



Healthcare and Economic Development in India: An Interdisciplinary Perspective.

Dr.Poli Boruah^{1*}

¹*Assistant professor, Department of Economics, L.T.K. College, Azaad, Lakhimpur, Assam,

*Corresponding author- Dr.Poli Boruah

*Assistant professor, Department of Economics, L.T.K. College, Azaad, Lakhimpur, Assam,

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ABSTRACT:

Rural communities in India, particularly tribal populations, hold distinct health beliefs and practices. Some tribes attribute diseases to hostile spirits or the violation of taboos, relying on magical or religious remedies. Meanwhile, certain rural inhabitants adhere to traditional medicine systems, alongside recognized practices like Ayurveda, unani, siddha, and naturopathy, for overall well-being and disease prevention. Unfortunately, various socio-economic, cultural, and political challenges, driven in part by the inconsistent exploitation of resources, threaten the naturally healthy environment. This includes access to nutritious food, clean air and water, beneficial vegetation, healthy lifestyles, and supportive community values. Rural health issues are further exacerbated by a lack of health literature and awareness, inadequate maternal and child health services, and occupational hazards. (R. C. Goya in 2018). Conventional wisdom suggests that economic growth is a prerequisite for advancements in human health. However, recent research studies and reports, notably from organizations like the World Health Organization (WHO) and the World Bank, have shifted this perspective. Over the past few decades, these studies have demonstrated the positive impact of investments in health on both poverty reduction and economic growth (refer to World Bank, 1993; WHO, 2001). Contrary to the traditional belief, the established pathway indicates that improved macroeconomic fundamentals, such as high economic growth and stability, serve as conditions that not only increase resources available for social spending, including health, but also enhance living standards. This is achieved by creating employment opportunities and boosting income, ultimately leading to improved health conditions. Utilizing secondary sources of data, this paper endeavors to investigate key health indicators and their relationship with economic growth. The study also aims to assess how enhanced health outcomes influence both labor productivity and human capital.

Introduction:

In the current global economy marked by economic slowdown, deflation, reduced interest rates, escalating government budget deficits, heightened credit risk, tighter credit, and various economic challenges, businesses are compelled to consider necessary adjustments to ensure survival amidst changing macroeconomic conditions. Exploring the correlation between the health of firms and major macroeconomic factors, as well as understanding how firms adapt to shifts in macroeconomic conditions, is crucial (Mishra, 2013).

Contrary to conventional wisdom, which posits that economic growth is a prerequisite for improvements in human health, recent research studies and reports, particularly those from the World Health Organization (WHO) and the World Bank, have shifted this perspective in the past few decades. These studies have highlighted the substantial impact of investments in health on both poverty reduction and economic growth (refer to World Bank, 1993; WHO, 2001). The typical pathway suggests that robust macroeconomic fundamentals, such as high economic growth and stability, serve as conditions that not only enhance



resources available for social spending, including health, but also uplift living standards. This is achieved by generating employment opportunities and improving income, thereby contributing to enhanced health conditions (Motkuri, Venkatanarayana, and Khan, Amir Ullah, 2018).

Numerous studies have been conducted on diverse topics related to the health and economic growth of India. The conventional measure of development, per capita income, is essentially a reflection of the labor force participation rate, the sectoral composition or distribution of occupations within the workforce, and labor productivity across various sectors (Bhadhuri, 2006). Structural change, coupled with an increase in the productivity of factors of production, is considered crucial for economic growth (Kaldor, 1957). Indeed, the productivity of labor plays a pivotal role in enhancing both macro-level economic development and the household living standards at the micro level. The level of human capital, comprising education and health, significantly influences labor productivity. Studies on growth have consistently recognized the substantial contribution of human capital to economic growth (Shultz, 1961; Becker, 1964; Dennison, 1967). Despite the robust growth trajectory experienced by the Indian economy, employment growth has surprisingly decelerated over the past two decades, leading to a phenomenon commonly termed as jobless growth (Mehrotra et al., 2014; Ghosh, 2012; Thomas, 2012; Himanshu, 2011). The growth of employment in India started slowing down from 2004-05, with a rate of about 2 percent per annum between 1999-2000 and 2004-05. This rate declined to approximately 0.7 percent per annum from 2004-05 to 2009-10 and further dropped to around 0.4 percent per annum between 2009-10 and 2011-12 (Mehrotra et al., 2014; Shaw, 2013). Notably, there was an absolute reduction in the size of employment in the rural agricultural sector, with an estimated decline of about 200 lakh between 2004-05 and 2009-10 (Himanshu, 2011; Thomas, 2012). Additionally, there was a further decrease of approximately 130 lakh during the period from 2009-10 to 2011-12 (Mehrotra et al., 2014).

