

Health Expenditure and Child Health Outcomes in SADC Region

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This study examined the effect of health expenditure on child health outcomes in SADC region during the period 2005 to 2013. Country-level panel data for 14 countries obtained from World Bank was used for analysis. Under 5 mortality rate (U5MR) was used as the outcome variable; while total health expenditure and health expenditure per capita were used as primary covariates. Based on the classic panel linear model selection procedure, Fixed Effects (FE) model was used for estimation. Results indicate that total health expenditure and health expenditure per capita had significant effects in reducing U5MR in the region. The R-squared statistic indicates that 58.1% variation in U5MR within each country was accounted for by total health expenditure, health expenditure per capita, urban population and HIV prevalence. The F-statistic ($=34.71$; $p < 0.05$) reveals significance of model. The interclass correlation reveals that 98.6% of the variance was due to differences across panels.

Keywords: health expenditure, child health