Clarifying Efficiency-Equity Tradeoffs Through Explicit Criteria, With a Focus on Developing Countries

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Expenditures on health in many developing countries are being disproportionately spent on health services that have a low overall health impact, and that disproportionately benefit the rich. Without explicit consideration of priority setting, this situation is likely to remain unchanged: resource allocation is too often dictated by historical patterns, and maintains vested interests. This paper explores how prioritisation between different health interventions can be rationalised by the use of clearly defined criteria. A number of key efficiency and equity criteria are examined, in particular analysing how potential tradeoffs could be incorporated into the decision making process.

KEY WORDS: priority setting; criteria; efficiency; equity; weighting; developing countries.

INTRODUCTION

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