic Analysis and Research Training (START) Program

## Summary of Pathways from Morbidity to Economic Growth

This diagram differentiates between individual/household-level, firm-level and economy-level channels to economic growth. It summarizes the pathways found in theoretical literature and also highlights the links that have been empirically tested in the literature as the primary pathway from morbidity to growth (shaded lines).

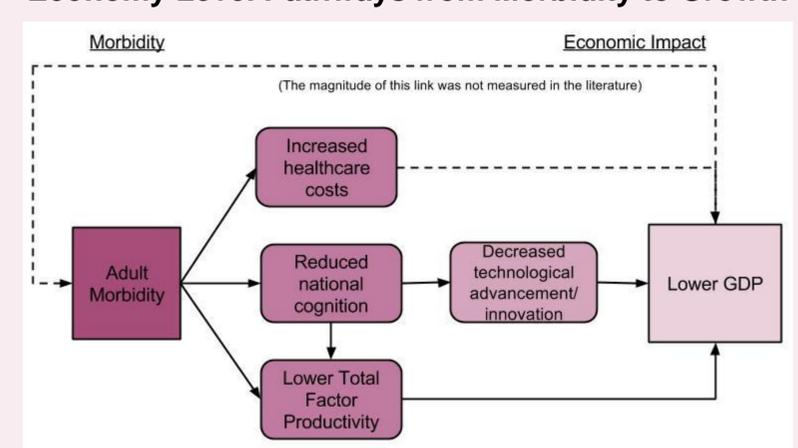


## Individual, Household and Firm Level Pathways from Morbidity to Growth



This figure summarizes the broad theoretical pathways through which morbidity shapes economic growth, as reported in the household-level empirical literature. These links can also be traced in the highlighted pathways (in yellow) in the diagram at the top. Among individual and household-level studies, the most common empirically tested pathway links morbidity to lost wages (47 studies). Other prominent pathways link morbidity to productivity losses (19 studies) and decreased cognitive functions to low wages and education levels (15 studies).

## Economy Level Pathways from Morbidity to Growth



This figure summarizes the broad pathways through which morbidity affects economic growth, as they are identified in the popular economy-level empirical literature. These links can also be traced in the highlighted pathways (in pink) in the diagram at the top. Research in the economy-level empirical literature does not always focus on just one pathway from morbidity to growth, and also does not necessarily follow these exact intermediate steps. The most commonly measured pathway considers the impact of morbidity on GDP, or inversely the cost of morbidity as a percentage of GDP (29 studies). The second most frequently estimated pathway is from morbidity to productivity to GDP growth (16 studies).