

# The Demand of Health Care and Economic Growth\*

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## Abstract

This paper uses a two period overlapping generations model to examine the behavior of an economy where health status is produced through the household health production. Using this model, we examine how population aging influences the growth rate of the economy and the interaction between the health status and the growth rate. We show that the life expectancy, when relatively low (high) positively (negatively) affects economic growth; current generations have negative impact between the health status and the growth rate and future generations have positive impact.

**Key words:** Household health production, Population aging, Economic Growth

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