

**Does self-assessed health status
contribute to life satisfaction
in transitional Romania?**

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This paper

- Analyses *how self-assessed health status contributes to overall happiness during transition to market economy.*
- First, we present the theoretical framework.
- Second, we outline the development of the Romanian economy, especially the variables used in the empirical analysis.
- Third, present and discuss the estimates of an ordered probit model, and conclude.

Earlier studies & our approach

- Economists have used *questions related to satisfaction as a proxy for respondents welfare* (e.g. DiTella et al., 2001, Easterlin, 2000, Frey and Stutzer, 2000).
- In this paper we assume a utility function $u = f(y, z)$, where y is the income and, z are socio-economic characteristics.

Average real incomes indices (%)

	Average salary earnings	Average social state insurance pension	Net incomes of households
1989	100.0	100.0	100.0
1990	103.4	104.6	126.1
1991	84.5	81.1	98.6
1992	73.8	66.6	80.8
1993	61.4	59.1	70.0
1994	61.5	57.8	66.9
1995	68.8	64.0	100.0
1996	75.2	65.7	105.6
1997	58.2	52.1	85.9
1998	60.3	51.1	81.3
1999	58.0	49.8	72.5

Household incomes and expenditures, by main components (%)

	1995	1996	1997	1998	1999
Total incomes	100.0	100.0	100.0	100.0	100.0
of which					
- salary incomes	43.8	41.7	37.9	39.6	38.5
- incomes from social benefits	15.9	15.6	17.8	18.7	20.6
of which					
-family allowances	1.3	1.1	2.3	2.5	1.9
-pensions	12.5	13.1	13.7	14.5	16.6
-unemployment benefits	1.0	0.6	0.7	1.0	1.3
- consumption from own resources	27.6	30.6	31.7	29.1	29.0
Total expenses	100.0	100.0	100.0	100.0	100.0
of which:					
- food consumption	57.2	57.6	58.8	57.2	53.5
- non-food consumption	31.2	31.2	29.0	28.2	29.3
- services	11.4	11.2	12.2	14.6	17.2

Gross rate of enrolment, by type of education (%)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Primary	90.8	92.4	93.8	96.9	99.7	99.5	99.1	97.5	99.8	100
Gymnasium	91.4	88.9	86.1	86.5	84.3	86.7	86.4	92.3	94.3	93.9
Secondary (2 nd cycle)	90.7	76.1	65.7	63.7	66.1	68.6	69.1	68.6	67.8	69.4
Higher	10.6	12.5	20.2	22.7	22.7	20.9	22.2	22.7	25.4	28.0

