

Economic Insecurity in Transition: Evidence from a Recent Survey

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Economic insecurity in transition: evidence from a recent survey¹

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Abstract:

This paper studies the determinants and possible consequences of economic insecurity in post-socialist countries two decades after the fall of communism. Adopting the Human Rights approach to insecurity (Osberg, 2010), it looks at 1) the affordability of primary commodities (food, clothing, medication and housing) and 2) worries about their future consumption. Empirical analysis is based on data from the UNDP/UNICEF Social Exclusion Survey, administered in 2009 in six transition economies (15,901 interviews). The ordered probit analysis suggests that low affordability of primary commodities and high worries about their future consumption are experienced by people with poor health, rural residents, and households headed by females, low-educated and unemployed persons. In addition, low affordability is reported by people with low incomes and non-Russian ethnic minorities, while high affordability is reported by remittance receivers. Worries about basic needs are more prevalent among ‘younger’ households, big city dwellers and people receiving remittances. The paper also uncovers a significant correlation between higher levels of economic insecurity, on the one hand, and higher willingness to emigrate, more positive attitudes towards corruption, lower levels of trust and lower levels of life satisfaction, on the other.

Keywords: Economic insecurity; primary commodities; transition; Eastern Europe and Central Asia; ethnicity; remittances; health.

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1. INTRODUCTION

The post-socialist transition from planned to market economy led to dramatic and irrevocable changes in lives of millions of people. Output fell and inflation soared, eroding real incomes. The systems of state guaranteed jobs and generous welfare collapsed, and unemployment and income inequality increased. Most countries of the post-socialist world saw a development of increasingly unstable and unpredictable economic relations, resulting in high job, income and social insecurity. While for many people transition brought about more economic opportunities and higher income levels, other groups, such as the ethnic minorities and people with health problems, became more vulnerable and, in some cases, excluded and marginalised. According to a survey carried out in 29 transition economies in 2006, 45% of the respondents thought that their households lived better before transition than in 2006, and 49% thought that that their country's economic situation in 2006 had deteriorated relative to 1989 (EBRD 2007).

This paper studies economic insecurity in post-socialist economies. There are several reasons why this is important. First, economic insecurity, instability and uncertainty have been inherent characteristics of the transition process itself (Linz and Semykina 2010; Guriev and Zhuravskaya 2008; CESSI 2007). Qualitative research from Russia (CESSI 2007, EBRD 2007) has shown that even people with high incomes and successful businesses may feel extremely insecure and unconfident about their future. Studying economic insecurity two decades after the fall of communism would provide a better understanding of the costs and benefits of transition. Second, it is well established that different aspects of economic insecurity are linked to individual well-being, health, trust levels, work performance, as well as saving, education and consumption behaviour (Cheng and Chan 2008; Laszlo et al. 2010; Rocha et al. 2006; Witte 1999; Linz and Semykina 2010; Guriev and Zhuravskaya 2008). Understanding the causes of economic insecurity and designing policies to deal with it could improve people's lives in many – often far-reaching and unexpected – ways.

This paper identifies groups of people experiencing the highest levels of economic insecurity in six transition economies (Kazakhstan, the Former Yugoslav Republic of Macedonia, Moldova, Serbia, Tajikistan and Ukraine). It contributes to the literature along several dimensions. First, it looks at several aspects of economic insecurity which have received little attention in the theoretical and empirical literature. Specifically, the paper focuses on the households' ability to afford primary commodities (food, housing, clothing and medication) and worries about the consumption of these commodities in the future. Second, the paper

pays a particular attention to the role of ethnicity, health status and migrant remittances in explaining economic insecurity. These factors have been relatively unexplored in the empirical literature and are potentially important determinants of economic insecurity in the post-transition context. Third, by studying possible links between economic insecurity, on the one hand, and emigration intentions, acceptance of corruption, trust and life satisfaction, on the other, the paper contributes to the empirical literature on the effects of economic insecurity.

The empirical analysis is based on data from a unique UNDP/UNICEF survey, implemented as part of the preparation of the Regional Human Development Report on Social Inclusion for Eastern Europe and Central Asia, and administered in six post-socialist countries in 2009. The publically available survey of 15,901 respondents addressed various issues related to standard of living and income sources, providing rich material for studying economic insecurity in the region. The binary and ordered probit analysis reveals an important role of human capital characteristics (income, education), as well as gender, ethnicity, age, health and migrant remittances in explaining both affordability and concerns about basic necessities. It also shows that higher levels of economic insecurity are associated with higher willingness to emigrate, more favourable attitudes towards corruption and lower levels of trust and life satisfaction.

The remainder of the paper is organised as follows. Section two reviews the definitions and measurements of economic insecurity. Section three presents the data, variables and estimation strategy. Section four presents and discusses econometric results. Section five concludes.

2. ECONOMIC INSECURITY – DEFINITIONS, MEASUREMENTS AND DETERMINANTS.

The existing definitions of economic insecurity have evolved around the notions of 1) the likelihood or risk of an adverse event in one's life; 2) perceptions of this risk; 3) anxieties and concerns associated with this risk; and 4) the ability to cope with or to recover from the costly consequences if an adverse event takes place (Bossert and D'Ambrosio, 2009; Osberg, 1998; Osberg, 2010). Osberg (2010) argues that economic insecurity deals primarily with the *future* (be it the perceived likelihood of adverse events or the associated anxieties), contrasting it to the analysis of poverty, which deals primarily with *current* levels of consumption or wealth. Although one would expect poverty and insecurity to be positively correlated, low income is not a necessary condition for insecurity. People with low but stable

incomes, such as pensioners, may plan for the future and be relatively secure about it. Similarly, people who enjoy relatively high current income or consumption levels but are involved in riskier ventures may feel very insecure about their future. Dercon (2006) goes further by arguing that there is a causal link between potential risk and insecurity, on the one hand, and poverty, on the other. The poor may choose to remain poor in order to avoid even more hardship induced by shocks, while the rich would choose to be involved in high-risk activities because they can afford to lose money. In a similar vein, Bossert and d'Ambrosio (2009) assume that past experiences and current wealth are important in that they provide self-confidence and the buffer stock to deal with possible future adverse events. They posit that 'past, present and future are all involved' in shaping economic insecurity.

