

**DISCIPLINE SPECIFIC ELECTIVE (DSE) PAPERS:**  
**(Any Two per Semester)**

**FIFTH SEMESTER DSE**

**ECO-HE-5016: ECONOMICS OF HEALTH AND EDUCATION**

**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*, Addison Wesley, 2005.