

## Government Expenditures in Health in the Americas: Up-Dating Regional Estimates

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Depending on the administrative and legal arrangements at the Government level, there may be more than one level of government within a country, and statistics are normally compiled for each level. The Government Financing Statistics system has its classification for three level of government:

- 1) Central government,
- 2) State, Provincial or Regional government,
- 3) Local or Municipal government,
- 4) Social Security Funds

Not all countries will have all three levels; some may only have a central government or a central government and one lower level. In addition to the levels of government, the existence of social security funds and their role in fiscal policy requires that statistics for all social security funds be compiled as a separate sub sector of the general government sector.

### ***1. Definitions<sup>1</sup>***

The definition of levels of government accepted by international organizations that includes all countries is that "Government Units are legal entities established by political processes, which have legislative, judicial or executive authority over other institutional units within a given area. Viewed as institutional units, the principal functions of government are to assume responsibility for the provision of goods and services to the community or to individual households and to finance their provision out of taxation or other incomes; to redistribute income and wealth by means of transfers; and to engage in non-market production" in addition, to be consider an independent government unit

However, the way of reporting at the country level may depend on size or importance of the sub-sector. One common case is to report Central government plus Social security sub-sectors together due to size or importance of the second. In other countries there may not exist a proper intermediate level of central and local or municipal government, in which case the sub-sector "state, provincial or regional government" is not distinguished.

#### ***1. Central government***

The central government sub-sector consists of the institutional unit or units making up the central government plus those Non-profit institutions (NPIs) mainly financed by central government. For most countries, it is generally composed of a central group of department or ministries that make up a single institutional unit or several institutional units. The departments are responsible for considerable amounts of expenditure within the framework of the government's overall budget, but they are, nevertheless, not separated institutional units. The central government can impose taxes on all resident institutional units and on non-resident unites engaged in economic activities within the country.

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<sup>1</sup> This section relies heavily in SNA- 1993 and IMF (c), 2001.

In addition, the departments of the central government may be dispersed geographically and located in different parts of the country, but still they remain parts of a single institutional unit. All countries report Central government health expenditure.

## *2. State, Provincial or Regional government<sup>2</sup>*

The State, Provincial or Regional government sub-sector consists of state, provincial or regional governments which are separated institutional units plus those NPIs that are controlled and mainly financed by the state government. To be recognized as a government unit the entity -any nomination in this label- must be able to own assets, raise funds and incur liabilities on its own account. If the unit is entirely dependent on funds from the central government, then it is accounted as an agency of the central government.

In some countries, especially small countries, individual states -provincial or regional- and state -provincial or regional- governments may not exist. However, in large countries, especially those which have federal constitutions, considerable powers and responsibilities may be assigned to state, provincial or regional governments. State, provincial or regional governments health expenditure data is reported for Bolivia, Canada, United States.

## *3. Local or Municipal governments*

The local or municipal government sub-sector consists of local or municipal governments that are separated institutional units plus those NIPs which are controlled and mainly financed by local or municipal governments. The scope of their authority generally extends to the smallest geographical areas. They have less power, responsibility and authority than central government or regional government. However, local or municipal governments are in close contact with the institutional units residents<sup>3</sup> and their localities, they typically provide a wide range of services to local residents, some of which may be financed from higher levels of government.

Bolivia, Canada and United States reported local or municipal government health expenditures for years after 1995.

## **II. Sources of data and Estimates up-date**

Data for Central government health expenditure; State, Provincial or Regional government health expenditures and Local or Municipal government health expenditures for LAC countries around the year 2000 came from the International Monetary Fund, Government Finance Statistics 2001. Data for Gross Domestic Product, exchange rates and population came from the International Financial Statistics Yearbook 2001. Data missing for selected Caribbean countries come from The Caribbean Development Bank Publications: Social and Economic Indicators 2001 and Central Government Finance Statistics of the lesser developed countries

Central health government expenditure was reported in the GFSY (2001) for years after 1995 for several countries with exception of Anguilla, Antigua y Barbuda, Barbados, Bermuda, The

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<sup>2</sup> These areas may be described by other terms in particular countries, such as cantons, republics, prefectures or administrative regions. However, to maintain the 1993 SNA convention all IMF manuals and statistical reports keep State, provincial or regional label.

<sup>3</sup> Such as school districts, water or sanitation districts, etc.

Cayman Islands, Cuba, Dominica, Ecuador, Guatemala, Guyana, Haiti, Honduras, Montserrat, Nicaragua, Paraguay, Peru, St. Kitties and Nevis, St. Lucia, St Vincent & Grenadines, Suriname, Turks and Caicos and British Virgin Islands. Caribbean country data came from the Caribbean Development Bank.

Ten countries: Argentina, The Bahamas, Bolivia, Canada, Chile, Costa Rica, El Salvador, Jamaica, United States and Uruguay were up-dated with 2000 data. Colombia, Dominican Republic, Mexico and Panama were up-dated with 1999 data. Brazil data was readjusted using 1998 data reported in the GFS 2001. Belize estimates were readjusted using 1997 data. Grenada and Netherland Antilles estimates were readjusted using 1995 data (Table 1 and Annex 1).

Data change and observations in particular countries:

ARG: Data updated- yet incomplete- 2000. Data for State, Region or provincial government has been last reported by 1998. The 2000 data included until this draft document represents data from the Expenditure by function -consolidated Central Government.

