

New study rejects mortality-privatization link

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(PhysOrg.com) -- A new study reconsiders and ultimately rejects a well-publicized claim that mass privatization of state enterprises caused a drastic increase in premature deaths after the fall of communism in ex-Soviet countries.

The new research, carried out by social scientists at the Upjohn Institute for Employment Research and the University of Wisconsin-Madison, shows that the reported correlation between adult male mortality and measures of enterprise privatization across former Soviet states is a statistical artifact of particular assumptions in a 2009 article in the medical journal *Lancet*.

The *Lancet* article's claim was widely reported around the world and seemed to confirm suspicions of privatization's negative social effects. Privatization supposedly raised mortality through job loss, which led men to ill health and premature death.

But the study by the American researchers finds no evidence that privatization resulted in rises of either mortality or unemployment. The analysis involved recalculating the measure of mass privatization, assuming a short lag for economic policies to affect mortality and controlling for country-specific mortality trends, say UW-Madison political science assistant professor Scott Gehlbach and John S. Earle of the Upjohn Institute for Employment Research.

Any one of these changes greatly weakens the mortality-privatization

correlation, and any two produce a correlation that is either zero or negative, the authors say.

The American study also analyzes data on Russian regions, and the results again showed there is no evidence that privatization increased [mortality](#) during the early 1990s, Earle and Gehlbach say.

Finally, the new analysis of the relationship between privatization and unemployment in post-communist countries shows that there is little support for the Lancet article's proposed "pathway" by which privatization might have caused unnecessary deaths, the authors say.

More information: "Mass Privatisation and the Post-Communist Mortality Crisis: Is There Really a Relationship?" and a summary published today (Jan. 29) in the *Lancet* are available on the Upjohn Institute for Employment Research's Web site at www.upjohn.org/mortality .

Provided by University of Wisconsin-Madison

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