

Nigerian Government Expenditure, Economic Productivity and the Prevention of Maternal Mortality: A Call to Action.

Abstract:-

Health is wealth and in order to ensure sustainable productivity in a country, its citizens must be in good health. The Government is however a major contributor to the financing of health care and thus ensuring that the optimal care is provided for its populace. This commentary was set in motion to assess the Nigerian government's expenditure on health as well as its impact on maternal mortality and economic productivity. Expenditure on health was found to be yielding fruits which were however below expectations as the rate of decline of maternal mortality ratio was not as high as the rate of increase in the GDP. Investment of more resources in health care remains crucial for improved improved health indices and consequently higher productivity in Nigeria.

Key Word:- Government spending, economic productivity, health, maternal mortality

INTRODUCTION

The health of an individual is crucial. Life events are shaped by the physical, mental and social wellbeing of the individual. If the health of an individual is optimum, events around the individual are optimum and vice versa. For maximum productivity and output, good health is essential. It can be inferred that for there to be effective, durable economic productivity in an area, state or nation; the health of the individuals in that particular location must first be optimal through provision of adequate health care services. It has been reported that an improvement in health care is a compulsory factor to be considered in the enhancement of the Human Capital Development in every single economy (Maruthappu et al, 2015). An improved level of development of human capital in turn results in an improved health status of the populace which results in a decrease in the average amount of time spent

27 sick by producing more healthy days, weeks, months and years (Onisanwa, 2014). This
28 inadvertently results in increased levels of productivity of labour and as well, a resultant
29 enhancement of investments in other human capital forms which ensures that more income is
30 earned by the populace thus resulting in an increased per capita income.

31 Thus for there to be a vibrant, productive, skillful and excellent achievement of productivity
32 in economic sectors in a nation (which is best measured using the Gross Domestic Product
33 [GDP] of that nation as well as its per capita income), the health of the populace must be well
34 taken care of through provision of effective and efficient health care services that is mostly
35 achievable through optimal public (government) expenditure on health. Being a major source
36 of financing health in many countries, government expenditure on health has been inter-
37 related with either positive or negative health outcomes of a populace. this is to say that when
38 government expenditure is high, there is a corresponding improvement of health outcomes
39 (e.g. increased survival rates, reduced mortality rates etc) and vice versa (Bokhari, Gai &
40 Gottret, 2007; Eneji, Juliana & Onabe, 2013; Kareem, Ademoyewa, Fagbohun & Arije, 2017;
41 Maruthappu et al, 2015).

42 **MATERNAL HEALTH AND MORTALITY**

43 The fact that Women are capable of adding value to a nations' gross domestic product and
44 using resources more efficiently in managing household budgets, loans and savings, if given
45 the opportunity is a fact. What is more, women are the bearers, rearers and carers of the
46 society. A basic primordial prevention strategy is economic empowerment of women and
47 maternal mortality is the single basic measurement of a nations' care for her women. (Edgren,
48 2010; Sede & Izilien, 2014). Allocation of public funds on health care is a fundamental task
49 of governments yet empirical literature on the link between government expenditure and
50 maternal mortality is sparse. The maternal mortality ratio is one of the indices used to

51 measure the health status of a country. A maternal death is a death of a woman while
52 pregnant or within 42 days of the termination of a pregnancy, irrespective of the site or
53 duration of the pregnancy but from any cause aggravated from the pregnancy or its
54 management but not from accidental or incidental causes. The maternal mortality ratio is the
55 ratio of the number of maternal deaths per year to the number of livebirths. Developing
56 countries usually have very high maternal mortality ratios (MMR) compared to developed
57 countries (Population Research Institute, 2014; Sede & Izilien, 2014).

