

EFFECTS OF HUMAN HEALTH ON ECONOMIC DEVELOPMENT-AN OVERVIEW

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Abstract

This paper deals with the effects of human health on economic development. Health is a direct source of Human wellbeing and also an implement for rising income level. Health can have an impact on income by influencing worker productivity, children's education, private savings, and population distribution. In addition to the impact of existing illness, health could have a large impact on potential life expectancy. According to research, health and nutrition in utero and in the first few years of life may have a significant impact on the development of the brain as well as economic success as an individual. Also included is an overview of economic growth, economic development, and health, as well as the benefits of the human healthcare system.

Keywords: Economic growth, healthcare system, economic development, life expectancy

Introduction

In terms of development and human welfare, health improvements may be as important as income increases. Well health can be thought of as an end goal in and of itself. However, there is an important link between health and income for policy purposes. Because health follows income, developing countries should prioritize income growth. Investment in health may be a priority, even in the lowest income developing countries, to the significant degree that income is a result of health. This case for well-being as an investor good is especially compelling because there are low-cost, easily implemented specific strategies that can promote health significantly even in the developing world.

The incorporation of labor augmenting health capital, which is typically depicted by healthy life expectancy, in the economic expansion equation tested the theory that likely to be healthy are much more successful per unit of labor input. As a result, physical benefits can raise efficient units of labor while maintaining labor hour inputs constant. The authors asserted that increases in average lifespan did not result to an increase in output growth among 1940 as well as 1980. Economics, broadly defined, is involved with how community allocates resources. Its resources are put to a variety of uses. In economic theory, scarcity provides a foundation for these resources, and from there, the capacity to experience better health and quality of life is foundational to the lived beings. These aspects have a positive effect not only on welfare systems but also on economic development. The goal of this paper is to show how health has an optimistic and significant impact on economic growth. The author contends that while interventions to improve health have been extremely effective over the last century, these developments and differing promotion of health are not to blame for explaining cross-country changes in income expansion.

Economic growth

Good health is an important component of contentment. However, improvements in health status may be justified solely on economic growth. It appears to be a logical assumption that good health raises human capital levels, thereby increasing individual economic productivity and a country's economic growth rate. Better health increases workforce productivity by lowering incapacity, debility, and the number of days missed due to illness, while decreasing an individual's opportunities to obtain higher-paying work. Furthermore, good health promotes higher levels of education by increasing school enrollment and academic performance.

Social scientists and economists have paid close attention to the impact of health on economic growth over the years. A number of research studies have found strong links between economic status and a variety of well-being indicators, including health status and industrialization Gupta and Mitra, (2004) and Bloom et al., (2004) In this manner, Yildirim (2020) examined the maintainable perspective to investigate the impact of health on economic growth. This study demonstrated that higher life expectations can boost economic growth in countries with poor or no health. Another recent study found that health human capital has a significant impact on long-run economic growth Sarpong et al., (2020).

Economic Development and Health

Health Economics and economic development have demonstrated the importance of population health improvements in reducing income inequality in less advanced (LDC) countries. In actuality, once we account for the increasing life expectancy, which is at least partly free dependent on imports from the more developed world, a new picture emerges: wealth distribution between rich and poor countries has been much greater in the absence of health improvement and disease burden reduction.

In any case, a based on the world health Report 2003 has come to demonstrate the amplitude of the task ahead: The disparity in life expectancy among rich as well as poor parts of the world is widening. A baby born presently in Japan could indeed life expectancy for 82 years, with 92 percent of that time spent in good health. In Sierra Leone, however, the life expectancy is only 34 years, with and over five of those years 16 per cent spent in poor health. Away from the West is fifty-nine years in Russia, and sixty-one years in Turkey. While AIDS is the leading cause of death in Continent, heart disease and other noncommunicable diseases are also having an impact. Without delay, global aid is proposed in poor areas.

Investing in health for LDCs often means escaping the poverty trap. Public health and observational programmes do help to improve the state of affairs in LDCs by focusing on some other kinds of human capital. such as academic achievement, self-sustaining fertility, and family mortality. It is undeniably true that an increased average lifespan influences parents' choices to buy shares in their children's education by reducing the potential losses from childhood mortality. As an outcome, women could reduce birth rates as there is less need for replacing the household labour force. All of this raises per capita income. Replace furthermore, a much more healthy and educated population rises productivity, with income distributed to less impoverished people.

Capitalizing in health may shift a society's production possibility frontier in this sense. Once being is assured and per capita income has increased, novel products may begin to be appreciated for consumption. Quality of life goods enter citizens' consumption baskets as a result of preferences for goods with higher income elasticity. As a result, as people age, they become more resistant to the overall health growth of the workforce. Fighting obesity, alcoholism, smoking, drug addiction, and exercise lag improves industrial output while decreasing absenteeism and human capital losses. It goes without saying how important it is for society to save pain and suffering by allowing for chronic health care expenses.

In the industrialized regions investing in health means increasing labour productivity. Fighting obesity, alcoholism, smoking, drug addiction, and exercise lag improves industrial output, lowers absenteeism, and reduces the human investment losses for the economic system even when marginal returns are decreasing. There is no need to emphasize the importance of reducing pain and suffering in society by allocating health-care costs for chronic conditions to other forms of community welfare.