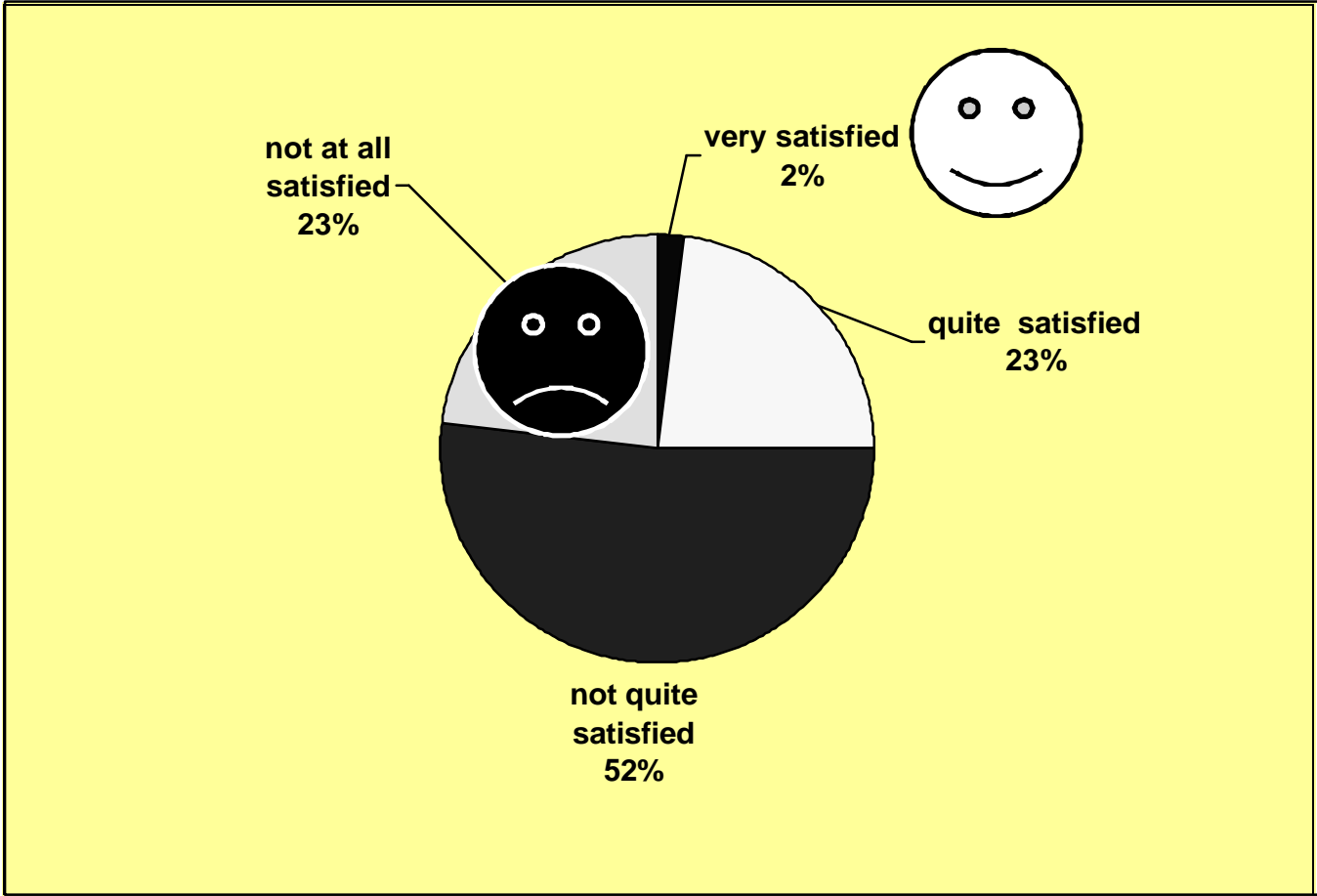
DATA

- the May 2001 survey of the Romanian Public Opinion Barometer database, which was built on surveys organized by the Open Society Foundation.
- Since 2000 it was oriented mainly on opinions about the *standard of living*, life styles, social and economic policies evaluation, opinion about the institutional framework (rules, organization, and even corruption issues), work, *health*, leisure, income and expenditures.

