

Bringing light to sight in Pakistan

*The benefits of
eliminating avoidable
blindness and visual
impairment*

*The Fred Hollows
Foundation*

*Pakistan Country
Analysis*

May 2014



For each \$1 invested in the efforts to eliminate avoidable blindness and visual impairment, a return of \$6 could be potentially realised in Pakistan

The burden of avoidable blindness and visual impairment affects 223 million individuals directly (Stevens, 2013). Eliminating avoidable blindness and visual impairment stands to generate substantial benefits to individuals, their carers and to economies more broadly.

Key Statistics² - Pakistan

Benefit Cost Ratio (BCR) of 6.00

Population 2012: 179.2 million

World Bank Region: South Asia

GNI per capita (USD 2012): \$1,260

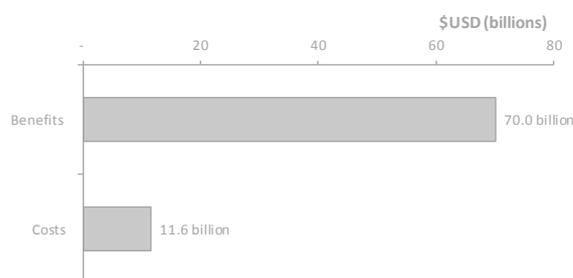
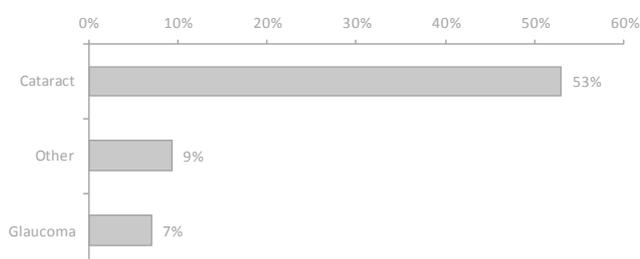
Prevalence of blind & visually impaired: 7.6 million

Income level:
Lower middle income



Main causes of blindness & visual impairment³:

Benefit Vs. Cost



¹ These revised data are lower than the previous calculations and are based on the WHO's estimates of declining trends in visual impairment and blindness. A large portion of the difference stems from the newer reduced estimate of visual impairment in China. New data were attained from Stevens, 2013, Global Prevalence of Visual Impairment and Blindness. Previous data was from WHO 2010.

² Country statistics sourced from the World Bank.

³ Main causes of blindness sourced from: Causes of Blindness and Visual Impairment in Pakistan – The Pakistan National Blindness and Visual Impairment Survey 2004. For each country the level of detail on prevalence varies. As a result some countries may not have prevalence for cataract, glaucoma and other. Regardless of any missing prevalence rates, all forms of blindness outlined are included in the analysis (excluding Macular Degeneration which is not considered as 'avoidable'). Note that sources specific to Pakistan are included in Table 2.

Introduction

A series of four reports from PwC which were commissioned by The Fred Hollows Foundation and other key Non Government Organisations (NGOs) across the eye care sector analysed the costs and benefits of VISION 2020: The Right to Sight - the global initiative for the elimination of avoidable blindness and visual impairment, a joint program of the World Health Organisation and the International Agency for the Prevention of Blindness. The analysis culminates in the final report, *Investing in Vision* which presents the estimated cost benefit analysis associated with the elimination of avoidable blindness and visual impairment. At a global level, the benefits are shown to outweigh the costs by a factor of 2.1. Disaggregated by developing and developed countries, the global analysis shows that for developing countries, total benefits outweigh the costs by a factor of 4.0.⁴

Having established the value of investing in vision and eliminating avoidable blindness and visual impairment on a global and regional level, the next question is – what does this look like on a country level? This information is especially valuable for those operating on the ground to advocate to national governments that investing in vision is worthwhile. The approach to generate country level estimates has been to request national data from local experts and ministries of health. Our estimates have been reviewed by a reference group including subject matter experts and NGOs that operate in the country.

This country level analysis for Pakistan takes place two years after the initial estimates of the cost to eliminate avoidable blindness and visual impairment were completed. Results are therefore reported for the period 2013-2020 and take into account the new prevalence data for Pakistan and the declining trend in avoidable blindness and visual impairment prevalence globally.

In Pakistan, the benefits of eliminating avoidable blindness and visual impairment far exceed the investment required

Pakistan, with a population exceeding 179 million is considered to be a country with a high potential to become one of the world's largest economies. A multi-stage, stratified, cluster random sampling survey conducted in Pakistan estimates that 85.5% of causes of blindness are avoidable. Blindness prevalence varied throughout the country, being highest in the provinces of Punjab and Baluchistan and lowest in the North West Frontier Province. Rural areas had a higher prevalence of blindness than urban areas.⁵

In Pakistan, as found across the globe, the benefits to eliminating avoidable blindness and visual impairment are significant, overriding costs by a factor of **6.0** times. That is, for each dollar invested in the efforts to eliminate avoidable blindness and visual impairment, a return of **\$6.00** is expected. Pakistan has a relatively well developed secondary health care system, so the costs required to enhance this area of the health system is lower than in other countries that have been evaluated in this analysis⁶ and the Benefit Cost Ratio is higher as a result. A summary of the benefits and costs is provided in Table 1 below.