Although there has been observable improvement in India's performance over time in several health parameters or indicators, the country still falls short of achieving the required outcomes. Particularly, the twin

dimensions of human health, represented by morbidity and mortality rates in India, remain unacceptably high (Charan and Paramita, 2016). Building on the literature reviews mentioned above, the current research endeavors to explore key health indicators and their relationship with economic growth. The study also seeks to analyze how enhanced health outcomes influence both labor productivity and human capital in the context of India.

Significance of the study:

Understanding the interplay between healthcare and economic development is crucial for tackling the substantial disease burden in India. By allocating resources to healthcare infrastructure and services, the nation can mitigate the prevalence of diseases, elevate health outcomes, and improve the overall well-being of its citizens. A robust and healthy population contributes to a more efficient workforce. Investments in healthcare play a pivotal role in cultivating human capital, ensuring that individuals are in good health and capable of actively participating in the workforce. This, in turn, has a positive ripple effect on economic productivity and growth. Therefore, studying the relationship between healthcare and economic development in India is imperative for devising a comprehensive and sustainable development strategy. Such an approach addresses the health needs of the population while fostering economic growth and prosperity, recognizing the intricate connections between health and the overall development of the nation.

Objectives of the study:

1. To study about the key health indicators and their correlation with economic growth.
2. To analysis the impact of improved health outcomes on labor productivity and human capital in India.

Methodology:

The study of the present paper has made on the basis of the secondary sources opf data.

Description:

Health indicators and their correlation with economic growth in India:



Over time, India has shown improvement in several health parameters or indicators; however, it continues to fall short of achieving the desired outcomes. The dual aspects of human health, encompassing morbidity and mortality rates in India, are deemed unacceptably high (Charan and Paramita in 2016).

The correlation between health indicators and economic growth is a critical aspect of understanding the overall well-being and development of a nation. In the case of India, several health indicators can be analyzed in relation to economic growth. Here are some key health indicators and their potential correlation with economic development in India:

Life Expectancy at Birth: Enhanced life expectancy generally indicates improved health outcomes and elevated living standards. A population with an extended life expectancy is likely to contribute positively to economic growth, being more productive.

Infant and Child Mortality Rates: Decreased rates of infant and child mortality often signify enhanced healthcare services and overall health infrastructure. A reduction in these rates can have a positive impact on economic growth by ensuring a healthier workforce for the future.

Maternal Mortality Ratio: A lower maternal mortality ratio signifies improved maternal healthcare services. Advances in maternal health contribute to the well-being of women and families, positively influencing the economic productivity of the population.

Prevalence of Communicable Diseases: The presence of communicable diseases can directly affect workforce productivity. Implementing effective control and prevention measures can result in a healthier and more economically active population.

Access to Healthcare Services: Improved access to healthcare services, including primary healthcare, can lead to better health outcomes, fostering a more productive workforce and reducing the economic burden of preventable illnesses.

Malnutrition Rates: Malnutrition, especially among children, can have lasting effects on physical and cognitive development. Addressing malnutrition is essential for cultivating a healthy and capable workforce, positively impacting economic growth.

Immunization Coverage: High rates of immunization coverage contribute to disease prevention and lead to a healthier population, positively affecting economic

productivity by mitigating the impact of preventable illnesses on the workforce.

