CHAPTER I

Introduction

1.1 Background

Health is fundamental in human life. There are many things that humans can do when they are healthy. If humans are not in good health, then there are things they cannot do. In their belief in Islamic people, they were advised by the Prophet Muhammad to take advantage of their healthy time before they were sick, narrated by Abdullah Ibn Abbas RA.

In an economic viewpoint, when a person cannot reach their optimal state, which is healthy, it will reduce their productivity in production. Health is one of human capital that is needed in supporting economic development. Because health is a precondition in increasing productivity. Tjiptoherijanto (1993) state that health can effect economy in several ways, such as, improving people's health will lead to an increase in labor participation, health improvement also bring improvement in level of e ducation which will contribute to economic growth and health improvement cause an increase in population that will increase the labor participation.

In 1948, the World Health Organization (WHO) defined health as "physical, mental, and social well-being, and not simply the absence of disease and weakness". Health is thus affected not only by individual risk factors and behaviors, but also by a range of economic and social conditions. These social determinants of health-the circumstances in which people are born, grow up, live, work, and age-are shaped by a variety of economic, social, and political policies and forces stated by Geoffrey (2016). We understand together that health has various forms, not only in physical form. So are the factors that affect the level of health itself. When there are differences in these factors, it will directly or indirectly lead to health inequalities.

Literally we can understand that health inequalities are conditions where there is no equal health between individuals or groups-depending on the perspective of the object we see-which is caused by various determinants.

Health inequalities is the general term used to designate deviation, variance, and disparities in the health achievement of people and group. A direct case of health difference is higher frequency of illness X at group A as compared between group B of population. If illness X arbitrarily or evenly distributed among all of the groups of population, so there is no existence of health inequalities in the population. In other words, health difference is the descriptive term that need not to involve moral judgment. To further illustrate the fact, imagine individual one dies in age 40 because sky diving accident. He has twin, B, who does not love that hobby, sky diving known live until 80. These examples, their uneven time spans of A and B reflect the physical choice that would not necessarily evoke moral concern, means some kind of healt, h inequalities are also undoubtedly unjust.

Broadly speaking, health inequalities are caused by a life course perspective and socioeconomic. The life course perspective explained by Wadsworth (1997) in a journal he wrote entitled "Health inequalities in the life course perspective", it can be concluded that the life course perspective refers to the history of the individual's life, both biological factors and socioeconomic from their life history. What is the history of the individual's health, such as how the nutrition he received since he was a child or how their social condition in the past affects their current health. Meanwhile, socioeconomic factors are factors such as income, education level, poverty and many other factors which are included in the socioeconomic. However, it can be seen clearly how socioeconomics affect the health of individuals and groups. The same thing was expressed by Catherine Chittleborough (2017), "*Health inequalities are generally understood to refer to differences in health between groups of people who are better or worse off socioeconomically, as reflected by, for example, their occupational standing, levels of income, wealth, or education, or by economic characteristics of the places where they live*".

The topic of health has recently become an interesting conversation during the Covid-19 pandemic. Many people discuss and debate about the policies taken by the government of their country, what must first be prioritized whether

the health or the economy of their country where the economy is one of the things in the socioeconomic factor.

