IMPACT OF PUBLIC HEALTH EXPENDITURE ON ECONOMIC GROWTH IN KENYA

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ABSTRACT

Health care gives us the ability to live lives that are free from a great deal of physical and emotional pain. If assured, then we will live securely knowing that our lives are protected to such high degrees that we can experience things past generations would have never thought possible. Better, healthier lives means longer life spans, less cases of absenteeism leading to higher productivity levels, and a generally healthier, more vibrant economy due to greater productive capacities.

Inadequate public expenditure in health care as per recommended by the Abuja Declaration adversely affects the Kenyan economy. In Kenya health care is mainly offered by the government at a subsidized cost or free of charge at times. Since Kenya experience deficit in the national budget, health care is not allocated enough funds. The private sector comes in to offer the health services but at a high cost which most Kenyans can’t afford since they live below the poverty line.

The procedures mainly used in our study included collecting secondary data from journals, publications and previous studies. The data was analyzed using SPSS software, a statistical analysis package to obtain the regressed model, from which we interpreted the results.

Our study found that public expenditure on the health sector contributed to economic growth and that mortality rate had the greatest impact on GDP. We can conclude that the variables have an impact on economic growth but to varying degrees and recommended general expenditure to the health sector be increased in order to improve infrastructure, create employment, reduce mortality rate and ultimately improve economic growth.