

Dynamic Analysis of a Health Status in a Small Open Economy

Taketo Kawagishi*, Yasuhiro Nakamoto†

May 13, 2016

Abstract

Considering that people can invest in their health-related quality of life, we investigate the effects of public policies (the investment subsidy policy and the direct transfer of investment commodities) on the health-related quality of life in the small open economy. Our main findings are that a temporary increase in these public policies conducted by the domestic government does not have positive impacts on the health-related quality of life in the long run; and alternatively, the foreign aid in the form of direct transfer of investment commodities improves its health.

Keywords: Health-related quality of life, Temporary effects of public policies, Foreign aid.

JEL Classification Code: F41, H21, I12, I18

*Faculty of Economics, Tezukayama University, 7-1-1 Tezukayama, Nara 631-8501, Japan; e-mail: tkawagishi@tezukayama-u.ac.jp

†Faculty of Informatics, Kansai University, 2-1-1 Reizanji-cho, Takatsuki-shi, Osaka, 569-1095, Japan, e-mail: nakamoto@kansai-u.ac.jp