Figure 1.1 Average of Life Expectancy Among Asia's Countries from 1990-2018
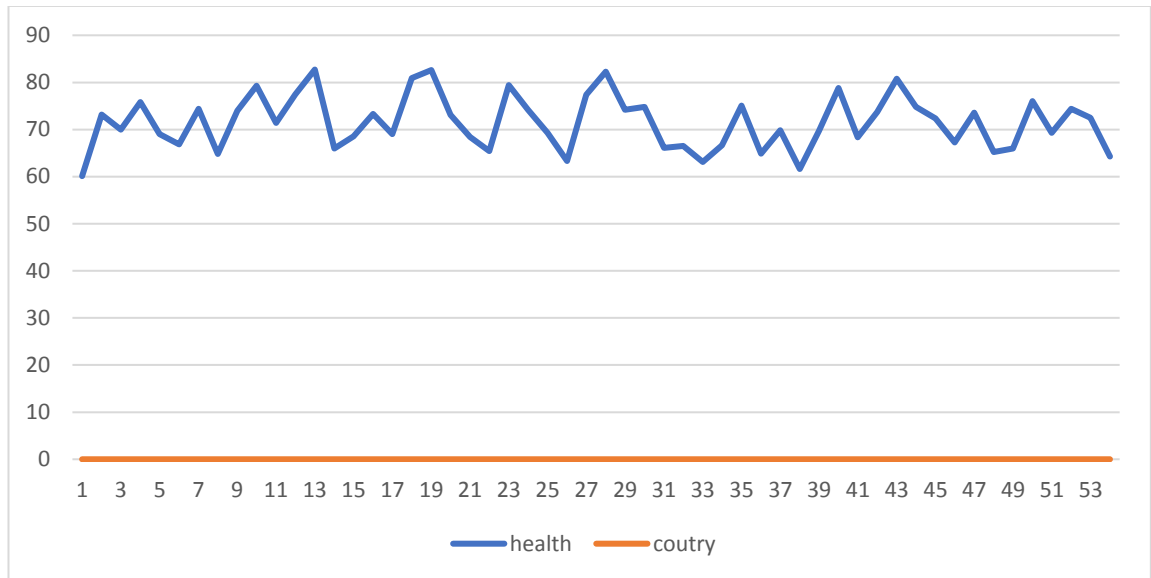
Sourse: World Bank (data were processed by author)

From the figure 1.1 above, we can see how the average health is explained by the life expectancy of 55 countries in Asia in the last 20 years. We can see how the life expectancy of each country is very different. The lowest life expectancy is around 60 years, while for countries with the highest life expectancy, it exceeds 80 years. There is a 20 year gap in life expectancy, this number shows us there is a very large gap. Which means that in Asia there are still health inequality, this can be caused by various factors, of course. However, according to previously mentioned, the most dominant factors are socioeconomic factors and life course perspective.

However, for a scale as big as a continent and seeing that there are various kinds of countries in it, the life course perspective is not right for us to regress in this research, because we have to look specifically at what events have happened to that country biologically, in terms of cases. this is an example, like whether there has ever been an outbreak in that country which of course will directly affect life expectancy there. This is because every country has experienced an

epidemic and it has not, even if there is an outbreak of the same, the possibility of the outbreak occurring simultaneously is very small. So, the life course perspective seems to be better used if you want to look at an individual unit object, be it to see its effect on humans or the state as an object.

Socioeconomic or also called social-economic status (SES) in some references or social determinants in others, is also the other factor that causes health inequalities. If we look at the origin of the word, socialeconomics can be interpreted as a factor which is only limited to social and economic conditions. But in reality socialeconomics is not limited to that, the socialeconomic factor or social determinant of health includes many things in it such as social and economic factors themselves, political processes and policies stated by Weinstein et al (2017, p 116). Weinstein in his book break down that the social determinant of health, there are nine. Which are income and wealth, education, employment, housing, health systems and services, transportation, social environmental, public safety and last but not least is physical environment (Weinstein et al, 2017, p 117).

A country that has a high per capita income generally has a high standard of living. Income differences reflect differences in the quality of life of rich countries with high per capita income and have a better quality of life, which is reflected in the life expectancy represented by health and education levels compared to poor countries (Oktavia, 2008) in addition to an increase in per capita income. Is a reflection of the emergence of improvements in the economic welfare of the community (Purba, 2011). The greater the income per capita of a country, the more prosperous its people will be. Therefore, per capita income is also often used to see the level of welfare represented by the level of public health and of course this factor will be very useful in this study to see the effect on the level of public health of a country.