The concept of economic insecurity is closely related to the concept of vulnerability. Dercon (2006) defines vulnerability as 'the existence and the extent of a threat of poverty and destitution; the danger that a socially unacceptable level of wellbeing may materialise'. Osberg (2010) states that both insecurity and vulnerability deal with 'fears of the uninsured hazards of an uncertain future'. However, Osberg also points to an important distinction between the two notions: economic insecurity is related to the anxieties of all people, regardless of their income or wealth level, while vulnerability focuses more narrowly on the risks of poverty. This results in a different country focus. The literature on economic insecurity tends to concentrate on affluent countries, where developed systems of social protection make poverty a relatively rare phenomenon. The literature on vulnerability concentrates on developing countries, where both poverty and the chance of falling into it are more commonplace, and social protection systems are largely non-existent. In this context, the post-socialist economies of Eastern Europe and Central Asia represent an interesting case. First, they encompass both relatively poor and relatively rich states.³ Second, in the beginning of transition most of the countries in the region experienced massive increases in inequality and poverty which had not been matched by the development of strong social protection systems. With such variations of income within and across countries, one should expect less defined boundaries between economic insecurity and vulnerability in the transition and post-transition contexts.

Despite a major role that economic insecurity plays in the political and policy discourse, its definitions have been variable and ambiguous (Anderson and Pontusson, 2007; Bossert and D'Ambrosio 2009). To a certain extent, the definitions are driven by research questions and data availability (Anderson and Pontusson, 2007), with much of the empirical literature

³ For example, according to the World Bank 2010 definition, Kyrgyz Republic and Tajikistan are low-income economies, while Estonia, Poland and the Slovak Republic are high-income economies.

concentrating on employment insecurity (see e.g. Anderson and Pontusson, 2007; De Bustillo and De Pedrasa 2010; Green, 2009; Linz and Semykina, 2008). This paper adopts a different perspective, by looking at economic insecurity in terms of household consumption of basic goods. This corresponds to the ‘human rights’ approach to economic insecurity and vulnerability, as discussed by Osberg (2010). Based on the UN Universal Declaration of Human Rights, the approach highlights the right of people to access or afford particular primary commodities – food, clothing, housing and medical care. The measurement of insecurity and vulnerability, Osberg argues, should therefore involve identifying how many people are deprived of the consumption of specific primary commodities. To a certain extent, the approach echoes the analysis of poverty, which also looks at individual’s or household’s expenditure and consumption although at an aggregate rather than disaggregate commodity level. A complementary analysis, more in vein with the definitions of insecurity and vulnerability described above, would look at the risks and anxieties related to future consumption of particular primary commodities.

Empirical evidence on the determinants and consequences of economic insecurity from the particular primary commodities perspective is limited. This paper fills the gap by studying the ability to afford food, clothing, housing and medication, and worries about their future consumption. In addition to the standard correlates of economic insecurity, such as age, gender, income and education, the empirical analysis of this paper will consider ethnicity, remittances and health – relatively unexplored and potentially important determinants of economic insecurity in the (post-) transition context. Some rationale for including these variables into analysis is provided in the next subsection. The paper also looks at possible effects of economic insecurity on individual attitudes towards corruption, emigration intentions, trust levels and subjective well-being. The literature has paid little attention to the links between economic insecurity and these outcomes (especially, acceptance of corruption and emigration intentions). These outcomes, however, are particularly important in the context of transition: high levels of corruption and emigration, and low levels of trust arguably have had a detrimental effect on economic growth in the region.

2.1. Transition-specific determinants of economic insecurity.

This subsection presents some rationale for considering ethnicity, remittances and health as potential explanatory factors of economic insecurity.

Ethnicity

Two types of ethnic minorities can be distinguished in the post-Soviet space (excluding the Russian Federation): 1) the ethnic Russians and 2) native ethnic minorities. The ethnic Russians in the ex-Soviet republics originate from the Soviet policies of russification, industrialisation and planned migration (Laitin 1998, Parming 1980). Often 'imported' as industrial specialists, the ethnic Russian migrants tended to be better educated and were concentrated in urban areas. They represented the "power" and "elite", and enjoyed a privileged access to assets (e.g. housing) compared to titular ethnicities. The collapse of the USSR led to the shift of power in favour of titular ethnicities and, in some cases, different forms of interethnic conflict. It also triggered a wave of 'return' migration of the ethnic Russians (Heleniak 2004).⁴ Many ethnic Russians, however, decided to stay, changing their status of ethnic majority (within the USSR) to that of ethnic minority (within the newly independent states). This paper will reveal the position of the newly formed Russian minority vis-à-vis the ethnic majority (and the non-Russian native minorities) in terms of economic insecurity almost two decades after the breakdown of the Soviet empire. Were the ethnic Russians able to capitalise on their typically higher levels of human capital and former political, economic and social networks?

The position the *non-Russian* (or native) ethnic minorities is likely to be different. The native minorities, with the Roma being an extreme example, are more likely to be subject to labour market discrimination, lower education levels, insufficient knowledge of the State language, concentration in specific sectors of the economy offering lower income levels and/or lower social guarantees, involvement in various kinds of ethnic conflict and illegal activities etc. This would result in higher levels of economic insecurity compared to the ethnic majority and ethnic Russians. Interestingly, the situation of the disadvantaged ethnic minorities tended to be better off during the Socialist times compared to today's market economy (Guy 2009): the ideology of equality of all citizens and the specifics of command economy guaranteed a job, access to education, health services and housing for everybody.

Remittances

Migration and remittances play an important role in supporting thousands, if not millions, of households in the post-socialist states. In 2009, remittances were equivalent to 35% of the Gross Domestic Product in Tajikistan, 23% in Moldova, 15% in Kyrgyz Republic and 13% in

⁴ The ethnic Russian 'return' rates ranged from 1-3% in Ukraine and Belarus (1-3%) to 11-14% in the Baltic States and Moldova to 20-66% in the Central Asian and Caucasus states (Heleniak 2004).

Serbia. In the context of wider developing world, remittances have been shown to reduce the extent and depth of poverty (Adams and Page, 2005; Jra et al., 2010; Ratha, 2007), contribute to education expenditures and school enrolment (Calero et al., 2009; Quisumbing and McNiven, 2010) and provide capital for micro-enterprises (Lopez-Cordova and Almedo, 2006). At the same time, households which receive remittances may reduce their labour force participation and productive effort, and invest in riskier projects (Sharma 2009). In addition, if due to high migration costs migrants are drawn from high-income households, remittances may exacerbate income inequality in the home country.

