

5.2 THE LONG RUN HEALTH CONSEQUENCES OF THE ECONOMIC TRANSITION

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Based on our study published at the BMC Public Health journal (*Bíró–Branyiczki, 2020*), using data from the Survey of Health, Ageing and Retirement in Europe (SHARE), we analyse the link between the economic transition in Central and Eastern Europe (CEE) and population health two-three decades later. Health of the population of post-socialist CEE countries lags behind the European Union average. The aim of our research was to investigate whether experienced psychosocial stress as an adult around the transition period had adverse health implications observable at older ages in the life course.

The SHARE is a freely available, cross-national, bi-annual, multidisciplinary panel database of micro data on health, labour force status and socio-economic status of individuals aged 50 or older.¹ The third and seventh SHARE waves (from 2009 and 2017) included retrospective questions about respondents' life history, such as employment history, periods of stress and financial difficulties, and health at younger ages. Based on these data, we observe if respondents had stressful periods, financial difficulties or lost their jobs between 1987–1993, that is around the transition. We investigate the relationship between these indicators of difficulties and subjective and objective health, as measured in 2017. We compared these relationships across three CEE country groups (Visegrád fours, Baltics, South-East Europe) and Western Europe. We also compared the health implications of difficulties occurring around the transition to difficulties occurring before or after the transition.

We found that stressful periods, financial difficulties and job loss around the period of transition are generally associated with worse health at older ages in all groups of CEE countries. This relation holds even after netting out the effect of childhood health and demographic factors. The three types of difficulties have similar relation to health at older ages (*Table 5.2.1*). Our results indicate that the implications of the difficulties around transition accumulate over the life course, resulting in worse health at older ages. For example, looking at subjective health, we found that people who experienced some difficulties around the transition report 50–100 percentage higher odds of fair or poor health in 2017 (as opposed to excellent, very good or good health).

The SHARE data also show that the health of the older population is worse in CEE than in the West, for instance, most chronic diseases and obesity are more prevalent. We also see that compared to the West, a higher ratio of CEE respondents report difficulties around the years of transition (*Figure 5.2.1*). However, when we analysed the health implications of similar difficulties in Western Europe, we found similar results as in CEE. The health implications

¹ This paper uses data from SHARE WAVES 1–7, see *Bergmann et al. (2019)* and *Börsch-Supan et al. (2013)* for methodological details. The SHARE data collection has been primarily funded by the European Commission through FP5 (QLK6-CT-2001-00360), FP6 (SHARE-I3: RII-CT-2006-062193, COMPARE: CIT5-CT-2005-028857, SHARELIFE: CIT4-CT-2006-028812) and FP7 (SHARE-PREP: N°211,909, SHARE-LEAP: N°227,822, SHARE M4: N°261,982). Additional funding from the German Ministry of Education and Research, the Max Planck Society for the Advancement of Science, the U.S. National Institute on Aging (U01_AG09740-13S2, P01_AG005842, P01_AG08291, P30_AG12815, R21_AG025169, Y1-AG-4553-01, IAG_BSR06-11, OGH_A_04-064, HHSN271201300071c) and from various national funding sources is gratefully acknowledged (see www.share-project.org).

of difficulties experienced at other periods (before or after the transition) are also similar. Thus, we conclude that the consequences of hardships due to the transition are not specific, health implications of these difficulties seem to be similar to the implications of other shocks possibly unrelated to the transition. Thus, not the transition-specific nature of the difficulties, but the higher fraction of individuals experiencing them around the transition contributed to the current health disadvantage in CEE.

Table 5.2.1: Health measures regressed on experienced difficulties occurring in 1987–1993 in CEE (logit odds ratios)

| | Fair or poor health | Long-term illness |
|--|---------------------------|---------------------------|
| Stress × Visegrád fours | 1.728*** (1.502–1.988) | 2.610*** (2.243–3.037) |
| Stress × South-East Europe | 2.042*** (1.607–2.596) | 2.236*** (2.052–2.438) |
| Stress × Baltics | 1.592** (1.112–2.280) | 1.724*** (1.222–2.434) |
| Number of observations | 17,452 | 17,452 |
| Wald-test <i>p</i> -value | 0.425 | 0.034 |
| Financial difficulties × Visegrád fours | 1.923*** (1.211–3.054) | 2.112*** (1.676–2.663) |
| Financial difficulties × South-East Europe | 1.771*** (1.263–2.484) | 1.549*** (1.111–2.159) |
| Financial difficulties × Baltics | 1.175*** (1.111–1.243) | 1.522*** (1.208–1.917) |
| Number of observations | 20,503 | 20,503 |
| Wald-test <i>p</i> -value | 0.007 | 0.121 |
| Job loss × Visegrád fours | 1.502*** (1.355–1.665) | 1.419*** (1.331–1.514) |
| Job loss × South-East Europe | 1.599*** (1.430–1.788) | 1.343*** (1.222–1.476) |
| Job loss × Baltics | 1.967*** (1.585–2.442) | 1.707*** (1.502–1.940) |
| Number of observations | 20,524 | 20,525 |
| Wald-test <i>p</i> -value | 0.081 | 0.008 |