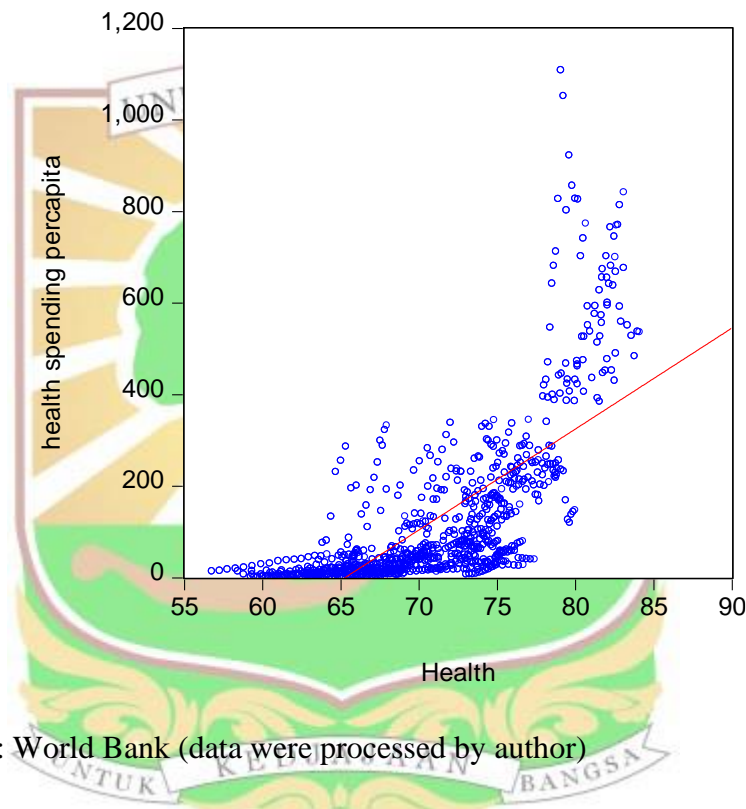**Figure 1.2 Relationship Income Percapita to Health In Asia Countries During 1999-2018**
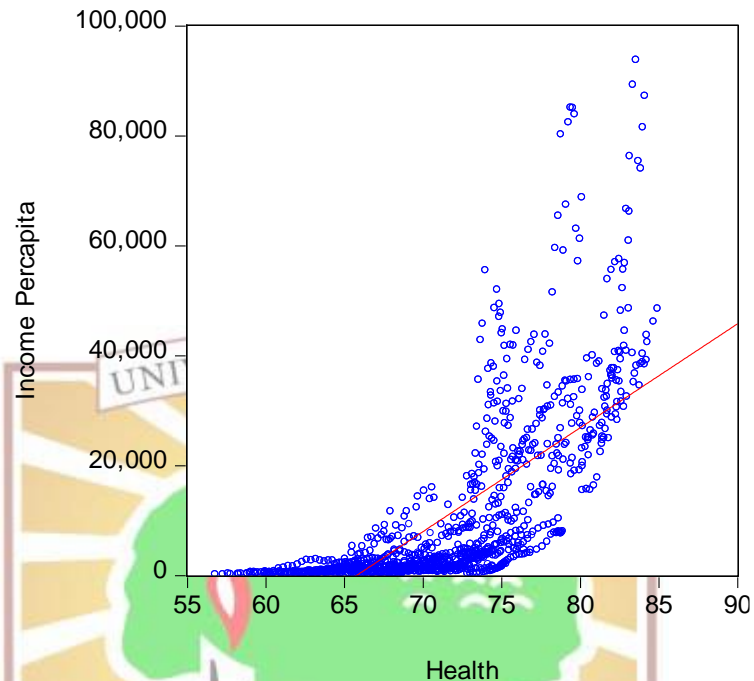
From the graph that showed up above, we see the correlation between income percapita and health in Asia countries during 1999-2018. The data between income percapita and health show us that they has positive correlation. The red line as regression line says it all. When income percapita is high, then health will be high too.

