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Death surge linked with mass privatisation

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As many as one million working-age men died due to the economic shock of mass privatisation policies followed by post-communist countries in the 1990s, according to a new study published in *The Lancet*.

The Oxford-led study measured the relationship between death rates and the pace and scale of privatisation in 25 countries in the former Soviet Union and Eastern Europe, dating back to the early 1990s. They found that mass privatisation came at a human cost: with an average surge in the number of deaths of 13 per cent or the equivalent of about one million lives.

The rapid privatisation programme, part of a plan known by economists as ‘shock therapy’, led to a 56 per cent increase in unemployment, which the study says played an important role in explaining why privatisation claimed so many lives. Many employers provided extensive health and social care for their employees, so through privatisation workers experienced the ‘double whammy’ of losing not only their livelihood but also their means of surviving the crisis.

David Stuckler from Oxford, and colleagues Dr Lawrence King from Cambridge University and Professor Martin McKee, from the London School of Hygiene and Tropical Medicine, took death rates reported by the World Heath Organisation for men of working age (15-59 years) in 25 post-communist countries and compared them to the timing and extent of participation in mass privatisation and other transition policies.

The team took into account other factors that might affect rising death rates (such as economic depression, initial conditions and health infrastructure). They also examined other measures of privatisation from the European Bank for Reconstruction and Development, a bank which gave loans in support of radical mass privatisation.

During the 1990s, former communist countries underwent the world’s worst peacetime mortality crisis in the past 50 years - with over three million avoidable deaths and 10 million ‘missing’ men, according to the United Nations.

However, while life expectancy plummeted in some countries, like Russia and Kazakhstan; the populations’ health steadily improved in other countries, such as Slovenia. Previous research shows that unemployment and levels of alcohol consumption are major factors behind these differences, but this study is thought to be the first to isolate aspects of the reforms process that might cause these variations. It finds that death rates are linked to the speed and type of privatisation and resulting unemployment - and also to the level of social support available. If at least 45 per cent of the country’s population were members of at least one social organisation, such as a church or trade union, they were better protected from the economic shocks, the authors found.

David Stuckler, from Oxford's Department of Sociology, said: ‘Our study helps explain the striking differences in mortality in the post-communist world. Countries which pursued rapid privatisation, or ‘shock therapy’, had much greater rises in deaths than countries which followed a more gradual path. Not only did rapid privatisation lead to mass unemployment but also wiped out the social safety nets, which were critical for helping people survive during this turbulent period.’

Professor Martin McKee said: ‘As variants of rapid reform policies are being debated in China, India, Egypt and other developing and middle-income countries, including Iraq, our study reminds us that radical economic reforms affect ordinary people and, in some cases, cost them their lives.'

Provided by Oxford University

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