

EconWorld2017@Paris

The Relationship Between Health Expenditures and Economic Growth In Turkey: ARDL Bound Testing Approach / Türkiye’de Sağlık Harcamaları İle Ekonomik Büyüme Arasındaki İlişki: ARDL Sınır Testi Yaklaşımı

Fatih Kaleci¹, Elanur Kaleci¹¹Necmettin Erbakan University, Turkey

ABSTRACT

A society that consists healthy individuals has contribution to economical performance in point of the rising of human capital as well as generating social and political benefits for the country. Education and health constitutes two key elements of human capital. An increase in the level of health extends the life span of individuals and increases the quality of life. It increases investment because of increased savings with longer life expectancy, thus positively affects economic growth. Productivity growth of healthy individuals also make a positive impact on economic growth. The closer relationship between economy and health that forms the basis of a lot of studies and those studies led to the emergence of health economics. The theoretical and practical studies reveal about the health economics are important because of the understanding the relationship between health and economy and ensuring effective health policies to be produced through this relationship. The purpose of this study is examined the causality relationship between health sector and economic growth in the view of Turkey. Turkey’s health sector and economic growth is used to define the relationship between health sector development and economic growth. In this point, the effects of health expenditures on economic growth were investigated using ARDL limit test approach. The data were obtained from the World Bank (WB) and the Economic Development and Cooperation Organization (OECD) databases. According to the results, there is a short and long-term relation between health expenditures and economic growth were determined. The causality test of this relation is bidirectional, and there is a mutual interaction between health expenditures and economic growth.

KEYWORDS Health Expenditures; Economic Growth; ARDL Bound Testing Approach

JEL I15, O47, C01