

**DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI**

Minutes of Meeting

Subject : B.A. (Hons.) Economics, Fifth Semester (2014)
Course : 20 – Economics of Health and Education
Date of Meeting : Thursday, 31st July, 2014
Venue : Department of Economics, Delhi School of Economics
University of Delhi, Delhi – 110 007
Convenor : Deepti Goel

Attended by :

- 1 Rakesh Kumar PGDAV (M)
- 2 Shweta Nauda ARSDC
- 3 Benston John St. Stephens College
- 4 Sumeet S. Raheja Shivaji College
- 5 Saachi Bhutani Kalindi College
- 6 Shivani Gupta DCAC

Course Description

The importance of education and health in improving well being is reflected in their inclusion among the Millennium Development Goals adopted by the United Nations member states, which include among other goals, achieving universal primary education, reducing child mortality, improving maternal health and combating diseases. This course provides a microeconomic framework to analyze, among other things, individual choice in the demand for health and education, government intervention and aspects of inequity and discrimination in both sectors. It also gives an overview of health and education in India.

Course Outline

1. Role of Health and Education in Human Development

Importance in poverty alleviation; Health and Education outcomes and their relationship with macroeconomic performance

2. Microeconomic foundations of Health Economics

Demand for Health; Uncertainty and Health Insurance Market; Alternative Insurance Mechanisms; Market Failure and rationale for Public Intervention; Equity and Inequality

3. Evaluation of Health Programs

Costing, Cost Effectiveness and Cost-Benefit Analysis; Burden of Disease

4. Health Sector in India: An Overview

Health Outcomes; Health Systems; Health Financing

5. Education: Investment in Human Capital

Rate of Return to Education: Private and Social; Quality of Education; Signaling or Human Capital; Theories of Discrimination; Gender and Caste Discrimination in India

6. Education Sector in India: An Overview

Literacy Rates, School Participation, School Quality Measures

Readings:

1. William, Jack. *Principles of Health Economics for Developing Countries*, World Bank Institute Development Studies, 1999
2. World Development Report, *Investing in Health*, The World Bank, 1993
3. Ronald G., Ehrenberg and Robert S., Smith. *Modern Labor Economics: Theory and Public Policy*, 11th edition, Addison Wesley

The following detailed syllabus was accepted at this meeting. This is almost the same as last year except for some changes in module 4 and 6. See below.

1. Role of Health and Education in Human Development (10 lectures)

Importance in poverty alleviation; Health and Education outcomes and their relationship with macroeconomic performance

- Jack, William 1999, *Principles of Health Economics for Developing Countries*, World Bank Institute Development Studies
 - Chapter 1- Introduction
 - Chapter 2- Health Status and Trends
 - Chapter 3- The Determinants of Health
- World Development Report 1993, *Investing in Health*, The World Bank
 - Chapter 1- Health in Developing Countries: Successes and Challenges
- Hanushek, Eric A., 2005, *Economic Outcomes and School Quality*, International Academy of Education and International Institute for Educational Planning.

2. Microeconomic foundations of Health Economics (15 lectures)

Demand for Health; Uncertainty and Health Insurance Market; Alternative Insurance Mechanisms; Market Failure and rationale for Public Intervention; Equity and Inequality

- Jack, William 1999, *Principles of Health Economics for Developing Countries*, World Bank Institute Development Studies
 - Chapter 4- The Demand for Health Care Services : exclude pages 69-89

- Chapter 7- Market Failure and Public Intervention
- World Development Report 1993, Investing in Health, World Bank
 - Chapter 3- The Roles of the Government and the Market in Health

3. Evaluation of Health Programs (5 lectures)

Costing, Cost Effectiveness and Cost-Benefit Analysis; Burden of Disease

- Jack, William 1999, Principles of Health Economics for Developing Countries, World Bank Institute Development Studies
 - Chapter 9- Health Projects and the Burden of Disease
- Over, Mead 1991, Economics for Health Sector Analysis: Concepts and Cases, Economic Development Institute of The World Bank
 - Chapter 4- Cost Effectiveness Analysis in Health: First Principles

4. Health Sector in India: An Overview (10 lectures)

Health Outcomes; Health Systems; Health Financing

- Deaton, Angus and Dreze, Jean, 2009, Food and Nutrition in India: Facts and Figures, *Economic and Political Weekly*, February 14, 2009
- Ghosh, Gupta, and Spears, 2014, Are children in West Bengal Shorter than Children in Bangladesh, *Economic and Political Weekly*, February 22, 2014
- Panagariya, 2013, Does India really suffer from worse Child Nutrition than Sub-Saharan Africa, *Economic and Political Weekly*, May 4, 2013
- Jayachandran and Pande, Probable Cause for India Africa Child Height Gap, *Economic and Political Weekly*, August 24, 2013

Background Reading for Instructors:

- Ministry of Health and Family Welfare GOI, 2009, *National Health Accounts India, 2004-05*
 - Chapter 1- Health Financing in India
- Kishor, Sunita and Gupta, Kamla, 2009, *National Family Health Survey 2005-06: Gender Equality and Women's Empowerment in India*
 - Chapter 2- Son Preference: Sex Ratios and Related Indicators
 - Chapter 11- Gender, Empowerment, and Selected Health, Nutrition, and Demographic Outcomes

5. Education: Investment in Human Capital (25 lectures)

Rate of Return to Education: Private and Social; Quality of Education; Signaling or Human Capital; Theories of Discrimination; Gender and Caste Discrimination in India

- Ehrenberg, Ronald G and Smith, Robert, S., 2006, *Modern Labor Economics: Theory and Public Policy*, 11th Edition, Addison Wesley

- Chapter 9- Investments in Human Capital: Education and Training
- Chapter 12- Gender, Race and Ethnicity in the Labor Market

6. Education Sector in India: An Overview

Literacy Rates, School Participation, School Quality Measures

- Kingdon, Geeta G., 2007, The progress of School Education in India, *Oxford Review of Economic Policy*, 23(2)

Background Reading for Instructors

- Kishor, Sunita and Gupta, Kamla, 2009, *National Family Health Survey 2005-06: Gender Equality and Women’s Empowerment in India*
 - Chapter 3- Gender Differences in Education

It was agreed that the same exam format as last year would be followed. The format is given below:

- 1) Final Exam Format: There will be **8 questions, of 15 marks each and students need to attempt 5 out of these**. Each question will have at least two sub parts, and at least some of the questions will straddle across modules so that no module is completely excluded from the final exam. Most questions should be of a technical nature and essay type questions should be avoided.
- 2) Internal assessment: 5 marks for attendance, 10 marks for a written class test. The remaining 10 marks left to the discretion of the college (either a class test or project work).

It was also decided to hold another meeting around the third week of October to take stock of how the course was progressing in different colleges.