Out-of-pocket health expenditure is might be new for some people. Based on world bank, out-of-pocket expenditure is part of health it self. Out of pocket payments are spending on health directly out of pocket by households in each country. Out-of-pocket expenditure can be a factor that is very much considered, because this factor will directly affect how a person can get health facilities, adequate medicine and other things. If we look deeper, out-of-pocket can also be categorized as a socioeconomic factor. Because out-of-pocket expenditure is part of income of someone. The more money he spends, of course, it will have a direct impact on his health. Even though there are people who have spent a lot

of money but still cannot live longer because of a disease they suffer from such as cancer or other dangerous diseases, it could be because they did not spend money to the point that they could recover. However, logically if we spend enough money to be allocated for health it will extend someone's life expectancy. It is not limited to buying drugs or surgery if needed, but also as a preventive step such as buying health insurance.

Figure 1. 3 Relationship Out-of-pocket Health Expenditure to Health In Asia Countries During 1999-2018

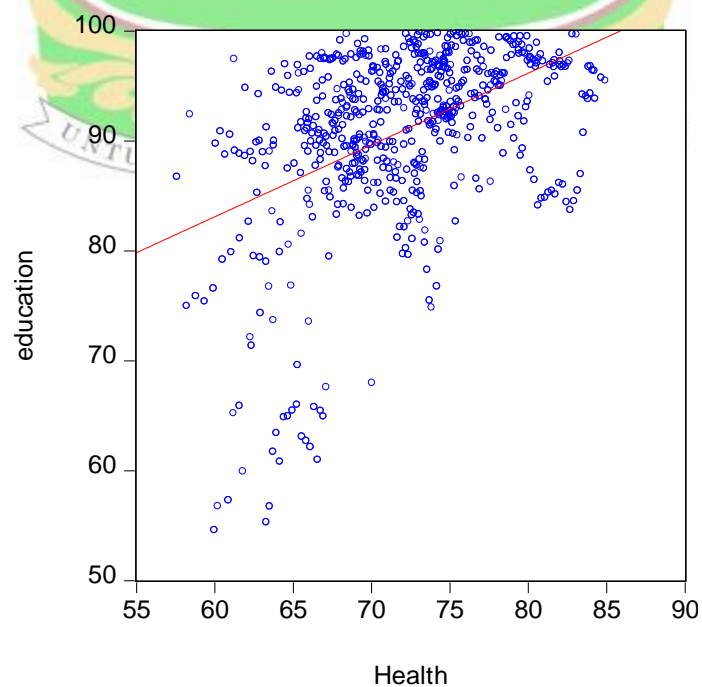Sourse: World Bank (data were processed by author)

From the graph that showed up above, we see the correlation between out-of-pocket health expenditure and health in Asia countries during 1999-2018. The data between out-of-pocket health expenditure and health show us that they has positive correlation. The red line as regression line says it all. When income percapita is high, then health will be high too.

Education is a process and a product: as a process, education occurs at home, in school, and in the community. As a product, an education is the sum of knowledge, skills, and capacities (ie, intellectual, socio-emotional, physical, productive, and interactive) acquired through formal and experiential

learning. Educational attainment is a dynamic, ever-evolving array of knowledge, skills, and capacities. Education can influence health in many ways. Educational attainment can influence health knowledge and behavior, employment and income, and social and psychological factors, such as the sense of control, social standing, and social networks (Weinstein et al, 2017, p 118).

The positive interdependence between education and health has been widely discussed in various studies (Grossman and Kaestner, 1997). It is said that education has a positive effect on health which is stated by people with less education tend to die at an easier age compared to those with higher education (Higgins, Lavin, and Metcalfe, 2008). Increasing the average length of education by 1 year in developed countries tends to reduce mortality by approximately 8% (Pampel, Krueger, and Denney, 2010). Knowledge and information also have an influence on a person's health. Pampel, Krueger and Denney (2010) argue that people who are less educated will have limited knowledge and information related to healthy eating habits and patterns, which tend not to have the motivation to live healthy, which in turn results in disruption of that person's health.

Figure 1.4 Relationship Education to Health In Asia Countries During 1999-2018

From the graph that showed up above, we see the correlation between education and health in Asia countries during 1999-2018. The data between education and health show us that they has positive correlation. The red line as regression line says it all. When income percapita is high, then health will be high too.

