Study: Child health may suffer in strong economy

March 18 2010

A short-term economic boom is not always a good thing for children in developing nations, according to a new study in the *Journal of Political Economy*. The study found that when Colombia's coffee trade suddenly booms, illness and mortality rates among children increase in coffee-producing counties.

When coffee prices spike, workers spend much more time tending fields and less time doing things that are good for children's health, the study found. "The net result is that infant and child health actually becomes worse despite the fact that people are making more money," said Grant Miller of Stanford University, who authored the study with Piedad Urdinola of the National University of Colombia. The reverse is also true, the study found. When coffee prices fall abruptly, people work less and child health improves, even though families may have less money.

Taken as a whole, Miller and Urdinola say, the results suggest that for Colombian households, time may be more important than money when it comes to keeping kids healthy. So we shouldn't necessarily expect that better health is an automatic outcome of a short-term economic expansion.

"The things that matter most for infant or child health in rural Colombia—things like breastfeeding, bringing clean water from far away or taking a child to a distant health clinic for primary care services or vaccinations—aren't very expensive, but they require a substantial amount of time," Miller said. "Focused efforts to reduce these time costs may be an effective way to improve health."

The analysis tracked coffee prices from 1970 to 2006, a period that includes several large price shocks in 1975, 1985 and 1991. Miller and Urdinola matched coffee prices over time with population censuses, household surveys, and other data sets that measure mortality, children's health, parents' labor force participation, and household activities related to health.

This is not the first study to link an economic uptick with poorer health. Several recent studies of the U.S. and other wealthy nations have found that health declines when the economy spikes and improves during recessions. But Miller and Urdinola didn't necessarily expect that this would also be true in a developing nation like Colombia.

"In wealthy nations there tends to be more social safety net programs and more access to insurance and credit to help people get through bad economic periods," Miller says. "Developing nations may lack some of those safeguards, so there is reason to suspect that health would decline when the economy does in places like rural Colombia. So our main finding was somewhat surprising to me."

The good news, Miller and Urdinola say, is that the study shows that good health may be possible even in countries that lag behind in economic growth.

"Long-term growth may improve health, but in the shorter-term, good health doesn't necessarily have to require a lot of wealth," he said. "Healthy but poor may be an attainable state of the world, even if it isn't as good as healthy and rich."

More information: Grant Miller and B. Piedad Urdinola, "Cyclicality, Mortality, and the Value of Time: The Case of Coffee Price Fluctuations and Child Survival in Colombia." Journal of Political Economy 118:1.

Provided by University of Chicago