DISPARITIES IN PUBLIC HEALTH EXPENDITURES IN INDIA-NEED FOR RAISING SHARES

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ABSTRACT

In a country like India where a large section of the population is poor & vulnerable, the government's spending on health is critical. The episode of epidemics and diseases makes it all the more relevant. The history of Epidemics is not new to India or the world. The Bubonic Plague [1896-1918] that killed 10 million people and the Spanish Flu [1918-20] which killed 12 -18 million [4-7% of the population] and incidence of Influenza, Cholera, Small pox, Swine-flu, Nipah and Chikunguniya are some of the other examples. Humanity is often reminded that health is wealth. Prevention is better than cure and both prevention and cure are indispensable for all economies necessitating huge expenditures. The trail of death and despair left by deadly diseases is also a warning that countries should not lower their guard since possibility of mutations and deadly waves loom large over countries. The increased morbidity has put immense pressure across the countries and an unprecedented burden on the healthcare system. The public health system in most of the states is facing enormous challenges in coping up with the rising population. Lack of adequate health infrastructure including hospital beds, medicines, oxygen support etc. are a few of the major challenges across the country. States with better Private health infrastructure are able to manage better in comparative terms, but the financial burden of out -of -pocket expenditures on private treatment is a concern for the masses everywhere. In the Indian context private sector services can hardly be a dependable option.

***KEY WORDS*- Health infrastructure, Per capita health expenditures, public health, Budget**.

INTRODUCTION

THE IMPERATIVENESS OF PUBLIC EXPENDITURES ON HEALTH-

There is a need to rethink about the state of health infrastructure in the country, the precarious situation of the public health sector and the need to increase government spending on public health has been highlighted. Approximately 35% of common human infections around the globe have become resistant to available medicines. Lakhs of people die every year because available microbial drugs are increasingly ineffective at combating pathogens indicating the vulnerability of human race. Zoonotic epidemics of the millennium like SARS and MERS are a challenge to economies around the world who strive for building up a healthy and robust human resource which is the real foundation for growth. Even in the absence of Epidemics and pandemics, creating a healthy human resource is definitely a prime concern for each nation. The health of a nation depends critically on its citizens having access to an equitable, affordable and accountable healthcare system. Studies show a 10 % increase in public spending on health in India decreases the average probability of death by about 2%, with effects mainly on the young, the elderly, and women. Health affects domestic economic growth directly through labour productivity and the economic burden of illnesses (WHO 2004). Increasing life expectancy from 50 to 70 years (a 40 per cent increase) could raise the economic growth rate by 1.4 percentage points per year (WHO 2004). life expectancy in a country correlate positively with per-capita public health expenditure. India lags behind many other countries in terms of its expenditure as a share of GDP. When infectious diseases with unpredictable profiles occur, private health care services are generally averse. The average medical expenditure for treatment per case of hospitalisation at the national level is Rs. 4452 for public sector and Rs.31845 for the private sector [75th Round of NSS].

OBJECTIVES

1. To study the trend in public expenditures on health in India and the changing share in GDP.
2. To find out the changes in budget provision towards health expenditures over the period 2010-18.
3. To analyse whether there is disparity in public expenditure on health by different states and whether such disparities correspond to income differentials.

