THE INTERACTION BETWEEN ECONOMIC INDICATORS AND HEALTH STATUS A CASE STUDY IN MONGOLIA



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This thesis concerned with the interaction between economic indicators and health status at the province level in case of Mongolia. For over six decades, from its independence to the late 1980s, Mongolia followed the Soviet model of centrally planned command economy. After political reforms in early 1990, Mongolia have been moved from a socialist to a market economy. Since this period, Mongolia has faced severe economic difficulties. Compounding these economic hardships, the governments actual expenditures for health, education and social services have been cut back severely over the past 7 years. The system of safety nets has deteriorated. Most of the health indicators declined dramatically during this period. But how do these economic hardships affect on health? What is happening in trends of health status during this transition period? These are questions that we tried to answer in this study.

Loglinear specification of multiple regression analysis with one year lagged value of dependent and independent variables are chosen as an analytical tool. The model includes four explanatory variables such as number of livestock head per capita, poverty, education and government health expenditure. Livestock head per capita is used as a proxy of GDP per capita. Time series data between 1991-1996 at the province level have pooled. The total number of observation was 132. Life expectancy, infant, underfive and maternal mortality rates, crude birth and death rates are selected as health status indicators according to the data availability. Also, we developed a model which has included all health indicators as an explanatory variables in order to determine the effect of health status on economic growth.

The main empirical result of this study is that the support for the concept that economic growth and education are very important in the determination of health status indicators. However, economic downturns do not necessarily cause in immediate reduction in health status achieved, because human lifestyle due to achievements in education and also other health related inputs such as water supply, sanitation, vaccination and medical equipment have a long-term effect against adverse effects of economic hardships. Therefore, the interaction between health indicators and economic development is not instantaneous and quite complex as well.

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ABBREVIATIONS

CBR - Crude birth rate

CDR - Crude death rate

GDP - Gross Domestic Product

GNP - Gross National Product

IMR - Infant mortality rate

LIFE - Life expectancy

LS - Livestock

MMR - Maternal mortality rate

MOHSW- Ministry of Health and Social Welfare

PPP - Purchasing Power Parity

SSO - State Statistical Office

U5MR - Underfive mortality rate

UNDP - United Nations Development Programme

UNICEF - United Nations Children's Fund