

The Effect of Poverty on Household' Health Risks and Insurance Decision

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Abstract: As the China's reform and transformation becomes dramatical, people in the society face more and huger risks, especially health risk and aging risk that are the most threaten risks in temporary China. Without basic medical insurance and endowment insurance, generally, one household will soon drop in the poverty trap and will be bankrupt eventually. Currently, in China, there exists a huge economic growth and income gap between urban and rural China, a large number of peasants in China have no or not enough basic insurance, especially when they face health risks and aging risks. Classic theory research and experiential analysis have open out that poverty will restrict a household's capability to cope with health and aging risks, and will throw the household into poverty trap, and all kinds of human rights, including health and endowment insurance, will be deprived of from the household. Based on past researches, this paper erect some hypotheses, and try to, through experiential analysis, find out whether poverty deprives rural peasants of basic human rights. This paper uses subjective poverty estimation as a variable to delegate poverty, and through some experiential analysis methods mainly including Crosstabs and Multinomial Logistic Regression to find out the relationship between poverty, household's health condition and household's desire to continuously participate rural insurance. Under the condition of controlling other factors, this paper measures the impact of poverty on household's health and insurance decision (participate or not), that show poverty has a significantly negative impact on household's health condition, and also a significantly negative impact on household's insurance decision (continuously participate rural insurance or not). According to the research outcome, this paper brings forward some ideas , such as to raise peasants' income, enhance the level of rural social insurance, and to develop a variety of insurance in rural China, to improve the rural household' capability to resist health risk and aging risk.

Key Words: Poverty; Household; Health; Insurance Decision