METHODOLOGY

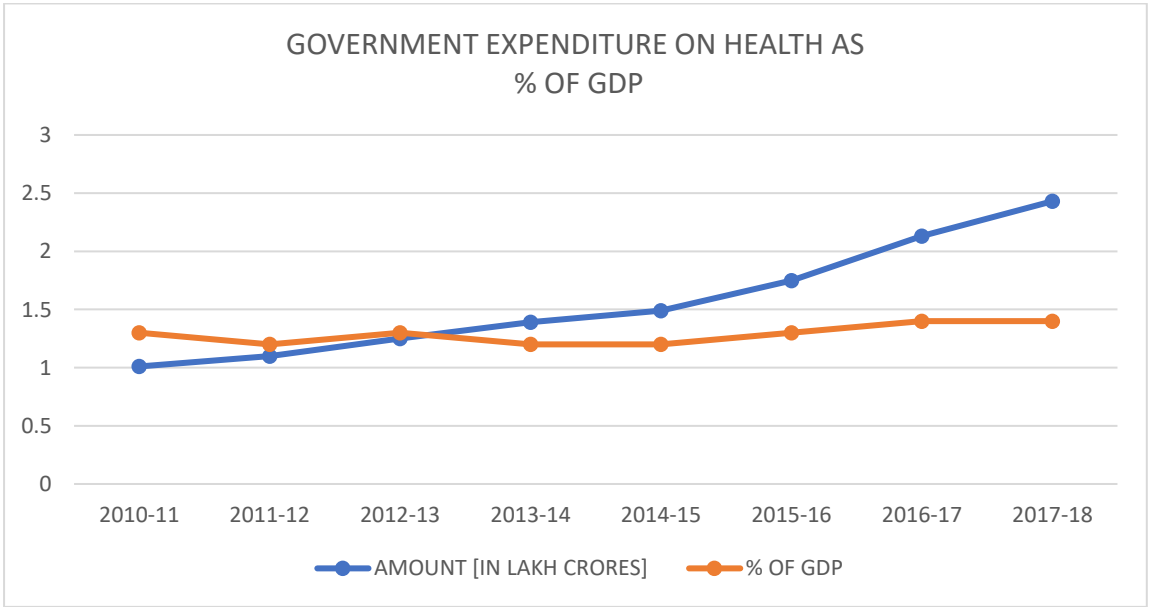
The study is based on secondary data which includes Reports from Economic Survey of India, Reports of DoHFW, MOSPI, WHO, Union Budgets and National Health Accounts. Analysis is done with the help of Correlation, Percentages, diagrammatic representations etc.

India's government health spending as a percentage of GDP is lower than many of the leading countries in the world. There is no major change in the Government spending on Health as a percentage of GDP. There is near threefold increase in the overall government spending on health in 2018-19 compared to 2010-11. However, as observed in the case of expenditure by DoHFW, the increase in the spending is due to the expansion in the economy & budget size in general and not necessarily due to an increase in the share of spending on health. Apart from the central government's spending on health, state governments also spend on public health since 'Public Health' is a state subject.

Table-1 Overall Government Expenditure on Health - as a % of GDP

YEAR	AMOUNT [IN LAKH CRORES]	% OF GDP
2010-11	1.01	1.3
2011-12	1.1	1.2
2012-13	1.25	1.3
2013-14	1.39	1.2
2014-15	1.49	1.2
2015-16	1.75	1.3
2016-17	2.13	1.4
2017-18	2.43	1.4

Source: Economic Survey of India Reports



As per WHO's data relating to Domestic General Government Health Expenditure (GGHE-D) as a percentage of GDP India's GGHE-D is comparatively much lower than many of the countries that India has key international relations with. Among the developed countries, Japan's GGHE-D to GDP ratio is
9.21%, U.S.A- 8.51%, U.K- 7.86% and Australia – 6.41%.The comparatively lower public expenditures on public health is a cause for concern since we live in a world with high possibility of epidemics and anti-microbial resistance. More over the proportion of income spent on public health across various countries do not conform to the size of their income or GDP. It is sheer change in attitudes or perceptions and is modifiable according to emerging circumstances. Nations across the world are rising to the occasion and spearheading higher expenditures on public health.

Share of general government expenditures on health from domestic sources

Among the BRICS nations, India's public health spending as a share of GDP is the lowest. The data reveal that the expenditures on health by the govt. from domestic sources have remained below 1% which is highly insufficient when comparing with other nations.

GGHE FROM DOMESTIC SOURCES

YEAR	GGHE AS % OF GDP
2009	0.89
2010	0.86
2011	0.94
2012	0.93
2013	0.87
2014	0.86
2015	0.92
2016	0.94
2017	0.97
2018	0.89

Source; Global Observatory, WHO

In the case of Brazil, it is 3.96 %, Russia is 3.16 %, South Africa (4.46%) and China (3.02%). Among India's neighbours, Pakistan's spending is 1.14%. National Health Policy-2017 has set ambitious targets to increase government health expenditure to 2.5 per cent of GDP by 2025 and state's health sector spending to 8 per cent of their budget by 2020.

BUDGET ESTIMATES AND ACTUAL

The budget estimates and actuals on public expenditure on health from 2010-11 to 2017-18 are shown. The tendency of budget actuals to exceed budge

TABLE-3BUDGET ESTIMATES AND ACTUALS ON PUBLIC EXPENDITURES ON HEALTH IN INDIA [2010-2018]

YEAR	BUDGET ESTIMATES	ACTUALS
2010-11	23530	22765
2011-12	22765	24355
2012-13	30702	25133
2013-14	35063	28168
2014-15	36948	31914
2015-16	31050	33121
2016-17	37062	37671
2017-18	48853	51382

Source; Union Budget

[indiabudget.gov.in/doc/Budget_at_Glance

estimates has prevailed since2015-16. The tendency of actual expenditures to exceed estimated figures point towards the need for raising expenditures on health. The variation in budget estimates and actuals in public expenditure in India is shown in the table.

