Chapter2

Review of Literature

Introduction

This chapter reveals the gap of present research and past research. Its main purpose is to define the gap which exits in literature. This chapter includes national and international review of literatures. In literature studies work on health and growth and used of different type of data and tool technique. This chapter is divided into three parts: - (1) Theoretical review (2) Foreign countries review (3) National review. Theoretical review shows that how to effect health on growth and development and vice- versa. Foreign countries review shows that which do type of studies in international level. And National review shows that what status of health and growth in national level is which type of work done.

2.1 Theoretical Review

Health element is the basic need of human life. Health provides different type of benefits such as productivity, saving, good health, physically, spiritually etc.(Zon 2001). Health creates different types of benefits as well as economic activities. According to World Bank (2009-14) 48, 12, 35,954 labour force works in India. Labour force means the people who supply labour for the production of goods and services. In India people engaged in leprosy problem. Government wants eradicate the burden of diseases and eliminate of leprosy. Because of the declination of diseases data and increase the productivity, not only productivity increase but also increased standard of living, per capita income, GDP etc. In other words we can says that health influenced to relative income, suggesting that level of health can be regarded as signal of the socio- economic development within which people live, as well as to how rich or poor as society is on average. Inequality can affect health through a verity of social factor, such as access of life opportunities, such as hopelessness lack of control (kawachi). There is a direct relationship between health expenditure and economic growth. If Government spend more health expenditure so that people will be healthy. Because Government money on health so that people could not fall ill. Health expenditure more spends of money in public such thatpeople will be healthy. If people will be healthy they would be able to increase the good productivity. It improves the life

expectancy, reduce infant mortality rate, reduce the death rate, etc. It directly and indirectly improves the health which contributes for economic and sustainable development.

Most basic human capability leading a long life a being knowledge and enjoying a decent standard of living (UNDP). Worker do good work according to physical capacity then will gain the human capital. But it is not easily possible; its possibility depends on healthy people. Good health is useful in economic growth and development.Health expenditure and good health isplays a vital role in natural resources. Most countries invest and sum of money far to disease or treatment of disease burden comparison to prevention of disease. Then health utilises the resources as labour, capital, land etc. its wide scope of natural resources. The use of medicine through allopathic, homeopathic etc. all medicine made by trees. Then health uses the trees through natural resources. Health increases in literacy, for example healthy children's (1-6 year) enrolment of school, its help for society and economic development. Other, dropper rate high in school, not class attendance fulfil, therefore not learn schooling education then health increase the knowledge and skill. Participation limited the girls in school due to poor health but healthy girls one more participated in school. Health is play vital role in multidisciplinary. Health doing reduce cost of medical and health care i.e. polio disease prevention in India. End of polio then higher productivity and reduce pain and suffering. GDP and per capita income increase as satisfactory means of well- being was questioned. The concept of quality of life has been recommended which includes life expectancy, infant mortality and nutrition status. In 1960,border concept that would cover all aspect of human life namely development consisting of an expansion of human capability, a wielding of choice, an enhancement of freedom and a fulfilment of human right has come to be accepted. Higher income helps people to realize their dreams such that people always happy. That happy people work more and will be economies activates increase. Health and economic growth influence each other directly and indirectly.

2.2 International Perspective

Wildman (2003) developed a framework to analyse the impact of the distribution of income on individual health and health inequality, with individual health model as a function of income and distribution of income. It was demonstrated that the impact of inequality could generate non-concave health production possibility frontier. In this context the impact different policies are considered and its

argued that if the distribution of income affect individual health, any policy aimed at equalizing health, which does not account for inequality, will lead to unequal distribution of health.

Tang (2011) examined that relationship between income and health care expenditure for Malaysia, Philippines, Singapore, Indonesia, and Thailand. He used technique unit root test and co-integration test, Granger causality. He found that Indonesia, and Singapore and Thailand are co-integrated. Philippines, Malaysia no long run relationship. Indonesia causality not exits. But other Thailand, Singapore, Philippines, Malaysia causality is exits. It means effect on each other.

Adeniyi et.al (2011) analysed the health expenditure and economic growth of Nigera. The used of indicators as life expectancy at birth, fertility rate, capital, gross state domestic product and capital expenditure on health and recurrent expenditure and time period used 1985 to 2009. The used the model as regression. The find out that effect of health expenditure on economic growth in Nigera. This study suggested that Government should water facility which make provision of portable water and health facility better provide.

