

Abstract

Introduction : Human development is used as one of the most important index to measure the level of countries development in recent decades. There are many factors that affect health development, health expenditures are important factors in the economic development and growth; it can be raise economic development by labor forces and physical capital.

The objectives of this study are to determine the effect of health care expenditure on HDI index and to examine the effect by public and private expenditure sources.

Methods: The study used panel data from 2000 to 2010 covering 16 countries with high income, and 13 and 22 countries with middle and low income in world. Fixed and random effects panel data regression models were fitted to determine the effects of health care expenditure on humman development index. For data analysis evIEWS6 software was used.

Results: The results showed that total spending on health, public and private, has a significant positive impact on the human development index in different countries. All types of health expenditure in countries with high incomes have a greater effect on the human development index compar to low income countries.

Conclusion: The findings imply that health care expenditure remains a crucial component in improvement of health status and development in countries. Also Increasing health care expenditure will be a significant step in achieving the Development Goals of countries. Therefore, policymakers should consider cost effectiveness of health expenditure in allocating to private and public sector .

Keywords: Human development index, Health expenditure, Random effect model



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The effect of health expenditure on human development index in selected

countries with high,middle and low income levels:2000-2010

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