

**‘Must-trade and Catch-up’:
Do the self-employed under-invest in their health?**

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Abstract: This study analyses the health care consumption of self-employed (SE) workers versus other occupational categories of workers, over the life cycle in France. The intuition is that SE workers face a smaller opportunity cost of care in the early stages of their working lives as their job is more demanding, so that they could more often postpone or forego some care during the early years (the ‘must-trade’ effect). Such a behaviour would inevitably generate negative health effects, and even cause premature mortality, thus leading the opportunity cost of care to increase faster over time, and eventually reducing the gap in health care demand as self-employed workers are ageing (‘the ‘catch-up’ effect). We used the 2012 cross-sectional data from the 2012 French Health, Health Care and Insurance Survey (ESPS) matched with the National Health Insurance data. Health care demand (outpatient and inpatient care in terms of amount and volume) was decomposed at different ages of life and by gender using a two-step model. We instrumented work occupation (SE) by the proportion of self-employed workers in the administrative area (craftsmen, merchants and farmer, and discarding physicians as they could be self-employed). The results indicate that self-employed workers (especially men) tend to consume less outpatient care in the early stages of their working life, while their consumption gradually increases with age (as expected when the opportunity cost decreases), to eventually reach the levels of other categories of workers after retirement.

Keywords: Health care demand, Health care expenditures, Occupational status.

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