

Health status inequality in Albania

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Abstract

Nowadays every economy face more and more the problem of the inequality. Not only in income but in their distribution, in the access and quality of public service etc. The inequality in health is evident in every region of the world. The gap is narrower in America and Japan but there is still work to smooth it.

In this article we will study inequality in health in Albania in terms of measures of health status and expenditure to narrow the gap. Public spending and policies are powerful instruments for smoothing inequality.

The methodology used in this article is that descriptive, comparative, and also a quantitative analysis. Firstly we will present the trend of the infant mortality rate and life expectancy in Albania. Then we will make a comparison with regional and developed countries, and then we will see public/private expenditure in these sector and their impacts. To support the outcomes of the comparative analysis, we realized an analysis of the correlation between life expectancy and some economic and social indicators over the years. The article concludes with recommendations and some key issues that governments should bear in mind when implementing policies to narrow the gap and to improve the economic and social situation.

Key words: Health status, mortality, life expectancy, health expenditure, public health

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I. Introduction

Nowadays, the world economy is experiencing many problems. Recent developments and analyzes are focusing not only on the classical problems with the essence of the economic but also in their social aspect. The social economics as a special branch of the entire economy which is developing and getting maximum attention. Problems like the economic growth, unemployment and inflation now seems to be seeking solutions more socially than economically. Inequality appears to be the subject of the modern world, which is already globalized in all its dimensions. Each day we hear the term inequality in income, distribution, inequality in access and quality of public services, income inequality, education, health, etc. Inequality in health will be the focus of our work.

Initially, we will become familiar with the concept of inequality in health in all aspects of it. We will focus on one of these aspects precisely in the health status and specifically in its two key indicators such as infant mortality and lifespan.

Then we will make a description of the progress of these indicators in Albania by specifying the years and the factors that have affected them. The descriptive statistics will be followed by the comparative one where we will see the trend in Albania compared to the region and developed countries.

The second part consist of public and private health expenditure. Expenditures are a key factor in the progress of the health status and the development of inequality.

In the third part of the paper we will realize an analysis of the correlation between life expectancy and some economic and social indicators

At the end of the work based on the results and the conclusions reached, we will follow some recommendations in order to mitigate these differences

The methodology used will be comparative and quantitative. The collected data are unified to give an accurate reflection of the analysis.

II. What is health inequality and how is it measured?

Inequality in health is related to divergences in the health status between groups of individuals in a population. Differences in health status are shown in indicators such as mortality rates, infant mortality, survival rates, and so on. The measurement of these indicators reflects to a

large extent the effect of differences in the health status of the population. "Differences in prevalence or incidence of health problems among individual people of higher and lower socio-economic status" Gakidou et al. al. (2000) describes health inequality as a variation in health status among individuals in a population. The population group from which it is made the comparisons might be between regions, between minorities, between groups with differences in education or income. All of these are measurable and comprehensible but they are not for all countries. Lack of data is still a problem in many countries including Albania. Another problematic being discussed is the method of measurement. Methods of measurement used in many literatures derive from statistical discipline. Some are related to statistical modeling techniques as logical regression in the case of the Odds Ratio or simple regression as in the case of Slope Index of Inequality and Relative Index of Inequality. Statistical models provide many opportunities for interpreting inequalities in health by looking at the relation between this inequality and various socially-relevant factors (SES variables). There are also other well-known indicators from researchers in measuring inequality in general as Gini coefficient, and the Concentration index. These indicators offer some advantages in visualizing the level of inequality through the Lorenz and the Concentration curve. Different measurement methods provide information about different aspects of inequality in health. Some measure focus on extreme, others measure inequalities across the entire span of a distribution. A major difference is between absolute and relative measurements (Houweling et al 2007). Interpretation of inequality in health may vary from one literature to another depending on the method used. So to understand the essence of the problem more clearly, the best way is to use combined methods.

