

**Does size matter? The effect of obesity on labour market outcomes.**Sílvia Sousa¹¹ Universidade do Minho / NIPE, Braga, PORTUGALContact: ssousa@eeg.uminho.pt

Objectivos (Objectives): The growing importance of the phenomenon of obesity both in the United States and more recently in Europe requires acute responses from the public health authorities. In this context, a relevant strand of health economics literature has dealt with overweight and obesity prevalence estimating their direct and indirect costs. In the present study, the aim is to shed some light over the potential indirect costs related to the individuals' performance in the labour market. More precisely, the effect of overweight and obesity is analyzed in terms of labour market outcomes, translated into labour force participation and employment rates.

Metodologia (Methodology): Using the European Community Household Panel, a different approach both in terms of the scope of the analysis, given its focus on European countries, and in terms of methodology, by the use of alternative non-parametric techniques is proposed. Starting with the recognition of the potential endogeneity present in the relation between body mass measures and labour market outcomes, the methods applied depart from parametric estimates focusing initially on a matching approach and overcoming the difficulty in finding suitable instruments associated with an instrumental variable approach. In this framework, average treatment effects on the treated are estimated. Further estimates are based on regression discontinuity methods, given the nature of the data used.

Resultados (Results): Parametric results point to the importance of overweight and obesity on labour market outcomes. Results obtained from matching methods corroborate parametric results concerning the effect of Body Mass Index (BMI) on labour force participation. Female labour force participation, as well as employment, is negatively affected by a BMI indicating overweight while male labour force participation and employment react positively to a BMI indicating overweight; and this gender pattern can be observed both in Northern and Southern European countries. So far, regression discontinuity results have been inconclusive, requiring further specification refining.

Conclusões (Conclusions): Assuming the validity of parametric and matching results, policies aiming at dealing with overweight and obesity prevalence effects on labour market outcomes need to recognize and reflect the importance of the gender dimension of the phenomenon.