What would be the effect of remittances on economic insecurity? On the face of it, one would expect the households receiving remittances to experience, through extra income, lower levels of economic insecurity compared to households not receiving remittances. This would be particularly true for the consumption of basic necessities – food, clothing, medication and housing. However, a reverse causality between economic insecurity and receiving remittances is likely to exist: it may be the households experiencing higher levels of economic insecurity who send migrants abroad in the first place. Indeed, sending family members abroad can be viewed as a strategy to diversify the risks facing households. In case of an economic shock (unemployment, crop failure etc.) remittances serve as insurance, helping to smoothen household consumption (Stark and Bloom 1985; Stark 2009). Therefore, remittances are likely to reduce household's level economic insecurity relative to the household's level of economic insecurity in the past, but not necessarily relative to the level of economic insecurity of other households.

Health

Poor health can be both the cause and the consequence of economic insecurity. On the one hand, the less healthy people may be subject to labour market discrimination, thus receiving lower incomes and experiencing higher levels of economic insecurity compared to healthy people. Even at similar income levels, the less healthy would spend more money on medication and less on consumption of other goods. This is all the more important as in many post-Socialist countries effective social health protection systems are virtually inexistent and the lack of affordable healthcare is one of major concerns people have (CESSI 2007). On the other hand, higher levels of economic insecurity – unpredictable income level, inadequate housing, informal work arrangements, the lack of social and health insurance etc. – could aggravate health. Exploring this argument, Laszlo et al. (2010) find a negative association between job insecurity and self-rated health in 16 Western and Eastern European

countries. Irrespective of the way causality runs, a positive association between poor health and economic insecurity is expected.

In the next section, we turn to the empirical investigation of economic insecurity in the post-Socialist countries.

3. DATA, VARIABLES AND EMPIRICAL METHODOLOGY

3.1. Data

This study is based on a survey administered by the UNDP/UNICEF in six post-Socialist economies – Kazakhstan, Macedonia, Moldova, Serbia, Tajikistan and Ukraine – in November-December 2009. The survey was implemented as part of the preparation of a Regional Human Development Report on Social Inclusion for Eastern Europe and Central Asia (UNDP 2011), and the data are publically available. The database consists of nationally representative samples⁵ of approximately 2,700 individuals per country (altogether 15,901 observations).

3.2. Variables

The empirical analysis of the paper looks at both the determinants and possible consequences of economic insecurity. This sub-section presents and discusses: 1) the variables capturing economic insecurity; 2) the variables used to explain economic insecurity; 3) the variables which can be explained by economic insecurity.

a. Variables capturing economic insecurity

Following the human right approach to economic insecurity, four variables are created capturing the household's ability to afford the basic necessities: food, housing, clothing and medication. The variables are based on the question: "There are some things that many people cannot afford. Can I just check how often your household could afford it in the past 12 months: 1) *buying food for three meals a day*; 2) *buying medication that you or your household needed*; 3) *buying new clothes and shoes that you or your household needed and* 4) *keeping your home adequately warm?*" The possible answers included 'never', 'seldom', 'sometimes' and 'often', which are assigned values 1, 2, 3 and 4, respectively. In addition to the four variables capturing access to food, housing, clothing and medication, a composite

⁵ See UNDP (2011) for detailed information about survey design, methodology and implementation.

variable *afford* is created by adding the four up. The variable ranges from 4 to 16, with lower values indicating lower ability to afford the consumption of primary commodities. The correlation coefficient between the *afford* variable and each of the four variables used to construct it ranges from 0.69 to 0.75.

The next set of variables captures worries about consumption of primary commodities in the future. Three variables are created, drawing on the question “There are many situations that could negatively affect you or your household. Please tell me, how worried are you about 1) hunger; 2) denied access to health care practitioners; 3) lack of housing (eviction), assessing each item from 1 to 5 (‘1’ not worried at all and ‘5’ very worried)?” Unfortunately, the respondents were not asked how worried they were about the future consumption of cloths. As in the case of the *afford* variable, a composite variable *worried* is created by summing up the three variables capturing worries about the future consumption of food, medication and housing. The variable ranges from 3 to 15, with higher values indicating greater worries about the future consumption of the primary commodities. The correlation between the variable *worried* and the three variables used to construct it ranges from 0.82 to 0.86.

b. Correlates of economic insecurity

In line with the empirical literature on economic insecurity (Green, 2009; Linz and Semykina, 2010), the following socio-demographic variables are included as potential predictors of economic insecurity:

- Six age groups
- Gender
- Having children under 18 in the household
- Four education levels, comparable across countries (primary; secondary; vocational; tertiary)
- Seven income levels, comparable across countries (no income; five income levels corresponding for five income quintiles; non-reported income)
- Eight activity levels (employed in a private firm; working in public sector; having own business or being self-employed; education; unemployed; retired; homemaker; other)
- Four types of settlement (village; small town; regional/economic centre; capital)

In addition, drawing on the discussion of the previous section, the following potential predictors of economic insecurity are included:

- Dummy variables *Russian minority* and *non-Russian minority*, based on the question “To which ethnic group do you belong?” Note that the *Russian minority* dummy will not appear in the Serbian and Macedonian subsamples, as these countries were not part of the USSR and therefore were not subject to the Soviet planned migration policies.
- Dummy variable *receiving remittances*, based on the question “Have you or someone else in your household received any of the following types of income over the past 12 months. Indicate one of them that contributed most to your total household income?” with one of the possible answers being “Help from relatives or friends abroad”. Note that the variable will capture only those households where remittances constitute a major source of household income.
- *Poor health* variable draws on a question “In general, would you say you health is excellent/ very good/ good/ fair/ poor?” Values 1 to 5 are assigned to the answers, with larger numbers indicating poorer health.

Finally, to control for the aggregate effect of all possible country-level influences on economic insecurity (such as unemployment rates, different levels of social protection etc.) six country dummies will be included in all regressions.

c. Variables explained by economic insecurity

One of the focal points of this study is exploring possible links between economic insecurity, on the one hand, and individual attitudes towards corruption, likelihood of emigration, levels of trust and life satisfaction, on the other. We explain here how these ‘outcome’ variables are formed.

The variable *acceptance of corruption* is created by summing up the answers to the following nine questions: “Do you consider it acceptable or not acceptable to make unofficial payments/gifts in the following situations: 1) interacting with road police; 2) requesting official documents (visa, passport) from authorities; 3) interacting with the police on matters other than traffic and documents; 4) doing your regular job; 5) going to courts for a civil matter; 6) receiving medical treatment; 7) receiving public education; 8) requesting unemployment benefits; 9) requesting social security benefits”, where for each question the answer “not acceptable” is coded as 0 and the answer “acceptable” is coded as 1. The variable ranges from 0 to 9, with higher values indicating higher acceptance of corruption. The correlation between the *acceptance* variable and each of the nine dummies used to construct it ranges between 0.79 and 0.84.

