

The Determinants of Provincial Public Health Expenditures in Turkey: A Spatial Data Analysis

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Abstract

This paper assesses the determinants provincial public health expenditures for Turkey taking spatial dimension into account. A general-to-specific approach has been adopted where spatial variations in the relationships have been examined using the NUTS3 level provincial panel data for the time period 2009-2019. Descriptive spatial exploratory analysis indicates existence of significant positive spatial association for provincial GDP per capita, health expenditures and other explanatory variables, while the traditional East –West divide seems to persist with respect to income and health indicators. Empirical results indicate that there is a positive spatial interaction with respect to provincial health expenditures supporting the expenditure externality hypothesis. In addition to spatial spillover effects, our results show the presence of strong path dependency, implying long term policy stability. Urbanization and education level are important determinants of public health expenditures with significant spatial effects.

Keywords: Provincial public health expenditures; Turkey; Spatial Models; Externality hypothesis.

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