

Measurement of Economic Insecurity in the European Union between 2005 and 2020

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Because of the macroeconomic shocks caused by pandemic COVID-19 a lot of people have faced the economic insecurity in the recent years. According to Hacker et al (2014) and Hacker (2018), the economic insecurity is higher among people with lower levels of education and lower incomes as well as among younger adults, ethnic minorities, and heads of single parent households. Hacker and Rehm (2020) argued that about half of significant income losses from year to year are caused by changes in employment status, family structures and health status. Jiménez (2021) identified the key factors underpinning the economic insecurity which are the following: unemployment and under-employment, sickness and disability, widowhood and union dissolution, life cycle and old age. The measurement and monitoring of economic insecurity is important for the government in order to increase resilience to future shocks. We applied a macro-level approach using macroeconomic data of EU countries. We created a structural equation model (SEM) for years 2005-2020 based on the LISREL estimation procedure. The model assumes that the economic insecurity depends on observable economic indicators. In addition, the economic insecurity is also explained by economic, social, demographic and cultural and infrastructural indicators. The variable selection and the classification into causes and consequences was a multistep process, and the factors were classified by analysis of correlations, cross-correlations and Granger-causality. Based on our estimation, the development of economic insecurity can be calculated as a latent variable. Its development gives a good picture about geographical and relative differences of economic insecurity in EU member states.

been carried out by the employees in the food services during the closure? How many people are employed at same time in public and private health care?

Based on our results, self-employed persons responded flexibly to the effects of the Covid-19 pandemic. The changes in consumer habits may affect the labour market processes, and the structure of that.