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HEALTH FINANCE AND ECONOMIC GROWTH IN NIGERIA.

Abstract:

This study, health finance and economic growth in Nigeria over a period of 1990-2016, aims at examining the effect of health financing on economic growth in Nigeria. It utilized secondary data, sourced from the Statistical Bulletin of Central Bank of Nigeria . Data on Gross Domestic Product (GDP), Capital Expenditure on Health (CXHE), Human Health & Social Services Output Investment (HHSS) and Recurrent expenditure on health (RXHD) were analysed using econometric package, E-view, to test for stationarity; Johansson cointegration test, and Error Correction Mechanism (ECM) were employed. It was found that a long run significant positive relationship exist between Capital Expenditure on Health (CXHE) and gross domestic product (GDP) with very marginal contribution, significant positive relationship between Human Health & Social Services Output Investment (HHSS) and gross domestic product (GDP), insignificant negative relationship between Recurrent expenditure on health (RXHD) and gross domestic product (GDP) in Nigeria. There is clear evidence of inequality in the access to health care services and low income characteristics of the country in view of the high level of Out-of-Pocket Health Expenditure of 77.7%, 77.5% and 72.2% in 2005, 2010 and 2015 respectively. It therefore recommends that Nigerian government should, as a matter of priority, increase budgetary allocation to the health sector by 40% yearly incremental allocation based on the current (2017) provision of 4.16%.They should also give deliberate attention to developing health infrastructures and providing quality health services. Investment in human capital and public health should be made a priority as, it not only increases labour productivity, but also generates greater income and economic growth.

Keywords:

Health Finance, Gross Domestic Product, Capital Expenditure on Health, Human Health & Social services Output Investment, Out-of-pocket health expenditure.

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