Abstract:
The role of state-sponsored sickness insurance schemes of the late 19th and early 20th centuries on infant health outcomes has largely been ignored even through these schemes provided confinement benefits that diffused proper infant care practices and lengthened the time mothers were able to breastfeed. This paper analyzes the role of sickness insurance schemes on the crude death rate, infant death rate, and non-infant death rates using a fixed-effect effect dynamic panel data model. Although the majority improvements in the death rates due to expansion of coverage were among non-infants, a ten percentage point increase in the proportion of the adult population covered by sickness insurance reduced the number of infant deaths by 3.7 to 5.3% each year. This reduction among infants is non-trivial and accounts for twenty-five to thirty-five percent of entire reduction in the crude death rate attributed to sickness insurance.