

WiC Colloquium

Vienna Institute of Demography
Welthandelsplatz 2 / Level 2
Nathan Keyfitz Library
1020 Vienna

Rainer Kotschy

Friday, 10. May 2019
14:00-15:00

"Health and Economic Growth: Reconciling the Micro and Macro Evidence"

Economists use micro-based and macro-based approaches to assess the effects of health on economic growth. Micro-based approaches aggregate the return on individual health from Mincerian wage regressions to derive the macroeconomic effects of population health. Macro-based approaches estimate a generalized aggregate production function that decomposes output into its components. The micro-based approach tends to find smaller effects than the macro-based approach, thus presenting a micro-macro puzzle regarding the economic return on health. We reconcile these two strands of literature by showing that the point estimate of the macroeconomic effect of health is quantitatively close to that found by aggregating the microeconomic effects, when controlling for potential spillovers of population health at the aggregate level. Our results justify using the micro-based approach to estimate the direct economic benefits of health interventions.

About the presenter

Rainer Kotschy is a Postdoctoral Research Fellow at the Chair for Population Economics at the Ludwig Maximilian University Munich. His research investigates the determinants and consequences of health dynamics and population aging for economic performance. Research interests include demography, health, labor economics, inequality, and long-run development. Dr. Kotschy received his doctorate in Economics from the Ludwig Maximilian University Munich in 2018.