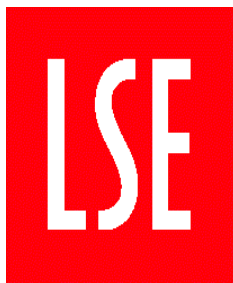


# Jobs and wellbeing: Individual and country level evidence



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POLITICAL SCIENCE ■

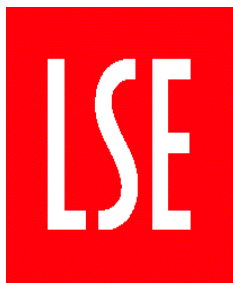
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# Jobs and wellbeing: Individual and country level evidence

This is work in progress  
(sorry...)



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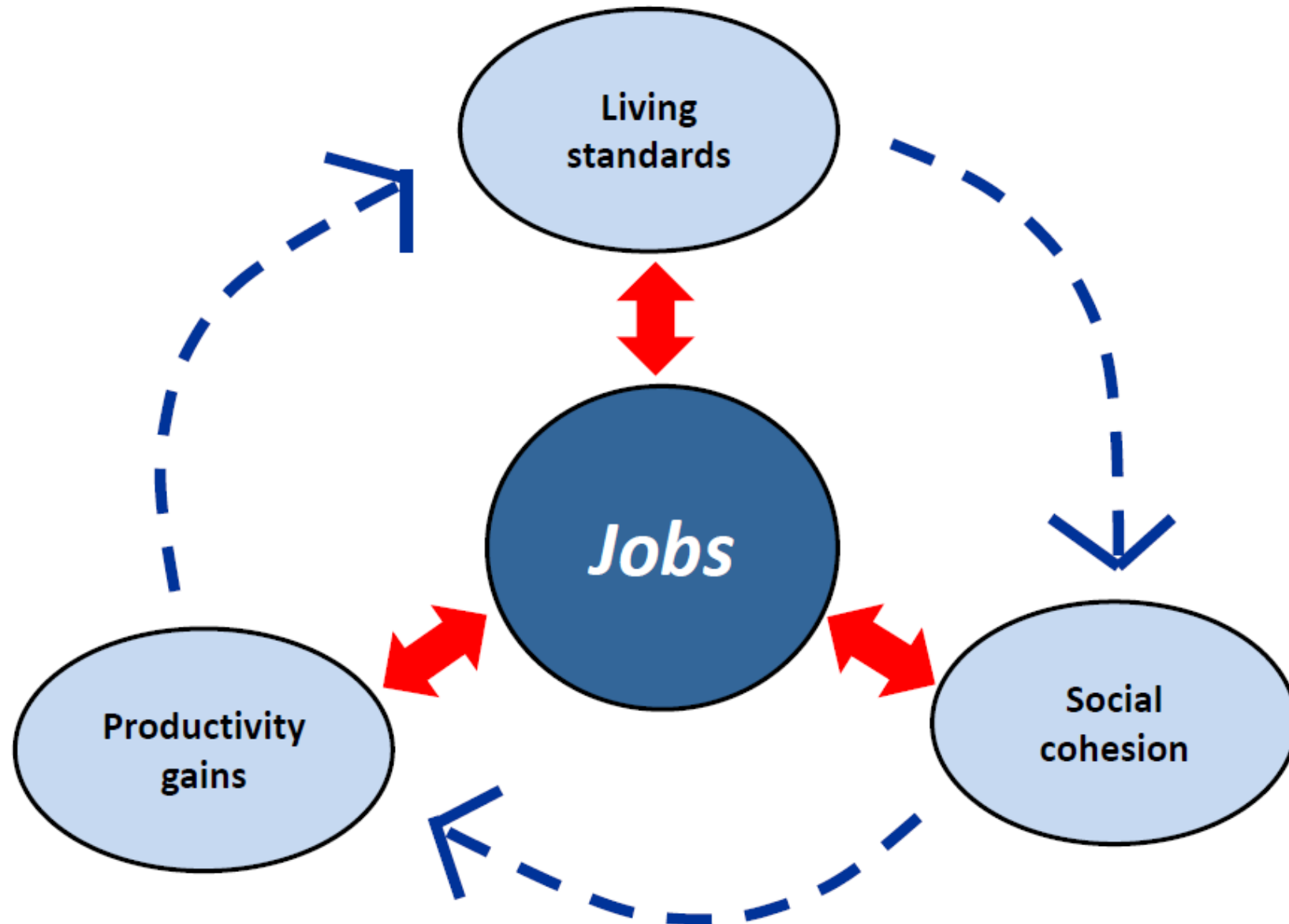
# Background: research project for the World Bank's WDR 2013 on 'Jobs'

