Health Care and Economic Productivity in Developing Countries

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Abstract: -
Health care is a very essential component in the economic productivity of developing countries like India because without health care a country cannot progress. Health is also very important for the human development because healthy workers are more productive than unhealthy workers. This paper focuses on the challenges involved in promoting health care for economic development because health care increases the productivity of labour; investment in health care generates employment opportunities and creates demand for health care products.

Current study also signifies the concerns and contributions of patanjali ayurvedic products in stimulating economic growth and productivity. Apart from selling health products patanjali ayurved has picked up fast moving consumer goods (FMCG) like soaps, shampoo, ghee, honey, biscuits etc in competitive market situations.

The study of this paper also focuses on the nutritional aspects of health care in women and child development as women and child care are integral part of economic growth and development.

Key Words: - health care, productivity, investment, challenges, EFMC, OECD

Introduction:-
Nobel Laureate Amartya Sen postulates that health is among the basic capabilities that gives values to human life. The wealth of any nation can be measured by the health statues of its citizens as “Health is Wealth”. According to World Bank (2005) 50 percent of economic growth differentially between developed and developing nations is attributed to ill health and low life expectancy. Organization for economic cooperation and development (OECD) identified India’s poor health outcomes as one of our major developmental challenges. The immense effect of general health conditions in economic development reflected the mortality of infants and adults affected the economic performance through human capital investments, physical capital accumulation, population growth, productivity and female labour force participation in developing countries like India. This paper examines the challenges that India has to face in promoting health care for economic development because communicable diseases are more in India when compared to other developing countries.
Current study also highlights the role of patanjali ayurved products in promoting health care for economic development and also care for women and children in nutritional supplements for economic development.

**Review of Literature:**

Health means a complete state of physical, mental and social well-being including the absence of illnesses and it is one of the goals most valued by human beings. Thus, the most common analysis related to health is an understanding of factors that determine good health for its intrinsic value.

World Bank report of 2004, states that Good health plays an important role in economic growth. Therefore importance should be given for health care.

The study made by Robert Fogel, a Nobel Prize winner in Economics, clearly demonstrates that health plays an important role in economic growth from more than a century of history in currently developed countries like India.

According to Edelweiss research, patanjali ayurved that operates in three business segments like food, FMCG, and home care ayurved products clocked a turnover of Rs 2030 crore in financial year 2015 with an EBITDA (earnings before interest, taxation, depreciation and amortization) of around 20 percent.

This paper is focused on the below mentioned objectives:

**Objectives of the Study:**

1. To examine the challenges faced in health care for economic development
2. To highlight the role of patanjali ayurved products in promoting health care with economic development.
3. Nutritional aspects of health care and economic development.

The objectives are analyzed and discussed as follows:

**To examine the challenges faced in health care for economic development:** In 2012 India witnessed 253 deaths per one lakh persons due to communicable diseases alone much higher than the global average of 178. There is a higher disease burden in India compared to China, Indonesia, Sri Lanka and other countries. Even our neighbors’ like Nepal and Bangladesh have a better health record compared to India.

The study indicated that challenges faced are difficult. The following aspects are the current challenges to be faced by Indian economy to promote health development.

1. **Innovations:** Innovations bring down the cost of health care by looking into alternative ways of confronting health problems for example the government of India has taken adequate steps to confront deadly diseases like dengue and swine flu in the past. Compared to plague attack in 20th century where millions died in communicable diseases. 21st century is all equipped to face challenges. An advance in medical sciences is appreciable. Heart and kidney transplantation are done professionally. Technology has fueled innovations and an opportunity to grab this for economic development is essential.

2. **Investment in research and development should increase to find out cost effective techniques to resolve health issues:** Entrepreneurs should be provided with incentives to take up health products for improving production and productivity.
3. Venture capital and seed funding: - In early stages of development seed capital and risk capital funding is essential to promote development in health care products.

In spite of rising economic growth and reduction in poverty progress in health issues are slow. According to 2010 World Bank estimates India looses 6 percent of its GDP annually because of premature deaths and preventable illness. The reason behind this is low level of public investments. Even if it is available, it is poor in quality. The lack of reliable public health services and health insurance compel the poor to spend heavily on private medical care.

In some developed countries health care concern are taken up by the government itself either totally at free of cost or at reasonable medical insurance. India cannot afford to be competitive in this regard.

