

The Impact Of Socioeconomic Status On Health Limitations Across Europe: A Longitudinal Analysis Using The European Community Household Panel Dataset

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This paper contributes to the literature on income-related health inequalities in Europe, by providing comparative evidence from the European Community Household Panel Users' Database (ECHP – UDB). The aim is to achieve a better understanding of how socioeconomic status influences self-reported morbidity, focusing on the dynamics of individual health limitations.

The European Community Household Panel Users' Database (ECHP-UDB) is a standardised annual longitudinal survey, which provides 8 waves (1994 - 2001) of comparable micro-data about living conditions in the European Union Member States. The survey covers a wide range of topics including demographics, income, social transfers, health, housing, education and employment. Using the ECHP - UDB allows us to explore the differences in the socioeconomic gradient in health problems across countries, being able to perform a comparative analysis between the different European member states included in the analysis. In particular, we are interested in the dynamics of a binary measure of health limitations, constructed from the answers to the question: "Are you hampered in your daily activities by any physical or mental health problem, illness or disability?" Given the panel structure of our dataset, we explore the relationship between health and socioeconomic status, focusing on the relationship between reporting health limitations in daily activity, and both household income and levels of education. Dynamic probit panel data models The impact of socioeconomic status on health limitations across Europe: a longitudinal analysis using the European Community Household Panel dataset are estimated, including previous health states in the specification of the latent variable. The advantage of conditioning on previous health outcomes is the reduction of the potential bias due to reverse causality. However, these models pose some methodological challenges: correlated individuals effects, initial conditions problem and attrition bias. We consider each of these in our study. Further, to

attempt to avoid potential problems of endogeneity, we consider various lags structures for the regressors of interest, together with controlling for individual effects.