Working Paper No. 851

Keep in mind

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor Ana María Iregui Ligia Alba Melo María Teresa Ramírez

This paper uses the first wave of the Colombian Longitudinal Survey (ELCA) to analyze the relationship between individual health status and labor force participation. The empirical modeling strategy accounts for the presence of potential endogeneity between these two variables. The results show that there is a positive relationship between health and labor force participation in both directions, indicating that better health is likely to lead to a higher probability of participation in the labor market, and also that those who are in the labor market are more likely to report better health. Moreover, interesting differences arise when the database is further divided by gender and/or age groups. Our findings highlight the importance of public policy to guarantee good health conditions of the population which could also have a positive impact on labor productivity and consequently on long-run economic growth.

The opinions expressed here do not necessarily correspond neither to the Banco de la República nor its Board of Directors.

Update 02/02/2015, 09:33 a.m.