Sanmiet.al (2011) studied that relationship between health care expenditure andeconomic growth in Nigeria. And indicators say that the GDP, health expenditure. Gross capital formation and labour force data. This studycovered the time period 1970 to 2008 and used the time series data. This study used theOrdinary Least Square (OLS) technique and multiple regression analytical method. There aretwo hypotheses to be tested. Null hypothesis is there is no significance relationship in healthcare expenditure and economic growth in Nigeria. Alternative hypothesis is there issignificance relationship between health care expenditure and economic growth. The findings of shows a positive relationship between health care expenditure and economicgrowth which is in conformity with our a priori expectation. The study found that theGovernment of Nigeria has placed in emphasis recurrent expenditure more than the capital expenditure. Finally suggested that there should be training and retraining of healthworkers so that they can be more efficient and more workers should be recruited in to thehealth sectors. So as bring about growth not only in the sector but in the whole economy.

Elmi et al. (2012) analysed the causality and long run relationshipexistence between GDP and HCE) in 20developing countries during period 1990 to2009. In this study used ADF test, Co-integrationtest, Granger causality test. The study revealed that bi-lateral causality and long runrelationship between

economic growth and health spending. The economic is an importantfactor across developing countries in the level and growth of health care expenditure in longrun as well as health led growth hypothesis in developing countries is confirmed. This study suggested that implementing the govt. policies to encourage health spending requiredbuilding up a healthier and productive society to support economic growth and developmentin developing countries.

Novgnonet. al (2012) examined the effect of private and public health care expenditure regarding to health status as life expectancy at birth, infant mortality rate and death rate in sub saharian Africa. The used panel data and time period 1995 to 2010. In this study take 44 countries and used of descriptive statistics. The result find out that private and public health care expenditure effect on health status as regarding life expectancy at birth and reducing death rate and infant mortality rate. And strong positive relationship between public and private health status. The suggested that public and private partnership need in health care sector which allocated of expenditure in combined. If increase health expenditure will get the millennium development goal which improvement the quality of health.

Odubunmiet. al (2012) examined that the relationship between health expenditure and economic growth in Nigeria and time period used 1970 to 2009. As used technique -unit root test, co-integration, VAR, Granger causality. This study find out that exists long run relationship between real gross domestic products, foreign aid, population on health expenditure and saving connected some transmission. Foreign aid support to domestic investment on health facilities. But according to expenditure not performed health facilities. The suggested that strong relationship between foreign aid and health expenditure which more focus of plan and budget allocation to devoted health care services.

Enejilet. al (2013) examined that to established relationship between national productivity,health status and health expenditure in Nigeria. This study based on secondary as well asprimary data as source WHO publication, National bureau of statistical of Nigeria, centralbank of Nigeria, statistical bulletin,the federal Ministry of health, UNESCO and the national planningcommission .In this paper measured the health status regarding to life expectancy, themortality rate and morbidity rate and productivity of worker etc. Technique usedspearman correlation rank, and linearity regression. The found that weak causalrelation in health expenditure and productivity of Nigeria. Government expenditure is notgood regarding to health status. But increase health expenditure then increase productivity.

2.3 National Perspective

Kutty (2000) examined the growth and development of health status and healthcare services in Kerala. And analysed the after 1980 health expenditure continuous increase. But mid-1980, facility of beds, institutions, infrastructure etc. decreased in government institution. Not maintain accountability, responsibility. He found that after the mid-1980 health sector dominated in private sector and it's increased the growth.

Randall et al. (2000) found that health expenditure in India as a percentage of GDP is higher than the level is many underdeveloped countries in Asia and a greater part of this comes from the private sector. In other words public sector expenditure on health care is rather under-funded and also suffer from quality and access problems resulting in higher dependence of consumer of the expensive private treatments. The main contention of the paper is that the higher financial burden of consumers on account of health arise because of lack of or inadequate insurance to meet their health care expenditure. According to the study even those covered by health care plans experience growing insufficient and low quality of service. Study suggests that besides revamping the public health care system there was an urgent need to restructure the existing scheme, including the medical claim.

Ritu et al. (2000) throws light on the efficiency of the private sector in providing health service to the people. Study says that though it is assumed that private sector is more efficient and provides better quality care, it does not stand up to empirical scrutiny. According to the study Delhi's private hospital follow questionable management practises with regard to workers as well as patient care. Expenditure on wages in these hospitals are kept low through contractual of forth class employees and by gradually undermining the established rights of permanent worker due to which over worked, ill-trained and insecure workers are likely to makes more mistake hide them too. Study conclude by saying that it is imperative for these hospitals to ensure certain minimum working conditions expected in all industries for the employees. State should have effective administrative mechanism that will ensure that these private hospitals comply with conditionality for receiving subsidies like quality and equity in the provision of services. Regulatory framework for medical care would certainly help in improving the performance or medical industry in health service delivery.

Zon (2001) find out that health element is basic need of human life. Health provide different type of benefits as productivity, saving, good health as mentally, spiritually etc. The study suggests that disabled and old age person health to give facility according to demand. It is basic need. But health is negative influence on economic growth.

