

NOBEL LAUREATES: MORE SHOULD BE SPENT ON HUNGER, HEALTH

Top Economists Identify the Smartest Investments for Policy-makers and Philanthropists

Copenhagen, Denmark (May 14, 2012) – A year-long project involving more than 65 researchers has culminated with a panel of economists including four Nobel laureates identifying the smartest ways to allocate money to respond to ten of the world's biggest challenges.

The Copenhagen Consensus 2012 Expert Panel finds that fighting malnourishment should be the top priority for policy-makers and philanthropists.

Nobel laureate economist Vernon Smith said: *“One of the most compelling investments is to get nutrients to the world’s undernourished. The benefits from doing so – in terms of increased health, schooling, and productivity – are tremendous.”*

New research by John Hoddinott et al. of the International Food Policy Research Institute shows that for just \$100 per child, interventions including micronutrient provision, complementary foods, treatments for worms and diarrheal diseases, and behavior change programs, could reduce chronic under-nutrition by 36 percent in developing countries. Research by Peter Orazem of Iowa State University points to the educational benefits of this spending, because malnutrition slows learning.

The Expert Panel was presented with nearly 40 investment proposals designed by experts to reduce the challenges of Armed Conflict, Biodiversity Destruction, Chronic Disease, Climate Change, Education Shortages, Hunger and Malnutrition, Infectious Disease, Natural Disasters, Population Growth, and Water and Sanitation Shortages.

The economists evaluated how the world could prioritise the spending of \$75 billion – a 15% increase on current aid spending – on issues such as chronic and infectious diseases, armed conflict, biodiversity, climate change, hunger and malnutrition, among others.

Copenhagen Consensus Center Director Bjørn Lomborg explained how this applies to one specific priority, that of improving agricultural output: *“Spending two billion dollars annually to make more productive crops would generate global returns of much more than 1600 percent. Not only would it reduce hunger, but through better nutrition, make children smarter, better educated, higher paid and hence break the cycle of poverty. At the same time, higher agricultural productivity means humanity will cut down fewer forests, for the benefit of both biodiversity and earth’s climate.”*

Given the budget restraints, they found 16 investments worthy of investment (in descending order of desirability):

1. Bundled micronutrient interventions to fight hunger and improve education
2. Expanding the Subsidy for Malaria Combination Treatment
3. Expanded Childhood Immunization Coverage
4. Deworming of Schoolchildren, to improve educational and health outcomes

5. Expanding Tuberculosis Treatment
6. R&D to Increase Yield Enhancements, to decrease hunger, fight biodiversity destruction, and lessen the effects of climate change
7. Investing in Effective Early Warning Systems to protect populations against natural disaster
8. Strengthening Surgical Capacity
9. Hepatitis B Immunization
10. Using Low-Cost Drugs in the case of Acute Heart Attacks in poorer nations (these are already available in developed countries)
11. Salt Reduction Campaign to reduce chronic disease
12. Geo-Engineering R&D into the feasibility of solar radiation management
13. Conditional Cash Transfers for School Attendance
14. Accelerated HIV Vaccine R&D
15. Extended Field Trial of Information Campaigns on the Benefits From Schooling
16. Borehole and Public Hand Pump Intervention

Months ahead of the donor decision on renewing the Global Fund's Affordable Medicines Facility-malaria financing mechanism, the Nobel laureates find that this mechanism to make combination therapies cheaper for poor countries is a very sound investment.

Distinguished economist Nancy Stokey said: *"I urge policy-makers to prioritize making malaria combination treatment affordable, especially given that resistance is increasing."*

They have also resoundingly endorsed investments to expand childhood immunization coverage, deworm more schoolchildren, and expand Tuberculosis treatment.

Nobel laureate economist Thomas Schelling said: *"The investments to combat infectious disease are very cheap and effective, even using conservative assumptions. Policy-makers can achieve a great amount in this area."*

Nobel laureate economist Robert Mundell said: *"Deworming is an overlooked intervention deserving of greater attention and resources. This simple, cheap investment can mean a child is healthier and spends more time in school."*

The expert panel found that geo-engineering research and development, at low cost, was worthy of some funds, to explore the costs, benefits, and risks of this technology. And they concluded that investment in early warning systems in the developing world would save lives and protect economies in the case of natural disasters.

Another sound investment is R&D into agricultural improvements. This would lower food prices and reduce hunger. It would also fight climate change by storing more carbon in forests instead of converting them to crops. And it would add to efforts to protect biodiversity.

Lomborg said: *"The new volume of research produced for Copenhagen Consensus 2012 adds to our knowledge about the smartest ways of responding to humanity's challenges. And the Nobel laureates' list shows us there are many smart investments that could help so much of the planet, for very little cost. These are the places that policy-makers and philanthropists should direct their attention."*

All research papers, and the Expert Panel's full conclusions, can be found at www.copenhagenconsensus.com