

The Effects of Different Types of Health Expenditure on Mortality and Life Expectancy in the Organization for Islamic Cooperation (OIC) Countries

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ABSTRACT

This study investigates the differential effects of public, private and out-of-pocket (OOP) health expenditures on under-five, infant, and neonatal mortality rates, as well as life expectancy at birth. Using cross-country panel data for member states of the Organization of Islamic Cooperation (OIC) from 2002 to 2023, a log-likelihood fixed-effects model was employed to examine the determinants of health outcomes - commonly interpreted as measures of health status or health output. The empirical findings show that reductions in mortality rates are primarily driven by increases in health expenditure variables, urbanization rates, medical care supply, and GDP per capita. Public health expenditures are more effective than OOP expenditures in reducing mortality rates, although their influence on life expectancy is more modest but still statistically significant. Efficient and well-managed urbanization emerges as the strongest determinant of lower mortality. From the point of view of policy makers, it is important to make effective and targeted health expenditures in reducing child and infant mortality rates, by considering the role of the effectiveness of health expenditure types.

Keywords: Health outcomes, types of health expenditure, life expectancy.

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