DISPARITY IN HEALTH EXPENDITURES AMONG STATES.

Nations across the world spend different amounts on public health. Generally Developed countries spend more on public health than the poor countries of the world. But in India different states contribute differently to public health expenditures. The share of public health expenditures in GSDP of states differ and does not correspond to any rule that better-off states would spend more on health. The attitude of respective governments matter and hence Out-Of –Pocket expenditures also differ among states affecting health standards of respective population. When viewed as a share of domestic product public expenditure on health of different states do not conform to income growth or prosperity. This is proved by the statistical analysis in which

a] correlation between GSDP and public health expenditures are calculated

b] Correlation between GSDP and percentage shares are also calculated.

HEALTH SECTOR FINANCING BY CENTRE AND STATEs IN INDIA AS A SHARE OF GSDP[2015-16]

STATES	Public expenditure [in crores]	GSDP [IN CRORES]	PERCENTAGE SHARE IN GSDP*
ANDHRA PRADESH	5347.05	6,04,229	0.88
Arunachal Pradesh	535.76	18,509	2.89
Assam	2864.32	2,27,959	1.26
Bihar	4652.83	3,71,602	1.25
Chhattisgarh	2754.35	2,27,383	1.21
Delhi	3759.41	5,50,804	0.68
Goa	575.04	55,054	1.04
Gujarat	7199.33	10,29,010	0.69
Haryana	2705.80	4,95,249	0.54
Himachal Pradesh	1533.05	1,14,239	1.34
Jammu & Kashmir	1953.92	1,17,168	1.66
Jharkhand	2182.25	2,06,613	1.06
Karnataka	6015.39	10,45,168	0.57
Kerala	4771.50	5,61,994	0.85
Madhya Pradesh	5522.95	5,41,189	1.02
Maharashtra	10052.18	19,66,147	0.51
Manipur	485.66	19,531	2.48
Meghalaya	643.86	25,117	2.56
Mizoram	450.61	15,139	2.98
Nagaland	464.96	19,524	2.38
Odisha	3743.56	3,28,550	1.14
Puducherry	487.65	26,617	1.83
Punjab	2800.54	3,90,087	0.72
Rajasthan	7818.33	6,81,485	1.15
Sikkim	261.82	18,034	1.45
Tamil Nadu	8524.85	11,76,500	0.72
Telangana	3947.60	5,77,902	0.68
Tripura	610.46	35,938	1.69
Uttar Pradesh	13796.22	11,37,210	1.21
Uttarakhand	1496.27	1,77,163	0.84
West Bengal	7976.21	7,97,300	1.00

Source. Ministry of Statistics and Programme Implementation [GSDP] National Health Accounts Cell Ministry of Health & Family Welfare [Government of India)

The analysis of Correlation between public expenditure and SGDP shows positive correlation, though only moderate. But there is high negative correlation between SGDP and percentage share in public expenditure on health of various states. It means that states with high GSDP do not conform to high percentage share in health The analysis of Correlation between public expenditure and SGDP shows positive correlation, though only moderate. But there is high negative correlation between SGDP and percentage share in public expenditure on health of various states. It means that states with high GSDP do not conform to high percentage share in health expenditures.

CONCLUSION

The ontological objective of any social science is to interpret the society and modify it for the well- being of the world. The pursuit of capital in the 21st century based on the primacy of exchange value and market supremacy has given rise to an unequal world with chronic poverty. Every health disorder crystallises the tragic inequality which exists within and across nations. Rich nations of the world spent higher proportion of their GDP to minimise the economic distress whereas poor nations spent less than 2%. This reminds us that when hard times come, government is the last resort and government is the solution and not the problem. The Public health revolution has been a great morale booster for nations across the world. Modern economies and Mainstream Economics rationalises exchange value over use-value and public provision of common welfare goods and services like health suffer. The government had set goals to increase public expenditures by to 3% of GDP by 2012, but failed to do so. The past 30 years in India also has witnessed the growth of private capital and contraction of the public sector. But since the ultimate goal of every economy is the survival of its population, policies and programmes should prioritise health expenditures. Increasing GDPs would otherwise hold no meaning for the masses. Security of health will undoubtedly inspire better productivity for the country.

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