

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

Chris James,<sup>1,5</sup> Guy Carrin,<sup>2</sup> William Savedoff,<sup>3</sup>  
and Piya Hanvoravongchai<sup>4</sup>

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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 prioritization 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.*

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

### INTRODUCTION

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.

<sup>1</sup>Health Economist, Department of Health System Financing, Expenditure and Resource Allocation, World Health Organization, Switzerland.

<sup>2</sup>Senior Health Economist, Department of Health System Financing, Expenditure and Resource Allocation, World Health Organization, Switzerland.

<sup>3</sup>Senior Partner, Social Insight, Portland.

<sup>4</sup>Researcher, International Health Policy Program, Ministry of Public Health, Nonthaburi, Thailand.

<sup>5</sup>Correspondence should be directed to Chris James, Health Economist, Department of Health System Financing, Expenditure and Resource Allocation, World Health Organization, 20 Avenue Appia, 1211 Geneva 27, Switzerland; e-mail: jamesc@who.int or chrisjamesuk@hotmail.com.