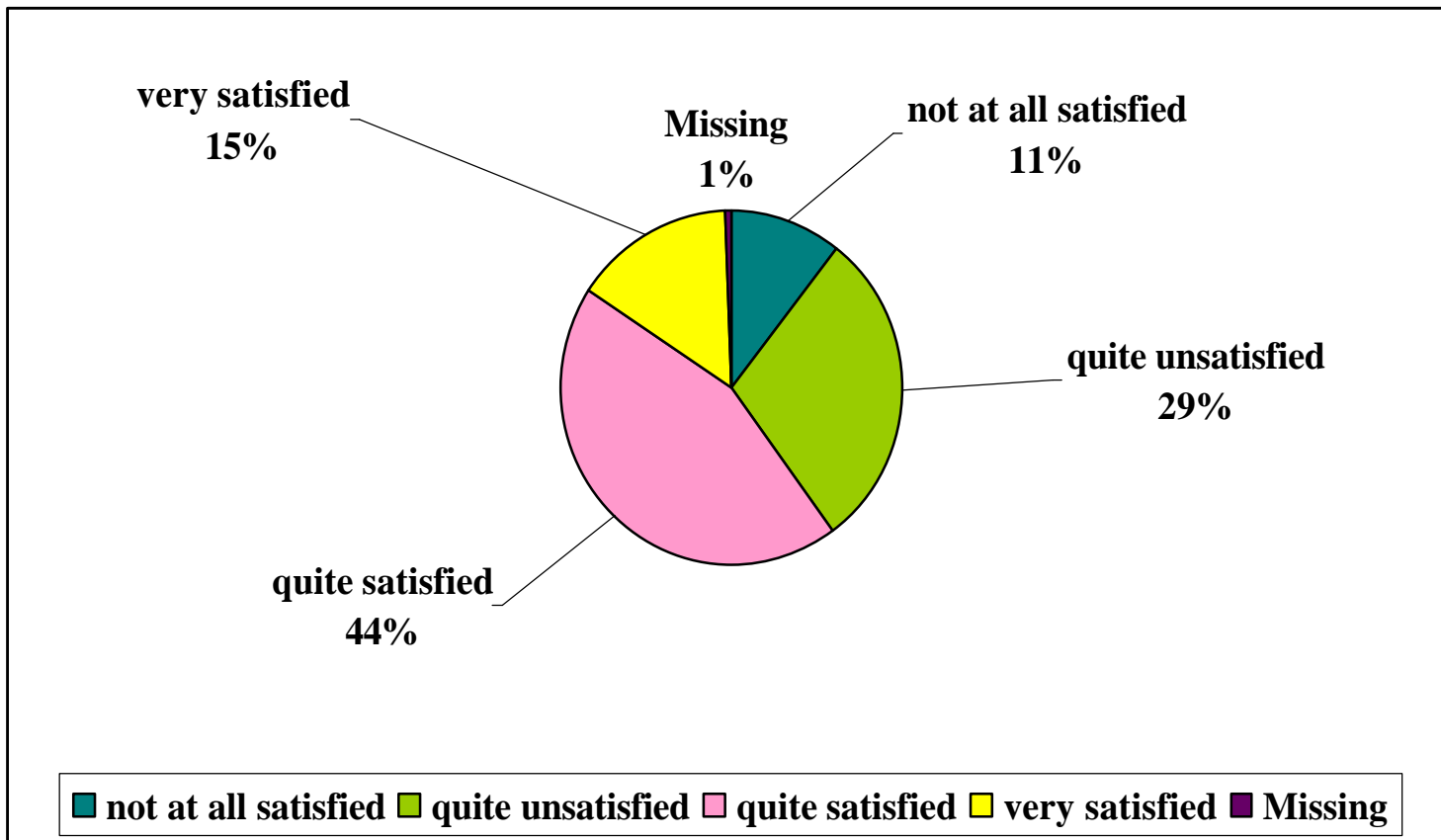
DATA (II)

- The May 2001 survey data is **representative for noninstitutionalized adult population in Romania**.
- A *random sample* that contains 1816 individuals aged 18 and above, who were randomly selected from the last *voting lists*.
- The sample is *stratified* by 18 geographic areas on historical regions, residence (urban-rural), urban localities size (4 types), degree of development of rural localities (3 categories).
- Interviews were taken to the residence of the subjects during 18 – 27 May 2001.

