

THE EFFECTS OF MALARIA ON ECONOMIC GROWTH AND DEVELOPMENT IN KENYA

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ABSTRACT

This paper was conducted to determine and provide insight into the long-run macro-economic effects of malaria on economic growth and development in Kenya based on national data. Time series regressions and analysis for the 1970-2002 periods confirm this relationship.

Estimating the economic costs of any disease will always involve a certain number of assumptions. However, we have attempted to estimate as accurately as possible the costs that malaria imposes on the Kenyan economy.

Kenya is a poor country thus not able to effectively and successfully control malaria disease as evidenced by increasing transmission. This has severely affected economic growth and development. By applying OLS regression analysis on the C-D production function for Kenya we examined how malaria erodes economic growth and development. Malaria is found to be strongly significant and negatively related to economic growth. The descriptive statistics and OLS estimation results reveal that the economic growth grew less by 0.7% GDP per capita income as a result of malaria during the period. These results mean that there is a need to recognize the malaria's toll on the Kenyan economy in order to improve living standards of the people.

The study concludes by calling for serious attention on the need to increase GDP per capita in Kenya. This can be done through financing programs in health, education, industrial and population that will contribute to higher economic growth as well as economic development.

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