

*Table 4.9: OLS regressions for health system performance and size*

Dependent variable	Constant	Logpop	Logper capgdp	Adj. R <sup>2</sup>	Number of observations
overall health system performance – ranking (1–191)	353.475** (17.427)	-4.422 (-1.745)	-69.699** (-26.788)	0.680	186
on level of health – ranking (1–191)	324.880** (12.323)	-5.089 (-1.570)	-59.637** (-17.650)	0.500	186

Sources: WHO (2000), Baratta (1999)

\*\* significant at 1% level; \* significant at 5% level; *t* statistics based on White heteroscedasticity-consistent standard errors in parentheses.

gative, because we take ranks as dependent variables. The coefficients of the proxy for country size, population, are insignificant for both performance indicators on a standard significance level. It is, nevertheless, noteworthy that the coefficients miss significance on the 5% level by very little in both cases.

Contrary to the first picture, where VSC fare very well, there seems to be a slight tendency of smaller countries to exhibit worse health system performance. From a strict statistical point of view, however, there is no relationship between country size measured by population and health system performance. Two notes are in order. First, we take the logarithms of population and of per capita GDP due to the skewedness of their distributions. Second, the *t* statistics in parentheses are based on White heteroscedasticity-consistent standard errors due to reasons expounded in Chapter 3.

To obtain a more detailed picture, Table 4.10 takes a look at important health system features and data for our set of VSC.

Again, the picture is not clear-cut, mainly due to the heterogeneity of VSC. Health system performance and public expenditure on health differ widely across the selected countries, even across countries with similar characteristics and similar per capita GNP. European VSC fare extremely well with regard to their health systems. The «poorest» performance of the sextet Andorra, Iceland, Luxemburg, Malta, Monaco and San Marino (there are no figures available for Liechtenstein) is rank 16 in the overall health system performance ranking, which is really astounding. The performance of other VSC lacks a clear pattern. Ranks are dis-