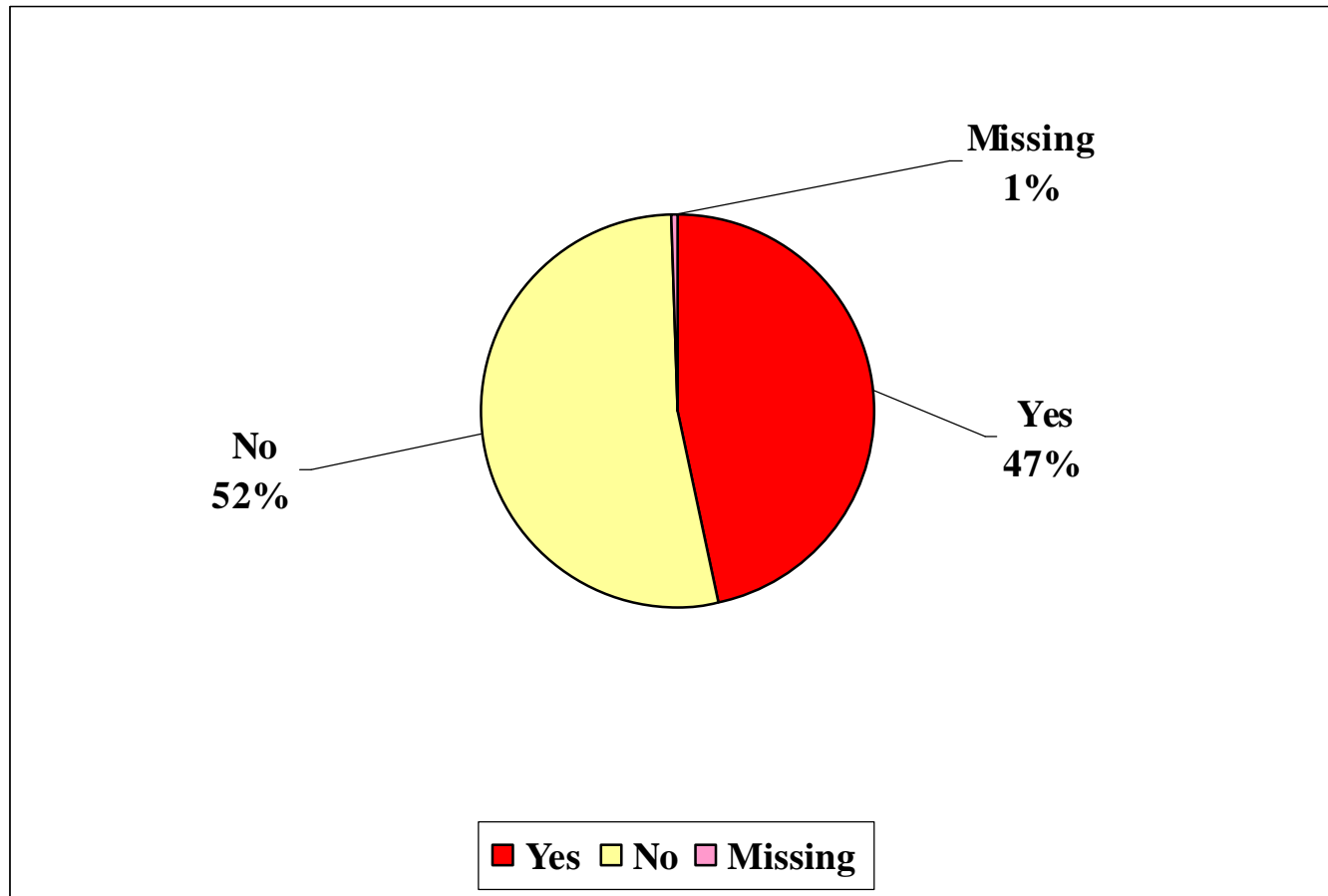
Generally, how satisfied are you with the way you live?



