Sweet child of mine: Income, health and inequality

coauteurs : Nicolas Berman et Lorenzo Rotunno

RÉSUMÉ

We study the effect of income shocks on child health and strategic investment across siblings using data on more than 1 million children from multiple waves of the Demographic and Health Survey (DHS) spanning 52 developing countries. We identify income shocks using information on the variation of the world prices of locally produced commodities from 1960 to 2016. We find that (i) temporary income shocks in utero and in the first year of life positively affect survival, anthropometric indicators and long-term health investment up to five years after the shock; (ii) households allocate more resources to children born in good times relative to their siblings. This within-household reallocation has important implications for child health inequality. In regressions at the regional level, health disparities across siblings are found to be larger when children are exposed to higher crop prices."