

INTRODUCTION

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The chapters of *In Focus* examine the relationship between health status, access to health care and the labor market situation (economic activity, employment, earnings, labour market conditions) in Hungary. This relationship is complex: health status affects individual productivity and expected earnings on the one hand, and work-related disutility on the other. Thus, in line with classical labour economic theory, health shocks have a measurable effect on an individual's labour market position. (In fact, not only adult health shocks but also the health status in early childhood has a consequential impact, see, e.g. the summary of *Almond et al.*, 2018). In the other direction, the labour market situation and working conditions have direct (e.g. through accidents at work) and indirect (e.g. through the access to health care) effects on health. The regulatory environment, the level of welfare benefits, and the quality of the health care system all influence both directions of this relationship.

An extensive international literature exists on the topic (see, for example, the summary articles of *Barnay*, 2016, *Currie–Madrian*, 1999, *Prinz et al.*, 2018), and the novelty of the studies of *In Focus* lies in the related analyses on Hungary. These are largely based on a uniquely rich administrative database compiled by the Databank of the Centre for Economic and Regional Studies [CERS (KRTK)], which contains anonymized labour market and health data on a random sample of half of the Hungarian population (*Sebök*, 2019). The Admin3 database (supplemented with other administrative data) provides an opportunity to examine questions that could not be properly answered previously for Hungary. The chapters of *In Focus* are not intended to explore every detail of the complex relationship between health and the labour market, but they do provide insight into some elements of the two-way relationship and also emphasize the role of the regulatory environment.

Chapter 1 of *In Focus* examines the extent to which the worse health status of the Hungarian population may explain the lower employment compared to the European average, and also provides a descriptive analysis of the relationship between health status and employment in Hungary. The studies in Chapter 2 explore labour-market-related, regional, and socioeconomic inequalities in mortality and morbidity (and myocardial infarction as a special case), informal payments, and private health care use, and some of their possible causes.

The further chapters of *In Focus* discuss the two-way relationship between work and health in different life situations. Chapter 3 deals with the health of the employed population. Subchapters 3.1 and 3.2 examine the differences in

health expenditure by labour income and by the ownership of the firm of the employee (domestic/foreign). Subchapter 3.3 analyses the most direct indicator of the impact of the workplace conditions on health, the frequency of accidents at work across industries, types of companies and occupational groups. Related to this, a box illustrates how differences in accident probabilities can be used to estimate the statistical value of life. Another box provides an additional example of the health impact of workplace conditions by showing that the smoking ban in hospitality venues has measurably improved the health of newborns of pregnant women employed there. Subchapter 3.4 deals with the incentive effects of the tightening of the sickness benefit system during the previous years. In addition, separate boxes address two specific topics: the impact of developments of the health care system on workers, and the health of migrants. The two studies of Chapter 4 analyse the health status of health care workers and the out-migration of physicians from Hungary.

The topic of Chapter 5 is the impact of unemployment on health. Subchapter 5.1 examines the health consequences of economic crises and job losses; 5.2 deals specifically with the long-term health effects of economic shocks following the transition in Central and Eastern Europe, and a separate box analyses the health expenditure of public works employees. Of the studies in Chapter 6, Subchapter 6.1 presents the two-way relationship between health care use and old-age retirement, while Subchapter 6.2 investigates the labour market implications of the increase in demand for end-of-life palliative care.

The first study in Chapter 7 discusses the employment of people with disabilities in Hungary in a European comparison (a box covers related measurement problems) and then reviews the demand-side policy instruments to increase employment (detailing the impact of the rehabilitation contribution in a separate box). The second study analyses the supply side and in particular the effects of changes in the regulation of disability and rehabilitation benefits.

The topic of Chapter 8 is the young age group. The administrative data in Hungary do not yet make it possible to measure the effects of childhood health shocks on subsequent labour market performance, but the related international literature is presented in a box. Based on Hungarian data, Subchapter 8.1 shows how children's time spent in hospital affects their later school performance – which in turn is likely to influence their subsequent success in the labour market. Subchapter 8.2 illustrates the impact of young people's labour market conditions on health by estimating the relationship between settlement-level labour market conditions and adolescent pregnancies.

The manuscript was finalised during the second wave of the coronavirus pandemic in Hungary, so we could not yet undertake a full analysis of its health, labour market, economic and educational consequences. The first study in Chapter 9 provides a general overview of the health-economic trade-offs in decision-making that have arisen during the pandemic and briefly evaluates

the public policy measures applied in Hungary during the first half of the year. The second study, based on the latest available data, reviews the effects on the labour market so far, also addressing heterogeneity across social groups.

We hope that the studies of *In Focus* provide interesting results from a policy point of view and point to a number of questions on which further research might be conducted in the future.

References

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