⁴ Further information on the approach to the analysis is available online in the report series at <<http://www.hollows.org.au/our-work/the-price-of-sight>>.

⁵ Pakistan National Blindness and Visual Impairment Survey 2004.

⁶ Other countries that have been analysed include Yunnan (a province in China) and Kenya.

Table 17: Benefits and costs to eliminate avoidable blindness and visual impairment in Pakistan 2013-2020 (USD 2013)

| Benefits (\$) | | Costs (\$) | |
|-----------------------------------|-----------------------|---|-----------------------|
| Economic benefits | \$66.2 billion | Primary and secondary health system | \$11.5 billion |
| Direct health benefit | \$3.8 billion | Backlog of current prevalence and incidence to 2020 | \$0.1 billion |
| TOTAL quantified benefits | \$70.0 billion | TOTAL cost | \$11.6 billion |
| Benefit Cost Ratio of 6.00 | | | |

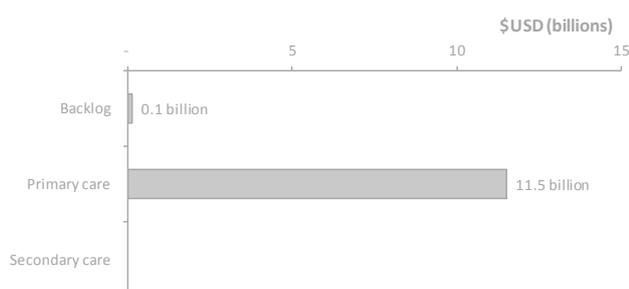
Costs to eliminate avoidable blindness and visual impairment

In Pakistan, the cost to eliminate avoidable blindness and visual impairment between 2013 and 2020 totals **\$11.6 billion**⁸. This amount represents the additional investment required beyond recurrent expenditure in eye health care to develop a sustainable primary eye health care system, as well as the investment required to treat the backlog of people currently experiencing blindness and visual impairment.

- The cost of treating and eliminating the backlog which includes prevalence and incidence by 2020 is **\$120.0 million** over eight years. This equates to **\$0.57 per capita**.⁹
- The investment required to build an ideal eye health primary system¹⁰ to sustain the elimination of avoidable blindness and visual impairment is **\$11.5 billion** over eight years. This equates to **\$54.31 per capita**.
- No additional investment is required beyond recurrent expenditure to develop a sustainable secondary system.¹¹¹²

A summary of these total costs are depicted in Figure 1 below.

Figure 1: Total costs of eliminating avoidable blindness and visual impairment in Pakistan over eight years (USD 2013)



⁷ Values reported may not sum accurately due to rounding.

⁸ All dollar figures are reported in USD 2013.

⁹ Per capital has been calculated by dividing the relevant cost or benefit by the population in 2010.

¹⁰ Primary health care is care that is provided in the community – for example general practice. It incorporates treatment given by the first contact provider along with promotional, preventive and rehabilitative services provided by multi-disciplinary teams of health care professionals working collaboratively (Definition drawn from WHO).

¹¹ Secondary care is an intermediate level of health care that includes diagnosis and treatment, often performed in a hospital. Patients who cannot be fully treated at the primary level are referred to secondary services, for example consultations with specialists.

¹² In our estimates – no additional investment is needed in Pakistan’s secondary health system. It is unique among the countries that we have examined in this analysis and underpins Pakistan’s high benefit cost ratio.

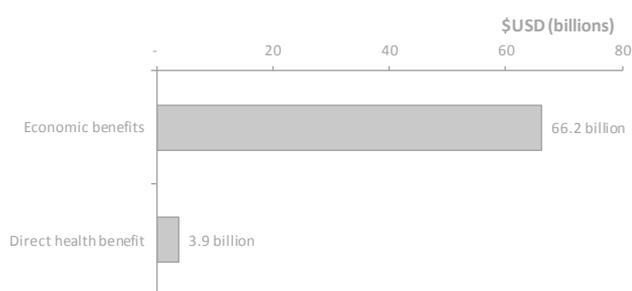
Benefits to eliminate avoidable blindness and visual impairment¹³

In total, the quantifiable benefits that arise from the elimination of avoidable blindness and visual impairment in Pakistan accrue to **\$70.0 billion** over eight years. Benefits quantified include:

- A productivity benefit of **\$60.1 billion** experienced when treated blind and visually impaired persons return to work, an economic benefit. This equates to **\$283.50 per capita**.
- A productivity benefit of **\$6.0 billion** experienced by carers of treated blind and visually impaired persons who have increased opportunity to participate in the workforce, education or increased leisure time, an economic benefit. This equates to **\$28.40 per capita**.
- The averted deadweight loss of **\$62.8 million** associated with the elimination of avoidable blindness and visual impairment, an economic benefit.
- The averted costs of **\$3.8 billion** associated with falls of those with blindness and visual impairment, a health benefit. This equates to **\$18.23 per capita**.