58 **GROSS DOMESTIC PRODUCT**

59 The Gross Domestic Product (GDP) is a monetary measure of the value of all final goods and
60 services produced in a country over a given period e.g. a year. GDP is the single most
61 commonly referenced figure to cover the entirety of a national economy. There are three
62 main ways of calculating the GDP of a country; the income, output and the expenditure
63 approaches. GDP is commonly calculated in United States dollars (USD). The GDP may be
64 calculated to allow for inflation. Despite its usefulness, the GDP also has some criticism as it
65 does not take into account the widening gap between the rich and the poor, the harm done to
66 the environment and unpaid work. However, despite all these, it is still one of the best
67 economic measures a country can use. Data can be sourced from various sources. An
68 example is Quarterly National Accounts (QNA); which are integrated system of
69 macroeconomic accounts designed to describe the entire system of production in a nation on
70 a quarterly basis. They provide a picture of the current economic status of the economy that is
71 more timely and frequent than that provided by Annual National Accounts (ANA). The key
72 attribute of QNA is that they provide a reasonable level of detail of the economy that helps
73 government to assess, analyse, and monitor economic growth on a regular basis.

74 Data for this analysis were obtained from Surveys conducted by the National Bureau of
75 Statistics (NBS) as well as from the Budget Office of the Federal Republic of Nigeria. Major
76 aggregates of quarterly GDP by type of economic activity at current (2010) and constant
77 prices are shown in this write-up. The following terms also assist in understanding the
78 concept:

79 Gross Output: Consists of government production, which is a non-market service offered
80 without charge or at a price not economically significant, and private production, offered at
81 the market price. Government production (non-market service):

82 Gross output Basic = Intermediate consumption (Less commodity sales and fees) +
83 Compensation of employees + Consumption of fixed capital + other taxes less subsidies on
84 production.

85 Private production (market service): Gross output Basic = Total output - Intermediate
86 consumption + other taxes less subsidies on production.

87 Intermediate consumption: Details of the cost structure of operators including transportation
88 fees, operational expenditure, minor repairs and maintenance etc. (Nigerian Gross Domestic
89 Product Report, 2017).

90 **NIGERIA'S GROSS DOMESTIC PRODUCT, PER CAPITA INCOME,**
91 **EXPENDITURE ON HEALTH AND MATERNAL MORTALITY INDICES**

92 Seeing that government expenditure on health shares a proportional relationship with health
93 outcomes around the globe, it leaves little wonder why the African Union in 2005 agreed that
94 15% of all government expenditure should be allocated to health care in order to tackle the
95 disease burden prevalent within the continent. (Assembly of the African Union, 2005). This
96 has however not exactly been the case in Nigeria and has thus inadvertently negatively

107 affected government expenditure set aside to specifically tackle issues of maternal mortality.
 108 (Assembly of the African Union, 2005; Maruthappu et al, 2015; Oyewunmi & Oyewunmi,
 109 2014).

110 Over the years, government expenditure on health (in naira) had steadily increased from
 111 77,948.6 million in 2005; to 106,937.97 million in 2007; to 161,845.51 million in 2010 up till
 112 262,742.35 million in 2014. The expenditure however declined to 259,751.74 million and
 113 257,382.15 million in 2015 and 2016 respectively. Data on government spending to prevent
 114 maternal mortality or ensure maternal health became active from 2009 and it is worthy to
 115 note that maternal mortality had reduced over the years from the 1990s till date. (Yaqub,
 116 Ojapinwa, & R. O., 2012) This decline however was termed to be unsatisfactory based on
 117 failure to achieve the targets that were set with the Millenium Development Goals (MDGs)
 118 that peaked in 2015 to reduce by three quarters, between 1990 and 2015, the maternal
 119 mortality ratio. It should however be noted that problems of poor utilization, cultural and
 120 religious beliefs etc.; also played a role in these mortalities. (Yaqub et al., 2012).

