



A VERY SMART INVESTMENT

Providing nutrients to children has been named as the most cost effective method of improving lives around the world.

Words by Lynn Elsey

A Danish scientist recently asked a panel of five leading economists, including four Nobel laureates, to determine the most cost-efficient way of improving the world.

Their response? Fighting malnutrition through micronutrients.

Bjørn Lomborg, head of the Copenhagen Consensus Center and an adjunct professor at Copenhagen Business School, is interested in addressing some of the most pressing global challenges and assessing options for tackling them. As part of his quest he assembled a panel of noted economists and asked them to answer the following question: What would be the best way of advancing global welfare, and particularly the welfare of developing countries, if \$US75 billion of resources [15 per cent more than current aid spending] were at their disposal over a four-year initial period?

To help answer the question the panel was provided with copious amount of detailed research, undertaken by more than 50 experienced economists. The information covered 40 detailed investment ideas and included solutions covering a wide range of options for tackling an array of global problems including armed conflict, chronic disease, education shortages, hunger, population growth and water shortages. The ideas also detailed relevant costs and benefits.

Good economics

Based on the research and analysis provided, the panel selected 16



Finn Thilsted

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cost effective investment options to best improve the human condition. Topping the list was increasing nutrient intake in preschoolers by providing micronutrients through fortification and supplements.

“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,” said Vernon Smith, professor of economics and law at the Chapman University and Nobel laureate, a member of the expert panel.

The winning solution was underpinned by a research paper (“Hunger and Nutrition, Investments to reduce hunger and undernutrition” by John Hoddinott, Mark Rosegrant and Maximo Torero of the International Food Policy Research Institute) that


explored the potential of a \$US3 billion investment.

According to the paper, an investment of \$US100 per child could provide a bundle of interventions – including micronutrient provision, improvement in diet quality and behavior change programs – that could lead to a 36 per cent reduction in chronic under nutrition in developing countries. Each dollar spent reducing chronic under nutrition has a \$US30 payoff in benefits.

“In its simplest form, the central argument of this paper is that these investments are simply good economics,” the authors noted.

The authors estimate that around 163 million pre-school children are deficient in vitamin A and around 1.8 billion people are deficient in iodine. According to their research, it is possible to eliminate vitamin A deficiencies in pre-school children, eliminate iodine deficiency globally and dramatically reduce maternal anemia during pregnancy for less than \$US700 million annually.

“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,” Lomborg said.

The Copenhagen Consensus Center is a nonprofit, Denmark-based think tank that explores ways for governments and philanthropists to spend aid money. 

Lynn Elsey is the editor of food Australia.

The 16 smartest ways to improve the global quality of life

According to the Copenhagen Consensus 2012 Expert Panel, the following investments are the most cost effective ways of improving life around the world:

1. Micronutrient interventions
2. Expanding subsidies for malaria combination treatment
3. Expanding childhood immunisation coverage
4. De-worming schoolchildren
5. Expanding treatment for tuberculosis
6. R&D to increase yield enhancements
7. Investing in effective early warning systems to protect against natural disasters
8. Strengthening surgical capacity
9. Hepatitis B immunisation
10. Providing those in poorer countries with low-cost drugs for acute heart attacks
11. A salt reduction campaign to reduce chronic disease
12. Geo-engineering R&D into solar radiation management
13. Conditional cash transfers for school attendance
14. Accelerated HIV vaccine R&D
15. Extended field trial of schooling benefits information campaign
16. Borehole and public hand pump intervention



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