

the economics of health Complete Guide

The Economics of Health: An In-Depth Exploration

The economics of health is a vital discipline that examines how resources are allocated within healthcare systems, the factors influencing health outcomes, and the economic principles underpinning health-related decisions. As global populations grow and healthcare costs rise, understanding the economic dynamics of health becomes increasingly crucial for policymakers, healthcare providers, and individuals alike. This article provides a comprehensive overview of the key concepts, challenges, and trends in the economics of health, offering insights into how economic analysis shapes health policy and improves health outcomes worldwide.

Understanding the Foundations of Health Economics

What Is Health Economics?

Health economics is a specialized branch of economics focusing on the allocation of scarce resources for health and healthcare. It analyzes how individuals, healthcare providers, and governments make decisions regarding the production, distribution, and consumption of health services. The goal is to improve efficiency, equity, and overall health outcomes within the constraints of limited resources.

Core Principles of Health Economics

- **Scarcity and Choice:** Resources such as funding, personnel, and facilities are limited, necessitating prioritization.
- **Opportunity Cost:** The cost of choosing one intervention over another, representing the benefits foregone.
- **Supply and Demand:** Market forces influence the availability and pricing of health services.
- **Externalities:** Health-related activities often produce spillover effects on society, such as herd immunity.
- **Information Asymmetry:** Disparities in information between patients and providers can impact decision-making.

Key Areas of Health Economics

Healthcare Financing

Understanding how health services are paid for is central to health economics. Common financing mechanisms include:

- Public Funding: Government-funded programs like national health services.
- Private Insurance: Employer-sponsored or individual insurance plans.
- Out-of-Pocket Payments: Direct payments by individuals at the point of service.
- Mixed Systems: Combining public and private funding sources.

Cost-Effectiveness Analysis (CEA)

CEA compares the relative costs and outcomes of different interventions to determine the most efficient options. It involves:

- Measuring costs in monetary terms.
- Assessing health outcomes using metrics like Quality-Adjusted Life Years (QALYs).
- Identifying interventions that maximize health benefits within budget constraints.

Health Policy and Economics

Economic analysis informs policy decisions such as:

- Pricing and reimbursement policies.
- Resource allocation strategies.
- Regulation of health markets.
- Public health initiatives.

Economic Challenges in Healthcare

Rising Healthcare Costs

The exponential increase in healthcare expenses strains budgets worldwide. Factors contributing to this trend include:

- Aging populations requiring more intensive care.
- Advances in medical technology and pharmaceuticals.
- Increased prevalence of chronic diseases.
- Administrative costs and inefficiencies.

Health Inequities and Access

Economic disparities often lead to unequal access to healthcare:

- Socioeconomic status influences health outcomes.
- Geographic disparities affect service availability.
- Policy interventions aim to reduce these gaps through subsidies and reforms.

Market Failures and Externalities

Healthcare markets can exhibit failures such as:

- Monopolistic practices by providers.
- Information asymmetry between patients and providers.
- Externalities like vaccination benefits extending beyond individuals.

Global Trends and Innovations in Health Economics

Value-Based Healthcare

A paradigm shift toward emphasizing value?outcomes achieved per dollar spent?drives innovations in:

- Payment models linking reimbursement to health outcomes.
- Personalized medicine and targeted interventions.
- Use of data analytics for better decision-making.

Digital Health and Technology

Emerging technologies impact healthcare economics through:

- Telemedicine reducing costs and expanding access.
- Electronic health records improving efficiency.
- Wearable devices enabling proactive health management.

Universal Health Coverage (UHC)

Many countries are striving toward UHC, which aims to:

- Ensure all individuals have access to essential health services.
- Protect against financial hardship.
- Promote equitable health improvements.

Measuring and Improving Efficiency in Health Systems

Performance Indicators

Evaluating health system performance involves metrics such as:

- Mortality and morbidity rates.
- Patient satisfaction.
- Cost per capita.
- Service coverage and accessibility.

Strategies for Enhancing Efficiency

- Implementing evidence-based practices.
- Streamlining administrative processes.
- Investing in preventive care.
- Enhancing workforce training and retention.
- Leveraging technology for better resource management.

The Role of Economics in Shaping Health Policy

Policy Formulation and Decision-Making

Economic analysis provides evidence for prioritizing interventions, setting budgets, and designing incentives to improve health outcomes.

