Ill health and the risk of poverty in Europe: Individuals and welfare institutions

INVEST

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Background

- The relationship between health and socioeconomic status has been well established in research
  - Poor health can lead to lower income, education, and occupational status – "social selection"
  - Low socioeconomic status can negatively impact health through e.g. stress and anxiety, unhealthy/hazardous living and working conditions, worse access to health care or poorer health behaviour – "social causation"
  - Both selection and causation are probably at work leading to health inequalities
- Institutions and societal factors can affect the relationship and the mechanism behind it
  - Who are poor, who have poor self-assessed health and how these two are related vary from country to country

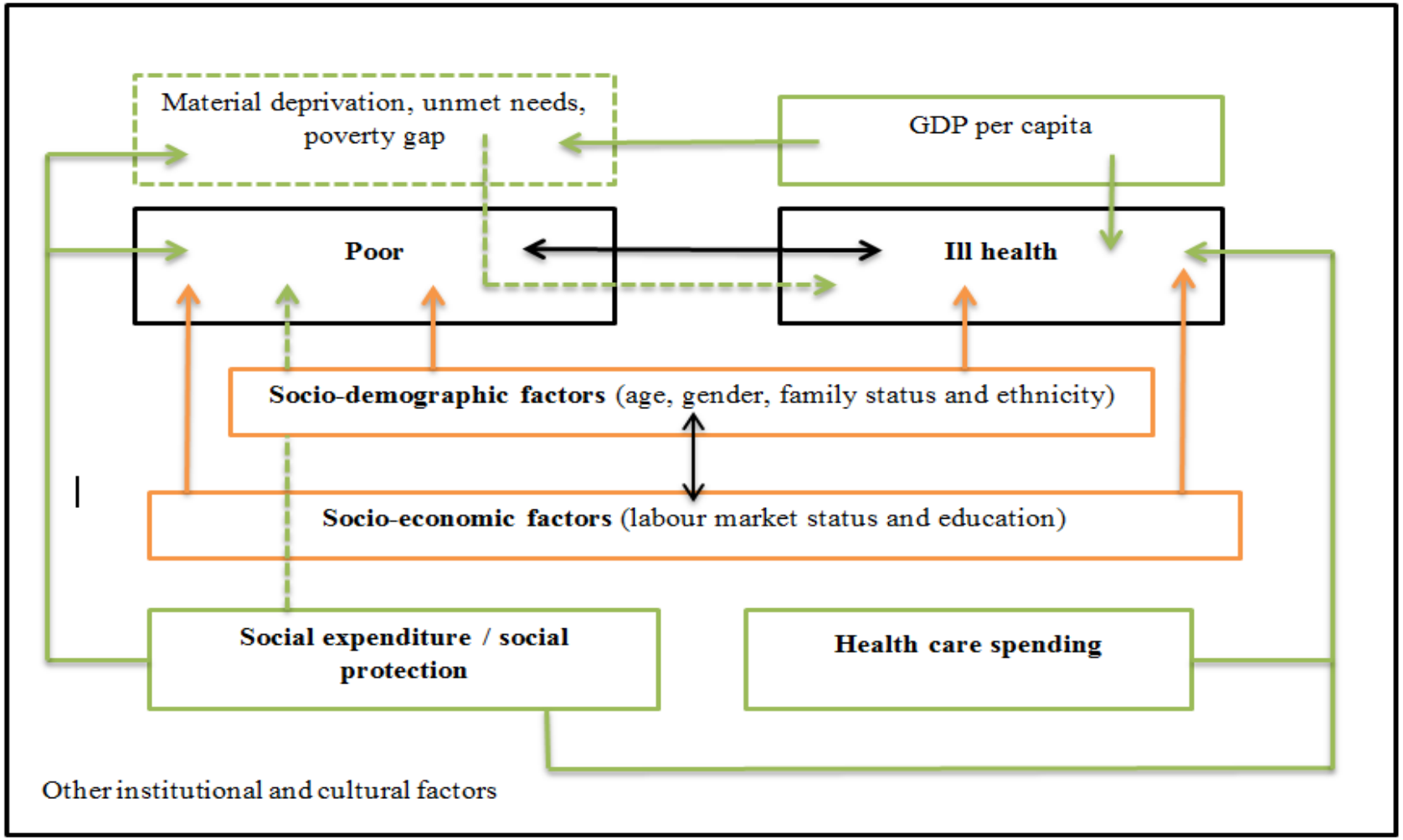
The role of institutions

- Welfare state institutions and level of economic development are important determinants of population health as well as poverty
- However, health inequalities seem to persist also in egalitarian countries
- The poverty/health association might be affected by welfare state institutions through composition of the poor and depth of poverty (e.g. to what extent social problems are accumulated)
- Social security mitigates the income risks related to ill health in various degrees in Europe
- Health care systems affect general population health and also access to health care by the poor

Research questions

- Variation in poverty penalties: How does the association between ill health and risk of poverty vary between countries?
  - Note: objective is not to examine causal direction between the two
- Has the association changed over time (2008-18)?
- Does welfare generosity moderate the association between poverty and ill health?
- Do the results change when we look at material deprivation instead of monetary poverty?