Notes: Individual characteristics and country effects are controlled for. We show logit odds ratios with 95 confidence intervals. The Wald test tests the equality of the coefficients of the interaction terms.

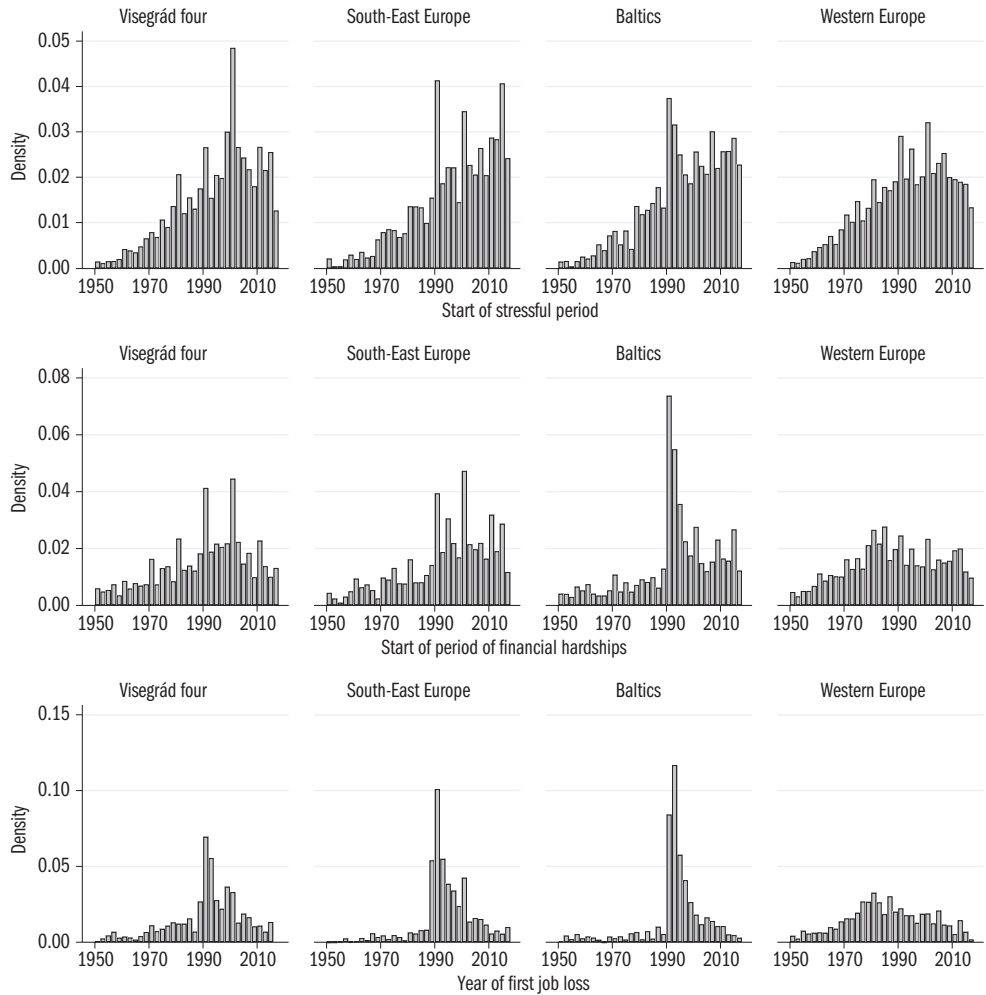
*** $p < 0,01$, ** $p < 0,05$, * $p < 0,1$.

Source: *Bíró–Branyiczki (2020)*.

Our heterogeneity analysis revealed that the health implications of difficulties around the transition were stronger among males and the younger.

Overall, we found evidence that stressful periods, financial difficulties and job loss around the period of transition increased the health disadvantage of the population of CEE countries. Our results draw the attention to the long-lasting impacts of psychosocial stress during adulthood on later health.

Figure 5.2.1: Starting year of difficulties by regions



Source: Bíró–Branyiczki (2020).

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