Cost-Benefit and Cost-Utility Analyses

These tools help policymakers determine the most beneficial allocation of resources:

- Cost-Benefit Analysis (CBA): Quantifies benefits and costs in monetary terms.

- Cost-Utility Analysis (CUA): Focuses on health-related quality of life outcomes.

Addressing Ethical and Economic Trade-offs

Decisions often involve balancing efficiency with equity, such as:

- Prioritizing treatments for different populations.
- Allocating resources between acute and preventive care.
- Ensuring fair access while maintaining sustainability.

Future Directions in the Economics of Health

Personalized and Precision Medicine

Economic evaluations are adapting to assess the cost-effectiveness of tailored therapies.

Global Health Economics

Addressing health issues in low- and middle-income countries requires innovative financing, capacity building, and international collaboration.

Sustainable Healthcare Systems

Balancing cost containment with quality care is critical for long-term sustainability, especially amid environmental and demographic challenges.

Conclusion

The economics of health is an essential field that provides insights into optimizing resource use, improving health outcomes, and designing equitable healthcare systems. By understanding core principles, analyzing costs and benefits, and embracing innovative approaches, stakeholders can navigate the complexities of modern healthcare. As challenges like rising costs, health disparities, and technological advancements continue to evolve, the role of health economics in shaping effective and sustainable health policies remains more vital than ever. Embracing this discipline will be key to advancing global health and ensuring that quality care is accessible and affordable for all.

The Economics of Health: An In-Depth Exploration

Health economics is a vital field that examines how scarce resources are allocated within the health sector, the efficiency of healthcare delivery, and the broader impact of health on economic

outcomes. As health becomes an increasingly prominent concern globally, particularly amidst aging populations, technological advancements, and rising healthcare costs, understanding the economic principles that underpin health systems is essential for policymakers, providers, and consumers alike. This comprehensive review delves into the core concepts, key issues, and emerging trends in the economics of health.

Understanding the Foundations of Health Economics

Definition and Scope

Health economics is a specialized branch of economics that studies how health care resources are produced, distributed, and utilized. It seeks to analyze the behavior of various stakeholders, including individuals, governments, healthcare providers, and insurers, and how their decisions influence health outcomes and economic efficiency.

The scope encompasses:

- The demand and supply of healthcare services
- The allocation of resources in health systems
- Cost-effectiveness and cost-benefit analyses
- The impact of health on economic productivity
- Policy interventions aimed at improving health outcomes efficiently

Why is Health Economics Important?

- **Resource Scarcity:** Healthcare resources, such as medical personnel, facilities, and medications, are limited, requiring optimal allocation.
- **Rising Costs:** Healthcare expenditure is soaring in many countries, straining public budgets and household finances.
- **Health as an Economic Asset:** Good health enhances productivity, reduces absenteeism, and fosters economic growth.
- **Equity and Access:** Economics provides tools to address disparities and ensure equitable access to care.
- **Policy Formulation:** Evidence-based policies depend on economic analyses to select interventions that deliver maximum value.

Core Concepts in the Economics of Health

Demand for Healthcare

The demand for health services is influenced by multiple factors:

- Price: Unlike many goods, healthcare demand is often less sensitive to price due to the presence of insurance and the urgent nature of health needs.
- Income: Higher income generally correlates with increased demand for healthcare services.
- Health Status: Sicker individuals require more care, influencing demand patterns.
- Preferences and Expectations: Cultural beliefs and expectations shape demand.
- Availability of Services: Accessibility impacts utilization rates.

Elasticity of demand in health care tends to be low, meaning that changes in price have a limited effect on consumption, especially for essential services.

Supply of Healthcare

Supply-side factors include:

- Number and quality of providers: Physicians, nurses, hospitals, and clinics.
- Technological advancements: New medical technologies can increase the capacity and types of services available.
- Regulatory environment: Licensing, accreditation, and reimbursement policies influence supply.
- Cost of inputs: Wages, equipment, and pharmaceuticals affect provider behavior.

The supply of healthcare services is often characterized by a degree of rigidity due to training periods, regulation, and fixed infrastructure.

