

HOW TRADE AFFECTS HEALTH: AN REVIEW

Zhang Yuting

PhD student, Belarusian State University, Minsk, Belarus, zytingoing@gmail.com

Supervisor: **K. L. Kurylionak**

PhD in economics, associate professor, Belarusian State University, Minsk, Belarus, k23108kurilionok@gmail.com

Under the background of economic globalization, trade liberalization promotes social and economic development, but also brings a series of social problems affecting health, such as environmental pollution, diseases, regional conflicts, and inequitable distribution, etc. As a result, based on Grossman's Health Production Function, we try to sort out the relationship between trade liberalization and health capital from the perspectives of both direct and indirect impacts, to provide theoretical basis for the cross-study of trade liberalization and health capital.

Keywords: trade; health; indirect impact; health production function.

КАК ТОРГОВЛЯ ВЛИЯЕТ НА ЗДОРОВЬЕ: ОБЗОР

Чжан Юйтин

аспирант, Белорусский государственный университет, г. Минск, Беларусь, zytingoing@gmail.com

Научный руководитель: **К. Л. Курилёнок**

кандидат экономических наук, доцент, Белорусский государственный университет, г. Минск, Беларусь, k23108kurilionok@gmail.com

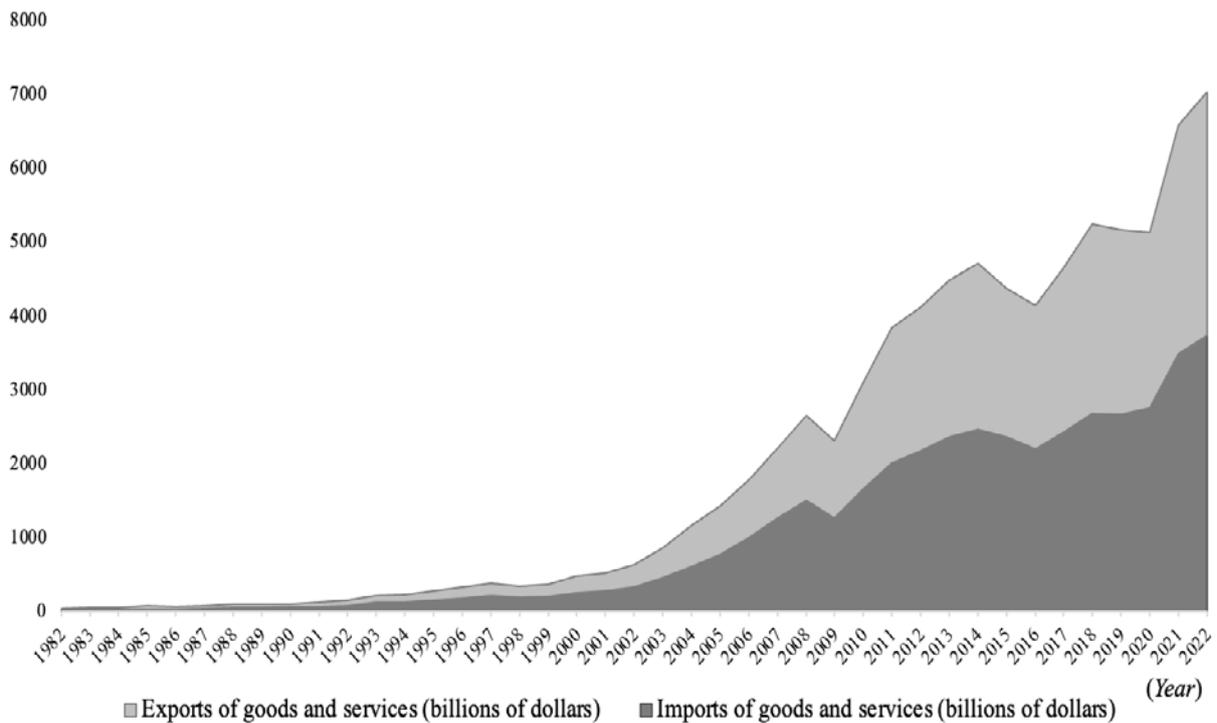
На фоне экономической глобализации либерализация торговли способствует социально-экономическому развитию, но также порождает ряд социальных проблем, влияющих на здоровье, таких как загрязнение окружающей среды, болезни, региональные конфликты, несправедливое распределение и т. д. В результате, основываясь на производственной функции здоровья Гроссмана, мы пытаемся разобраться в отношениях между либерализацией торговли и капиталом здоровья с точки зрения как прямого, так и косвенного воздействия, чтобы обеспечить теоретическую основу для перекрестного изучения либерализации торговли и капитала здоровья.