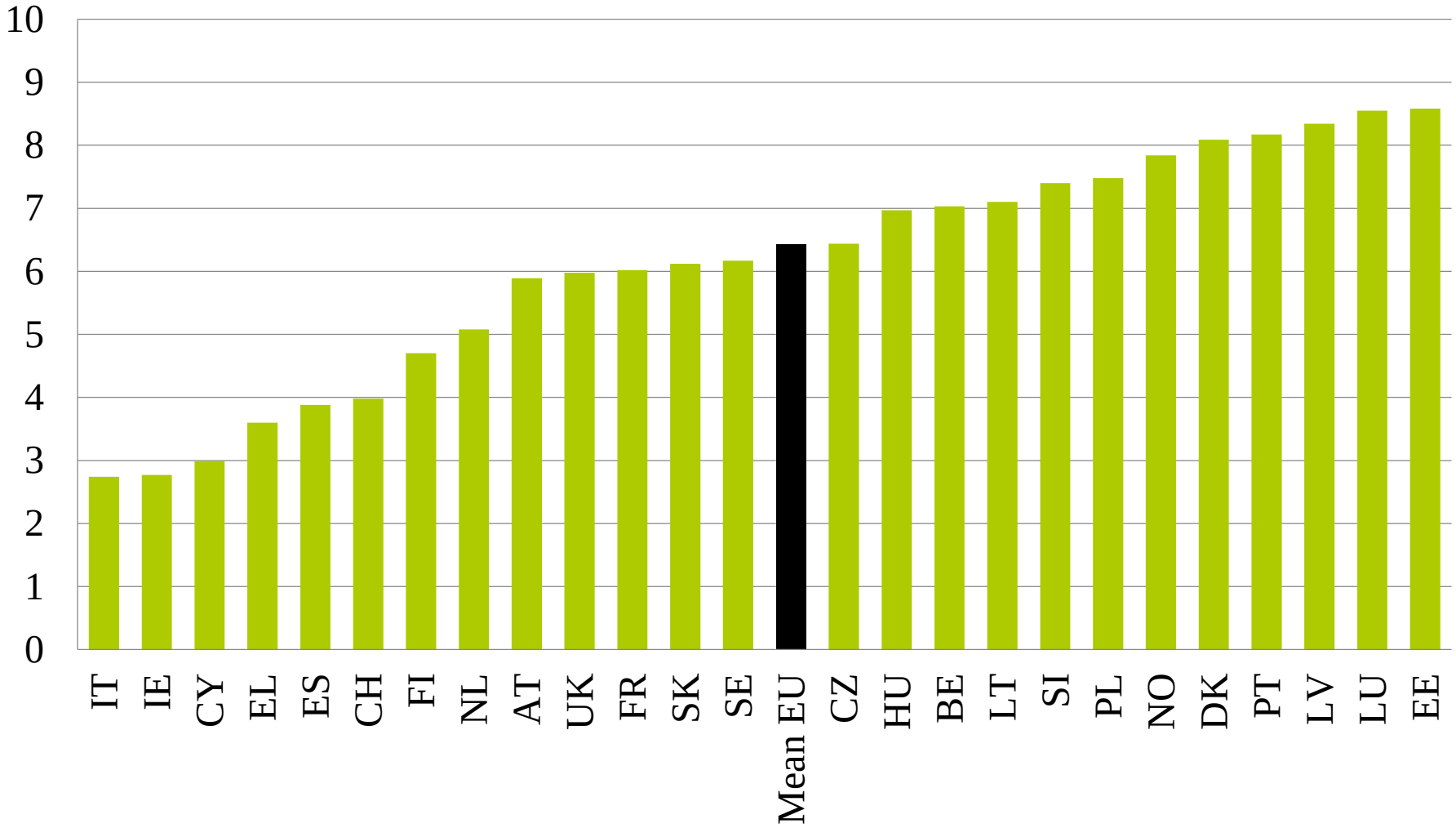
Research framework



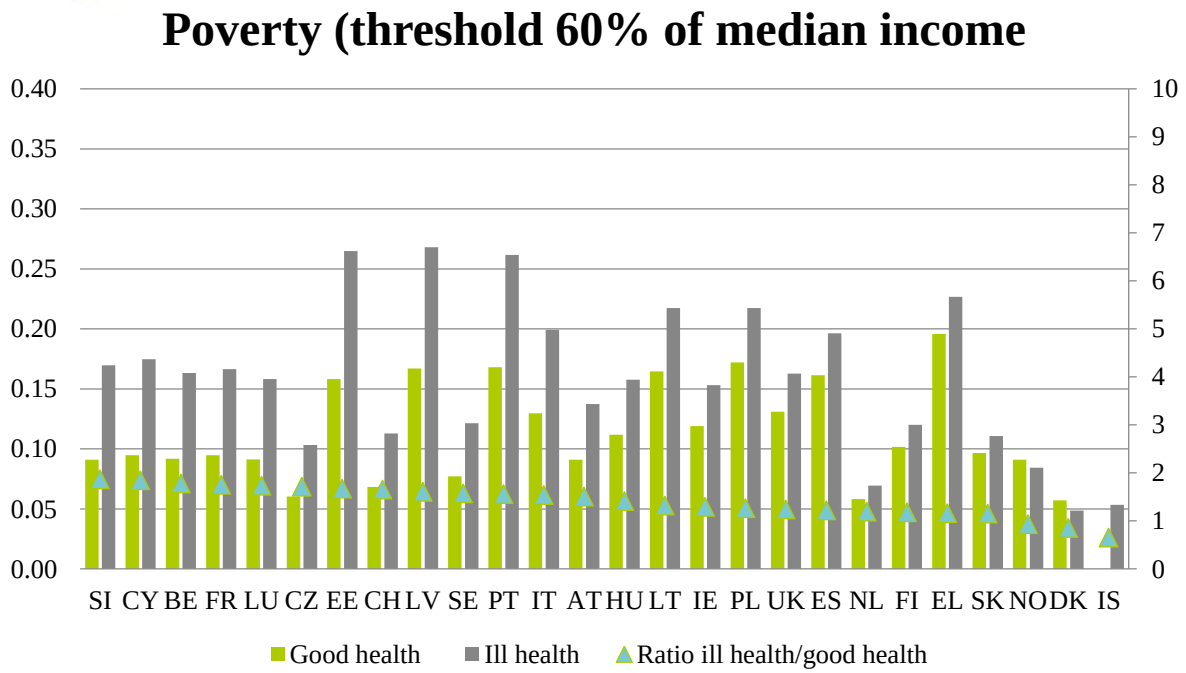
Data and methods

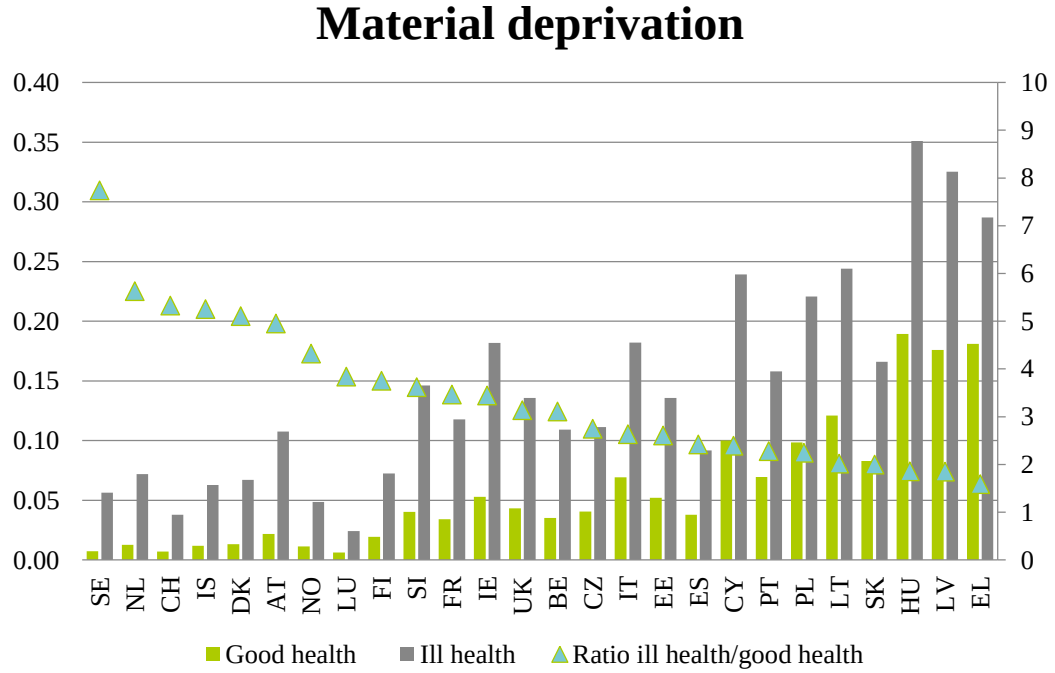
- Cross-sectional EU-SILC data, 2008-2018 for 26 countries
- Working-age individuals 20-46 years old (n=2 661 634)
- **Outcome variable poverty** (dummy poor)
  - Poverty threshold 60% of country's median equivalised disposable income
  - Material deprivation: identifies individuals who cannot afford at least three of the following nine items: 1) to pay their rent, mortgage or utility bills; 2) to keep their home adequately warm; 3) to face unexpected expenses; 4) to eat meat or proteins regularly; 5) to go on holiday; 6) a television set; 7) a washing machine; 8) a car; 8) a telephone.
- **Independent variable ill health** (dummy self-rated health)
- Control variables age, gender, education, migrant status, employment status, household type
- Logistic regression models and multilevel models