The dummy variable *likelihood of emigration* draws on a question “What is the probability for you to go abroad to find employment?”, with possible answers being “not probable” (0) and “probable” (1). Note that the variable is likely to capture intentions rather than actual moves abroad. However, as shown by e.g. the van Dalen and Henkins (2008), individual-level determinants of intentions and actual moves tend to be the same.

The variable *level of trust* is captured by the question “Generally speaking, do you think most people can be trusted?” with possible answers “rather yes” (1) and “rather no” (0), from which a dummy variable is formed.

Finally, the variable “Life satisfaction” is based on the question: “Are you satisfied or dissatisfied with your standard of living?” with possible answers “completely satisfied”, “satisfied”, “neither satisfied nor dissatisfied”, “dissatisfied”, “completely dissatisfied”. The answers are assigned values from 1 to 5 with higher values indicating higher satisfaction.

3.3. Estimation strategy.

Given the binary or ordered nature of the variables capturing economic insecurity and explained by it, all models will be estimated with either binary or ordered probit approach.⁶

A distinction will be made between estimations at household and individual level. For the variables capturing economic insecurity, the respondents were asked to assess the affordability and worries about primary commodities consumption from the household point of view. Therefore, where possible, the regressions explaining economic insecurity will include the attributes of the head of household (the information is available on gender, age, education and activity group of the head of household). In contrast, all the variables which will be explained by economic insecurity (attitudes towards corruption, likelihood of emigration, trust, life satisfaction) are available at individual level; only individual-level explanatory variables will be used in these regressions.

Finally, note that the cross-sectional nature of the data and the lack of suitable instrumental variables make it impossible to establish precise causal effects between economic insecurity and the variables potentially affecting and being affected by it. All estimation results

⁶ As a robustness check, all models were estimated with ordered logit. In addition, the models where the dependent variables were formed by summing up other variables (*afford*, *worried* and *acceptance of corruption*) have also been estimated with OLS. Both ordered logit and OLS results are consistent with ordered probit results and are available upon request.

presented in this paper should therefore be interpreted as correlations rather than causalities.

4. RESULTS

a. Variables explaining the ability to afford primary commodities.

Table 1 reports the correlates of the ability to afford primary commodities. Demographic variables – the gender of the household head and having underage children in the household – emerge as strong predictors of consumption of primary commodities. Respondents from female-headed households report lower ability to afford each of the four primary commodities. At the same time, having children under 18 is associated with higher consumption of primary commodities. In both cases, the results are significant at 1%, except the specification explaining the ability to afford medication, where both coefficients are significant at 10%.

Education is a strong predictor of the ability to afford primary commodities. Compared to households headed by a person with secondary education (the reference group), respondents from households headed by persons with vocational and university education report a higher ability to afford primary commodities, while respondents from households with primary-educated heads report a lower ability to do so. The result is line with the empirical literature finding that higher levels of human capital contribute to lower levels of economic and employment insecurity (see e.g. Linz and Semykina 2010, Lonz and Semykina 2007; Anderson and Pontusson 2007).

The sector of activity is another important determinant of the ability to afford primary commodities. Compared to households headed by a privately employed worker (the reference group), the households where the head is a business owner or self-employed can afford higher levels of consumption of food, clothing and medication. The coefficient in the housing specification is also positive but statistically insignificant. People from households headed by the unemployed are worse off in terms of consumption of all primary commodities, reflecting insufficient levels of state unemployment benefits in transition economies. Households with retired heads report higher ability to afford medication, but lower ability to afford clothing. Finally, households headed by public sector employees report a marginally higher ability to afford medication, which could be related to a better access to health insurance schemes in the public sector. However, comparing households with

publically and privately employed heads, no statistically significant difference in the patterns of consumption of other primary commodities is observed.

Contrary to other attributes, the association between the age of household head and the ability to afford primary commodities differs markedly across commodity types. Compared to households headed by 45-54 year olds (the reference group), households headed by 35-44 year olds are less likely to afford three meals a day (a coefficient significant at 10%), and the coefficients of other age groups are statistically insignificant. People from households headed by very young people (age 15-24) are less likely to afford medication, while people from households with heads aged 65 and over are more likely to do so. People from households with relatively old heads (aged 55-64 and 65+) report a significantly lower ability to afford buying cloths, with the coefficient being more pronounced for the eldest category. Finally, the age of household head is not correlated with the ability to keep home warm.

Unsurprisingly, people with higher income levels can afford more of all four primary commodities. Note that people with no income also report significantly higher ability to afford necessities compared to people with income in the first quintile (the reference group). As the income variable used in the regressions is given at individual rather than household level, it is quite possible that respondents with zero personal income have family members who do generate income and assure the consumption of primary commodities for the whole household.

The type of settlement is an important predictor of affordability of primary commodities. Compared to people living in small towns (the reference group), people living in villages are significantly less likely, and people living in the capitals more likely, to afford three meals a day. However, both village and capital dwellers report lower ability to afford medication. Rural residents are also less likely to afford clothes (the coefficient significant at 10%). People from regional centres report significantly higher ability to keep their homes warm. Looking at the aggregate consumption of the primary commodities, village dwellers emerge as the most disadvantaged group.

Next, we turn to the ethnicity, remittances and health – the variables of particular interest for this study. The non-Russian ethnic minorities appear as a disadvantaged group, as they report lower ability to afford all types of primary commodities. The coefficients are significant at 1% in all cases except the food specification, where the coefficient is significant at 5%. In the meanwhile, consumption patterns of ethnic Russians in most cases are not statistically different from those of titular ethnicities (the reference group). Only in the clothing specification, the coefficient of ethnic Russians is negative and significant (at 10%).

Receiving remittances is associated with higher ability to consume all primary commodities but housing. The remittances coefficient is also positive and significant in the specification capturing the aggregate consumption of primary commodities. While the finding is consistent with the evidence on poverty-reducing effects of remittances at individual and country level (see e.g. Ratha 2007, Adams and Page 2005, Jra et al. 2010), it should be recalled that the reported coefficients represent correlations rather than causalities. It is possible that only wealthier households (can afford to) send migrants abroad in the first place, and the positive coefficient of the remittances variable captures generally higher levels of consumption in such households.