Parikh etal. (2001) explores occupational health hazards among women workers in India. It clearly indicates that women are exposed to respiratory problems, eye and skin disorders, noise induced hearing loss caused by dust, noise, heat and cold, etc. Women workers make frequent visits to the doctor. Evaluation of numerous studies leads to the conclusion that prolonged exposer to different toxic substances, even at low concentrations, may cause a variety of adverse effect on health. This is illustrated by the recent controversy in the United States over the proportion of cancers related to occupation which also highlights the problem of interaction between multiple agents, either in the working environment or partly outside it.

Banerjee(2004)examined the health care status and its effect of poor population of the region. The find out that the quality of public service is low. And in unqualified private provide low quality and gain high price. The low quality negative effect on people health. The study suggests that the state government control the low quality and provide regular health facility.

Bhat et al. (2004) examined that the relationship between income and health care expenditure at state level in India. The data used 1990 to 2002. The show the indicators of state gross domestic product and public health care expenditure, per capita expenditure. As finding that state government spend 0.43 percent of SGDP, does not sponsored by central government. This study suggests that policy maker or implication as everyone percent increase in state per capita income and then will increased around 0.68 percent public health care expenditure. The network primary care facilities of government should be used more effectively and efficiently better facility provide to public partnership.

Chakrabarti (2005) who have examined the role played by income in determining the extent of fund allocated by Indian states for improvement of health of its population. Drawing data from fourteen major states of India over a time span of twenty three (1974 to 1997) and using recent advance panel data time series econometrics, they find the presence of a long run relationship between income and health expenditure. Result from the panel error correction model demonstrate that ageing of the

population and proportion of rural population are the only non-income factor, which exert a significance positive impact on real per capita health expenditure .

Saluja et al. (2009) analysed the relationship between economic growth and healthfor India. In this study used Granger causality test, it result find out there exists bi-directionalcausation between two. The economic growth in the form of annual growth rate of per capitalGDP and Government expenditure on health medical service, health indicators-infantmortality rate Immunization of children against Diphtheria, Pertussis, Tetanus (DPT) measlesand life expectancy rate at birth. The found that GDP per capital which had major impact onevery variable expect. Infant mortality rate decline improving economic productivity in formof growth and health care India. This study suggests that govt. should increase itsexpenditure in health care sector since it not only raise the standard of living of the people ofcountry and also result in higher economic growth.

Goel et al. (2011) examined the relationship between health expenditure and economicgrowth in Haryana as during period 1991 to 2008. In this study used the growth indicators asgross state domestic product. The based on empirical analysis and used ofUnit root test, Co-integration regression equation, Granger causality test. The result find outunit root test confirmed that both variable (GSDP and PEH) are integrated. The Co-integrationtest revealed long run equilibrium relationship exists between these variables.Granger causality test clarified that PEH does not cause GSDPwhile it is GSDP that cause PEH in Haryana state. The result find out uni- directional (GSDP to PEH).

Mishra et al. (2012) the study that causality test on public expenditure on healthand economic growth in India and used time period 1990 to 2007. As used of indicators capital and revenue of public expenditure on health and SGDP and used the tool unit root test, co-integration and Granger causality, used of panel data of 16 Indian states. This study find out that causal effect as SGDP on health expenditure. And SGDP effect revenue expenditure on health as short run and long run. No effect of revenue expenditure on SGDP as long run or short run.

Prinja et al. (2012) analysed that health care inequalities in north India (Haryana, Punjab,Union Territory of Chandigarh). In this study founded inequalities like health status serviceutilization and out of pocket. And data used from National sample survey 60th roundon morbidity and health care. In this study result found that 57 to 60 percentage householdinequalities of income. But public sectors indicate

the high cost of hospitalization selected inthree states. Medicine constituted 19 to47 percentage of hospitalization expenditure and 59 to86 percentages out of pocket expenditure. In this study finally founded that in Haryana,Punjab and Chandigarh in public sector distribution of health service and quality is low. This study suggests that improve the quality of health service and distribution system then willgrow health care system.

D.Kumar et al(2013) this study analysed that trend and pattern of health expenditure (private and Government) in India. In this study used the time period 1995 to 2010 and used of simple percentage method. In this study main purpose promote regulated private expenditure for good health infrastructure then will improve the health standard and effective health infrastructure. This study finding and recommendation as not fulfil of demand supply gap regarding to health then suggested that create a blueprint of public private partnership model for good health facility.Not good financial management then suggested that maintain accountability and transparency regarding to health facility.Govt. should adopt the modern health care technology which human life standard will best.Govt. should FDI in health sector which will health sector competitive and financial problem fulfil. Main point find out this study is Govt. and public low spending of money. Then government make effective scheme which awareness level increase and adoptable according to environment.