Growing interest in link between 'good' jobs and:

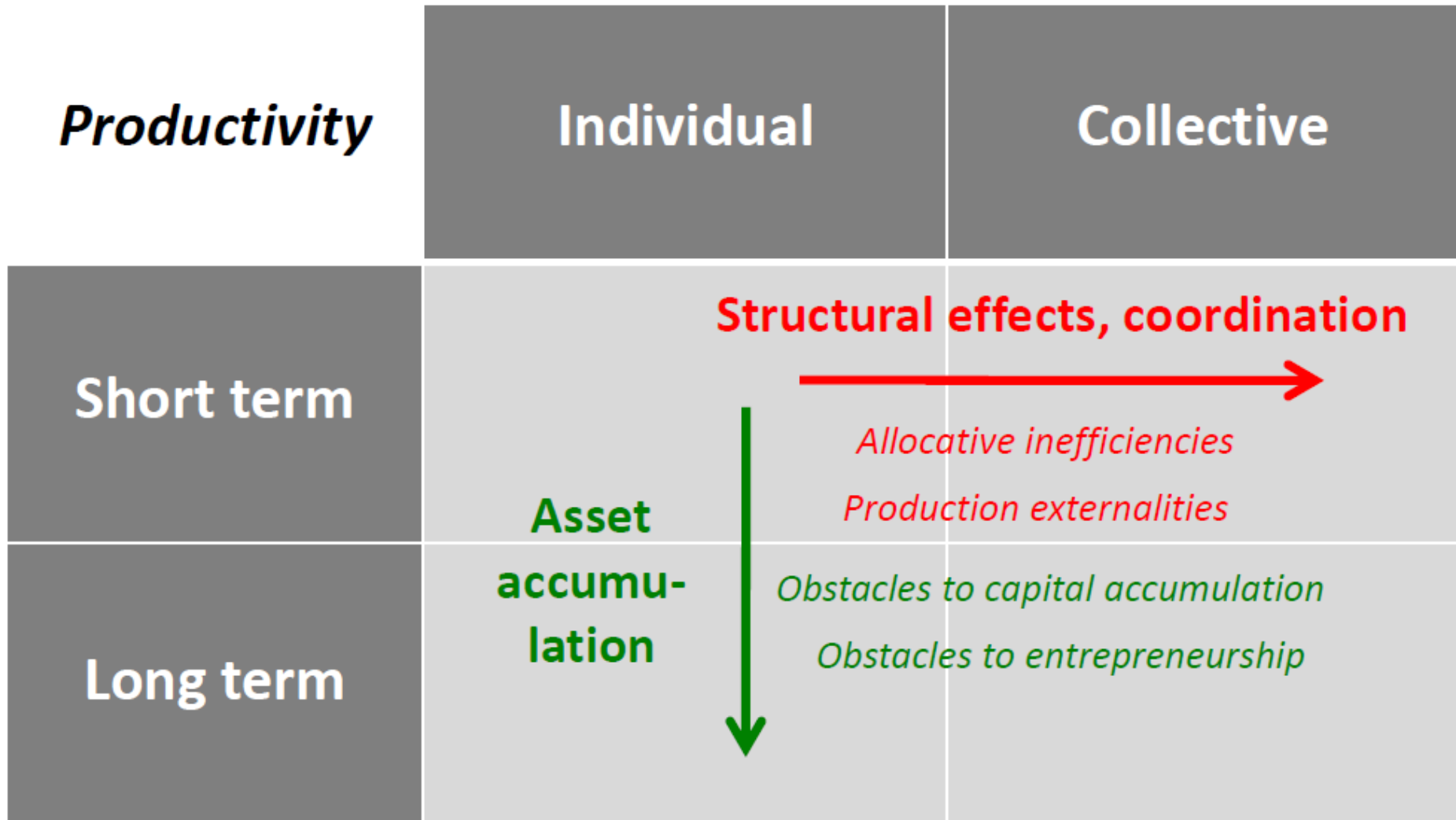
- Wellbeing
- trust and cohesion
- Social associations (from networks to jobs *and* vice versa)

