

what's better for
for your
health
remittances or income?

in Tajikistan...

47% of GDP comes from remittances.

71% of total public health expenditure comes from private household pockets.

45% of the population lives below the national poverty line.

... how do these households afford health care?

- » We investigate the impact of remittances on health care expenditure and health outcomes in Tajikistan.
- » While existing literature finds a positive effect of remittances on health care expenditure, expenditure alone is an incomplete proxy for health status and health outcomes. Moreover, the body of literature on health outcomes focuses almost exclusively on infants and children, leaving out a significant share of the population.
- » Our study explores the impact of remittances on various proxies of health outcomes, and for all household members (adults and children).

Descriptives



95% of Tajikistani migrants live in Russia



24% of households have a member abroad



Tajikistan is a small land-locked country in Central Asia, bordering Afghanistan to the south, Uzbekistan to the west, Kyrgyzstan to the north, and China to the east.

Data 2007 World Bank Living Standards Measurement Survey (LSMS), 4,860 households

Model OLS regression with an instrumental variable approach
Instrument: migrant proximity (62% of migrants found housing/jobs through community contacts)
Robustness check: Tobit model with estimates as an instrument in the second stage

Results Second-stage results, dependent variables: health proxies*

	(1)	(2)	(3)	(4)	(5)
Remittances pc, log	0.630**	-0.951**	-0.754	0.0637*	0.0183***
Income pc, log	0.0823***	-0.0974	-0.167	.000169	0.00181

Conclusion On average, remittances have a much larger and positive effect than other sources of income on health expenditure and health outcomes. For example, compared with income, a 1% increase in remittances has a five-fold impact on health expenditure.

*Specifications: (1) Medical expenditure, pc, logged; (2) Days unable to work due to chronic illness; (3) Days unable to work due to sudden illness (4) Health status of the individual; and (5) Health status compared to previous year