Health – Industrial Productivity Gap in Nigeria: Issues and Perspectives

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ABSTRACT
An efficient health system increases individuals' output through improvements in physical energy and mental activities. This study investigates the effect of health position on industrial productivity in Nigeria model from 1980 to 2020. Adopting the Autoregressive Distributed Lag (ARDL), the results showed that in both short-run and long-run periods, changes in rates of mortality, morbidity, literacy and life expectancy significantly affect the level of industrial productivity in Nigeria. However, in the long run, while economic growth and labour productivity positively affect industrial productivity, their impact on the dependent variable was abysmal. The findings, therefore, suggest that there's a need for the government at all levels to subsidize medical services as well as not only increase funding for the health sector but ensure that allocated funds reach the target population through effective monitoring and appraising of the operations of the health sector.

Keywords: Health, Industrial, Productivity, Growth, Outcome
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1. INTRODUCTION

The touchstone of every nation's economic success is its ability to industrialize and produce goods and services for growth and

development. This aspiration was borne by the quest to ameliorate the sources of income and economic diversification, especially for primary product dependent countries of sub-Saharan Africa. A country's capacity to industrialize over time depends in part on the health of its workforce. This in turn propels the productive capacity and hence raises productivity.

Several factors have been adduced to enhance industrial productivity such as availability of finance, managerial talent, government policy and natural factors. In modern literature, an individual's condition of health is found to be an important determining factor of industrial productivity. Good health status raises the output of an individual through advancement in physical energy and mental activities and annual output through reduced illness while career outputs through decreased morbidity or increased longevity (Tompa, 2007). The burden of disease which may be a function of poverty is also likely to unfavourably affect a nation's production capacity and development prospects (Cole and Neumayer, 2006).

The overall health status is measured by life expectancy, morbidity and infant mortality rate, under-5 mortality rate, stillbirth rate, maternal mortality rate and crude death rate. Nigeria falls short of the 2001 declaration by the African Union agreement that member countries should allocate a minimum of 15 per cent of their annual budget to the health sector but devoted only 8.2 per cent in 2014. Rather than moving forward in 2015, budget allocation to health was 5.78 per cent and 4 per cent in 2016. From 2017 to 2020, budget allocation to health has declined to 4 per cent, 4.4 per cent 4.75 and 4.14 per cent respectively. The World Health Organization statistics (2016) ranked Nigeria 187 out of 191 countries in the world's health system performance. This poor health status performance has been linked to the primary health care system that is the principal level of care and has been retained in the weakest level of government and this resulted in a feeble and haphazard health care system thereby influencing the health population (Osain, 2011).

Figure 1: Budget allocation to the health sector in Nigeria from 2014 to 2020 in percentage