

ABSTRACT

Increasing income is an indicator that plays an important role for economic actors in the allocation of spending, including healthcare spending as access to a decent life for the community. Conditions of economic growth through increased income also occurred in ASEAN member countries, accompanied by increased healthcare spending. As time goes by, healthcare spending is not only determined by economic growth, but other socioeconomic factors make economic actors feel a sense of urgency as a step in deciding the size of healthcare spending.

This research aims to analyze the behavioral determinants of economic actors in allocating healthcare spending in 10 ASEAN member countries by dividing relative healthcare spending, government healthcare spending, and individual healthcare spending. The data used is panel data spanning the period 2002 – 2020, which is analyzed using the Fixed Effect Model method to determine the variability of each condition of the research cross-section unit. Other factors included in the model besides income include inflation, unemployment rates, government effectiveness, aging population, and private health insurance.

The results show that economic growth has a positive and significant effect on healthcare spending by Keynes-Fisher's consumption theory and Wagner's law. The low increase in healthcare spending with every increase in income shows that health is a proven merit goods category in ASEAN. However, other factors show varying influences on each health expenditure.

Keywords: healthcare spending, economic growth, inflation, government effectiveness, aging population, private health insurance, Fixed Effect Model