Health Expenditure: The level of public and private expenditure on healthcare indicates the priority given to health. Increased health spending is often associated with improved health outcomes, contributing to a healthier and more productive population.

Education and Health Literacy: Education and health literacy are pivotal in shaping health-seeking behavior and overall health outcomes. A population with higher levels of education and health literacy is likely to make informed health decisions, positively influencing economic development.

Epidemic Preparedness and Response: The capability to effectively respond to health crises, such as epidemics or pandemics, is crucial for economic stability. Robust healthcare systems and emergency preparedness contribute to resilience in the face of health challenges.

It's important to recognize that these correlations are intricate and multifaceted. While improving health indicators is significant, it may not ensure economic growth alone. A comprehensive approach addressing both health and economic development is essential for the overall well-being of the population in India.

The impact of improved health outcomes on labor productivity and human capital in India:

In the post-reform period, particularly in the second phase, the Indian economy has positioned itself as one of the globe's fastest-growing economies. As per the latest assessment by the World Economic Forum in 2017, India is ranked seventh among the world's ten largest economies, boasting a \$2.1 trillion valuation. However, India's economic share on the global scale is relatively modest, standing at 2.83%, despite its substantial 17% share in the world population. Consequently, the country exhibits a notably low per capita income when compared to certain South Asian and developed nations worldwide (Ullah, 2018). Enhanced health outcomes in India can have a substantial and diverse impact on both labor productivity and human capital. The connection between improved health and economic development is strong, leading to a more efficient and skilled workforce. The following are key ways in which better health outcomes can influence labor productivity and human capital in India:

Reduced Absenteeism:



Improved health leads to a decrease in the number of sick days taken by employees. A healthier workforce is more likely to consistently attend work, thereby lowering absenteeism and contributing to overall increased productivity.

Increased Workforce Participation:

Enhanced health can result in a rise in the overall labor force participation rate. Individuals in good health are more inclined to enter and remain in the workforce, expanding the available labor pool.

Enhanced Cognitive Function: Sound health, particularly in terms of nutrition and disease prevention, is correlated with improved cognitive function. A healthy workforce is expected to demonstrate better concentration, problem-solving skills, and overall cognitive abilities, resulting in heightened productivity.

Improved Education and Skill Development: Healthier individuals are more prone to regular school attendance and completing their education. This contributes to a more educated and skilled workforce, ultimately enhancing human capital. Education and health often intertwine, creating a positive cycle of development.

Lower Healthcare Costs: Improved health outcomes can translate to reduced healthcare costs for both individuals and the government. This frees up resources that can be redirected towards education, infrastructure, or other areas that contribute to overall economic development.

Higher Economic Output: A healthier population typically translates to increased productivity, leading to higher economic output at the national level. This heightened productivity can contribute to economic growth and development.

Long-term Economic Benefits: Investing in health not only positively impacts current labor productivity but also yields long-term economic benefits. Healthy children are more likely to evolve into healthy and productive adults, thus contributing to sustained economic development over time.

Reduction in Poverty: Improved health outcomes can play a role in poverty reduction by enhancing the earning potential of individuals and households. Healthy individuals are better positioned to engage in economic activities that can lift them out of poverty.

Positive Impact on Innovation: A healthy workforce is more inclined to engage in innovation and creativity. Good health is associated with higher levels of energy,

motivation, and overall well-being, fostering an environment conducive to innovation.

To realize these benefits, it is essential for India to continue its investment in healthcare infrastructure, public health programs, and education. Government policies focusing on improving health outcomes, particularly for vulnerable populations, can play a pivotal role in unlocking the full potential of the labor force and human capital in the country.

Suggestion:

Advancing healthcare and economic development in India necessitates a comprehensive strategy encompassing various measures. The following specific actions can contribute to both areas:

Healthcare Initiatives: **Universal Healthcare Coverage:** Expand and implement health insurance programs to guarantee that all citizens have unrestricted access to essential healthcare services without financial barriers.

Strengthening Primary Healthcare: Concentrate on fortifying primary healthcare facilities, particularly in rural and underserved regions, to deliver fundamental medical services and preventive care.

