

Session ASSA III: Health Economics (Chair: Bingxiao Wu, Rutgers University)

1. Meiqing Ren (University of Illinois at Chicago, mren8@uic.edu), “Is Health Insurance a Barrier to Women’s Entrepreneurship? Evidence from State Infertility Insurance Mandates in the United”

Abstract

One in seven couples in the United States experiences infertility. Despite improved medical technology to treat infertility problems, infertility treatments remain extremely costly. I study the effects of infertility insurance mandates in the United States on women’s entrepreneurship, exploiting state-level policy changes that require employer-sponsored health insurance plans to cover infertility treatments. Using a triple difference strategy applied to data from the March Current Population Survey, I find that women of later childbearing age (30-45) are less likely to become self-employed as a result of the mandates. Further investigation shows a larger effect for women lacking an alternative source of health insurance through a spouse. My results provide evidence of entrepreneurship lock, implying that a tightened link between health insurance and wage-and-salary employment discourages entrepreneurship.

2. Miranda Mendiola Valdez (University of Connecticut, miranda.mendiola_valdez@uconn.edu), “Can HIV/AIDS Treatment Hurt Women? Evidence from Malawi”

Abstract

HIV is a sexually transmitted disease and requires the interaction of two individuals to contract. Thus, HIV plays an important role on how couples interact by affecting their outside options and bargaining power. This paper exploits the exogenous variation in the roll-out of HIV treatment using a difference-in-difference method. When considering the full population, the effects of HIV treatment are close to zero. However, when considering heterogeneous education levels, we see that HIV decreases domestic violence for less educated women and increases it for their more educated counterparts. This is due to the fact that the marginal effect of HIV treatment depends on the initial conditions of the treated sample, such that women with no education benefit more.

3. Md Shahadath Hossain (Binghamton University, hossain@binghamton.edu), “Parental Health Shocks and Child Health in Bangladesh”

Abstract

I study the effect of parental illness on child health in rural Bangladesh. Using a set of health conditions that I argue are as good as random, I find that parental illness has a significant negative effect on child height. Removing the effects of parental illness would close 3.5% of the gap in height between Bangladeshi children and the global average. Fathers’ and mothers’ illnesses have equally detrimental effects and I find a comparable effect for children in joint families,

suggesting that intra-household safety nets are ineffective in protecting children against parental illness. Finally, I explore three potential mechanisms through which parental illness may affect child health: parental resource allocation, early life stress, and parents' fertility choice.

4. Jaclyn Yap (Fordham University, jyap4@fordham.edu), "The Heterogeneous Effects of Climate-related Disasters on Child Health: Evidence from Indonesia"

Abstract

Nearly 200 million children from low and middle-income countries (LMICs) continue to suffer from stunting and wasting – indicators of chronic malnutrition. Rising incidence of climate disasters in these countries threatens to worsen children's health, however, empirical evidence on the magnitude of their overall impact is lacking. In this paper, I examine the effects of current as well as past climate-related disasters (i.e., floods, landslides, and cyclones) on children's health. Using rich micro-level data from the Indonesian Family Life Survey (IFLS) and Indonesian Disaster Data and Information Database (DIBI), I exploit the exogenous temporal and spatial variation in the intensity of disasters and the timing of children's birth to allow for the effects of disasters to vary by age. Conditional on district, birth-month and cohort fixed effects that account for several sources of unobserved heterogeneity, I show that current disasters in Indonesia reduce children's weight-for-height Z-scores (WHZ), while past disasters reduce height-for-age Z-scores (HAZ) and increase the likelihood of stunting. I find the increase in the incidence of diarrhea and respiratory illnesses, along with reductions in protein intake, to be the primary mechanisms driving these findings. Back-of-the-envelope calculation reveals that children repeatedly exposed to disasters are, on average, 0.25 cm shorter than children not exposed to disasters.

5. Malabi Dass (Oklahoma State, malabi.dass@okstate.edu), "The Nexus between Trade, Women labor force participation and Child Health: The Case of Indonesia",

Abstract

Trade liberalization is one of the factors that affect child health, and it can occur via changes in the parents' earning opportunities – a channel not yet explored in the literature (as per my knowledge). If mothers are offered higher work opportunities, then long hours devoted to the place of job can guarantee higher wages and better nutrition for children, but it also comes with less time devoted to child-rearing responsibilities and higher incidence of diseases among children. Exploiting the regional variation in tariff reductions that occurred in Indonesia in the 1990s and 2000s following the adoption of liberalization of trade, I find that trade liberalization caused imprints in child health outcomes for children aged five years and below. Reductions in tariffs led to significant increase in the likelihood of females joining the labross the sample. Using the sample of only urban mothers and children, I find that there exists an unambiguous beneficial effect of tariff cuts on height-for-age z-scores that is mediated through mother's participation decision. Such significant results also exist for children whose mothers are young and highly educated. These results lead us to believe that

policymaking should be more inclined to promote better education among women and provision of childcare services should take centerstage.

6. Michelle Escobar Carías (Monash University, m.escobarcarias@gmail.com), “Heat and Economic Preferences”

Abstract

Does temperature affect economic preferences and the likelihood of irrational behavior? Using data from Indonesia, we answer this question by estimating how risk aversion, impatience and the occurrence of a rational choice violation vary with outdoor temperatures within areas over time. Our findings show that hot weather causes more rational choice violations and increases impatience, but does not affect risk-aversion. These effects are driven by temperatures on the night prior to the survey rather than by temperatures during the day of the survey. An important mechanism behind these effects is depleted cognitive functioning, particularly mathematical skills. These findings suggest that heat-induced night-time disturbances cause stress on the brain, which then manifest in significantly lower cognitive functions critical for economically rational and utility-maximizing decision-making. This has important implications for poorer households in low- and middle-income countries, who are most exposed to extreme heat.