Market Failures in Healthcare

Healthcare markets frequently exhibit failures such as:

- Information asymmetry: Patients may lack information about the quality or necessity of care.
- Externalities: Vaccinations or preventive care generate societal benefits beyond individual gains.
- Moral hazard: Insurance coverage may lead to overconsumption of healthcare.
- Adverse selection: Insurers may face higher risks if healthier individuals opt out.
- Public goods: Some health services are non-excludable and non-rivalrous.

Addressing these failures often requires government intervention or policy measures.

Economic Evaluation of Healthcare Interventions

Cost-Effectiveness Analysis (CEA)

CEA compares the relative costs and outcomes of different interventions to determine which provides the best value. Typically expressed as cost per quality-adjusted life year (QALY) gained, it helps prioritize resources.

Steps in CEA:

- Identify interventions
- Measure costs (direct, indirect)
- Measure health outcomes (e.g., QALYs)
- Calculate incremental cost-effectiveness ratios (ICERs)
- Make decisions based on thresholds

Cost-Benefit Analysis (CBA)

CBA converts health outcomes into monetary terms to compare costs and benefits directly, facilitating broader policy decisions.

Budget Impact Analysis

Assesses the financial implications of adopting a new intervention within a specific budget context.

Health Financing and Insurance

Types of Health Financing

- Tax-Based Financing: Funded through general taxation (e.g., UK's NHS).
- Social Health Insurance: Mandatory contributions (e.g., Germany, Japan).
- Private Insurance: Voluntary coverage purchased by individuals.
- Out-of-Pocket Payments: Direct payments by patients for services.

Insurance and Its Economic Implications

Insurance alters consumer behavior via moral hazard and risk pooling:

- Risk Pooling: Spreads financial risk across a large population.
- Moral Hazard: Insured individuals might consume more care than necessary.

- Adverse Selection: Higher-risk individuals are more likely to seek insurance, potentially increasing costs.

Designing insurance schemes to balance access, cost control, and risk mitigation is a central challenge.

Financial Sustainability of Health Systems

- Rising costs threaten sustainability.
- Strategies include cost containment, promoting efficiency, and implementing value-based care.
- Preventive care and chronic disease management can reduce long-term expenses.

Health Economics and Policy

Universal Health Coverage (UHC)

UHC aims to ensure all individuals have access to necessary health services without financial hardship. Achieving UHC involves:

- Expanding coverage
- Improving service quality
- Reducing disparities

Economic Incentives and Provider Behavior

Payment models influence provider practices:

- Fee-for-Service: Encourages volume over value.
- Capitation: Incentivizes cost control but may risk under-provision.
- Value-Based Payments: Reward quality and outcomes.

Health Policy Challenges

- Balancing cost, quality, and access.
- Addressing social determinants of health.
- Managing aging populations and chronic diseases.
- Incorporating technological innovations ethically and economically.

Emerging Trends and Future Directions

Technological Innovations

- Telemedicine, AI diagnostics, and personalized medicine can improve efficiency but require economic assessment for integration.
- Digital health tools can reduce costs and expand access.

Global Health Economics

- Addressing health inequalities across countries.
- Financing mechanisms for low- and middle-income countries.
- Prioritization of global health initiatives like vaccination campaigns.

Data and Analytics

- Use of big data to inform policy and improve decision-making.
- Predictive modeling for resource planning.

Health Economics Research and Education

- Growing importance of interdisciplinary research.
- Need for training professionals in economic evaluation methods.

Conclusion: The Interplay of Economics and Health

The economics of health is a complex, multi-dimensional field that influences every aspect of healthcare delivery and policy. It provides essential tools for understanding how resources can be allocated efficiently, how to address market failures, and how to design systems that promote equitable access to quality care. As healthcare continues to evolve with technological advances and demographic shifts, economic insights will remain critical for crafting sustainable, effective health systems that optimize health outcomes for populations worldwide. Policymakers, providers, and consumers must work together, informed by the principles of health economics, to meet the challenges of the future.

