

# **AFRICAN ECONOMIC RESEARCH CONSORTIUM**

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

**JOINT FACILITY FOR ELECTIVES (JFE)**

**JULY – OCTOBER 2006**

**HEALTH ECONOMICS II**

**Second Semester: Final Examination**

**Duration: 3 Hours**

**Date: Thursday, October 5, 2006**

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## **INSTRUCTIONS:**

Answer **ALL QUESTIONS** in **SECTION A** and **TWO QUESTIONS** in **SECTION B**.

Questions in the same section carry equal marks. Marks will also be awarded for clarity of argument and relating answers to the context of developing countries.

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## **SECTION A: SHORT QUESTIONS**

*Answer **ALL** questions in Section A. Each questions carries 25 marks each*

### **Question 1**

- a. Discuss the four stages of the policy making process? **(15 Marks)**
- b. Briefly define and discuss the top-down and bottom-up approaches to policy implementation highlighting the limitations of each approach. **(10 Marks)**

### **Question 2**

- a. The record of human resource planning in the health sector in most developing countries is poor. Briefly discuss the key problems that make the record on human resource planning so poor in the health sector. **(10 Marks)**
- b. Discuss the four approaches of assessing demand for human resources and the shortcomings/strengths of each approach. **(15 Marks)**

### Question 3

Define and discuss the following methods of valuing health benefits in monetary terms, highlighting the main limitations of each approach:

- a. Human capital approach (12 Marks)
- b. Willingness to pay approach (13 Marks)

### Question 4

Equity and efficiency are some of the key objectives of any health care system. Briefly distinguish between:

- a. Technical and allocative efficiency (13 Marks)
- b. Horizontal and vertical equity (12 Marks)

## SECTION B: LONG QUESTIONS

*Answer TWO questions from this Section. Each question carries 50 marks*

### Question 5

- a. Describe in some detail the main motivations for introducing health sector reforms. (10 Marks)
- b. Describe the main forms that health system decentralization can take, highlighting the differences between these forms of decentralization. (20 Marks)
- c. Identify and discuss the critical issues that you would consider when designing decentralized systems in the health sector. (20 Marks)

### Question 6

The ministry of health in your country is considering adopting a new set of health care financing policies. Two of the alternatives under consideration are compulsory health insurance and user charges in public health facilities. You are supposed to provide answers to the following questions, as part of your duty to advise the ministry on the best health care financing alternative.

- a. What are the potential advantages of compulsory health insurance? **(20 Marks)**
- b. What criteria would you use when choosing a particular health care financing system for your country? **(10 Marks)**
- c. Develop a set of criteria for evaluating alternative health care financing mechanisms. List and explain/define these criteria. **(20 Marks)**

#### **Question 7**

“Health policy is about process and power...it is concerned with who influences whom in the policy making and how that happens.” (Walt 1994)

- a. Briefly discuss what policy analysis entails and why it is important for the health sector? **(20 Marks)**
- b. How do actors influence policy making in the health sector? **(10 Marks)**
- c. Differentiate between policy as content and policy as context. How does context and content influence the policy making process? **(20 Marks)**

#### **Question 8**

Define and discuss the following types of economic evaluations. In your answer you should highlight when the use of each method is appropriate and the decision criteria for each:

- a. Cost effectiveness analysis **(10 Marks)**
- b. Cost minimization analysis **(10 Marks)**
- c. Cost benefit analysis **(15 Marks)**
- d. Cost utility analysis **(15 Marks)**



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#### Question 4 (15 marks)

Following rapid deterioration in macroeconomic and sectoral performance in Sub-Saharan Africa since the mid-1970s, which reached crisis proportion in the early 1980s, many countries started comprehensive economic reform programs. However, it has been claimed that stabilization and structural adjustment programmes followed in many of these countries have adverse consequences for the health sector.

- a) Evaluate these claims, identifying and explaining the linkages between macroeconomic adjustments and the health sector.
- b) Explain why increasing income inequality is associated with greater prevalence of HIV infection in Africa.
- c) Critically examine the three major areas of need that African governments ought to address in order to strengthen and expand economic support for national health reform and development.

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