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**The relationship between health and GDP in OECD countries
in the very long run**

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The relationship between health and GDP in OECD countries in the very long run

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ABSTRACT

This paper uses Johansen multivariate cointegration analysis to examine the relationship between health and GDP for thirteen OECD countries over the last two centuries, for periods ranging from 1820-2001 to 1921-2001. A similar, long run, cointegrating relationship between life expectancy and both total GDP and GDP per capita was found for all of the countries estimated. The relationships have a significant influence on both total GDP and GDP per capita in most of the countries estimated, with 1% increase in life expectancy resulting in an average 6% increase in total GDP in the long run, and 5% increase in GDP per capita. Total GDP and GDP per capita also have a significant influence on life expectancy for most countries. There is no evidence of changes in the relationships for any country over the periods estimated, indicating that shifts in the major causes of illness and death over time do not appear to have influenced the link between health and economic growth.

JEL classifications: C3, E6, I1, O1.

Keywords: Health, GDP, life expectancy, economic growth, VECM.

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