Finally, poor health has a strong negative association with the ability to afford all primary commodities, except medication. Again, it is not clear which way the causality runs: poorer health could lead to lower consumption of primary commodities and lower consumption of primary commodities could lead to poorer health. The insignificant coefficient in the specification capturing the consumption of medication could also suggest that people with poorer health are forced to spend higher proportion of their incomes on medication, at the expense of other primary commodities.

In sum, a particularly disadvantaged individual (from the affordability of primary commodities point of view) would be somebody with low income, belonging to the non-Russian minority group, with poor health, living in rural area, not receiving remittances and belonging to a household headed by female, unemployed and/or low educated person. Next, we turn to the analysis of another facet of economic insecurity – worries about future consumption of primary commodities.

Table 1. Correlates of affordability of primary commodities, ordered probit coefficients.

	How often (1 = never; 2 = seldom; 3 = sometimes, 4 = often) can you afford the following:				Afford: composite variable
	Buying food for 3 meals per day	Buying medication when needed	Buying new clothes	Keeping home warm	
<i>Household (HH) characteristics</i>					
HH head: female	-0.071***	-0.042*	-0.105***	-0.083***	-0.093***
HH has children under 18	0.075***	0.037*	0.124***	0.082***	0.107***
Age of the HH head					
15 - 24	0.049	-0.146**	0.056	-0.123	-0.065
25 - 34	-0.025	-0.040	-0.001	-0.026	-0.040
35 - 44	-0.052*	-0.028	-0.024	-0.011	-0.050*
44 - 54	Ref.	Ref.	Ref.	Ref.	Ref.
55 - 64	-0.016	0.026	-0.089***	0.036	-0.029
65+	-0.056	0.145***	-0.257***	0.038	-0.052
Education of HH head					
Primary	-0.168***	-0.142***	-0.166***	-0.161***	-0.190***
Secondary	Ref.	Ref.	Ref.	Ref.	Ref.
Vocational	0.050*	0.061**	0.108***	0.096***	0.099***
Tertiary	0.197***	0.179***	0.210***	0.113***	0.224***
Activity of HH head					
Works in private sector	Ref.	Ref.	Ref.	Ref.	Ref.
Works in public sector	0.045	0.047*	0.015	-0.008	0.033
Own business/self-employed	0.156***	0.119***	0.089**	0.076	0.147***
Unemployed	-0.157***	-0.147***	-0.293***	-0.151***	-0.248***
Retired	0.054	0.115***	-0.134***	-0.020	-0.012
Other	0.007	0.013	-0.107***	-0.008	-0.055
HH receives remittances	0.098***	0.074**	0.103***	0.033	0.102***
<i>Individual characteristics</i>					
Relative income level					
No income	0.067**	0.066**	0.181***	0.035	0.139***
1 st quintile	Ref.	Ref.	Ref.	Ref.	Ref.
2 nd quintile	0.175***	0.151***	0.215***	0.204***	0.225***
3 rd quintile	0.237***	0.240***	0.437***	0.207***	0.357***
4 th quintile	0.305***	0.263***	0.566***	0.198***	0.464***
5 th quintile	0.557***	0.349***	0.781***	0.252***	0.644***
Income non reported	0.147***	0.223***	0.476***	0.243***	0.390***
Ethnicity					
Ethnic majority	Ref.	Ref.	Ref.	Ref.	Ref.
Non-Russian ethnic minority	-0.065**	-0.231***	-0.094***	-0.178***	-0.179***
Ethnic Russian minority	0.005	0.000	-0.054*	-0.051	-0.026
Poor health	-0.136***	0.001	-0.223***	-0.094***	-0.146***
<i>Contextual variables</i>					
Type of settlement					
Village	-0.378***	-0.132***	-0.048*	0.011	-0.182***
Small town	Ref.	Ref.	Ref.	Ref.	Ref.
Regional centre	-0.025	0.016	0.028	0.093**	0.015
Capital	0.199***	-0.132***	-0.016	0.061	0.018
Country					
Ukraine	Ref.	Ref.	Ref.	Ref.	Ref.
Tajikistan	-0.390***	-0.386***	-0.330***	-0.937***	-0.660***
Serbia	-0.634***	0.267***	-0.500***	0.284***	-0.254***
FYR of Macedonia	0.525***	0.442***	-0.070*	0.201***	0.283***
Moldova	-0.425***	0.016	-0.420***	-0.212***	-0.330***
Kazakhstan	0.086**	-0.159***	-0.164***	0.271***	-0.035
Number of observations	15000	14863	14980	14869	14599
Log pseudolikelihood	-13091.86	-16454.85	-16280.39	-11134.12	-29129.52
Chi ²	2468.815	1633.980	2929.087	2666.062	3324.618
Prob > Chi ²	0.000	0.000	0.000	0.000	0.000
Pseudo R ²	0.099	0.046	0.093	0.104	0.058

Notes: * - denotes statistical significance at 10%, ** - at 5%, *** - at 1%. Robust standard errors used to calculate regressors' level of significance.

b. Variables explaining worries about primary commodity consumption.

Table 2 reports the results of the regressions explaining worries about future consumption of food, medical services and housing.

Similarly to the affordability analysis, the respondents from female-headed households are more likely to be worried about the future consumption of primary commodities. The coefficients are significant at 1% in the hunger and healthcare specifications and at 10% in the housing specification. The situation, however, is not the same with the children variable. Recall that in the case of affordability the presence of children was associated with higher consumption of primary commodities. Now we find that, if anything, it is associated with more anxiety about the future consumption of primary commodities. In particular, the children coefficient is positive in all specification, significant at 5% in the hunger specification and significant at 10% in the 'composite' worry specification.

Higher levels of education of the head of household are negatively correlated with worries about the future consumption of all three primary commodities, in line with the affordability analysis.

The activity of household head is an important predictor of worries associated with the future consumption of primary goods, although the sign and significance of coefficients are not uniform across commodity types. Compared to households with privately employed heads, the unemployed-headed households are more likely to worry about hunger and denied access to medical services, but not about the lack of housing. People from households headed by the retired worry more about denied access to medical services, but not about the consumption of other goods. An interesting result emerges about the heads of household who own a business or are self-employed. People from such households are equally likely to worry about hunger and access to medication (compared to households where the head is privately employed) and somewhat less likely to worry about the lack of housing. Recall that they reported higher ability to afford all types of primary commodities (except keeping the house warm). Finally, no difference is observed in the extent of worries between the households with privately and publically employed heads.