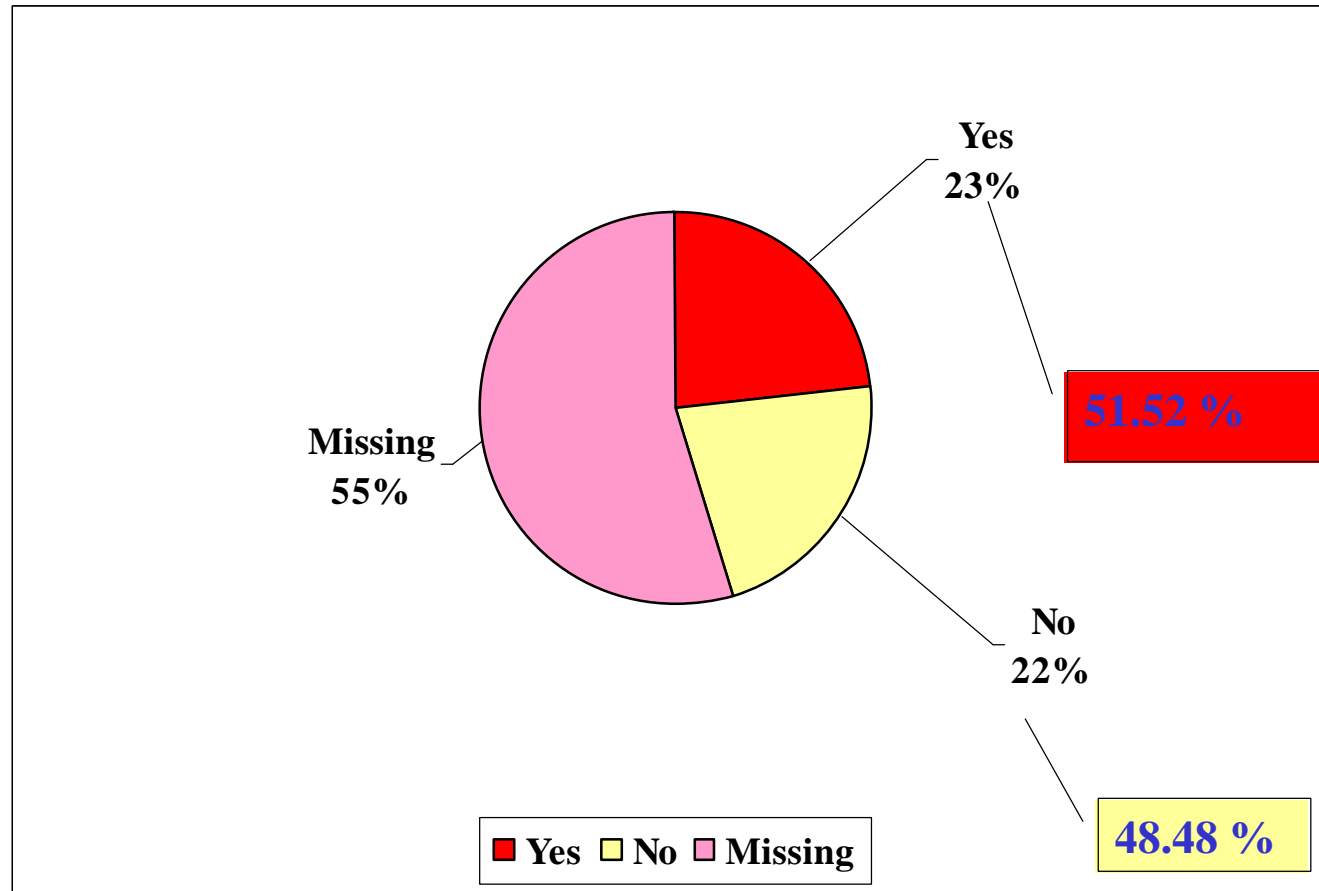
How satisfied or unsatisfied are you with your health ?



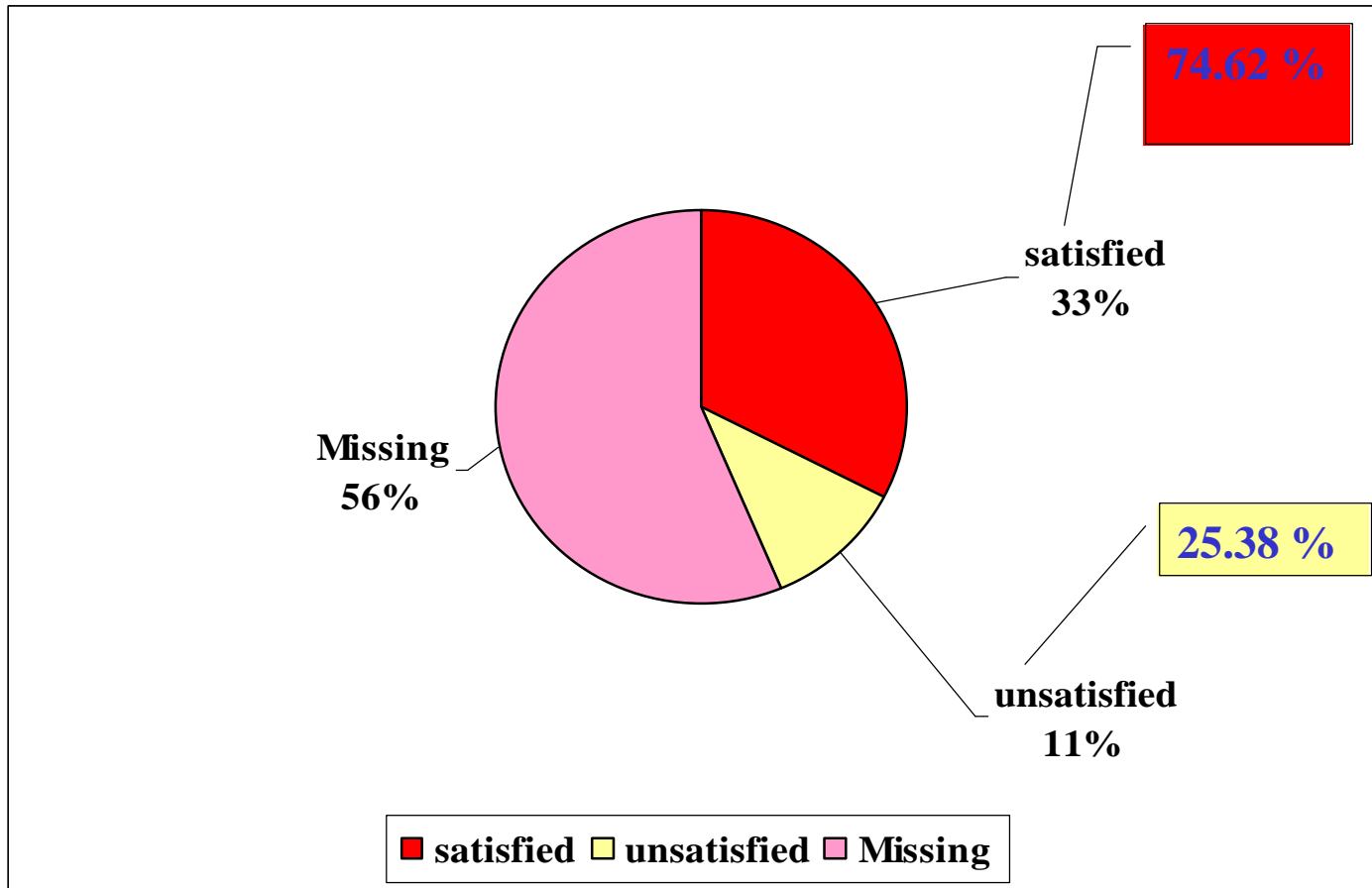
In the last year, you or someone from your family solved a problem at the *Hospital*?