BEL: Data new estimate for 1997. Estimates for the same year, 1997 change in one percentage point. (from 2.41 to 2.40 in this data base)

BOL: Data updated 2000. Data change from 1.4 to 3.778 in 1998 in this data-base. This change is due to the latest inclusion in the GFSY 2001 publication data of State, Provincial/Regional estimates and Local/Municipal estimates. The inclusion of the new estimates dates are from 1994 to 2000.

BRA: The latest year is 1998. GFSY 2001 presents only Central Government expenditure in health. It doesn't include State, Provincial/Regional estimates and Local/Municipal estimates.

CAN: Data updated to 2000. Total Central Government includes: Central, Provincial and municipal/local estimates.

CHI: Data updated to 2000.

COL: Data updated to 1999. Central government -expenditure by function- reported by 1999 is 2,654 billion. It accounts for 1.78 percent of GDP. This data differs from 1999 data estimated Henderson July 2001 (3.28% of GDP). Colombia only reports central government expenditure in health.

COR: Data updated to 2000. GDP was taken from "Anuario Estadístico de LAC" CEPAL, 2001- pg195 GDP at constant market prices. (IFS 2001 reports CORs' GDP upto 1999).

DOR: Data updated to 1999. It has a remarkable increment in one year period. From 1.47 percent of GDP of Central government expenditure in health in 1998 (Henderson, 2001) to 1.831 in 1999

ELS: Data updated to 2000. ELS only reports data for central government expenditure in health -by function.- Data changed from 1.80 percent of GDP in 1998 (Henderson, 2001 Jul) to 0.50 in 2000. Same adjustment needs to take place from 1991 up to 2000.

GRE: Data latest estimate based on GFSY is for 1995. Data estimates for the government central expenditure in health as a percentage of GDP changed from 3.39 (Henderson, 2001 July) to 2.93

GUA: Latest year from GFSY 2001 is 1994. It corresponds to 10.55 percent of central government expenditure in health of the Total expenditure by function classification. The total expenditure by function reported in the GFSY 2001 is 18,220.75 million of quetzales.

JAM: Data updated to 2000. Estimated percentage for 2000 is smaller (2.17%) than the estimated presented for 1998 (2.71%) (Henderson, 2001 July)

MEX: Data updated to 1999. Estimated percentage for 2000 is smaller (0.66%) than the estimated presented for 1998 (0.76%).

NET": Data 1995. GDP data missing. GFSY 2001 data for 1995.

NIC: Data 1994. GFSY (2001) shows 531.36 million of gold cordovas central government expenditure in health for 1994 *-latest year-*. Henderson (2001 July) latest estimate for NIC is from 1999.

PAN: Data updated to 1999. Central government expenditure in health as a percentage of GDP is 1.93% in Henderson (2001 July) and the update for this database is 4.9%. The complete series needs to be review.

USA: Data updated to 2000. However, GFSY (2001) does not present State and Municipal/Local government expenditure in health for this year.

URU: Data updated to 2000.

VEN: Data updated to 2000. Data for central government expenditure in health is not reported in the GFSY 2001.

**Table 1. Up- date of Central Government expenditure in health**

<b>Country</b>	Estimates inedit source year date b/	Created Estimates at July-01 <sup>4</sup>	Up-dated Estimates inedit source a/
ANGUILLA	1995	1998	
ANTIGUA AND BARBUDA	1995	1998	
ARGENTINA	1999	1999	2000
ARUBA	1996	1998	
THE BAHAMAS	1998	1998	2000
BARBADOS	1994	1998	
BELIZE	1997	1998	1997
BERMUDA	1992	1,994	
BOLIVIA	1998	1998	2000
BRAZIL	1999	2000	1998
CANADA	1997	1999	2000
THE CAYMAN ISLANDS	1995	1996	
CHILE	1998	1999	2000
COLOMBIA	1997	1999	1999
COSTA RICA	1998	1999	2000
CUBA	1997	1998	
DOMINICA	1995	1998	
DOMINICAN REPUBLIC	1997	1998	1999
ECUADOR	1997	1998	
EL SALVADOR	1997	1998	2000
GRENADA	1995	1998	<b>1995</b>
GUATEMALA	1997	1998	
GUYANA	1996	1998	
HAITI	1996	1998	
HONDURAS	1998	2000	
JAMAICA	1998	1998	2000
MEXICO	1998	1998	1999
MONTSERRAT	1995	1998	
NETHERLAND ANTILLES	1995	1998	<b>1995</b>
NICARAGUA	1999	1999	
PANAMA	1997	1999	1999
PARAGUAY	1999	1999	
PERU	1998	1999	
ST.KITTS AND NEVIS	1995	1996	
ST. LUCIA	1995	1998	
ST.VINCIENT/GRENADINES	1998	1998	
SURINAME	1996	1996	
TRINIDAD AND TOBAGO	1996	1998	

<sup>4</sup> based on the previos colum

<b>TURKS AND CAICOS</b>	1995	1997	
<b>UNITED STATES</b>	1999	2000	2000
<b>URUGUAY</b>	1998	1998	2000
<b>VENEZUELA</b>	1996	1999	
<b>BRITISH VIRGEN ISLES</b>	1995	1998	

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a/ Data from the Government Financing Statistics, 2001

b/ Henderson P. Data Base, July-2001

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