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# Health Financing Systems and Health-Led Growth Hypothesis

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## ABSTRACT

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The Health-Led Growth Hypothesis (HLGH) argues that there is a positive relationship between health expenditures and economic growth. In this study, HLGH is tested using health expenditure and economic growth variables for 34 OECD countries for the period 1995-2019. The main objective of the study is not only to test the HLGH but also to reveal the differences between countries in terms of health financing systems. In the study, the Dynamic CCEMGE (Dynamic Common Correlated Effects Mean Group Estimator) model was used to test the Health-Led Growth Hypothesis with the relevant country data. The results of the dynamic CCEMGE model revealed the validity of the HLGH in OECD countries. In addition, according to the results of the study, the relationship between health expenditures and economic growth differs across countries.

**KEYWORDS** Health Expenditure; Economic Growth; Health-Led Growth Hypothesis; Dynamic CCEMGE Model

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