121 As part of government expenditure on health, from 2009 till date, funds have been earmarked
 122 for activities, programmes, initiatives, targets etc.; whose main objective was to curb
 123 maternal mortality in Nigeria and thus reduce the maternal mortality ratio. Funds set aside for
 124 this ranged from 7.44 million naira in 2016 to 4,512.00 million naira in 2009. (Budget Office
 125 of the Federation, 2017). When compared with the gross domestic product per capita of
 126 Nigeria which had steadily increased between 1993 and 1997, declined in 1998 but then
 127 picked up again and increased steadily further on till 2009, when it declined again but picked
 128 up in 2010 and increased steadily again till 2014 after which it declined again in 2015 and
 129 2016; it became evident that the government expenditure on health, especially in curbing the
 130 problem of maternal mortality in Nigeria was yielding fruits. This is to say that as a result of
 131 government expenditure on this aspect of health, there was an increase in per capita income

122 of the nation and indeed increased productivity. A decline was however noticed in 2016 in
 123 the GDP per capita of Nigeria when there was a drastic decrease from 2,533.399 million naira
 124 maternal health expenditure in 2014 to 7.438 million naira in 2016. (“2010 Nigeria Budget -
 125 HEALTH.pdf - the Datahub,” n.d.; “Search - Nigeria Data Portal,” n.d.)
 126 Table one shows the progression in GDP and Maternal mortality ratio from the year 2000-
 127 2015. While there is a progressive increase in the GDP from one year to another, there is a
 128 progressive decline in the maternal mortality ratio. However, the rate of decline in the
 129 maternal mortality ratio is not as high as the rate of increase in the GDP. In addition, slight
 130 reduction in the GDP from one year to another as witnessed in 2001 and 2015 do not coincide
 131 with a reduction in the maternal mortality rate. This seems to show that an increase in the
 132 health status of the population is not a knee-jerk response to increasing wealth and a slight
 133 decrease in wealth does not immediately cause a decrease in the health status of the
 134 population. (Sede & Izilien, 2014).

135 Table 1 below illustrates in a tabular form, the relationship between government expenditure
 136 on health, expenditure on curbing maternal mortality, maternal mortality ratio and the gross
 137 domestic product per capita of Nigeria (which is illustrative of the level of economic growth
 138 and development).

139 **Table 1: Government Expenditure on Health, Gross Domestic Product and Maternal**
 140 **Mortality Indices over time**

Year	GDP per capita (current US\$)	Total Government Health Budget (Naira)	Total Amount earmarked to curb Maternal Mortality (Naira)	Maternal Mortality Ratio per 100,000 live-births
1993	153.6			
1994	171.7			
1995	264.3			
1996	316.0			
1997	315.6			
1998	275.0			

1999	300.6			
2000	379.1			1170
2001	351.8			1170
2002	459.5			1170
2003	512.7			1170
2004	648.8			1170
2005	807.9	77,948,600,000		946
2006	1,019.7			946
2007	1,136.8	106,937,970,000		946
2008	1,383.9			946
2009	1,097.7	154,567,493,157	4,512,000,000	946
2010	2,327.3	161,845,511,090	410,000,000	867
2011	2,527.9		49,138,174	867
2012	2,755.3		174 138 668	867
2013	2,997.0		147,518,208	867
2014	3,221.7	262,742,351,874	2,533,399,143	867
2015	2,655.2	259,751,742,847	624,200,000	814
2016	2,178.0	257,382,151,746	7,438,016	

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142 **CONCLUSION AND RECOMMENDATIONS**

143 This information is vital for budget planners and policy makers. It reveals the need for a
144 sustained and uninterrupted funding to the health sector to improve the health of the
145 population. Policy makers must put in more effort to do the right thing for the nation. Health
146 Economists and Health advocates should be unrelenting in their efforts to ensure appropriate
147 policies are made for the nation. These policies and the laws backing them should be
148 seriously advocated for, implemented and enforced. Adequate budgeting for health and
149 maternal health in particular cannot be over-emphasized. (Onisanwa, 2014). It is strongly
150 recommended that in Nigeria, more effort needs to be made to ensure the investment of more
151 resources in health. Health care utilization for various interventions regarding maternal health
152 is crucial including the availability of skilled birth attendants to take deliveries. Health care
153 expenditure must be integrated into elaborate gender-sensitive strategies for the development
154 of human capital. It is finally recommended that there should be further thrust by the Nigerian

155 government to ensure that at least 15% of the annual budget is allocated to issues of health
156 and health care.

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