

A comparative analysis of healthcare expenditures in OECD and Türkiye¹

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Abstract

This study discusses how the health expenditures in OECD countries and Türkiye are financed, and the similarities and differences in health expenditures. With the COVID-19 pandemic, 2020 was a year in which the economy slowed down but health expenditures increased. Total health expenditures worldwide reached 8.7 trillion dollars in 2020. In Türkiye, the total health expenditure increased by 24.3% in 2020 compared to the previous year and reached 249 billion 932 million TL. The ratio of current health expenditure to GDP was 4.6% in Türkiye in 2020, while the average of OECD countries was 8.8%. States appear as the party that covers the vast majority of health expenditures. While the ratio of general government health expenditure to total health expenditure in Türkiye is 79.2% in 2020, average of OECD countries is 73%. When inter-country per capita health expenditures are compared, we can see that the inter-country differences are very large and some countries spend only 1% of GDP and some more than 10% of their GDPs for health services. This study covers the data set from year 2000 to 2020, when all health expenditures data are fully available, and analyzes comparatively the health expenditures of the OECD and the Turkish health expenditures during this time period. The results show that Türkiye is in the last place between 2000-2020 in total health expenditures among OECD countries but improving in almost all indicators related to healthcare.

1. Introduction

The spread of Covid-19, which emerged at the beginning of 2020 and gradually increased its impact, has once again shown us how important the developments in the field of healthcare are. Just like all other countries, Türkiye has been negatively affected by this virus, and the economic and social problems in the country have seriously increased. The Covid-19 pandemic, which has still not ended and caused the reorganization of social life, has had important psychological consequences as well as physical, social, economic and political effects all over the world.

A healthy society is of great importance for the development of a country as well as being a qualified human resource. The health of the individuals in the society are closely related to the provision of the needed health services. All expenditures made for the protection, development and maintenance of human health and the treatment of existing diseases are included in the scope of healthcare expenditures. Although it differs from country to country, health expenditures, which are known to be effective on economic growth and development, constitute one of the most important expenditure items in all countries. Especially in developed countries, the shares of health expenditures allocated from their budgets are relatively higher than in other countries. While health expenditures are one of the most discussed issues in recent years, it also constitutes one of the main areas of health economics (Boz and Sur, 2015: 24). The main goal of all countries and health systems is to create a

¹ This study is related to the PhD thesis of Abdurrahman ERDAL.

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