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**REMARKS BY THE DIRECTOR OF THE PAN AMERICAN HEALTH ORGANIZATION
AT THE SECOND PLENARY SESSION**

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1. First let me thank President Enrique Iglesias for the opportunity to address this Forty-third Annual Meeting of the Board of Governors of the Inter-American Development Bank (IDB). I wish to take the President's invitation as a recognition of the Centennial of the Pan American Health Organization (PAHO); as a recognition of the work we have done over the past 100 years, and an indication of the Inter-American Development Bank's willingness to work with us over the next 100 years. This year we celebrate our Centennial, and as the oldest international health organization in the world, we naturally take some pride in recalling what has been accomplished. But more than what we have accomplished as an organization, it is what the countries of the Americas have achieved in health with our support that is the source of our greatest satisfaction. But beyond the celebrations of the moment, and the many occasions during this year our Member States will find for reflecting on where we have come in health, it is a time to reflect on the immense task ahead, and the need for allies in addressing that task. So my remarks to you will be couched in terms of achievements, but more importantly, what there is to be done and the vision I have of institutions like yours and mine seeking and finding common ground in approaching these tasks.

2. When PAHO was founded in 1902, the major health concern in the Americas was with the spread of infectious disease. Migrants from Europe were bringing yellow fever into the United States. Diseases like yellow fever, cholera, and plague were rampant throughout the Americas. We are told that in the latter part of the nineteenth century, an epidemic of yellow fever killed some 15,000 people in Buenos Aires alone, and the United States was not exempt, as there were over 100,000 cases in the south of that country with over 20,000 deaths. The countries of the Americas determined that their interests could be served by establishing an agency that would be responsible for the collection and dissemination of information about disease so that the appropriate protective or quarantine measures could be taken. It is a matter of pride to us that when the formal treaty establishing our Organization was signed eventually in 1924, the countries saw their combined efforts at sharing information with a view to inhibiting the spread of disease not only in terms of human health,

but were emphatic that the control of such diseases was important for trade and commerce to flourish in the Americas. One might say that from the beginning we were conceived as a development agency, in that the promotion of trade and commerce was and continues to be key to the economic development of our countries.

3. Today the disease panorama is somewhat different as the individual and collective efforts of the countries to improve public health have borne fruit. The demographic changes in our populations have brought to the fore chronic or degenerative diseases such as heart disease, diabetes mellitus, and strokes, which are the number one cause of adult mortality in almost every country. The pernicious habit of smoking has brought with it increases in cancers, particularly of the lung, and a host of other afflictions. But this does not mean that we do not have to be concerned with the spread of some of the old infectious diseases such as tuberculosis and malaria, and the appearance of new ones. The discussions here over the past few days have emphasized the nature of that modern-day plague, HIV/AIDS, with its capacity to wreak havoc upon the lives and economic well-being of the countries of the Americas. I am pleased to see the IDB taking a proactive role in assisting countries in their fight against HIV/AIDS. These demographic changes also mean that our people are living longer and all countries have to be considering the potential extra call on their health and social services that derive from having to care for an aging population. This graying of the population is not the unique province of developed countries. The percentage of the population over the age of 60 years is higher in Uruguay than it is in the United States, and the Caribbean shows one of the most rapid increases in the number of older people in the world.

4. But even as we express concern for and seek ways of addressing old and new diseases, we have to acknowledge the progress the countries of the Americas have made in health in the past century—a progress that still continues. In the decade of the twenties the infant mortality rate in Brazil was about 160 per 1,000 live births, while today it is just below 30 and falling. This is a story that is repeated throughout the Americas. As late as 20 years ago the life expectancy at birth in the Latin America and the Caribbean was about 65 years, today it is 70 years.