Question What are the main factors influencing healthcare costs in different countries?
Answer Healthcare costs are influenced by factors such as technological advancements, aging populations,

prevalence of chronic diseases, healthcare infrastructure, policy and regulation, and the cost of medical goods and services. How does health insurance impact the economics of healthcare systems? Health insurance affects healthcare economics by influencing demand for services, cost-sharing mechanisms, provider reimbursement models, and overall healthcare spending, often leading to increased access but also potential for cost inflation. What is the role of government intervention in controlling healthcare costs? Government intervention can help control costs through regulation, setting price controls, providing subsidies, implementing universal coverage, and promoting preventive care to reduce long-term expenditures. How does technological innovation influence healthcare economics? Technological innovation can improve treatment efficiency and outcomes but often leads to higher costs due to expensive new treatments, equipment, and increased demand for advanced services, impacting overall healthcare economics. What is the impact of aging populations on healthcare expenditure? Aging populations typically increase healthcare expenditures due to higher demand for medical care, long-term care services, and chronic disease management, putting financial pressure on healthcare systems. How do health disparities affect economic efficiency in healthcare? Health disparities can lead to higher overall costs by increasing the burden of disease and emergency care among underserved populations, and they often result in inefficient resource allocation within healthcare systems. What are the economic benefits of preventive healthcare? Preventive healthcare can reduce long-term costs by decreasing the incidence and severity of diseases, improving productivity, and lowering the need for expensive treatments and hospitalizations. How do healthcare market structures influence pricing and access? Market structures, whether competitive or monopolistic, affect pricing, quality, and access; monopolies or oligopolies may lead to higher prices and limited choices, while competitive markets can promote efficiency and affordability.

Related keywords: health economics, healthcare policy, medical economics, health financing, healthcare systems, health outcomes, cost-benefit analysis, public health economics, healthcare funding, health insurance

Department Of Economics Economics By

Department of Economics Economics By is a comprehensive academic discipline dedicated to understanding how societies allocate scarce resources to meet unlimited wants and needs. As a fundamental pillar of social sciences, economics explores the mechanisms behind production, distribution, and consumption of goods and services. The department of economics plays a vital role in shaping policies, fostering research, and developing analytical tools that help address complex economic challenges in both local and global contexts.

In this article, we delve into the multifaceted world of the department of economics, examining its

core functions, academic offerings, research areas, career prospects, and its significance in today's interconnected world.

Understanding the Department of Economics

The department of economics is an academic division within universities and colleges that focuses on teaching and research related to economic theories, models, and applications. It aims to equip students with critical thinking skills, quantitative analysis capabilities, and an understanding of economic principles that influence decision-making at individual, corporate, and governmental levels.

Core Objectives of the Department

- To provide a solid foundation in economic theories and principles
- To develop analytical and quantitative skills for economic analysis
- To foster research and innovation in economic thought
- To prepare students for careers in academia, government, finance, and industry
- To contribute to policy development and societal well-being

Key Components of the Department

- **Undergraduate Programs:** Bachelor's degrees in Economics, often combined with other disciplines
- **Graduate Programs:** Master's and Ph.D. programs focusing on advanced research and specialization
- **Research Centers:** Facilities dedicated to applied research, policy analysis, and economic modeling
- **Faculty:** Professors, researchers, and industry experts who contribute to teaching and scholarly work

Academic Offerings and Specializations

The department of economics offers a range of academic programs designed to cater to diverse interests and career goals. These programs often include core courses, electives, and specialization tracks.

Undergraduate Programs

- Bachelor of Arts (BA) or Bachelor of Science (BS) in Economics
- Combined degrees (e.g., Economics and Political Science, Economics and Business)
- Focus on foundational economic theories, mathematics, and statistics

Graduate Programs

- Master of Economics (ME) or Master of Business Economics
- Ph.D. in Economics for those interested in academic or high-level research careers
- Emphasis on econometrics, microeconomic and macroeconomic theory, and policy analysis

Specializations and Research Areas

- Microeconomics
- Macroeconomics
- Development Economics
- International Economics
- Environmental Economics
- Behavioral Economics
- Public Economics
- Financial Economics
- Health Economics

Research and Impact of the Department of Economics

Research is a cornerstone of the department of economics. Faculty and students often collaborate on projects that influence policy and improve understanding of economic phenomena.

Key Research Areas

- **Economic Development:** Strategies for improving living standards and reducing poverty
- **Public Policy:** Taxation, government spending, and social welfare programs
- **Financial Markets:** Market efficiency, banking stability, and investment analysis
- **Environmental Economics:** Sustainable development and resource management
- **Labor Economics:** Employment, wages, and labor market policies

Impact on Society and Policy

- Informing government policies to foster economic stability and growth
- Providing insights into global trade and financial systems
- Addressing pressing issues such as inequality, climate change, and economic crises
- Supporting development initiatives through empirical research

Career Opportunities for Economics Graduates

Graduates from the department of economics are highly sought after in various sectors due to their analytical skills and understanding of economic systems.