Proportion (%) of people with self-rated ill health by country in 2017/2018



Poverty penalties associated with poor self-rated health status





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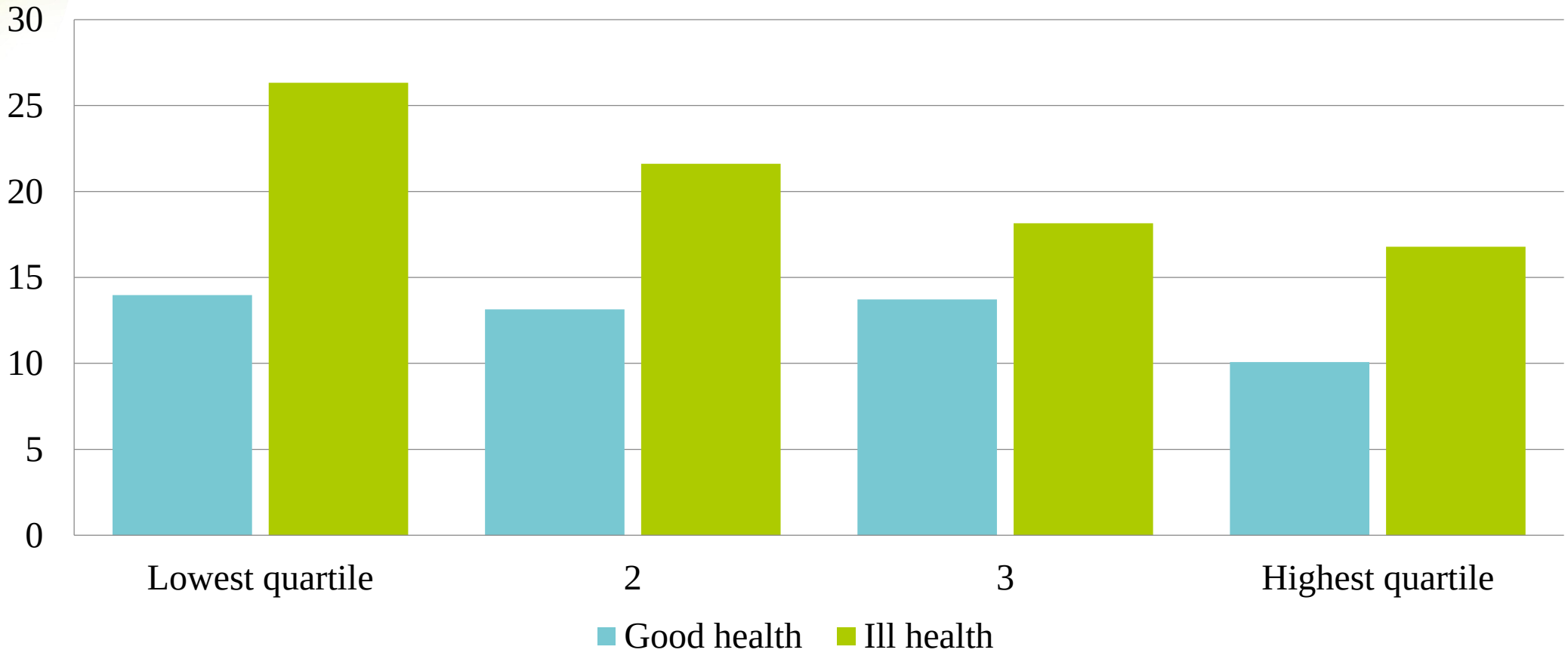
Poverty risk by self-rated health and health care expenditure



Conclusions

- In all countries, individuals with ill health face a poverty penalty
- Penalty differences are surprisingly small when various individual factors are controlled for
- Differences between countries are bigger when material deprivation is analysed; in Nordic welfare states the penalty is the highest
- This ”Nordic deprivation paradox” could reflect accumulation of social problems; material deprivation in these countries is something else than just lack of income