Garg et al. (2013) examined that trend and relationship between basic health infrastructureactivity and public expenditure. Indicators used the basic health infrastructure indicators ascrude birth rate, crude death rate, infant mortality rate, hospitals, dispensaries and healthcentre etc. This study based on secondary data and covered the time period 2001 to 2011. The found that crude birth rate is decline and crude death rate pertaining constant,infant mortality rate decrease in 2001 to 2011. Public expenditure health was (1991 to2001)13.82 and (2001 to2008)14.37 percentage. It means increase the expenditure on health, butnot improve quality basic activity of infrastructure. In this study mainly found that publicexpenditure on health infrastructure had grown over the year despite that the growth of somehealth infrastructure is decrease and not properly grown. And found that positive relationshipbetween GSDP and health infrastructure. It refers to increasethe GSDP then will grow health infrastructure.

Patra (2013) examined the case study of union territory of Puducherry regarding economic growth and public expenditure. It defined the main problem that was compositional change inhealth expenditure its

main effect on public expenditure on health. In this case study focusedon causal relationship between health expenditure and economic growth. This study is basedon secondary data and it covered the period of 1962 to 2009. In this study data collected fromvarious sources as abstract of statistical, hand book of statistics and annual report of planningdepartment. In this study simple percentage, ratio, Simple regression model, multipleregression model has been used. But multiple regression models is applied in thirty years oftime series data (1980-2010). The main finding of this study is: 1.GSDP is positively related to health expenditure, education expenditure, per capitalhealth expenditure, per capital education expenditure. It means when GSDP increases thenthe health expenditure increases and vice versa. 2. Primary health centre and educationexpenditure and IMR in rural area is negative. 3. Population increasethen negative impact on health. 4. If per capita income raises at current price then theeducation expenditure increases. This study suggests that Government must open theGovernment hospital compare to private hospital and in government hospital speciallyprovided skill man power, additional bed, drugs etc.

Gangel et al. (2013) analysed public expenditure and economic growth in India.The examined the impact of public expenditure on economic growth in India during period1998 to 2012 and growth indicators per capital income, GDP. In this study statistic use asADF, Unit root test, Co-integration test, Granger causality test. The result finds out unidirectionalrelationship between total public expenditure and economic growth (TPE to GDP)and indicated that existence of long run equilibrium relationship between public expenditureand economic growth. The suggest that an increase in public expenditure encourageeconomic growth and vice-versa.

Madhavi(2014)study that government sum of money or budget allocation on health expenditure in India. In this study used time period 1999 to 2005 and used of technique as simple percentage method. This paper find out thatIndia spending amount of health very small amount of GDP. But other developed countries like USA, France, Germny spend amount around 5% of GDP and Asian countries spend more than 3% of GDP and show that gross domestic product (GDP) decrease from 1.12 percent in 1999 to 0.97 percent in 2004. Its means decline, then not much amount. This study suggests that government more focus on health and spending, full utilization of health resources. All central government plan which is centralized then do will decentralization using local relevant strategy.

Waliaetal. (2014) studied that relationship between health infrastructure and economicgrowth in Haryana state. This study data used in 1991 to 2012. In this study used thevariables of public health expenditure (PHE) and GSDP. In this study the distributional lagmodel approach is used. In this study source of data used statistical abstract of Haryana. Theresult found that there is positive relationship between GSDP and public health expenditure.If the public health expenditure is promoted then the GSDP will grow more. This studysuggested that Haryana is a growing state for population so demand for health care service ismore. Therefore more expenditure on public health as improve the doctors/ population ratio,doctors / patient ratio, doctor/ nurse ratio, doctors/ bed ratio, patient/ bed ratio. And WHO recommendation should be fulfilled. And health sector to bringefficiency and equity health care system sufficient of finance in Haryana for public privatepartnership in Health sector.

N. Rajesh et. al (2014) analysed relationship between health expenditureand economic growth. This study based on among four states as Tamil Nadu, Kerala, Odisha,and Madhya Pradesh and as during period 1991 to 2010. In this study apply the Co-integrationregression equation, Durbin Watson static test. The result find out, the existing of uni-directional causality from health expenditure and to economic growth in all four states. The study suggest that the increase in demand for health care leads the private health provide tosupply such a good services and increase inefficiency and mismanagement may not attractmore expenditure in public healthcare.

Malick (2015) analysed the long run relationship between productivity and public expenditure on health. Its main purpose of this study and check the causality in health indicators and per capita income, GDP. In this study used the time period 1960-2008 and technique used co-integration and Granger causality test. The result find out that at lag 2, relationship between per capita income and percentage of health expenditure. At lags4, relationship IMR and PCI no bi-directional, but PCI and life expectancy at birth and no un-directional and vice versa. This study suggest that that increase in the percentage of health expenditure cause life expectancy rate high and influence people to become more efficientfor any kind of skill work. Govt. should make effective National level policy on health which improves health status and its basic need of people.