Potential Career Paths

- Economist in government agencies or international organizations
- Financial analyst or investment banker
- Policy advisor or consultant
- Research analyst in think tanks and research institutions
- Academic researcher or university professor
- Data analyst or quantitative analyst in tech firms
- Entrepreneur or business strategist

Skills Developed

- Quantitative and statistical analysis
- Critical thinking and problem-solving
- Data interpretation and economic modeling
- Policy analysis and evaluation
- Effective communication of complex ideas

The Significance of the Department of Economics in Today's World

In an era characterized by rapid technological advancements, globalization, and complex economic challenges, the department of economics holds immense importance.

Addressing Global Challenges

- Climate change and environmental sustainability
- Economic inequality and social justice
- Financial stability and crisis prevention

- Technological disruptions and workforce adaptation

Fostering Innovation and Policy Development

- Utilizing big data and machine learning for economic forecasting
- Designing effective fiscal and monetary policies
- Promoting sustainable economic growth

Enhancing Decision-Making

- Providing governments and businesses with evidence-based insights
- Supporting informed policy-making to improve societal welfare

Conclusion

The department of economics, often described as "economics by," is a vital academic field that combines theoretical knowledge with practical application. Its diverse programs, rigorous research, and societal impact make it an essential component of higher education institutions worldwide. Whether students seek careers in policy, finance, academia, or industry, a solid foundation in economics opens doors to influential and rewarding opportunities. As the world faces ongoing economic uncertainties and transformations, the role of the department of economics remains more relevant than ever, guiding informed decision-making and fostering sustainable development for future generations.

Department of Economics

Introduction: The Significance of a Robust Economics Department

In the landscape of higher education, the Department of Economics stands as a cornerstone for cultivating analytical thinkers, policy advisors, and innovative researchers. Renowned for its comprehensive curriculum, distinguished faculty, and research output, an economics department not only shapes students' understanding of markets and human behavior but also influences societal and governmental policies globally. As an expert review, this article explores the critical elements that define a top-tier economics department, evaluates its core strengths, and highlights the transformative role it plays in academic and real-world settings.

Core Components of an Exemplary Economics Department

An effective economics department encompasses several fundamental components that together

create an environment conducive to academic excellence, research innovation, and student development. These include faculty expertise, curriculum design, research facilities, industry collaboration, and student support services.

Faculty Expertise and Leadership

At the heart of any department lies its faculty. An outstanding economics department boasts a diverse faculty with expertise spanning various subfields such as macroeconomics, microeconomics, econometrics, development economics, behavioral economics, and international economics.

Key attributes include:

- Academic Credentials: Faculty members often hold doctorates from leading institutions, ensuring a high level of scholarship and credibility.
- Research Contributions: Professors actively publish in top-tier journals, influence policy, and participate in renowned conferences.
- Diverse Perspectives: Inclusion of economists from different cultural, geographic, and theoretical backgrounds fosters a richer learning environment.
- Mentorship and Teaching Excellence: Faculty committed to mentoring students and fostering critical thinking are pivotal to student success.

Curriculum Design and Educational Approach

A well-structured curriculum balances foundational theories with contemporary issues, emphasizing both quantitative and qualitative skills.

Features of a comprehensive curriculum:

- Core Courses: Microeconomics, macroeconomics, statistics, and econometrics form the backbone.
- Electives and Specializations: Fields like environmental economics, health economics, financial economics, and behavioral economics allow students to tailor their studies.
- Practical Skills: Emphasis on data analysis, programming (e.g., R, Python), and policy evaluation.
- Interdisciplinary Integration: Courses that intersect with politics, sociology, and technology prepare students for complex real-world problems.

Innovative Teaching Methods:

- Case studies, simulations, and experiential learning.
- Use of online platforms and digital resources.
- Collaborative projects with industry and government agencies.

Research and Innovation Infrastructure

The vitality of an economics department is reflected in its research output and infrastructure.