Concerning the age of household head, people from 'younger' households appear to be more worried about the consumption of primary commodities. The association is most obvious in the lack of housing specification where, compared to the households with heads aged 45-54 (reference group), 'younger' households are increasingly more, and 'older' households are increasingly less, likely to worry about the lack of housing. A similar, although not as strong, pattern is observed in the hunger specification: relatively 'young' households (head aged 25-

44) are more likely to worry about hunger. As for the access to health services, only households with heads aged 35-44 express higher anxiety; the coefficients of other age groups are insignificant. A negative association between the age of the household head and worries about the consumption of primary commodities is also observed in the 'composite' worries regression.

The correlation between income and worries about future consumption of primary commodities is not clear cut. All income dummies are statistically insignificant in the housing specification (and have unexpected signs, i.e. wealthier people worry more about the lack of housing). Higher income levels tend to be associated with less worries about hunger and denied access to medical services, but there is no statistical difference between the coefficients of the 3rd, 4th and 5th income quintiles. In the case of the composite worried variable, people with incomes falling into the lowest and the highest categories are equally likely to worry about necessities, and people in the middle of the income distribution appear to be the least worried.

Interesting insights are provided by the type of settlement. Compared to people living in small towns (reference group), village and especially big city dwellers are more likely to worry about hunger. This contrasts with the previous result that village dwellers were less likely, and people from capitals more likely, to afford food. Village and capital dwellers are more anxious about denied access to healthcare services; these two groups also showed lower ability to afford medication. People living in regional centres and the capitals are significantly more likely to be worried about the lack of housing relative to small city dwellers, while there is no difference between village dwellers and the reference group. On the whole, looking at the 'composite' worry regression, people in regional centres and the capitals, and to a lesser extent, rural residents appear to be more worried about the consumption of primary commodities than small town dwellers.

Next, we turn to the coefficients of variables of particular interest - ethnicity, remittances and health. Respondent ethnicity is an important determinant of worries about future consumption of food and healthcare services. Relative to titular ethnicity, the non-Russian ethnic minorities are more likely to be worried about hunger (coefficient significant at 5%), while the ethnic Russians are more likely to be worried about access to healthcare services (coefficient significant at 1%). Comparing the two facets of economic insecurity - ability to afford primary commodities and worries about their future consumption, respondent ethnicity tends to have less predictive power in the latter (recall the non-Russian minorities were less likely to afford all types of primary commodities).

Receiving remittances is associated with higher anxiety about the future consumption of primary commodities. The remittances dummy coefficient is positive and marginally significant (at 10%) in the hunger specification and positive and highly significant (at 1%) in the housing and 'composite' worry specifications. The coefficient in the health care specification is positive but statistically insignificant. This contrasts to the affordability analysis which suggested that remittances are positively associated with the ability to afford all primary commodities except keeping the house warm. The finding that remittance receivers report higher worries about necessities consumption could be related to the unstable nature of remittance flows and, in particular, the negative effect that the recent recession might have had on them (see e.g. O'Hara et al., 2009). Recall that the survey used in this study was implemented at the end of 2009 – time when most migrant host countries were struggling with the adverse consequences of the global financial crisis.

Poor health is a strong predictor of anxiety about the consumption of all types of primary commodities. This echoes a previous finding that the less healthy are able to afford most primary commodities. One notable exception exists, however: poor health is not correlated with the ability to afford medication, but it is positively correlated with worrying about access to healthcare services. On the whole, the less healthy emerge as particularly disadvantaged group – both from the current consumption and worrying about future consumption points of view.

To summarise, the highest levels of worries about the future consumption of primary commodities are observed for individuals with poor health, living in the capitals, regional centres and rural areas, belonging to households with under age children and receiving remittances, and households headed by females and young, low educated and unemployed persons.

Table 2. Correlates of worries about future consumption of primary commodities, ordered probit coefficients.

	How worried, on the scale from 1 to 5 ('1' not worried at all and '5' very worried), are you about:			Worried: composite variable
	Hunger	Denied access to health care	Lack of housing	
<i>Household (HH) characteristics</i>				
HH head: female	0.080***	0.061***	0.041*	0.065***
HH has children under 18	0.049**	0.032	0.015	0.037*
Age of HH head				
15 – 24	0.053	0.028	0.295***	0.140**
25 – 34	0.074**	0.052	0.210***	0.129***
35 – 44	0.063**	0.065**	0.074***	0.069***
44 – 54	Ref.	Ref.	Ref.	Ref.
55 – 64	-0.005	-0.012	-0.061**	-0.029
65+	-0.010	-0.047	-0.143***	-0.075*
Education of HH head				
Primary	0.095***	0.085***	0.020	0.074***
Secondary	Ref.	Ref.	Ref.	Ref.
Vocational	-0.046*	-0.036	-0.028	-0.040*
Tertiary	-0.131***	-0.096***	-0.063**	-0.100***
Activity of HH head				
Works in private sector	Ref.	Ref.	Ref.	Ref.
Works in public sector	-0.023	0.018	-0.011	0.003
Own business/self-employed	-0.003	0.008	-0.077*	-0.027
Unemployed	0.114***	0.110***	-0.027	0.080**
Retired	-0.026	0.082**	-0.057	0.002
Other	0.049	0.063*	-0.034	0.041
HH receives remittances	0.051*	0.037	0.168***	0.101***
<i>Individual characteristics</i>				
Relative income level				
No income	-0.052*	-0.037	0.007	-0.031
1 st quintile	Ref.	Ref.	Ref.	Ref.
2 nd quintile	-0.085***	-0.042	-0.013	-0.058**
3 rd quintile	-0.160***	-0.110***	-0.027	-0.106***
4 th quintile	-0.158***	-0.129***	0.011	-0.096**
5 th quintile	-0.155***	-0.104**	0.063	-0.066
Income non reported	-0.038	-0.067	0.041	-0.020
Ethnicity				
Ethnic majority	Ref.	Ref.	Ref.	Ref.
Non-Russian ethnic minority	0.073**	-0.032	0.018	0.019
Ethnic Russian minority	-0.020	0.068***	-0.019	0.003
Poor health	0.168***	0.208***	0.100**	0.175***
<i>Contextual variables</i>				
Type of settlement				
Village	0.091***	0.050*	-0.005	0.048*
Small town	Ref.	Ref.	Ref.	Ref.
Regional centre	0.136***	0.046	0.130***	0.114***
Capital	0.258***	0.117***	0.265***	0.241***
Country				
Ukraine	Ref.	Ref.	Ref.	Ref.
Tajikistan	-0.283***	-0.331***	0.037	-0.208***
Serbia	-0.064*	-0.193***	-0.160***	-0.151***
FYR of Macedonia	-0.226***	-0.324***	-0.151***	-0.286***
Moldova	0.028	-0.109***	-0.006	-0.020
Kazakhstan	-0.415***	-0.343***	-0.261***	-0.365***
Number of observations	14964	14937	14817	14700
Log pseudolikelihood	-22382.477	-22357.974	-20436.202	-35477.754
Chi ²	981.626	1119.960	543.806	955.923
Prob > Chi ²	0.000	0.000	0.000	0.000
Pseudo R ²	0.022	0.026	0.013	0.014

Notes: * - denotes statistical significance at 10%, ** - at 5%, *** - at 1%. Robust standard errors used to calculate regressors' level of significance.

c. Explaining social, economic and psychological outcomes with economic insecurity.

