

Subsidized Health Care and Food Security: Evidence from Colombia

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Abstract

In 1993, the Colombian Government created a subsidized health care regime (SR) in order to increase coverage among the poorest population. Using data from the 2008 and 2012 Colombian Living Standards Survey, I estimate the association between SR participation and household food insecurity. Enrollment into the SR is not exogenous due to self-selection from potentially eligible households, discretionary municipality level policies that affect eligibility, and manipulation of the assignment process for electoral purposes. Therefore, I use the proportion of lifetime the household head has resided in the current municipality as an instrumental variable. Taking the uninsured population as the comparison group, the two-stage least squares regression estimates reveal that participation in the SR is associated with a reduction of the probability of being food insecure, principally in rural areas. This result is robust to different specifications and, moreover, prevails after implementing an imperfect instrumental variables approach.