

ABSTRACT

An Economic Examination of the Health-Income Link in CARICOM with a Case Study of Trinidad and Tobago

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Health and economic growth have been identified as two major issues facing developing countries, including those within CARICOM. In fact, empirical studies have pointed to a positive relationship between these two variables in both developed and developing countries. However, the main shortcomings of these studies have been (1) the absence of rigorous research explaining the potential bi-causal linkage between health and economic growth, and (2) the failure to identify a single comprehensive indicator that captures the multidimensional nature of health which can be used to compare health conditions across countries. This thesis attempts to address these two concerns by linking two fields of research: health economics and economic growth theory. It begins with a theoretical discourse on the health-income link within the CARICOM region and ultimately posits that the strength of this relationship varies across countries. The availability of public health programmes to address current health challenges was also argued as being paramount in influencing this relationship. A further investigation of the health-income link in Trinidad and Tobago revealed that, although the country had relatively high income with relatively high health expenditure levels, it experienced comparatively lower health outcomes compared to other CARICOM countries. Furthermore, cointegration analysis highlighted relatively weak short-run bi-causality between health and economic growth in the country, where health expenditure played a marginal role in influencing this relationship. The second contribution of this research is the development of a framework for constructing a health index that captures relevant aspects of population health which can be used to measure and compare health conditions across countries. This index incorporates health impacting factors such as consumption choices, the physical environment, socioeconomic factors and health services.

Keywords: Diedron Lewis; health and economic growth; CARICOM; Trinidad and Tobago.