Having identified factors associated with economic insecurity, we now turn to possible effects of economic insecurity. In particular, we look at the following outcomes: the likelihood of emigration, the acceptance of corruption, the levels of trust and subjective well-being. It should again be mentioned that the data in hand do not allow us to deal effectively with the problems of endogeneity, possibly arising because of unobserved factors and reverse causality. The estimated coefficients should therefore be interpreted as correlations rather than causalities.

As before, economic insecurity will be captured by 1) the ability to afford primary commodities and 2) worries about their future consumption. Measures aggregating insecurity across different commodities will be used (variables *afford* and *worried*). These ‘composite’ measures, as already shown, are highly correlated with variables capturing the affordability of and worrying about specific primary commodities.

Table 3 reports the results of regressions explaining the aforementioned outcomes. Each regression includes both types of economic insecurity (the variables *afford* and *worried*) as explanatory variables.⁷ All regressors used to predict economic insecurity (see tables 1 and 2) are included in outcome regressions as controls. Finally, since dependent variables describe individual rather than household level outcomes, all explanatory variables are used at individual level.

The first column in table 3 shows the correlates of willingness to move abroad. We notice that males, younger respondents, the higher educated, the unemployed and those receiving remittances report higher likelihood of emigration, while those with children and public sector employees report lower likelihood of emigration. Controlling for other factors, the ability to afford primary commodities does not seem to affect the likelihood of emigration (the coefficient is positive but statistically insignificant), whereas being worried about future consumption of primary commodities has a strong positive correlation with willingness to migrate (the coefficient is significant at 1%). The positive, if insignificant, coefficient of the *afford* variable could reflect the importance of covering migration costs in emigration decision. However, the negative and highly significant coefficient of the *worried* variable would suggest that economic insecurity, proxied here by worries about future consumption of primary commodities, is potentially an important driver of emigration in post-socialist countries. This result is consistent with the idea that migration is part of a risk-diversifying

⁷ Separate regressions including only one type of economic insecurity were also estimated. The sign, size and level of significance of the coefficients remain stable regardless of whether both or only one type of economic insecurity are used in the same specification.

strategy undertaken of a household in the absence of a developed welfare state and credit markets (Stark and Bloom 1985).

The second column of table 2 reports the correlates of favourable attitudes towards corruption. Males, younger respondents, ethnic Russians, remittance receivers, and village- and big city dwellers are more likely to consider that corruption is acceptable, while respondents working in the public sector are less likely to do so. In addition and of importance for this study, the two measures of economic insecurity are significant predictors of attitudes towards corruption. People reporting lower ability to afford primary commodities and people worried their future consumption are more likely to say that corruption is acceptable. The two variables are individually significant at 1%. How could one explain the relationship between higher levels of economic insecurity and more positive attitudes towards corruption? It is possible that the people experiencing higher levels of economic insecurity resort to corruption in order to enhance their consumption of primary commodities or secure them in the future.

The third column of table 3 shows the correlates of individual trust. Younger respondents, those with relatively low levels of income and education, the unemployed, business owners, the self-employed, those with poor health and regional centre dwellers appear less trustful of other people. The association between economic insecurity and trust is negative. The coefficient of the afford variable is positive and significant at 5%, and the coefficient of the worried variable is negative and significant at 1%.

Finally, the correlates of individual life satisfaction are shown in the rightmost column of table 3. Females, the elderly, those with higher incomes and higher education, remittance receivers and village dwellers tend to report higher levels of life satisfaction. On the contrary, ethnic Russians, respondents with poor health, those working in the private sector and capital dwellers appear less satisfied with their lives. Economic insecurity, unsurprisingly, is negatively correlated with life satisfaction. The variables afford and worried are individually significant at 1%.

On the whole, the analysis reveals a strong association between economic insecurity and different social, economic and psychological outcomes. People with lower ability to afford primary commodities and people with higher worries about their future consumption report more favourable attitudes towards corruption, lower levels of trust and lower levels of life satisfaction. People reporting higher worries about the consumption of necessities also report higher willingness to emigrate.

Table 3. Correlates of willingness to emigrate, acceptance of corruption, trust and life satisfaction.