Actually, again, socioeconomic can be classified into more specific like poverty. Poverty is part of wealth, because poverty can be interpreted as the lack of wealth. Poverty is a problem of all countries, Whether under developed country, developing country even country that already developed has poverty problem. According to the World Bank (2004), one of the causes of poverty is a lack of income and assets to meet basic needs such as food, clothing, housing and an acceptable level of health and education. In addition, poverty is also related to limited employment opportunities and usually those who are categorized as poor do not have a job, and their education and health levels are generally inadequate. Evans et al (1994) argue that the main causes of health levels at the population and individual levels are not the availability and use of health facilities, but cultural, social and economic factors. They prove that the population with a high and even income level has a higher level of health.
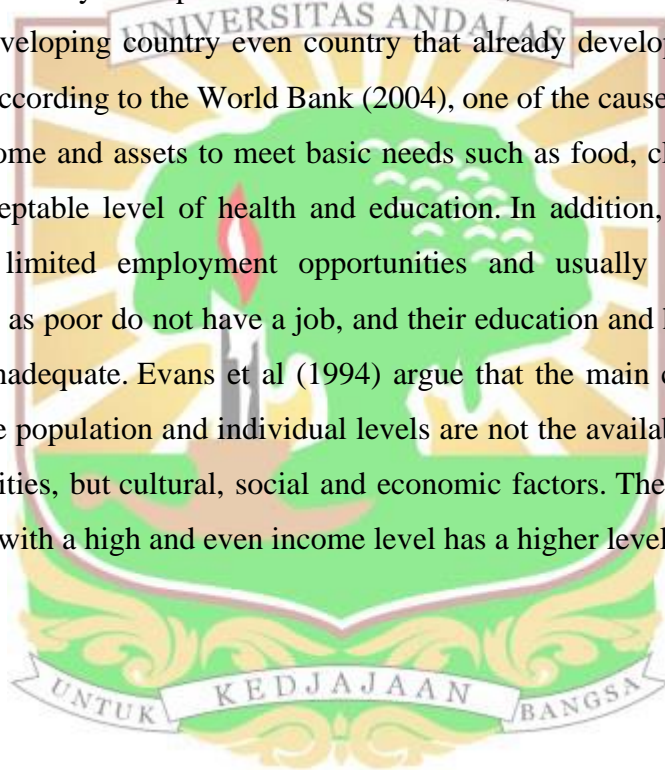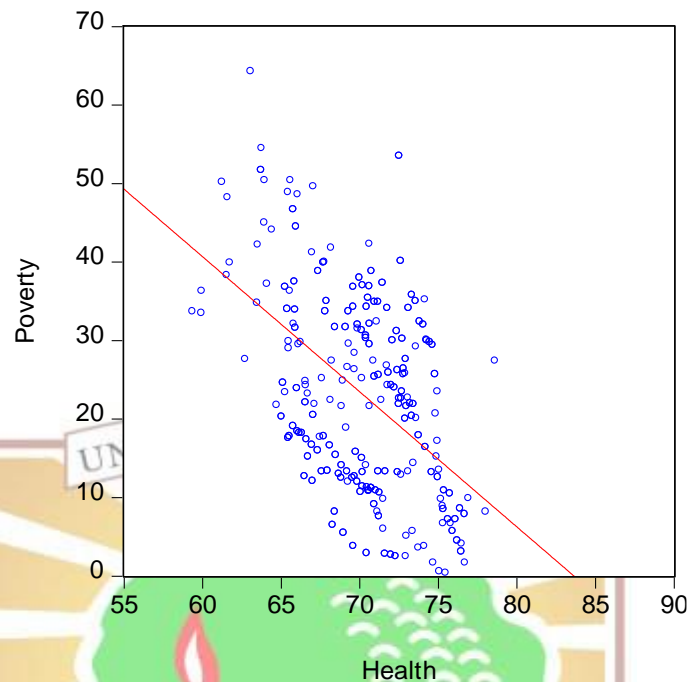
Figure 1.5 Relationship Poverty to Health In Asia Countries During 1999-2018

Sourse: World Bank (data were processed by author)

From the graph that showed up above, we see the correlation between poverty and health in Asia countries during 1999-2018. Different with the others three, the data between poverty and health show us that they has negative correlation. The red line as regression line says it all. When income percapita is high, then health will be lower.