A summary of these benefits is depicted in Figure 2 below.

Figure 2: Total benefits of eliminating avoidable blindness and visual impairment in Pakistan over eight years (USD 2013)



Productivity benefit to blind and visually impaired persons

For those of working age in Pakistan that are blind or visually impaired, addressing their blindness or visual impairment will generate a productivity benefit of **\$60.1 billion** over eight years.

This benefit has been calculated based on the assumptions that in Pakistan, 50.7% of blind and visually impaired people are of working age and of these, the employment rate in the Pakistani blind and visually impaired population is 32%. This assumes that in the absence of blindness and visual impairment, those treated would be employed at the same rate as the national average (Taylor et al 2006, Roberts et al 2010).

Productivity benefits to carers

In Pakistan, it is assumed that there is one carer for every blind person, with carers assumed to experience lower productivity. If avoidable blindness and visual impairment is eliminated, it is expected that carers will be able to increase their productivity through employment, education or alternatively through additional leisure time.

¹³ Values reported may not sum accurately due to rounding.

Therefore, it is assumed that all carers are at a productive loss, regardless of their age to a value of 10% of a person's total average yearly productivity¹⁴. This equates to a productivity benefit of **\$6.0 billion** over 8 years.

Deadweight loss cost averted

The deadweight loss cost due to blindness in a country refers to the additional expenditure focused around those with avoidable blindness or visual impairment. The approach to estimate the value of averted deadweight loss uses direct health expenditure per person, assumed to equal falls related costs, the proportion of health costs funded by the government and the Marginal Cost of Public Funds (MCPF) for which the assumption of a ratio of 1.20 is used. This means that for every extra dollar of tax revenue raised, a cost of \$0.20 incurred due to avoidable blindness and visual impairment.

Over the period from 2013 to 2020, the estimated averted deadweight loss from eliminating avoidable blindness and visual impairment is **\$62.8 million** over eight years.

The direct health system costs averted for falls

The main co morbidity associated with avoidable blindness and visual impairment is the increased likelihood of a fall which places additional costs on the health system. Other co morbidities may include depression; however there is limited evidence with which to quantify its impact. The direct health benefit from eliminating avoidable blindness and visual impairment is calculated as the cost averted of additional health system expenditures related to falls. The assumption used to calculate the averted falls benefit has been made based on an average cost of falls across a number of developed countries in the literature (Cruess et al 2008). This cost was assumed to be an overestimate for Pakistan and therefore it has been adjusted down for the analysis using a weighted GDP/capita approach. The benefit due to averted falls in Pakistan is estimated to be **\$3.8 billion** from 2013-2020.

¹⁴ The 10 per cent assumption for productivity loss is in line with the approach taken for the global estimates completed for this analysis.

Country profile and select assumptions

Key assumptions used in the calculation of the costs and benefits of eliminating avoidable blindness and visual impairment in Pakistan are displayed in Table 2 below. The purpose of this analysis is to draw on the latest country specific data where possible to determine the costs and benefits of eliminating avoidable blindness and visual impairment.

Table 2: Pakistan profile

| Data element | Value | Source |
|---|-------------|--|
| Pakistan population, 2010 | 184,753,000 | World Bank population data. |
| Number of avoidably blind and visually impaired Pakistanis | 7,641,511 | Calculated based on prevalence data obtained from the Pakistan National Blindness and Visual Impairment Survey 2004. |
| Portion of Pakistani prevalence that is working age (15-65) | 50.7% | Assumption calculated based on Pascolini and Mariotti's 2011 Global Estimates of Visual Impairment – in which 28% of total prevalence fell within the 15-49 age group. |
| Pakistani unemployment rate, 2011 | 6% | Trading Economics: http://www.tradingeconomics.com/pakistan/indicators |

Selected key assumptions used in the analysis

- All results are reported in 2013 United States Dollars (USD 2013).
- The average annual salary is \$1,028 USD per person. This salary is used for all estimates involving productivity and the workforce where working age is considered to be 15-65 years. Salary data for ophthalmologists and other eye health personnel was provided separately.
- This analysis does not include macular degeneration as this is not considered as 'avoidable'.
- The assumptions used in this analysis are based off country level data provided by country managers.
- For a bibliography of the sources used in the analysis, please see the full report at <<http://www.hollows.org.au/our-work/the-price-of-sight>>.