IMPACT OF HIV/AIDS ON HOUSEHOLD CONSUMPTION REALLOCATION AND ECONOMIC GROWTH IN THAILAND

Mr. NERAMIT MHUENGKUM

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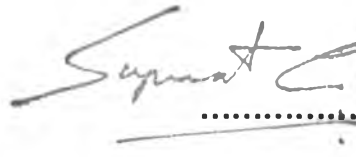
By	**: Neramit Mhuengkum**
Programme	**: Health Economics**
Thesis Advisor	**: Asst. Prof. Isra Sarntisart, Ph.D.**
Thesis Co-Advisor	**: Prof. Pirom Kamol-Ratanakul, M.D.**

Accepted by the Graduate School, Chulalongkorn University in Partial Fulfillment of the Requirements for Master of Science Degree in Health Economics



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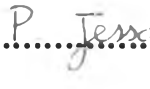


..... Chairman

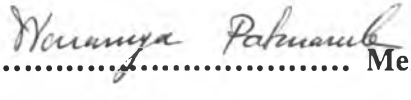
(Phitsanes Jessadachatr, Ph.D.)

..... Thesis Advisor

(Asst. Prof. Isra Sarntisart, Ph.D.)

..... Thesis Co-Advisor

(Prof. Pirom Kamol-Ratanakul, M.D.)



..... Member

(Assoc. Prof. Waranya Patarasuk)

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This study was aimed at examining the impact of AIDS on household consumption reallocation and its effect on economic growth in Thailand. The study was based on secondary data collected from earlier studies and from government publications. Cross-sectional data in 1997 was analyzed. The methodology involved in the study consists of five steps. In the first step, characteristics of people by the 1988 household socio economic survey were selected. In order to know per earner household income, the study constructed earning function models by linear regression. Second, AIDS patients were divided into groups by age (15 to 60 years old), by geographic region, and by one of ten income classes (five each for rural or urban areas, with the first being the poorest and the fifth being the wealthiest). Third, the expected cost of AIDS was calculated across all ten-income classes. Fourth, the annual aggregate consumption expenditure for 1997 was calculated for ten commodities assuming a situation without AIDS. Finally, the effect of AIDS on economic growth was calculated based on the consumption reallocation for the ten commodities comparing situation with and without AIDS. The study also attempts to measure the change in national income compared to a situation without AIDS by using parameter estimates from an earlier study.

This study uses data on AIDS patients to infer a situation without AIDS, and to thereby estimate the economic cost of AIDS. There are six models based on three geographic regions separated into rural and urban areas which estimate per earner household income. Results indicate that most AIDS patients in urban areas are in the third and fourth income classes. Followed by the fifth income class, and the least number of patients in the first and second income classes. In rural areas most AIDS patients are in the fourth and fifth income classes, followed by the third income class, and the first and second income classes with the least AIDS patients. AIDS results are a reallocation of consumption across the ten commodities, but no net change. Finally, the results show that this situation implies a small impact on economic growth.

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ABBREVIATIONS

AIDS : Acquired Immuno-Defficiency Syndrome

CMV : Cyto Megalo Virus

ECU : European Currency Unit

EMU : Economic and Monetary Union

GDP : Gross Domestic Product

GNP : Gross National Product

HIV : Human Immuno deficiency Virus

MAC : Mycobacterium Avium Complex

MOPH : Ministry of Public Health

NSO : National Statistical Office

PCP : Pneumocystic Carinii Pneumonia

PPP : Purchasing Power Parity

SA : South Asia

SEA : South-East Asia

SES : Socio-Economic Survey

SEARO : South-East Asia Regional Office

STD/AIDS unit: Sexually Transmitted Disease/ Acquired Immuno Defficienct Syndrom Unit

UNAIDS : Joint United Nations Programme on HIV/ AIDS

UNDP : United Nations Development Programme

WHO : World Health Organization