Other recent work along similar lines: e.g. OECD, ILO, Gallup surveys, etc.

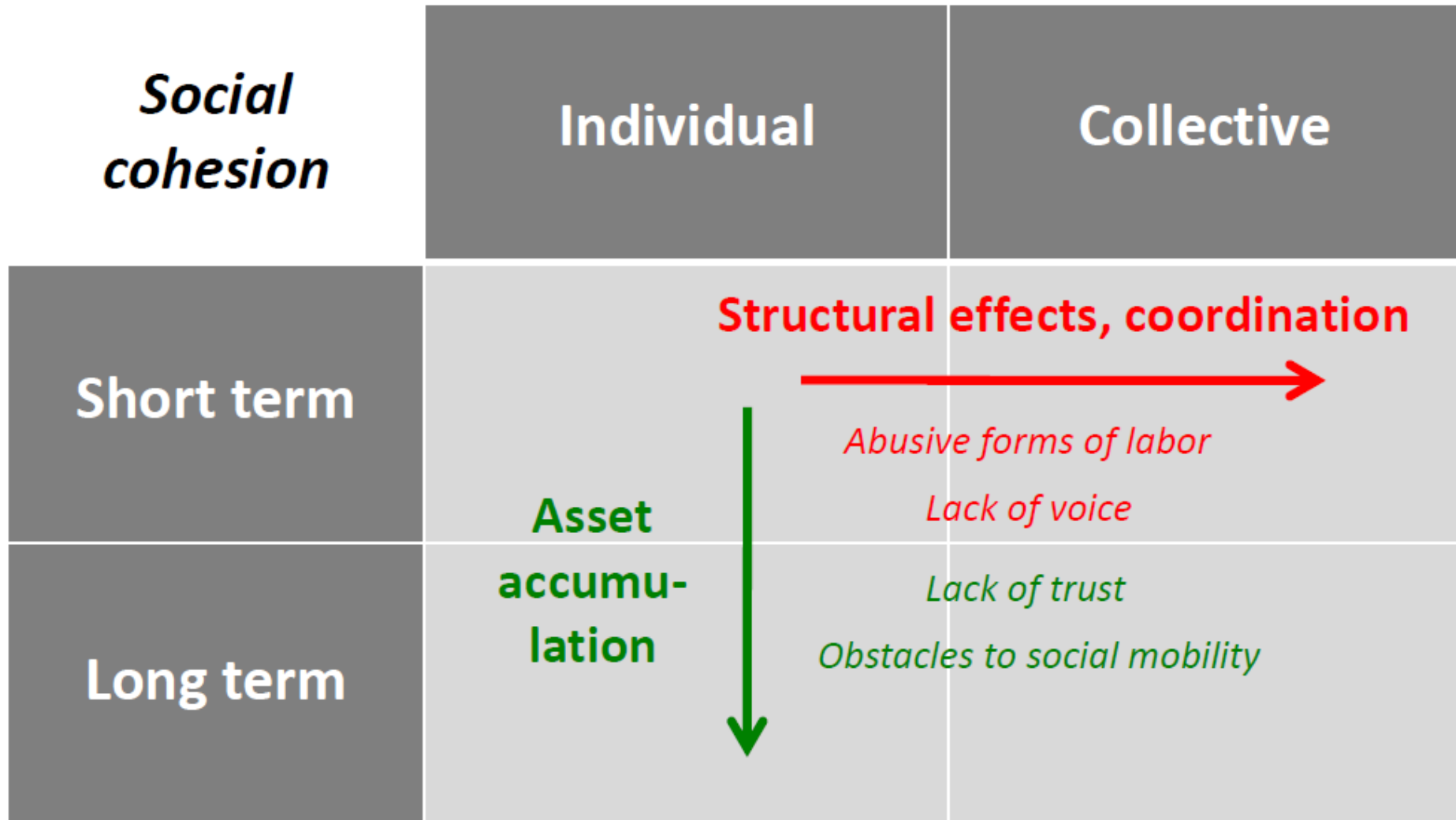
# Jobs as the “hinge” of development



# WDR: Jobs and economic efficiency



# Jobs and social cohesion



## Approach (I)

Introduce new focus on *job quality*: are people with good jobs leading a better life?

- Life satisfaction = job quality + Controls
- Trust = job quality + Controls
- Membership in associations = job quality + Controls
- Attitudes to redistribution / inequality = jobs + Controls

# Approach (I)

Job quality indicators from WVS IV:

- Manual to non-manual/cognitive
- Routine to creative
- No independence to independence

***NB: could be related to Erikson / Goldthorpe class scheme***



## Approach (II)

Use *country level* regressions (not pooled, f.e.)

Produces correlations between jobs and wellbeing, *conditional* on other indiv. attributes

- Takes care of *country specific* differences in latent subjective wellbeing scales
- Takes account of country-specific interactions between job attributes and controls

## Approach (II)

For each country we estimate:

Outcome = job quality (or employment status)+  
age + age<sup>2</sup> + income + debt + hhead  
employed +secondary educ + higher  
educ + widowed + divorced +  
married + government job + female  
+ child of immigrants + religious  
(+work attitude), if unemp==0, robust

Subsequent country analysis focuses on  
coefficient of job quality / employment status

# Preliminary findings

- Link between jobs and other outcomes NOT as strong as we thought
  - Fewer significant results at country level.
  - Are pooled regressions with country f.e. misleading?
  
- Even holds for well-established relationships such as unemployment and life satisfaction or job quality and social associations

# Unemployment and life satisfaction – pooled regression (with country f.e.)

	<b>Life satisfaction</b>
<b>Unemployment</b>	<b>-0.338***</b> <b>(-10.40)</b>
age	-0.055*** (-11.64)
agesq	0.001*** (9.946)
income	0.213*** (45.97)
wealth	0.303*** (15.13)
female	0.083*** (4.633)
immigrant_child	0.054 (1.487)
debt	-0.383*** (-12.59)
religious	0.304*** (12.65)
med_educ	0.068*** (3.322)
high_educ	0.076*** (2.772)
Constant	6.825*** (61.79)
Observations	61449
R-squared	0.237