Essential elements include:

- Research Centers: Specialized institutes focusing on areas such as development studies, fiscal policy, or behavioral science.
- Data Facilities: Access to economic databases (e.g., World Bank, IMF, national statistics), labs, and computational resources.
- Funding and Grants: Active pursuit of research funding from governmental and private sources to foster innovative projects.
- Publication and Dissemination: Encouragement of faculty and students to publish findings, participate in conferences, and influence policy debates.

Impact and Global Recognition

A department's reputation is often gauged by its contribution to academia and society at large. Leading economics departments influence policy, contribute to economic modeling and forecasting, and produce influential research that shapes national and international strategies.

Research Output and Publications

High-quality research published in peer-reviewed journals advances economic theory and practice. Departments that consistently produce impactful publications tend to attract top students and faculty.

Notable indicators include:

- Number of publications in top-tier journals.
- Citations and academic influence.
- Interdisciplinary collaborations.

Alumni and Industry Connections

Strong industry networks and alumni success stories serve as testimonials to a department's quality.

Alumni roles include:

- Policy advisors at governmental agencies.
- Economists in international organizations like the IMF or World Bank.
- Researchers at think tanks and academia.
- Leaders in finance, consulting, and entrepreneurship.

Special Features of Leading Economics Departments

Some departments distinguish themselves through unique offerings and strategic initiatives.

Interdisciplinary Programs

Integrating economics with data science, political science, public health, or environmental studies prepares students for multifaceted challenges.

Global Engagement and Partnerships

Collaborations with international universities, research institutions, and governmental bodies foster cross-cultural exchanges and joint research initiatives.

Focus on Policy and Society

Departments emphasizing policy implications and societal impact train students to become change agents.

Activities include:

- Policy labs.
- Consulting projects.
- Public seminars and forums.

Emphasis on Sustainability and Ethics

Incorporating environmental and ethical considerations into economic analysis aligns with global priorities on sustainable development.

Choosing the Right Economics Department: What Prospective Students Should Consider

For students contemplating their academic future, understanding the strengths and focus areas of a department is crucial.

Key considerations:

- Faculty expertise and research interests.
- Curriculum flexibility and specialization options.
- Research opportunities and funding availability.
- Industry and internship partnerships.
- Graduate success rates and employment outcomes.
- International exposure and exchange programs.

Conclusion: The Transformative Power of a Strong Economics Department

In an era marked by rapid technological change, global interconnectedness, and complex economic challenges, a robust Department of Economics serves as a vital engine for knowledge creation and societal progress. Whether through pioneering research, shaping policy, or preparing future leaders, top-tier departments exert a profound influence that extends well beyond university walls.

Investing in an exceptional economics department is not merely about academic excellence; it is about fostering a deeper understanding of human behavior, societal dynamics, and sustainable development. As stakeholders—students, educators, policymakers, and society at large—recognize its significance, the department's role in shaping a better future becomes ever more essential.

In summary, a distinguished Department of Economics combines expert faculty, innovative curricula, extensive research infrastructure, and societal engagement to produce influential scholars and policymakers. Its impact resonates in the corridors of academia and the corridors of power, making it a pivotal element in addressing the economic challenges of today and tomorrow.

Question What is the primary focus of the Department of Economics? The Department of Economics primarily focuses on studying how individuals, businesses, and governments make choices regarding the allocation of resources, analyzing economic behavior, and understanding market dynamics. How does the Department of Economics by university contribute to student career development? It provides students with analytical skills, economic theory knowledge, and practical experience through research and internships, preparing them for careers in finance, policy analysis, consulting, and academia. What are the key courses offered by the Department of Economics? Key

courses typically include Microeconomics, Macroeconomics, Econometrics, Development Economics, International Economics, and Public Policy. How does the Department of Economics incorporate current economic trends into its curriculum? It updates its curriculum regularly to include topics like behavioral economics, digital currencies, global trade issues, and sustainability to ensure students are engaged with contemporary economic challenges. What research areas are prominent within the Department of Economics? Prominent research areas include behavioral economics, environmental economics, health economics, development economics, and monetary policy. How can students engage with the Department of Economics beyond coursework? Students can participate in research projects, internships, economics clubs, seminars, and conferences organized by the department to enhance their practical understanding and network with professionals.

Related keywords: economics department, economics courses, economics faculty, economics research, economics programs, economics majors, economics degree, economics faculty list, economics research topics, economics university

Read the full article online: [Department of economics economics by](#)