In previous studies, research has been carried out on the effect of these factors-income percapita, out-of-pocket health expenditure, education and poverty on health levels. However, this research is only done partially, in other words, to see the effect it is still done by looking through each factor or most closely using two or three alternating variable factors. For examples of previous research that has been done by previous researchers will be explained in the next chapter in this thesis. In short, no previous research has looked at how these four factors together affect this level of health. And this study also will look at how these factors affect health in bigger scale, which is continent and Asia as the object of the research.

The previous study by Yenti (2016) in his study Analysis of Socioeconomic Factors Affect Life Expectancy in Indonesia found that income percapita has negatif effect to the life expectancy. This study show that the contrary of the theory and many previous study before. The research from Hendrawan Aditya Pribadi, Achmad Qosjim and Andjar Widjajanti (2014). This study aims to determine the effect of maternal education, family income, health care utilization, the outpouring of maternal working hours and the number of family dependents to nutritional health In Village Ajung Sub-District Of Ajung Jember Regency. In this research show that family income does not significant to the baby's nutritional health. Azahari (2020) did a research about the the relatioship of poverty and education to the health in Bangka Belitung. The result of this research is education positively and significantly affect to the health, while poverty negatively but not significant to the health.

Based on the background and previous research that already exist, author want to analyze empirically the impact income percapita, out-of-pocket expenditure on health, education and poverty on health specially life expectancy among Asia Counties. This analysis uses panel data for 20 years starting from 1999 until 2018. So based on the explanation above the writer is interesting in analyzing research with the title:

The Influence of Income Percapita, Out-of-Pocket Expenditure of Health, Education and Poverty To Health In Case Asia Countries

1.2 Research problem

Based on the explanation above, this study will analyze the effect of socioeconomic factors on health specially life expectancy in Asia countries for 20 years from year 1999 until 2018.

The following is the formulation of the problems raised in this study:

1. How the socio-economic factors which are income per capita, out-of-pocket expenditure on health, education and poverty together affect the health level of the Asian community.

2. Which factors from socioeconomic that affect health significantly

1.3 Research objectives

According to the research problem, the objectives of the study are to know what will happen, so that the basic purposes of the study are analyzing the impact of socioeconomic factor on health specially life expectancy.

1.4 Research benefits

The final results to be achieved in this study are the benefits that include:

1. For authors:

Enriching scientific insights and to hone skill of writing scientific things. Furthermore, the step in write this thesis can also upgrade writer's soft skill along the process in it.

2. For readers:

Can provide knowledge for readers and can be used as references and illustrations for further research in the same field. The reader also included government of any country, specially countries that get involved in this research. This study can be a reference for them in increasingly policy in the field of health, education, poverty and the income of their peoples.

1.5 The structure of writing

The writing system aims to provide a thorough explanation of this research. The following is the systematic of writing in this paper which consists of six chapters, as follows:

Chapter I: Introduction

This chapter consists of background, research problems, research objectives, research advantages, and systematic of writing.

Chapter II: Literature Review

This chapter contains theories that support the variables studied. This chapter is also supplemented by previous research related to the title of this research.

Chapter III: Theoretical Framework and Research Methodology

This chapter contains research data, data sources, research models and definitions of variables and methods of analysis of the data obtained.

Chapter IV: General Overview

This chapter describes the trend of all variables that include in the study. This chapter includes a graph, description, and data for variables.

Chapter V: Empirical Result and analysis

This chapter describes the empirical findings from the results of calculations and processing data with analysis. Then, discuss the results of several tests carried out in this study.

Chapter VI: Conclusion and Recommendations

The closing chapter is the final part of the research which contains conclusions and suggestions obtained from the discussion in the previous chapters.