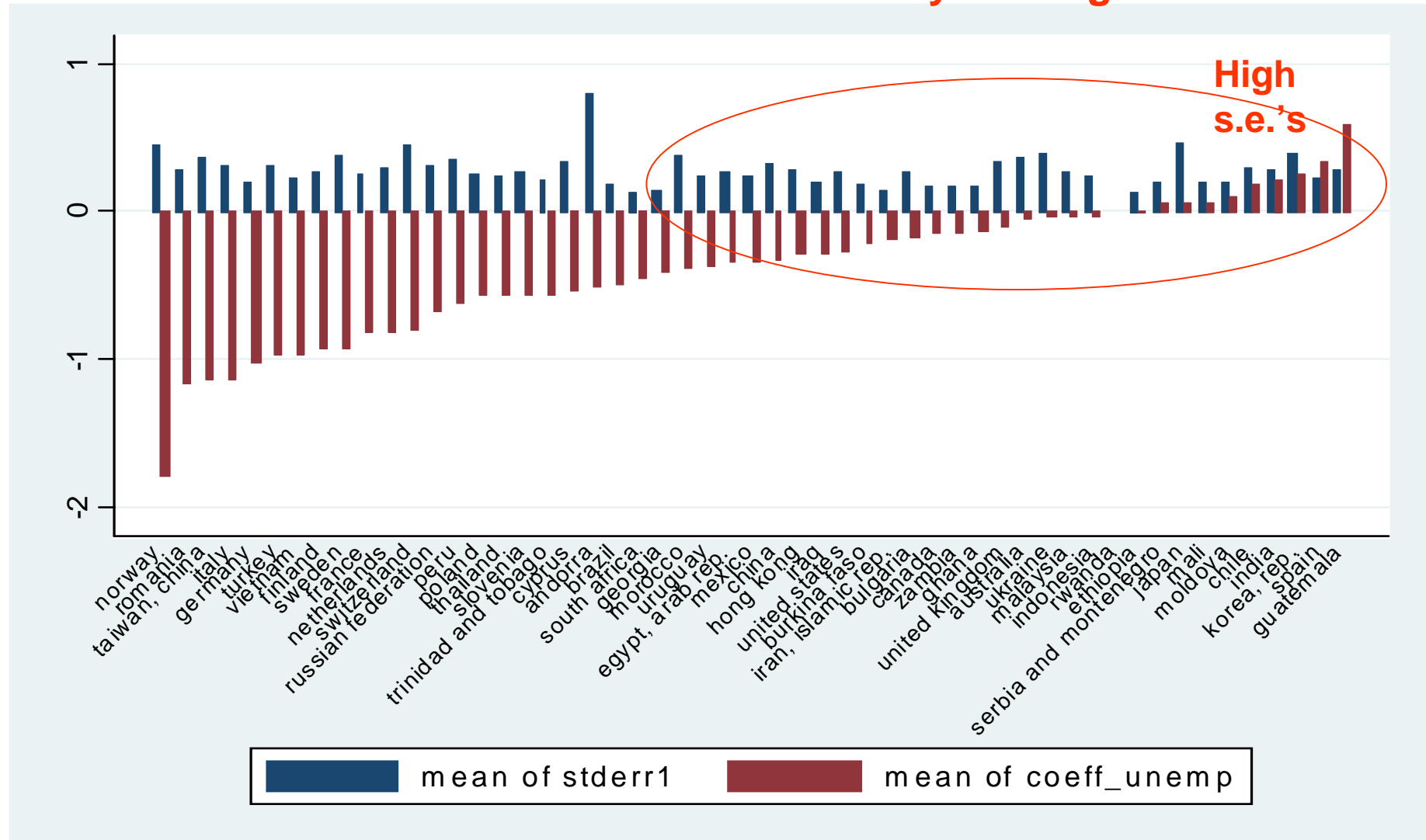
**Large coeff  
and t-stat**

Robust t statistics in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

# Unemployment and life satisfaction – country regressions

Many non-significant results



# Creative jobs and membership in associations – pooled regression (with country f.e.)

	(1)
	<b>N of active associations</b>
<b>Creative job (10pt scale)</b>	<b>0.029***</b>
	<b>(11.66)</b>
age	0.008***
	(2.982)
agesq	-0.000***
	(-3.823)
income	0.041***
	(11.35)
wealth	0.080***
	(5.054)
female	-0.163***
	(-11.10)
immigrant_child	0.090***
	(3.695)
debt	0.126***
	(5.199)
religious	1.297***
	(85.79)
med_educ	0.254***
	(14.57)
high_educ	0.463***
	(20.49)
Alpha	-1.349***
	(-29.83)
Constant	-0.993***
	(-12.62)
Observations	41094

