

Health Status and Labor Force Participation: Evidence for Urban Low and Middle Income Individuals in Colombia

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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.

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