Ключевые слова: торговля; здравоохранение; косвенное воздействие; производственная функция здравоохранения.

Introduction

In the background of globalization, science and technology have developed rapidly, the market has released enormous energy, and global trade exchanges have become increasingly deep and intensive. However, it cannot be ignored that globalization has brought about a series of problems such as environmental pollution, regional conflicts, and diseases [2; 3], while bringing about socio-economic development, rising national income levels and quality of life [1]. Since the financial crisis of 2008, a wide range of economic crises and regional conflicts have arisen globally. In 2010, the debt crisis in Europe came to the forefront, and in June 2016, the United Kingdom decided to "leave

the European Union" by a referendum. In June 2016, the United Kingdom decided to "leave the European Union" in a referendum, and in 2018, Trump announced tariffs on 60 billion U.S. dollars of Chinese goods, and the wave of "anti-globalization" has intensified. China has always insisted on trade liberalization and opposed trade protectionism. Since the reform and opening in 1978, China's average annual economic growth rate has been three times that of the world's over the same period, and the volume of China's import and export trade has been steadily rising, especially after its accession to the World Trade Organization in 2001, when the total volume of trade has expanded dramatically (figure).



Pathways of the impact of export expansion on children's health

At the same time, along with the gradual liberalization of trade in China, the health status of Chinese residents has attracted the attention of all sectors of society. Data show that compared with 2002, China's hypertension and obesity rates among adults aged 18 and older rose by 6.4 and 4.8 percentage points to 25.2 percent and 11.9 percent, respectively, in 2015[4]. The health of the population has attracted widespread attention from the society.

Model

In 1972, Grossman first further developed the concept of health capital based on Becker's concept of human capital and further constructed the health production function [5; 6].

$$H(t, O, e). \tag{1}$$

Based on the health production function, we explore the impact of influences such as labour market-related factors (*L*), income distribution (*I*), environmental quality (*E*) and public services (*P*) on health capital by substituting the relevant influences into equation (1).

$$Ht = f(L, I, E, P, N). \tag{2}$$

In equation (2), H is health capital; L refers to labour market related influences including employment and income. I and E denote the income distribution of the population and environmental pollution, respectively; P refers to public services including health care, education, etc.; and N refers to other factors affecting health capital.

In this way, we further explore the determinants of health based on model (2), and use this as a basis for further discussion on how trade can indirectly impact on health capital through the determinants mentioned above.

Conclusion

The above model leads to the question of whether trade affects health capital indirectly through other socio-economic factors, in addition to directly affecting health capital through the spread of diseases, the quality of food safety and the nutritional intake of the population. At present, although the relationship between trade and health has received widespread attention in the academic world, there has never been a consistent conclusion, and Chinese research in this direction is still rare. Based on this, this paper tries to sort out the determinants of health capital based on Grossman's health production function, to provide a theoretical basis for exploring the relationship between trade and health, and to explore the paths through which trade liberalisation has an indirect impact on health.

We argue that trade has an impact on the labour market, income distribution, environmental quality, and government revenues and public services, and further argue that trade may in turn have an impact on health capital through the labour market, income distribution, environment pollution and public services.

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