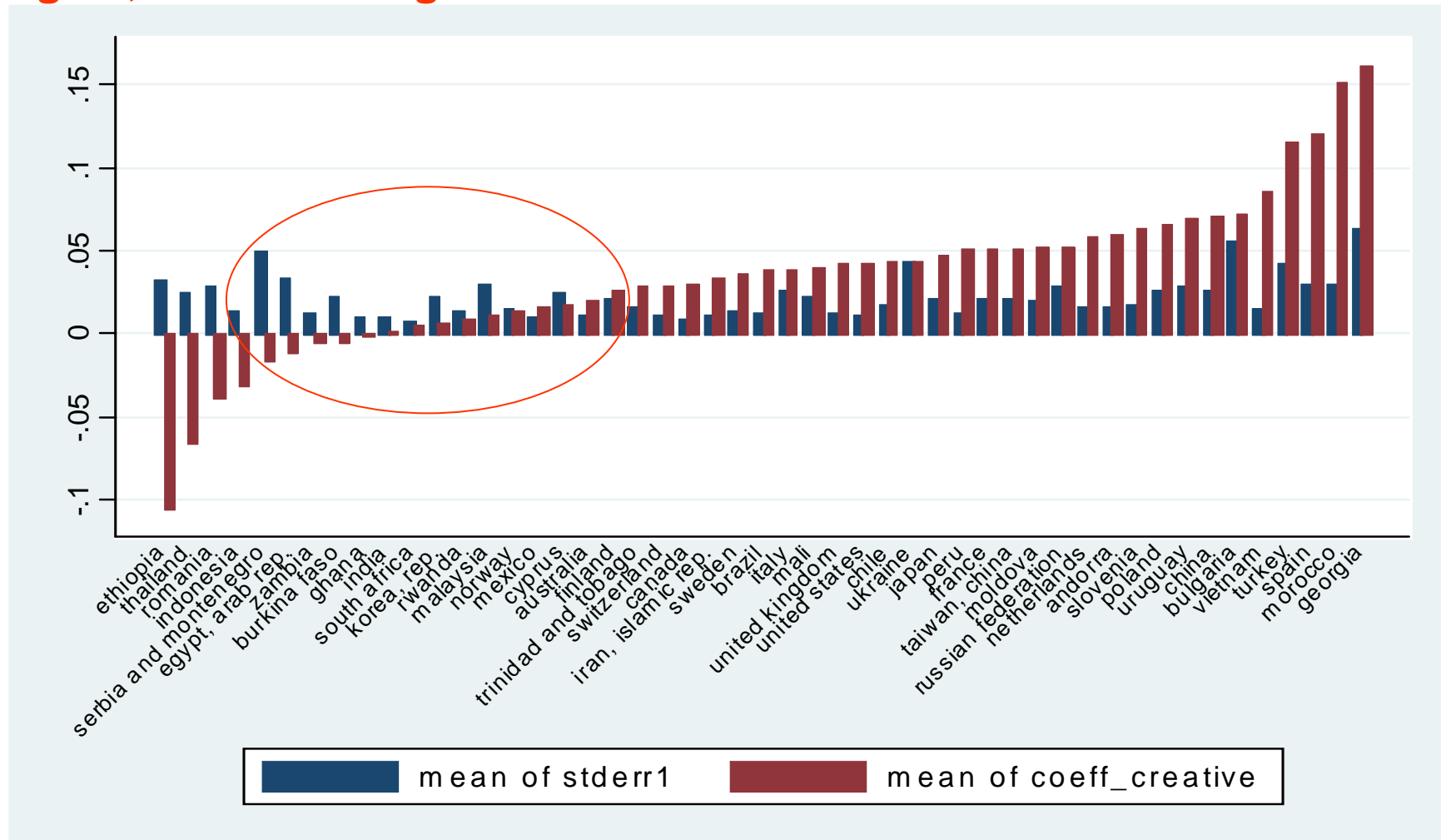
**Small coeff  
but large t-  
stat**

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 . Robust z statistics in parentheses

Model fitted with nbreg (negative binomial distribution) to deal with left skewed distribution of dependent variable

# Creative jobs and membership in associations – country regressions

Again, some non-significant results



Models fitted with nbreg (negative binomial distribution) to deal with left skewed distribution of dependent variable

## Possible explanations

- Unemployment / Job quality could be the result of more general sorting/stratification processes

- Would lead to co-linearity with income, wealth, education, etc.