	Likelihood of emigration (‘1’ if probable and ‘0’ if not probable’)	Acceptance of corruption (1...9; high = more acceptance)	Trust (‘1’ if rather yes and ‘0’ if rather no)	Life satisfaction (‘1’ if completely dissatisfied ... ‘5’ if completely satisfied)
	Binary probit	Ordered probit	Binary probit	Ordered probit
Insecurity				
<i>Afford (high = can afford more)</i>	0.008	-0.023***	0.012**	0.121***
<i>Worried (high = worried more)</i>	0.017***	0.016***	-0.015***	-0.033***
Female	-0.344***	-0.096***	0.032	0.051***
Children under 18 in HH	-0.060**	0.010	0.041	-0.011
Age				
<i>15-24</i>	0.533***	0.194***	-0.189***	0.056
<i>25-34</i>	0.454***	0.106***	-0.157***	-0.053*
<i>35-44</i>	0.310***	0.030	-0.104***	-0.042
<i>45-54</i>	Ref.	Ref.	Ref.	Ref.
<i>55-64</i>	-0.425***	-0.059	0.084*	0.047
<i>65+</i>	-0.964***	-0.276***	0.140**	0.200***
Ethnicity				
<i>Ethnic majority</i>	Ref.	Ref.	Ref.	Ref.
<i>Non-Russian ethnic minority</i>	0.042	0.038	0.013	0.023
<i>Ethnic Russian minority</i>	0.039	0.102***	0.003	-0.226***
Relative income level				
<i>No income</i>	-0.133***	-0.084**	0.060	0.011
<i>1st quintile</i>	Ref.	Ref.	Ref.	Ref.
<i>2nd quintile</i>	0.052	0.075**	0.014	0.119***
<i>3rd quintile</i>	-0.012	0.076*	0.131***	0.348***
<i>4th quintile</i>	-0.137**	0.047	0.115**	0.536***
<i>5th quintile</i>	-0.149**	0.165***	0.174***	0.840***
<i>Income non reported</i>	0.054	-0.081	0.011	0.296***
Education				
<i>Primary</i>	-0.170***	-0.049	0.032	0.010
<i>Secondary</i>	Ref.	Ref.	Ref.	Ref.
<i>Vocational</i>	0.053	0.022	0.032	0.081***
<i>Tertiary</i>	0.135**	-0.020	0.080**	0.126***
Activity				
<i>Employed in private firm</i>	Ref.	Ref.	Ref.	Ref.
<i>Public sector</i>	-0.148***	-0.084**	-0.009	0.088***
<i>Own business/ self-employed</i>	0.027	0.066	-0.097*	0.079*
<i>Education</i>	0.261***	-0.087	0.095	0.343***
<i>Unemployed</i>	0.311***	-0.006	-0.083*	-0.091**
<i>Retired</i>	-0.495***	-0.119**	0.039	0.112**
<i>Housewife/ househusband</i>	-0.191***	-0.011	-0.052	0.138***
<i>Other</i>	-0.147**	-0.022	-0.013	0.010
Poor health	-0.013	-0.005	-0.183***	-0.260***
HH receives remittances	0.271***	0.152***	-0.062*	0.120***
Type of settlement				
<i>Village</i>	-0.002	0.082**	0.015	0.044*
<i>Small town</i>	Ref.	Ref.	Ref.	Ref.
<i>Regional centre</i>	0.069	0.128***	-0.070*	0.011
<i>Capital</i>	-0.022	0.170***	0.036	-0.118***
Country				
<i>Ukraine</i>	Ref.	Ref.	Ref.	Ref.
<i>Tajikistan</i>	0.329***	-0.089*	-0.320***	1.166***
<i>Serbia</i>	0.261***	-0.261***	-1.126***	-0.148***
<i>FYR of Macedonia</i>	0.402***	-0.738***	-0.458***	0.064*
<i>Moldova</i>	0.695***	-0.042	-0.692***	0.613***
<i>Kazakhstan</i>	-0.351***	-0.141***	0.091**	0.767***
Number of observations	14953	12276	13937	14903
Log pseudolikelihood	-6045.58	-15581.8	-8694.2	-19041.4
Chi ²	1663.580	788.588	1343.717	3827.660
Prob > Chi ²	0.000	0.000	0.000	0.000
Pseudo R ²	0.179	0.028	0.077	0.106

Notes: * - denotes statistical significance at 10%, ** - at 5%, *** - at 1%. Robust standard errors used to calculate regressors' level of significance.

CONCLUSION

Economic insecurity has been a major characteristic of transition from planned to market economy. This paper studies the determinants and possible impacts of economic insecurity two decades after the fall of communism, contributing to a better understanding of the costs and benefits of transition. Using data from a UNDP/UNICEF survey, carried out in 2009 in six post-socialist economies, the paper reveals 1) population groups subject to the highest levels of economic insecurity and 2) associations between economic insecurity, on the one hand, and willingness to emigrate, acceptance of corruption, trust and life satisfaction, on the other. Economic insecurity is proxied by the ability to afford primary commodities and worries about their future consumption.

Our findings suggest that households headed by females and the unemployed, as well as people with poor health are among the most disadvantaged groups in terms of both the ability to afford and worries about necessities consumption. To a large extent, this reflects the low capacity of welfare state in transition economies and indicates where policy could be applied more vigorously. High levels of both types of insecurity are also observed among households where the head is low educated. This result is likely to reflect higher job insecurity, which eventually translates into higher insecurity of necessities consumption, usually experienced by people with low levels of human capital (see e.g. Linz and Semykina 2008, de Bustillo and de Pedrasa 2011, Green 2009). Similarly, rural residents appear among the most economically insecure, although the coefficients tend to be more pronounced in the affordability than worries specifications.

Ethnicity represents an interesting case. First, we notice that the patterns of economic insecurity of the ethnic Russian minority are not statistically different from those of the ethnic majority. This might suggest that ethnic Russians – the former Soviet migrants and their descendants – have been able to capitalise on their pre-transition social and political connections when the balance of power shifted away from them. On the contrary, the non-Russian ethnic minorities emerge as a disadvantaged group relative to the ethnic majority, especially concerning the ability to afford primary commodities. This might be explained by labour market discrimination, which leads to lower incomes and lower ability to afford food and clothes, and social discrimination, which might limit the minorities' access to housing and medical services. Arguably, policy should pay more attention to the disadvantaged minorities. In reality, however, public and policy views with regard to minorities may be less benevolent. First, some people believe that social protection generates the culture of dependency and that the minorities are particularly likely to be 'net welfare beneficiaries' (UNDP 2002). Second, some argue that, irrespectively of whether they receive social

protection or not, minorities, such as Roma, would not actively search for employment, educate their children or try to improve their living conditions (Milcher and Zigova 2005).

Next, while one would expect a higher ability to afford necessities and lower worries about their future consumption to go hand in hand, the data suggest it does not need to be the case. For several individual and contextual attributes, the feeling of insecurity as captured by worries 'exceeds' the extent of insecurity as measured by the affordability of necessities. Thus, 'younger' households and people living in metropolitan areas are more likely to worry about future consumption of primary commodities, but they do not necessarily report lower ability to afford them at present. Similarly, a higher ability to afford primary commodities by people with higher income, business owners and the self-employed is not always matched by less anxiety about their future consumption.

For some variables, the association with the two types of insecurity displays opposite signs. Remittance-receivers are more likely to afford all primary commodities, but they also report higher levels of worries about their future consumption. This can be explained by the unstable nature of remittances and their dependence on the migrant host country economic conditions. In a similar vein, household with underage children report higher levels of the ability to afford and worries about necessities.

Turning from determinants to possible outcomes of economic insecurity, we find that people experiencing both types of economical insecurity are more likely to report favourable attitudes towards corruption, lower levels of trust and lower levels of life satisfaction. In addition, worrying about future consumption of primary commodities is associated with higher self-reported likelihood of emigration. While the data used in this paper did not allow determining precise causal effects, these findings point at potential adverse effects that economic insecurity might have on outcomes determining economic growth.

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