5. Without being triumphalistic, we can cite several examples of the achievements of the Americas in health. This Region was the first to eradicate smallpox. The eradication of poliomyelitis 11 years ago is a feat of which our countries are justly proud and we await the global eradication of this disease that has crippled so many children. The IDB can take pride in its contribution to this laudable effort. The Americas are on the verge of eliminating measles—a disease that kills nearly three quarters of a million of the world's children annually. Last year in all the countries of the Americas there were only 530 cases of measles, and the origin of any small outbreak has been due to the importation of cases from places such as Europe that has not done as well as our Region. I could cite many other public health achievements, such as the marked reduction of iodine and vitamin A deficiency. More children can show a healthy smile because there is less dental caries thanks to fluoridation programs. Again, I must recognize the support of the IDB in this area of oral health and similar ones.

6. But we cannot be unaware of what has become the major concern of all agencies that are concerned as we are with human development. That concern is with poverty and its many

consequences and manifestations. Data from the Economic Commission for Latin America and the Caribbean (ECLAC) show that although the percentage of the poor is stable or indeed falling slightly, the absolute numbers of the poor are increasing, and the estimate is that there are about 150 million persons in Latin America and the Caribbean living in poverty. And I speak only of income poverty and do not widen the definition to include the lack of some of the other basic capabilities necessary for decent existence. This is no new truth to an audience such as this. What may be new is that while poverty reduction figures as the number one international development goal, some four of the other seven major goals relate to health in one or other form. What may also be new to you is the value the poor place on health. This comes through clearly in the World Bank's telling series on the Voices of the Poor.

7. It has been known for a long time that the poor are less healthy than the rich, and it is almost a canon of faith that an increase in family or personal income will improve health. What is less well appreciated is the role of health improvement in poverty reduction. There are very good historical data to show that investment in health and nutrition enhances economic growth. This phenomenon is shown in both macro and micro economic studies, some of which have been jointly sponsored by PAHO and the IDB. The mechanisms through which health investment leads to poverty reduction are complex. At a very basic level, investment in the health of the young increases their ability to learn, and it is fairly obvious that a healthy population that lives longer produces greater returns for investment in education. The combined investment in health and education produces the human capital that is recognized as being essential for economic growth. Good data from Brazil and other countries on the labor market returns to health investment show that adult height as a marker for the accumulation of health inputs during early life is closely related to wage earnings, and this can be shown to be independent of educational status. Children that are provided good calorie intakes in their early years can be shown to earn more as adults than if they were fed diets with fewer calories.

8. Disease reduction leads also to enhancement of the particular locale's capacity to attract investment. In the case of those countries that are heavily dependent on tourism, it is clear that the health of the people and their environment are key factors in the attractiveness of the environment. The recent report of the Commission on Macroeconomics and Health (CMH), chaired by Jeffrey Sachs, presents compelling evidence on the economic returns to investing in population health and disease reduction. The Commission argues that in the very poor countries of the world there will have to be major donor input if they are to meet the minimum costs of dealing with the most prevalent and devastating diseases. The countries of Latin America and the Caribbean do not fall into the category of those in which the available public health expenditure is simply not enough to sustain a health expenditure that can deal with common health problems. The critical problem for our countries is the organization of the health expenditure and the targeting of critical interventions and quality services towards the very poor.

9. Thus, one of the challenges for the health sector is to present and sustain the argument that investment in the health of the population is important not only for good humanitarian reasons. We are properly affronted by the prospect of populations suffering ill health when there is good understanding of the origins of that ill health and the technology and interventions are available to reduce the burden of disease. But our challenge goes beyond making the argument for health as being a constitutive good. We have to be arguing with the

good data we have available that the health of the population is a critical element for the economic growth of society.

10. The relationship between health and poverty that we continue to emphasize is not restricted to the role of health in poverty reduction. Illness can drive an individual and the family into poverty. There may be sale of the productive assets of the family to cope with illness. In addition, the asset-poor may then find that it is impossible to escape from the poverty trap into which they have been driven by illness and perhaps the cost of treating it.

