

THE IMPACT OF CURRENT HEALTHCARE EXPENDITURES ON ECONOMIC GROWTH: A CASE STUDY OF EUROPEAN COUNTRIES

This study examines the impact of **Current Health Expenditure (CHE)** on **Gross Domestic Product (GDP)** in European countries, highlighting its role in economic growth. CHE represents the total healthcare spending within a year, acting as a measure of healthcare efficiency and accessibility. A rise in CHE reflects a country's commitment to improving healthcare services and addressing economic and demographic challenges. Prior research has shown that GDP significantly influences health expenditure, with income elasticity estimated at 1.1. Both public and private healthcare investments contribute to economic growth by improving public health, reducing infant mortality, and increasing life expectancy.

The study aims to analyze the relationship between CHE-GDP to enhance healthcare efficiency and ensure sustainable financing. Using data from the World Bank for multiple European Union countries, the 2021 dataset was processed and refined in Excel and analyzed in SPSS 26.0. Principal Component Analysis was applied to reduce dimensionality, and simple linear regression was employed to evaluate the CHE-GDP relationship. The findings provide insights into healthcare expenditure's role in economic growth, guiding future reforms for sustainable spending and economic development.

This research contributes to understanding how healthcare investment supports a nation's economic stability and well-being.

Keywords: Current Health Expenditure, Gross Domestic Product, Economic Growth, Health Economics.