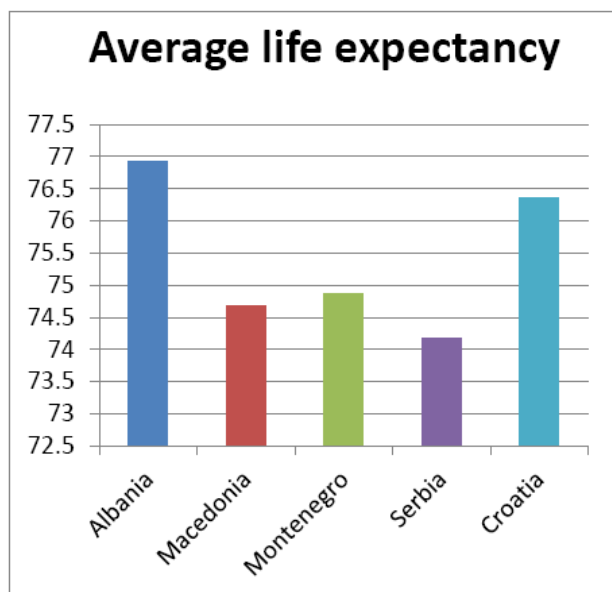
In the forthcoming material we will use simple measurements that are even easier to interpret

II.1 Life expectancy and infant mortality rate

Increasing life expectancy and lowering infant mortality are in the interest of not only medical but also socioeconomic studies. In almost all over the world, lifespan has increased due to technological changes in medicine and international support, while infant mortality presents a trend in decline. According to the World Health Organization (WHO), people today are the wealthiest and they are living longer than 30 years ago. Global average living is projected to increase by 7 years from 1998 to 2025 and currently in more than 26 states it is

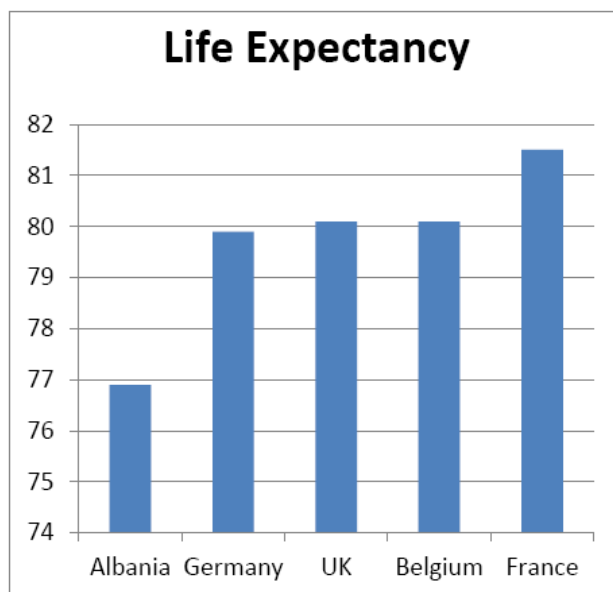
80 years old. However, despite the positive developments, inequality exists in some ways. The main disparity lies between high and low income countries. This makes us think that the health care expenditures, whether they are public or private, are on the basis. The reason we are interested in these indicators is the relationship that exists between them and other indicators like birth rate, economic growth, investment in human capital, intergenerational transfers, and incentives for pension benefit claims. We have classified directly affecting factors in demographic and socioeconomic conditions (gender, age, education, GDP / spirit, etc.). Now we can evaluate how the situation in Albania is compared, comparing with the countries of the region and some developed countries in relation to these two indicators.

Figure 1. Average life expectancy



Source: Knoema, Author's calculations
calculations

Figure 2. Life Expectancy



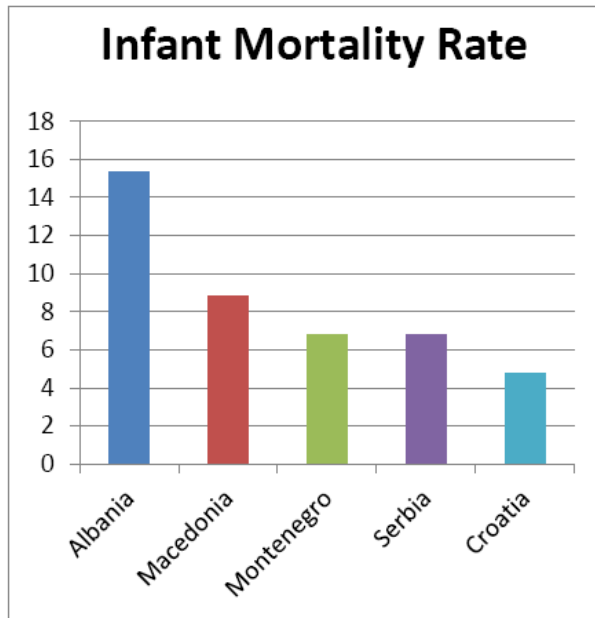
Source: Knoema, Author's

We have calculated the average life expectancy at national level in 12 years (2004-2015). As seen from the figure 1, Albania is ranked second with the highest living in the region with an average age of 76.9. If we stopped here we could say that the situation is very good and no further analysis is needed. But if we compare the situation with developed countries, the results are not the same. As we can see (fig2) clearly, Albania is ranked the last in this comparison and the situation is somehow equally pessimistic even if we compare it with other

