TRENDS IN GOVERNMENT HEALTH EXPENDITURE: THE LMIC PERSPECTIVE

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SESSION OBJECTIVES

Explore trends in government health expenditure

By country income grouping

By political rights and freedoms
Budget decisions provide one means by which public interest and decisions can be measured.
Global Health Spending, 1990-2015

- Funding has increased since 1990
- Current plateau

IHME DAH Database (2016)
The aid environment is volatile and uncertain

- Health aid is not allocated to LMIC countries equally
- Money pledged doesn’t often reach nations in the amount and along the timeline promised
Government Health Expenditure, 1995-2013

- Grew at a faster pace than global health aid

IHME Gov't Health Spending Database (2015)
Government health expenditure differs widely by country

WHAT IS MASKED BY THE GRAPH

- On average, middle-income countries spend more of their own resources on health than they receive in aid.
- Health aid is a larger share of health spending in low-income countries.
Growth rate by country income group

- Explore proportion of positive annual changes to contrast spending across and within income groups

- Highlight collective patterns in government health expenditure by country income
Distribution of annual funding change

145 countries over 18 years (1995-2012)

5 World Bank income groups

What happens as income levels decrease?

Gov’t Health Expenditure
What is the chance of a country having a positive growth rate?
Share of positive budgetary changes, 1995-2012

- High income, OECD: 87%
- High income, non-OECD: 64%
- Upper middle income: 76%
- Lower middle income: 66%
- Low income: 62%
Mean changes over time, 1995-2012
LMICs are:

- ...less likely to increase annually than public expenditures from HI OECD
- ...more likely to show an extreme positive or negative change than others

<table>
<thead>
<tr>
<th>Country income groups</th>
<th>High income, OECD</th>
<th>High income, non-OECD</th>
<th>Upper middle income</th>
<th>Lower middle income</th>
<th>Low income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share positive changes</td>
<td>87%</td>
<td>64%</td>
<td>76%</td>
<td>66%</td>
<td>62%</td>
</tr>
<tr>
<td>Mean positive</td>
<td>4.98</td>
<td>12.21</td>
<td>13.57</td>
<td>16.63</td>
<td>32.73</td>
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<tr>
<td>Mean negative</td>
<td>-3.23</td>
<td>-8.97</td>
<td>-13.74</td>
<td>-13.22</td>
<td>-33.2</td>
</tr>
</tbody>
</table>
Are there differences in annual growth in health expenditure by governments based on political rights and freedoms?
FREEDOM IN THE BALANCE
After years of major gains, the share of Free countries has declined over the past decade, while the share of Not Free countries has risen.
LARGEST 10-YEAR DECLINES

Dramatic declines in freedom have been observed in every region of the world.
11 YEARS OF DECLINE
Countries with net declines in aggregate score have outnumbered those with gains for the past 11 years.
Definition of terms

Electoral Democracy
Meet minimum standards for political rights

- Includes criteria such as free and fair elections, legitimate political parties and opposition groups, elected leadership that actually rules, minority rights
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<tbody>
<tr>
<td>High income OECD</td>
<td>15</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>High income non-OECD</td>
<td>11</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Upper-middle income</td>
<td>28</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Lower-middle income</td>
<td>18</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Low income</td>
<td>15</td>
<td>2</td>
<td>13</td>
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</table>
Share of positive budgetary changes

As a group, the Electoral Democracies have a larger positive growth rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electoral Democracy</td>
<td>77%</td>
</tr>
<tr>
<td>Non-Electoral Democracy</td>
<td>64%</td>
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</tbody>
</table>
Mean changes over time

- As a group, Non-Electoral Democracies have greater means and are more variable.
- As a group, Electoral Democracies have more smaller changes and less deviation.
### Limitations

- This study is exploratory
- Accurate and consistent government expenditure data?
- Pooling across groups can be questionable

<table>
<thead>
<tr>
<th></th>
<th>Electoral Democracy (n=44)</th>
<th>Non-Electoral Democracy (n=43)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share positive changes</td>
<td>77%</td>
<td>67%</td>
</tr>
<tr>
<td>Mean change if positive</td>
<td>10.0</td>
<td>20.9</td>
</tr>
<tr>
<td>Mean change if negative</td>
<td>-10.7</td>
<td>-20.2</td>
</tr>
</tbody>
</table>
In summary...

- Budgetary trends shed light on decision-making and allocation of resources.
- Focusing on a positive growth rate is informative.
- Consideration of political factors is important.

Follow the money.
Questions?

Contact Info

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