Integration of Telemedicine: Promote the integration of telemedicine services to enhance healthcare accessibility, especially in remote areas, alleviating pressure on traditional healthcare infrastructure.

Health Education and Awareness: Launch extensive health education and awareness campaigns to advocate for healthy lifestyles, preventive measures, and the significance of routine health check-ups.

Nutrition Programs: Implement targeted nutrition programs, especially for pregnant women and children, to address issues of malnutrition and stunted growth.

Maternal and Child Health Initiatives: Introduce and enhance programs focused on maternal and child health, encompassing prenatal care, safe childbirth practices, and postnatal care.

Disease Surveillance and Early Detection: Establish and enhance disease surveillance systems for prompt detection and swift response to infectious diseases, mitigating the risk of outbreaks.

Public-Private Partnerships (PPPs): Encourage collaborations between the public and private sectors in healthcare to leverage resources and expertise for enhanced service delivery.



Economic Development Measures: Investment in Education: Augment investment in education across all levels to cultivate a skilled and knowledgeable workforce that propels economic growth.

Skill Development Programs: Expand and implement skill development programs to equip the workforce with the skills required for emerging industries, thereby reducing unemployment and underemployment.

Infrastructure Development: Accelerate infrastructure development initiatives, including transportation, energy, and digital infrastructure, to create an environment conducive to business growth.

Ease of Doing Business Reforms: Institute reforms aimed at streamlining bureaucratic processes, minimizing regulatory burdens, and enhancing the overall ease of doing business to attract domestic and foreign investments.

Financial Inclusion: Promote financial inclusion through initiatives like expanding banking services, encouraging digital payments, and offering credit facilities to small and medium-sized enterprises (SMEs).

Innovation and Research & Development (R&D): Foster innovation and R&D by establishing an ecosystem that supports research institutions, startups, and industries to drive technological advancements and enhance competitiveness.

Sustainable Practices: Encourage the adoption of sustainable business practices and environmental responsibility to ensure long-term economic development without compromising the environment.

Social Welfare Programs: Implement targeted social welfare programs to tackle poverty, enhance living standards, and provide a safety net for vulnerable populations.

Export Promotion: Facilitate export-oriented policies and incentives to boost economic growth by promoting Indian goods and services in the international market.

Entrepreneurship Support: Provide backing for entrepreneurship through initiatives like startup incubators, access to venture capital, and mentorship programs to foster innovation and job creation.

By integrating efforts in healthcare and economic development, India can attain sustainable and inclusive growth, enhancing the overall well-being of its populace and cultivating a resilient and dynamic economy.

Conclusion:

In conclusion, the interconnectedness of healthcare and economic development stands as a crucial driver for India's advancement and the welfare of its citizens. A resilient healthcare system not only protects the well-being of the population but also serves as a catalyst for economic progress. Conversely, a flourishing economy provides the means to establish and maintain an efficient healthcare infrastructure. To achieve a symbiotic relationship, policymakers and stakeholders must concentrate on comprehensive strategies that acknowledge the interdependence of these two vital sectors.

Investing in universal healthcare coverage, fortifying primary healthcare facilities, and leveraging technology for improved accessibility form foundational measures to ensure every citizen receives adequate medical attention. Simultaneously, promoting economic development necessitates a commitment to education, skill development, and creating an environment conducive to business growth. Reforms streamlining bureaucratic processes, fostering innovation, and enhancing the ease of doing business become crucial for attracting investments and nurturing entrepreneurship.

Sustainable practices, social welfare programs, and emphasis on export promotion contribute to a holistic approach that considers the lasting impact on both health and economic indicators. As India progresses, it is imperative to recognize that a healthy population is a prerequisite for a productive workforce, propelling innovation and sustaining economic growth.

Essentially, the journey towards comprehensive development in India demands a nuanced understanding of the intricate relationship between healthcare and economic well-being. Through strategic policy implementation, fostering collaboration between the public and private sectors, and prioritizing the needs of the most vulnerable, India can aspire to a future where health and prosperity converge, creating a flourishing and inclusive society.

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