developed countries. This situation lets us know that one of the key factors that lists Albania well in relation to the region can be simply genetics. Poor ranking compared to developed countries opens the way for in-depth analysis to find the "guilty".

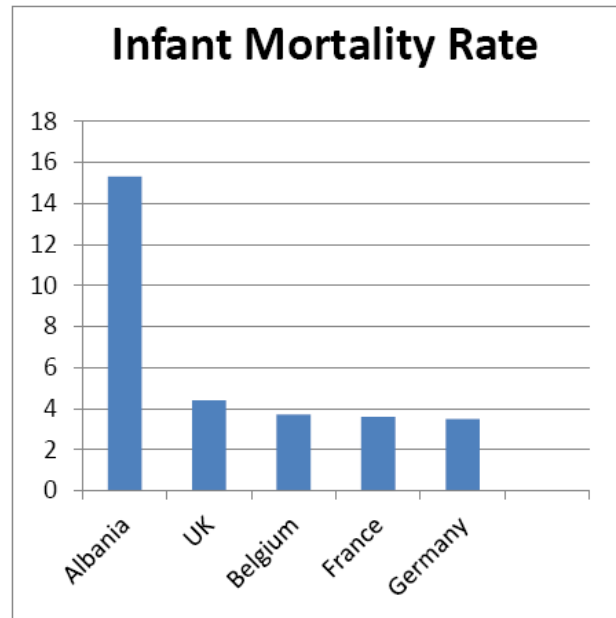
We see the same comparison for the other indicator that determines the health status of a country such as the infant mortality rate. This rate is calculated as a ratio of individuals who lose their lives at birth or up to 1 year per 1000 births in a year. For the following comparison, the author has calculated the average rate over 12 years (2004-2015)

Figure 3. Infant Mortality Rate



Source: Knoema, Author's calculations
calculations

Figure 4. Infant Mortality Rate



Source: Knoema, Author's

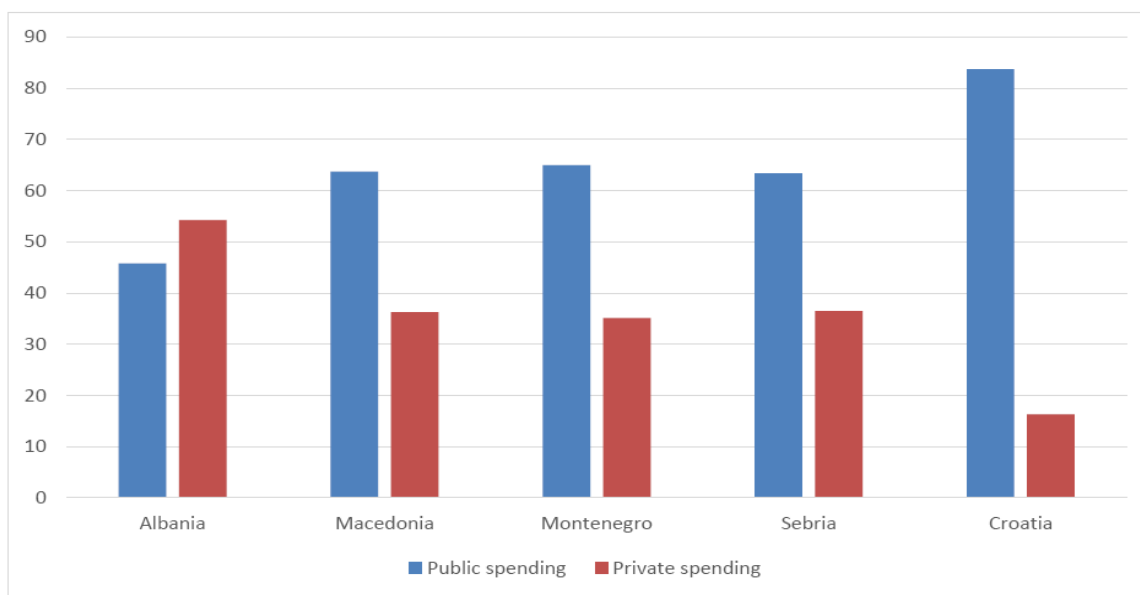
The results of the above comparisons lead us towards the search of the determining factors of this situation in Albania. We will focus on a key factor in health status progress, such as the level of health spending. Expenditures that make the government or individual directly affect the health status of the individual and the society.

