

Sheliemina, N. I.,
Sumy State University,

THE ROLE OF HEALTH CARE IN ENTREPRENEURSHIP AND NATIONAL ECONOMIC GROWTH

The development of the health care system has become particularly relevant in the context of transformational shifts in national economies and growing global challenges, including pandemics, geopolitical instability, demographic ageing, and rapid technological change. A resilient and accessible health care system increasingly acts not only as a social institution but also as a driver of entrepreneurship, investment activity, and long-term economic growth.

International research demonstrates that effective health systems create favourable conditions for business development by reducing labour-related risks, improving human capital, and stimulating innovation in the biotechnological, pharmaceutical and digital-health sectors. Scholars from different countries argue that population health is a fundamental determinant of economic productivity (Miola et al., 2019; Meurs et al., 2019; Dadon Golan & Purcell, 2025). These issues are also systematically highlighted in analytical reports of the United Nations (UN), the World Health Organization (WHO), the Organisation for Economic Co-operation and Development (OECD), the European Commission, and the International Labour Organization (ILO), which emphasise the need to integrate health policy with economic and labour-market strategies. Despite extensive research, unresolved problems remain: insufficient assessment of disease burden by sector, limited understanding of health-related productivity losses, and weak institutional mechanisms for financing innovative health solutions.

In Ukraine, the war has sharply intensified these challenges. Large-scale population displacement, destruction of medical infrastructure, the rise in mental health disorders, higher rates of injuries and chronic conditions, and reduced access to preventive care have weakened human capital and constrained entrepreneurial activity. Restoring and modernising the health system under wartime and post-war recovery requires new financial models, digitalisation, and stronger public-private partnerships.

This research issue is directly linked to SDG 3 “Good Health and Well-Being” (UN, n.d.a) and SDG 8 “Decent Work and Economic Growth” (UN, n.d.b). Better health outcomes increase labour participation, reduce absenteeism, and improve productivity, while sustainable economic growth provides resources to strengthen healthcare. Public health indicators are tightly correlated with labour productivity. European economies increasingly experience the effects of ageing, chronic diseases, and health-related work absences. The burden of disease measured through DALYs significantly affects GDP per employed person; higher DALYs lead to decreased productivity, especially in physically demanding sectors (DALY is Disability-Adjusted Life Year – a global health metric used to measure the overall burden of disease. One DALY represents one lost year of “healthy” life due to illness, disability, or premature death). Therefore, strengthening health systems for workers, especially older workers, becomes a strategic priority.

When health systems are stable and well-funded, they create predictable conditions and reduce uncertainty for businesses. Entrepreneurs and investors depend on the quality of human capital, and the health system directly shapes this by ensuring a healthier, more productive workforce with lower rates of absenteeism and disability. A population with reliable access to preventive and primary care demonstrates higher labour market participation, greater adaptability to technological change, and improved capacity for innovation.

At the same time, modern health systems stimulate entrepreneurial ecosystems by generating demand for digital-health innovations, new technologies and solutions, medical devices, etc. Startups benefit from health data infrastructures, platforms, and regulatory environments that support clinical trials and health technology assessment. These interactions foster new high-value industries, attract foreign direct investment, and enhance a country’s competitiveness in global markets. Furthermore, resilient health systems contribute to macroeconomic stability: by reducing the economic losses associated with disease burden and healthcare-related financial shocks.

Targeted labour and health policies have a direct and substantial impact on the entrepreneurial environment. Policies that minimise vulnerabilities, such as illness-related income loss, informal employment, or limited access to health services, create a more predictable and secure labour market, which lowers operational risks for entrepreneurs. When ageing employees are supported through adaptive workplaces, preventive care, and rehabilitation services, enterprises avoid losing skilled workers, reducing turnover costs and preserving institutional knowledge critical for innovation.

To support entrepreneurship and strengthen the national economy, workplace health programmes should be expanded and enhanced to improve productivity, reduce absenteeism, and increase the physical and cognitive capacity of employees. This is particularly crucial for startups and microbusinesses, which are highly sensitive to disruptions caused by worker illness. Access to formal employment should be broadened, ensuring that workers are legally protected, reducing vulnerability to catastrophic health expenditures, and strengthening social protection systems, thereby enabling more people to safely engage in entrepreneurial ventures.

At the local level, primary care and community-based prevention should be strengthened to reduce the disease burden in local labour markets. By improving local health infrastructure, communities can ensure that entrepreneurs have access to healthier and more reliable workers, while making these areas more attractive to investors and fostering clusters of innovative firms, particularly in rural or decentralised regions.

At the national level, investment in health infrastructure should be increased to modernise hospitals, diagnostics, and digital platforms, stimulating entrepreneurship in biotechnology, pharmaceuticals, and health-tech sectors. Health and economic planning should be integrated, treating health not as a cost but as an investment in human capital, thereby encouraging businesses to innovate, scale, and enter global markets. Occupational health systems should be improved to provide clearer standards, healthier workplaces, and predictable regulations, reducing compliance burdens for entrepreneurs and supporting long-term business planning.

At the international level, Ukraine should expand cooperation with WHO, EU, UN agencies, and other international partners, leveraging funding for reconstruction, digitalisation, and advanced medical technologies. Such partnerships would promote knowledge transfer, support health-sector innovation, and open opportunities for entrepreneurs to participate in international value chains. Investment in digital health systems, including telemedicine, e-health platforms, and health insurance technologies, can create new markets for innovative businesses.

Future research should focus on quantifying health-related productivity losses, evaluating the economic effects of health reforms, and developing integrated policies that link healthcare, labour markets and innovation-driven entrepreneurship.

References

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