

AFRICAN ECONOMIC RESEARCH CONSORTIUM

Collaborative MA Programme in Economics for Anglophone Africa
(Except Nigeria and South Africa)

JOINT FACILITY FOR ELECTIVES
JULY - OCTOBER 2002

HEALTH ECONOMICS

Second Session: Final Examination

Time Limit: 3 hours

Tuesday, October 1st, 2002

Instructions: Please answer four of the following six questions. Each question is weighted equally. Structured conciseness will be rewarded more than rambling attempts at completeness.

1. Describe briefly the various methods of health care financing in developing countries. What are the prevailing expenditure allocation patterns for the health sector?
2. Discuss various channels through which AIDS might affect the macroeconomy. With the use of modified Solow growth model, briefly describe how you will model the macroeconomic consequences of the AIDS epidemic on a country in Africa. *You may not derive the equations but demonstrate your understanding of the model structure.* What other projections are required to estimate the economic effects into the future?
3. As part of comprehensive framework of investing in health for economic development, the Government of Malawi has contracted you to assist in establishing a temporary National Commission on Macroeconomics and Health (NCMH).
 - a) What would you consider to be the roles of the NCMH?
 - b) If you are to establish working groups to support the work of the Commission, briefly identify and discuss four major issues that should be addressed by the groups.
 - c) What would be the relevance of the Poverty Reduction Strategy Paper (PRSP) framework?

4. Over the past 15 years, Sub-Saharan African (SSA) countries have struggled with worsening economic conditions and its effect on the health sector. Some government have responded through implementation of isolated reform strategies. Others have embarked on major reforms of various aspects of their health systems.
 - a) With reference to the implementation and operation of reforms, discuss the factors that may influence the potential impact of reforms on efficiency and equity.
 - b) Briefly describe five major areas of health sector reform agenda already implemented in many SSA countries.
5. Critically evaluate three methods for the economic evaluation of health projects and their applications in SSA countries?
6. Elaborate on key issues and the main obstacles hindering improvements in the development of *human resources for health* (HRH) of most health sectors in Africa.