III. Health Expenditure

Expenditures for health in Albania have been growing but they are problematic in themselves. As appears from the chart, Albania is the country with the opposite ratio between public / private spending. If it is required that the state cover the major part of health

expenditures in Albania, the opposite happens. Because of the low level of state spending in this sector, individuals are obliged to cover the health care costs themselves (curative care, rehabilitation care, long-term care, ancillary service and medical good).

Figure 5. Public/Private health spending



Source: Knoema, Author’s calculations

The high pay that individuals spend on health may have somehow affected and the average life expectancy anyway this can not be proven or accepted as a fact. It should be taken into consideration the threat of the very low level of state expenditure on total health spending. With a rate of approximately 45%, the situation is alarming given that the optimal rate should be 70%. If we look at government spending on health at the individual level, Albania is the last in the region. (table1)

Table 1

	Albania	Macedonia	Montenegro	Serbia	Croatia
PublicHE/cap	135\$	224\$	262\$	391\$	860\$
O/cap	4.3%	2.4%	2.9%	4.3%	0.9%

Source: Author's calculations

Being the last one in the region, Albania presents significant problems in health status compared to developed European countries. These kind of low levels from the government exacerbate the individual's situation leading to high infant and maternal mortality rates. The situation is even greater if we see that almost 99% of the private spending of the individual is out-of-pocket- spending and this figure has been growing.(table1) This is not necessarily called active / passive corruption but as the only form of taking proper health care. Additionally, if we see the share of these underweight payments in the total income of an individual, the result is unsuccessful. Low spending and high levels of informality lead to a critical situation with poor quality, low access and minimal coverage. The main problem is certainly the health situation of the individual and the society as a whole. But these problems are transmitted to other indicators in the society. An unhealthy society (physically / mentally) affects low productivity at workplace. As a result, it does not stimulate the economy in this way. As a vicious circle, the social and economic factors are the result of being in dissociable due to one another. Correlative analysis also reinforces what has been analyzed so far.

Table 2

	<i>LE</i>	<i>IMR</i>	<i>GDP/cap</i>	<i>HE/cap</i>	<i>educ rate</i>	<i>san</i>
<i>LE</i>	1					
<i>IMR</i>	-0,99246	1				
		-				
<i>GDP/cap</i>	0,705601	0,76685	1			
		-				
<i>HE/cap</i>	0,901148	0,93102	0,782296	1		
		-				
<i>educ rate</i>	0,679536	0,75744	0,603332	0,818334	1	
<i>san</i>	0,878004	-0,8982	0,779301	0,936745	0,925514	1

Source: Author's calculations

Correlation coefficients show the direction and strength of the correlation between the variables. We believe that GDP growth per capita, increased health expenditure, improvement in education level leads to increased life expectancy and lower infant mortality. While the results go in line with the forecast, the degree of strength is relatively high in all cases.

IV. Conclusions and Recommendations

1. Health status is a key factor in the socio-economic development of the country.
2. Inequality in health status is observed among states, between regions of the same country, between groups of individuals with different social and economic characteristics.
3. Albania presents a high level of lifespan but high rates of infant mortality.
4. Expenditures for health are very low compared to the Western European region and Europe.
5. The state covers only 45% of total health expenditure.
6. Private spending accounts for the largest share of total health spending
7. About 95% of private spending is out-of-pocket-spending, accounting for about 3.3% per capita income.
8. The cause-effect relationship between longevity, infant mortality and socioeconomic variables is both reciprocal and strong
9. The state should significantly increase health spending.
10. Quality and access to health should be improved.
11. Further awareness-raising and informative campaigns must take place.

V. References

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