Effects of Health on Economic Development

There are two methods for calculating the impact of effects on Economic Development. The first approach is to use information on the effect on health from micro - economic studies to calibrate the magnitude of the impacts at the absolute level. The second method is to decision - making the aggregate relationship using macroeconomic data. We'll start with the calibration method.

The confounding of health makes investigating the effect of health on economic growth difficult. The processes that result in a positive relationship between health and income are fairly obvious. Richer people can afford decent meals, shelter, and medical care. Wealthier countries can afford to spend more money on public health.

Effects and benefits of Health-Care Systems

Health-care systems have an indirect impact on the economy because they help to improve people's health. Several studies have found that people who are in better health have more opportunities for economic performance and involvement because they are more visible in the labor market. As a result, healthier people may have more earning opportunities than their less healthy counterparts.

Investing in a country's well-being ought not to be considering an economic responsibility, but instead a method of contributing to the economy's growth and stability. The Healthcare system benefits communities and economic development. The methods discussed in this report demonstrate the economic opportunity to invest in health systems, as well as the social benefits of creating high-quality jobs and purchasing goods and services from local businesses.

Health systems play a significant economic and social role in national and local societies. Health systems can be people who encourage local and national economic development by illustrating their valuation in positively affecting local economies through employment and procurement practices.

Sometimes the workforce of health systems have been considered as a cost, and employment budgets are not recognized as a financing in local communities. Moreover, healthcare systems generate

numerous economic and social benefits. Jobs in the health sector have a positive impact on local communities in areas where health systems are among, if not the, largest employers of local residents by: steadily increasing wealth, as employees who live locally also spend locally, which has a long-term positive impact on economic and social resilience; and cutting emissions, as people can travel less far to work. There are additional advantages, such as the subsequent effects on housing, nutrition, social cohesion, and the environment as a result of health employees living on-site.

Furthermore, a poor health system not just to harm the people involved, but it also costs society money, reducing economic growth. Several studies, us included, have found that better health leads to higher economic growth. Finally, industrial practices in the health care setting contribute significantly to societal well-being by providing high-quality health services at an affordable cost. Quality health care not only reduces mortality and prevents human suffering, but it also improves quality life as well as promotes healthier societies.

Economic growth and health

The relationship between health and economic growth is dynamic, complex and under-appreciated. As one of the components of human capital (along with education), health may be viewed as an integral input to productivity; similar to other conventional inputs such as labour and physical capital (Weil 2007). While there is compelling evidence that health impacts economic growth, the magnitude of the effect is less clear- largely due to multi-dimensionality of health outcomes and two-way causation between health and income.

Historically, improvements in health across countries have resulted from three main sources:

1. Improved standard of living – particularly nutrition
2. Public health (clean water/sanitation) and health behaviour modification That is people quitting smoking, washing hands, and becoming more aware of germs
3. Medical interventions like antibiotics, drugs, surgeries

This brief discusses the link between economic growth and health outcomes in India. Based on IGC studies it summarises evidence on issues related to nutrition, sanitation and pollution and health service delivery.

Possible mechanisms leading health improvements to augment economic growth:

- Increased productivity: Improvement in health and nutrition leads to healthier workforce- who can work harder, longer and think better.
- b. Demographic effects: Less infant mortality would lower fertility rates and increase investments in each child.
 - c. Better education outcomes: Healthy children can learn more in school and lead to a better educated workforce

d. Savings effects: High life expectancy leads people to save more and participate in the building of more effective institutions.

Conclusion

The World Health Organization reports make a compelling case for large cash transfers from the developed countries to lower income countries where people suffer from diseases. A large number of people in Africa are afflicted with diseases that are entirely avoidable. We might accomplish enormous benefits in terms of lives saved and community health for a relatively small amount of money by targeting a limited handful of communicable diseases, including such infectious diseases that can be governed through simple public health programs such as vaccination or clean water and sanitation. The World Health Organization 2001 gives a figure of US\$ 27 billion required in grant assistance to developing countries. Whereas the effect of health on profits estimate is economically significant, it is also probably lower than previous estimates based on cross-country regressions. My estimates do not correspond to the WHO report on macroeconomics and health, which is cited in the introduction, which characterizes poor health as a major impediment to economic development.

The World Health Organization established the Commission on Budget and Policy priorities to assess the role of health in world economic development in the context of the health-related 2030 Agenda For sustainable development. The Commission made good suggestions to encourage health sector investments, claiming that expanding coverage of critical health care services, along with a relatively small number of specific interventions, to the world's poor could save thousands of lives each year and result in hundreds of billions of dollars in additional income in low-income countries. In this regard, quantifying health's participation will emphasize the significance of providing health education in establishing a righteous cycle of economic development, which has previously been undervalued.

The major question is not whether spending on health is good; rather, whether spending on health is preferable to other uses of limited funds in developing countries. In practice, every currency value spent on health is a price that could be spent on food, education, or roads instead. When evaluating the relative benefits of various types of spending, a clear distinction needs to be made among products that would provide instant welfare and those that produce long-term economic development. Development aid has traditionally focused on infrastructure and education, like roads, not just because aid agencies are unconcerned about poor health, and because these investment opportunities are a means of generating long-term economic growth.

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