

Exploring Economic Profiles of Morbidity: Measures and Illustrations with Indian Data

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This paper proposes measures to identify how prevalence of various diseases and disease groups vary by economic status of the household so as to permit categorization of diseases into those associated with deprivation and affluence respectively. For this purpose, the study estimates (i) pseudo-Lorenz ratio for distribution of morbidity (as measured by the number of household members reporting an ailment) with respect to the household's economic status (as measured by the household per capita consumption expenditure); and (ii) Engel elasticity of morbidity with respect to the household's economic status by disease. The paper illustrates with economic gradients in morbidity disaggregated by disease using household level micro data from the 60th round of the National Sample Survey for the state of Kerala in India and for India as a whole. Among the results, one particularly noteworthy is that the rich have higher morbidity rates than the poor, although this varies by disease.

I Introduction

Public policy in the New Millennium has revised its approach towards poverty eradication with an explicit recognition that deprivation has multiple dimensions, both income and non-income, human in particular. Among the non-income dimensions, health and education have received special attention. Recognizing this fact, the National Common Minimum Programme of the United Progressive Alliance Government in India has laid emphasis on increasing public investment on health to 2-3 per cent of gross domestic product (GDP) (Government of India (GoI) 2006a). Consistent with this emphasis, the Union Budget for 2008-2009 has increased the allocation for the health sector by 15 per cent. Given efforts to reform the health sector in India, which include *inter alia* user charges for services in public health facilities to the non-poor in particular since the early 1990s (GoI 2007a), choice of cost-effective strategy towards health care assumes importance. This in turn would call for an understanding and appreciation of the morbidity profile of the population from an economic perspective, that is, across the poor and the rich. This is because health programmes and interventions based only on aggregate mortality / morbidity estimates have ended up as lopsided

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