Solved a problem at *the Hospital* and you had to give gifts (money, goods, services)?



Solved a problem at the Hospital and you had been *satisfied* or *unsatisfied* by the way you were treated by the employees?



Some Estimates of the Ordered Probit Model

Number of obs. = 1430

Log likelihood = -1338.78

The estimate for the **Household Expenditure per Capita** (in Mil. Lei) is significant at the 10% level. The estimates of other variables (Marital Status, Having Car, TV, etc) were not significant at the 10% level.

	Coef.	Std. Err
Trust people	0.278	0.066
How satisfied are you with your <i>housing</i>? (CG: very satisfied)		
not at all satisfied	-0.944	0.141
not quite satisfied	-0.443	0.104
quite satisfied	-0.237	0.080
How satisfied are you with your <i>health</i>? (CG: very satisfied)		
not at all satisfied	-0.536	0.145
not quite satisfied	-0.172	0.108
quite satisfied	-0.114	0.096
How satisfied are you with your <i>job</i>? (CG: very satisfied)		
not at all satisfied	-0.972	0.188
not quite satisfied	-0.780	0.164
quite satisfied	-0.360	0.141
Not working	-0.636	0.155
How satisfied are you with your <i>Money</i>? (CG: very satisfied)		
not at all satisfied	-0.377	0.123
not quite satisfied	-0.109	0.112
quite satisfied	0.066	0.104
Age	-0.061	0.012
Age-squared	0.001	0.000
Educational level (CG: low)		
High-school	0.036	0.078
University	0.319	0.126
Residence (CG: other)		
city1	-0.282	0.103
city2	-0.390	0.128
city3	-0.240	0.121
city4	-0.010	0.121
city5	-0.124	0.095
Unemployed	-0.315	0.134
Student	0.345	0.174
_cut1	-2.746	0.407
_cut2	-0.995	0.403
_cut3	0.657	0.405

Conclusions

- Estimating general life satisfaction (GLS) by using 4 groups of dummies on Housing, Health, Job and Money Satisfaction, and other demographic & socio-economic variables we found that satisfaction wrt Housing & Job has significant satisfaction on GLS, while satisfaction wrt Health & Money has NOT always significant effect.
- Higher education increases the GLS
- GLS is increasing at a decreasing rate by age.