To highlight the role of patanjali ayurved products in promoting health care with economic development: - Patanjali’s initiative in health care with ayurveda and FMCG products goes a long way in promoting economic growth and development. The key strength apart from its superior product quality is pricing. Since its advertisement and promotional expenses are negligible, the company products are priced at around 15 -30 percent of discount to competition. Ramdev declares that in five years Swedishi products of patanjali will grow to such a great heights that foreign company will dwarf in front of them. This is not just a threat because patanjali has contributed largely to the growth of FMCG sectors.

Patanjali products are giving a tough fight to foreign companies in each and every segment – be it medicines, herbal cosmetics or foods. They provide ten to forty percent cheaper than MNC brands in the market. For example if kellogsis selling flakes for Rs 91 for 250 grams patanjali flakes are available at Rs 85 for 250 grams. It is interesting to note that patanjali’s marketing and advertising expenditures are minimal and sometimes zero. It largely relies on word of mouth via its yoga classes (one lakh free yoga classes every day across the country). The brand equity of patanjali products are built around yoga and baba who practices and preaches the discipline. They say that once the consumer trust is obtained (vie yoga) reaching the consumers with products will become easier. Annual revenue is reported to be more Rs 2000 crores. The secret of success of these products is that the company sources product directly from farmers and cuts on middle men to boost profits.

According to reports future group (patanjali ayurved announced its partnership with Kishore Biyani controlled FG and it plans to sell its products through the latter’s stores across the countries) expects sale from patanjali with noodles to the tune of Rs 1000 crores in next twenty months.

Patanjali ayurved products contribute to growth and development in three broad segments: -

1. Foods (food supplements dairy, juices’ etc)
2. FMCG (cosmetics, shampoo, soaps etc)
3. Home care (detergent cakes powder, liquid etc)
4. Ayurved products (blood pressures, joint pains, skin diseases etc)

The company targets to achieve the revenue of Rs 5000- Rs 6000 crores in financial year 2016 itself. Growth is being driven by the company’s largest selling products cows ghee (expected to be Rs 1200 crores in 2016) followed by dant kanti and kesh kanti.
Nutritional aspects of health care and economic development: - It is a fact that improving nutritional standards contributes to economic growth and development. Good nutrition is a basic ingredient for human capital which promotes sustainable development. Improved nutritional standards drive stronger economic growth. Malnutrition hampers both physical capacity and earning ability.

Mal nutrition and physical productivity:

According to World Health organization under weight is a single largest risk factor contributing to global burden of disease in developing world

Mal nutrition directly or indirectly contributes to 60 percent of all child mortality.

Vitamin A deficiency compromises the immune system of approximately 40 percent of the developing world’s children under age five, leading to deaths.

More than 60,000 young women die every year because of severe iron deficiency.

Iodine deficiency in pregnancy cause almost 18 million babies a year to be born mentally impaired.

Findings and Suggestions: -

1. Health sector has tremendous growth potential for contributing to growth and development of the Indian economy by increasing investment opportunities, employment, income, and standard of living for the people in developing countries.

2. The study reveals that innovation in health sector is insufficient in meeting the current requirements and is essential for the government to spend on research and development for finding out cost effective techniques to produce health products which also stimulates growth through increasing employment opportunities.

3. Capital at lower rates of interest should be provided to entrepreneurs taking up health products—nutritional supplements, dairy products, herbal medicines etc. It has been found that low levels of public investments are responsible for premature deaths and preventable illness.

4. Patanjali ayurved has substantially contributed to economic growth and development in this regard it is worthwhile to make a mention about FOOD PARKS.

5. Patanjali Food and Herbal park was established in 2009 under the Food Park scheme of Indian government. The company reportedly commissioned one of the largest food park in the world at a total investment of Rs 500 crore. the Food Park is spread across 100 acres and provides employment to over 6,500 people. Patanjali has 5000 franchised stores. Their average gross turnover is Rs 25,000 everyday.

6. Anemia has a direct and immediate effect on productivity in adults. Eliminating anemia results in 5-17 percent increase in adult productivity, which adds up to 2 percent of GDP

7. Malnourished adults are likely to have higher absenteeism because of recurring illness.

8. Susceptibility to chronic diseases—it has been found that Anemia and iodine deficiency in the womb may restrict child’s ability to learn.
It is suggested that patanjali products deserve encouragement as it increased consumption levels in the country by introducing quality products at reasonable prices. At the industry level, these companies generate lot of employment opportunities which in turn increase their income levels and contribute to economic development. Apart from providing comprehensive health care they also help development of the country.

Economic growth would reduce malnutrition and contribute to further growth and productivity In developing countries like India.

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