11. The second major challenge in health for us in the Americas is to reduce the health inequity that plagues us. The improvement in average health indicators that shows the advances we have made hides the gross inequalities that plague us. These differences exist between and within countries. These differences in health outcomes that are avoidable and non-volitional are deemed to be manifestations of inequity and should be thought of as being socially unjust. Infant mortality rates have been falling steadily in the Americas, but the relationship between the mortality rates for the rich and the poor has remained about the same over the last 40 years. This gap between the economically well off and the deprived is seen in almost every health indicator. The differences in health status between groups within a country has been a source of concern for a long time and has been cited as a possible source of social unrest and discord. It is difficult to reconcile that in an area that is so vital to human well-being there should be such differences. It is theoretically possible that nations can address these differences predominantly by targeting their attention to deprived groups. Thus, there can be special attention given to providing services targeted specifically to the poor or the rural segment of a population, and there is evidence that these can result in clear improvement of the health of society as a whole.

12. The more thorny moral and practical question arises when there are marked differences between countries, as is the case in our hemisphere. Should there be concern that there is a hundredfold difference in maternal mortality between two countries of our hemisphere? Should there be concern that there is a tenfold difference in infant mortality as a proxy for health care in our hemisphere? I hold that the moral or ethical concept behind the search for health equity makes it necessary for us to show more than passing concern for such a situation. As a society of concerned nations we should accept some responsibility for the level of avoidable health differences that exist between countries, especially when there is technology available to reduce such differences. I believe that the case for reducing avoidable differences within a country on the basis of ensuring or promoting national security and stability can also be made when the difference exists between countries. Social dissatisfaction engendered by the visual images of health and other social gaps cannot be taken lightly. We in PAHO have been so embarrassed by the situation in Haiti that leads to such high maternal mortality, that we have embarked on a focused program that seeks to make this problem an entry point into helping to strengthen the organization of health services managed by the Ministry of Health.

13. The Pan American Health Organization's technical cooperation is directed towards assisting the countries in the development of their policies and programs and in assisting them in the development of the kinds of information systems to facilitate their targeting the interventions appropriately. We are particularly pleased to see our countries examining more and more the distribution of their indicators and not simply dealing with averages that hide

the inequalities that may be inequities. We are pleased to see more of our countries borrowing for health programs.

14. At the beginning I mentioned the vision of the common ground our institutions could find. I am particularly pleased to have signed about one and a half years ago an agreement with President Iglesias and the World Bank to work together in a Shared Agenda for health development. After one year we can point to areas in which the financial contribution of the financial institutions has come together with the technical expertise of a specialized health agency in a union that is beneficial to the countries and the institutions themselves. I see PAHO putting its technical expertise in health at the disposal of the countries of Latin America and the Caribbean as they approach the IDB for financial support in the health sector. Together we can try to ensure that the projects are technically sound but also respond to the needs that have been identified on the basis of the kind of data and analysis that we have been helping countries to carry out for some time. I have great hopes that as health comes to be seen as an integral part and not a consequence of human development, and as it is appreciated that we have a responsibility to look behind the averages of health indicators to see the extent to which the poor are disadvantaged, there will be more and more possibility for collaboration between our institutions.

15. Mr. President, 226 years ago Adam Smith inquired into the causes of the wealth of nations. These causes are still being debated and, although there is much more clarity about their nature, there is still debate about the relative weight of one or other cause. It is pleasing to me to note that health is surely being included in these causes, and as an earnest of this I saw last year the CARICOM Heads of Government issuing what will become a landmark declaration entitled "The Health of our Nations is the Wealth of our Nations," and setting in motion a set of activities to give substance to their declaration.

16. I have hopes that this example will spread in the Americas and in the next century of PAHO's existence as a human development agency, we will see the same kind of advance in the reduction of poverty through health development as we have seen over the last 100 years in the reduction of the spread of infectious disease. I would like to count on the continuing support of the IDB in achieving this advance.