

## Health Outcomes and Economic Growth Nexus: Testing for Long-run Relationships and Causal Links in Nigeria

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**Abstract :** This paper examined the long run relationship between health outcomes and economic growth in Nigeria from 1961 to 2012. Using annual time series data, Augmented Dickey-Fuller (ADF) test is conducted to check the stochastic properties of the variables. Also, the long run relationship among the variables is confirmed based on Johansen Multivariate Cointegration approach whereas the long run and short run dynamics are observed using Vector Error Correction Mechanism (VECM). In addition, VEC Granger causality test is employed to examine the direction of causality among the variables. On the whole, the results obtained revealed the existence of a long run relationship between health outcomes and economic growth in Nigeria and that both life expectancy and crude death rate as measures of health are found to have a long run negative and statistically significant impact on the economic growth over the study period. This is further buttressed by the results of Granger causality test which indicated the existence of unidirectional causality running from life expectancy and crude death rate to economic growth. The study therefore, calls for governments at various levels to create preconditions for health improvements in Nigeria in order to boost the level of health outcomes.

**Keywords :** cointegration, economic growth, Granger causality, health outcomes, VECM

**Conference Title :** ICBMEF 2015 : International Conference on Business, Management, Economics and Finance

**Conference Location :** Kuala Lumpur, Malaysia

**Conference Dates :** August 24-25, 2015