

Abstract

In this thesis, we focus on the determinants of life expectancy at birth in Mexico's federative entities. The aim is to consider three selected variables determining life expectancy – health care expenditures, unemployment, and school enrolment. We use panel data for up to 21 year period (1994-2014) controlling for already well-examined determinants (vaccination coverage, literacy rate, and infant mortality rate).

Fixed effect or random effect estimation is applied according to the hypotheses. Robustness test is performed using Principal Component Analysis including proxies of the main four groups of variables affecting life expectancy – economic, social, health care and environmental.

The results suggest a positive effect of health care expenditures on life expectancy at birth. However, a significant effect of unemployment or primary school enrolment is not confirmed. Principal Component Analysis suggests the existence of additional determinant related to health care expenditures affecting life expectancy.

This thesis contributes to the debate on discussed variables (healthcare expenditures, unemployment, and primary school enrollment) related to life expectancy. We also extend the limited research on life expectancy in Mexico and Latin America.