THE IMPACTS OF HEALTH SPENDING AND ECONOMIC GROWTH ON HEALTH OUT COME? A STUDY ON SUB-SAHARAN AFRICA

[1]MURAD A.BEIN, [2]GALIP ERZAT ERDIL

[1]Department of Accounting and Finance, Cyprus International University, Lefkosa, via Mersin 10, Turkey
[2]Department of Advertising and Public Relations, Cyprus International University, Lefkosa, via Mersin 10, Turkey
E-mail: mbein@ciu.edu.tr, aziz.murad@gmail.com, gerdil@ciu.edu.tr

Abstract -
Background: Several countries in Sub-Saharan Africa (SSA) suffer from economic hardship and high unemployment; furthermore, this region has higher rates of *human immunodeficiency virus*(*HIV*)and tuberculosis (TB).
Objective: To analyse the relationships between HIV and TB, income and total medical spending, as well as its component private and public healthcare expenditure, for 41 SSA countries. The study also explores the relationship between unemployment and HIV.
Methods: Therandom- and fixed-effects models were used to explore the relatıonships by studying time-series and cross-sectıonal panel data obtained from the World Bank for the period of 1995–2014.
Results: Our results demonstrated that there are relationships between HIV and TB, medical spending and income. More specifically, total medical spending and income are negatively and statistically significant related to HIV and TB. In the regression for total healthcare spending, we obtained a negative and statistically significant relationship with HIV and TB. However, with two components of total healthcare spending (private and public healthcare expenditure), we obtained different effects. Public healthcare spending was negatively and statistically related with TB but not with HIV, while private healthcare spending was found be negatively related with HIV and TB, but the result was not statistically significant in the case of TB. The result also showed a strong link between HIV and unemployment.
Conclusion: Policymakers in SSA should revise the existing policy to contain the HIV and TB epidemics. As our results revealed, increased healthcare expenditure alone will not completely eradicate these diseases. Instead, there is need for more government involvement; creating more jobs, increasing productivity and increasing the population's income level represent preconditions for controlling the epidemic.

Keywords - HIV, TB, Medical Spending, Income, Unemployment