



Minimum Wages and Early Life Health in Indonesia



What is MACHEQUITY?

- Maternal and Child Health Equity research program.
- Research effects of anti-poverty social policies impact disease among children and women under 50.
- Including researchers from public policy, public health, epidemiology, economics, and medicine.

What has already been done?

- Using height for age z-scores (HAZ) as a measure of child nutrition, **Muhamad Farhan Majid**, Jose Mendoza, Sam Harper, John Frank, and Arijit Nandi started by asking if minimum wage laws in low and middle-income countries unconditionally improve young children's health by encouraging health investments in newborns.
- They found heterogeneous results. Adverse effects were concentrated in lower-income countries and were most pronounced in South Asia. By contrast, increases in the minimum wage improved children's HAZ in Latin America.

How I first contributed

- During a first internship at the Institute for Health and Social Policy (IHSP) at McGill University, I worked closely with **Muhamad Farhan Majid** to uncover the institutional background to minimum wage policy in Indonesia.
- By conducting online research and literature reviews, we were able to find the information we needed about **how, when and who** determines provincial minimum wages to better understand why and how they vary over time.

Why does early-life health matter?

- Studying health investments in a child's early age (0-5 years) is interesting because of the criticalness of this stage in shaping a person's lifetime health and personal development.
- Many researchers have looked at the immediate and long-run socioeconomic outcomes of early-life economic conditions, but little has been done on studying health outcomes.

What follows?

- Following his first study conducted on a global range of developing countries, Dr Majid is now focusing on the case of Indonesia to see whether increasing the minimum wage would positively influence Indonesian children.

Why study minimum wages in Indonesia?

- As minimum wages influence income, they are a helpful determinant of socioeconomic behavior and outcomes.
- In Indonesia, the minimum wage has historically been the most important and most used governmental policy to affect labor markets.
- There seems to be a correlation with economic growth.
- It has also been a very controversial policy that has caused social uprisings over time.

How I further contributed

- Thanks to the Arts Internship Office, my ARIA donor Mr Heyman and Prof. Erin Strumpf from the Economics and Epidemiology, Biostatistics and Occupational Health departments, I was able to be sponsored to pursue my research with Dr Majid during the summer.
- After the literature review part of the paper, we moved on to the methodology and data analysis. Using the Indonesian Family Life Survey (IFLS), we were able to have detailed socioeconomic, health and geographic information about Indonesian households (83% of the population) over four phases in 1993, 1997, 2000, and 2007. Over 30,000 individuals were interviewed with a high follow-up rate within different waves of the survey.
- Using STATA as our statistical software, we gathered data by importing it from IFLS and other databases, merging it, sorting it and cleaning it, in order to build a final main dataset with information on children and their parents.
- Data includes personal information such as age and sex, wage and income variables, indicators of parental education and many other conditions such as health, marriage, and provincial geographic location.

What is next?

- After having set up the data for analysis, we are now working on interpreting regressions and drawing conclusions.

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- The Arts Internship Office staff namely Mrs Anne Turner managing the ARIA program
- McGill's Librarians and Antoine hosting workshops
- My ARIA donor Mr Heyman

Recommended readings:

- Cynthia Lee, "Impact of minimum wage on child health varies". *McGill Newsroom*, May 30, 2016. <https://www.mcgill.ca/newsroom/channels/news/impact-minimum-wage-child-health-varies-261025>.
- Muhammad Farhan Majid, J. Rodríguez, S. Harper, J. Frank, A. Nandi, "Do minimum wages improve early life health? Evidence from developing countries". *Social Science & Medicine*, Volume 158, June 2016. <http://dx.doi.org/10.1016/j.socscimed.2016.04.019>.