→ Need more complex models that take account of sorting into (better) jobs

- Data issues?

- Small national samples of the WVS



## Part II

How could this link to the ISD initiative ?

# Job-related inequalities and ISD

Country averages in the ISD omit variations between individuals and groups. Esp. jobs are an important source of differentiation in many societies.

→ Significant correlation between job quality variables and trust / associations etc. can be seen as a sign of inequality within countries

→ HH regressions on outcomes in ISD-type dimensions can help assess extent of inequalities within countries.

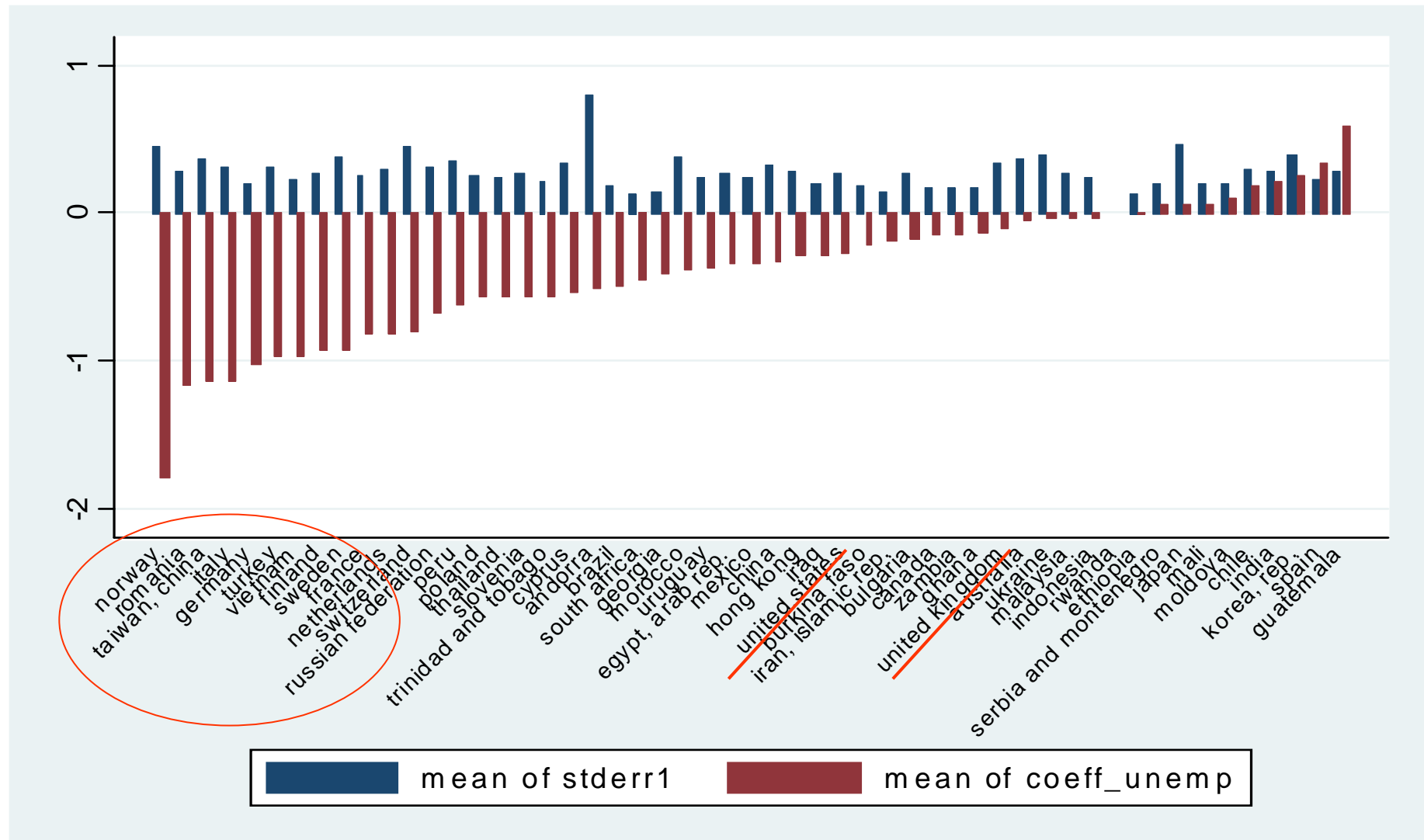
# Job-related inequalities and ISD

Would also expect that jobs – wellbeing / jobs – trust link is mediated by levels of social development in a society

→ interest in studying behaviour of country-level correlations together with ISD country indicators

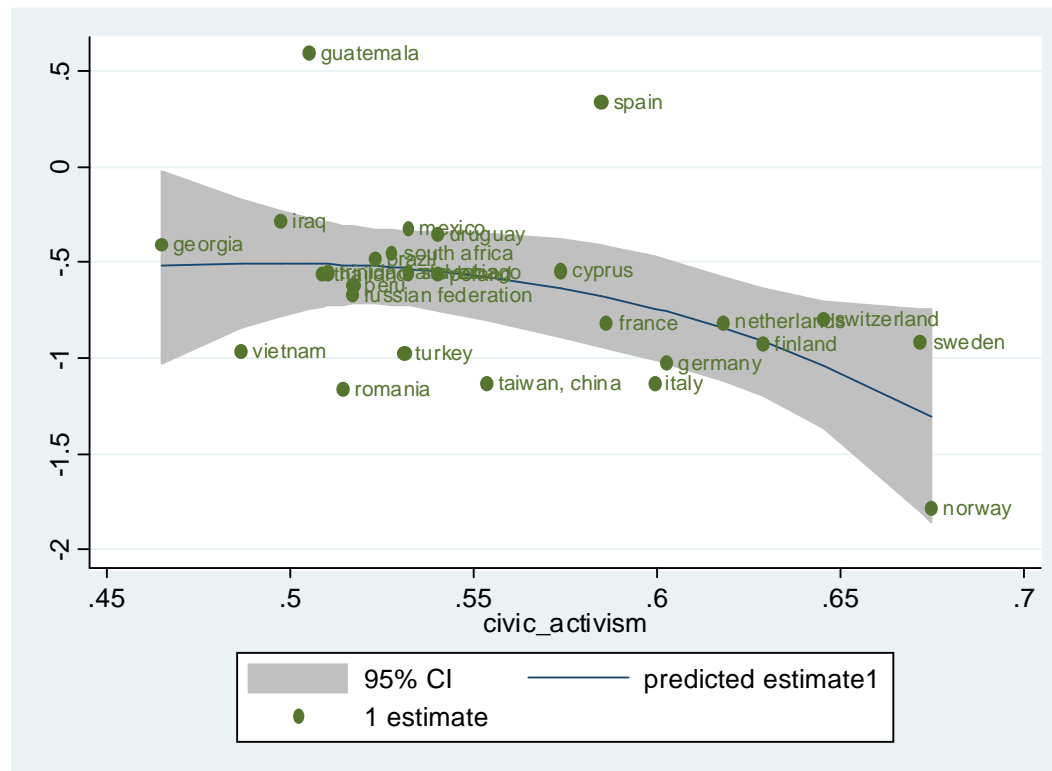
# Effect of unemployment on life satisfaction

Effects of unempl. tend to be more negative in Nordic countries. Are these countries different (e.g. Less labour market flexibility)?

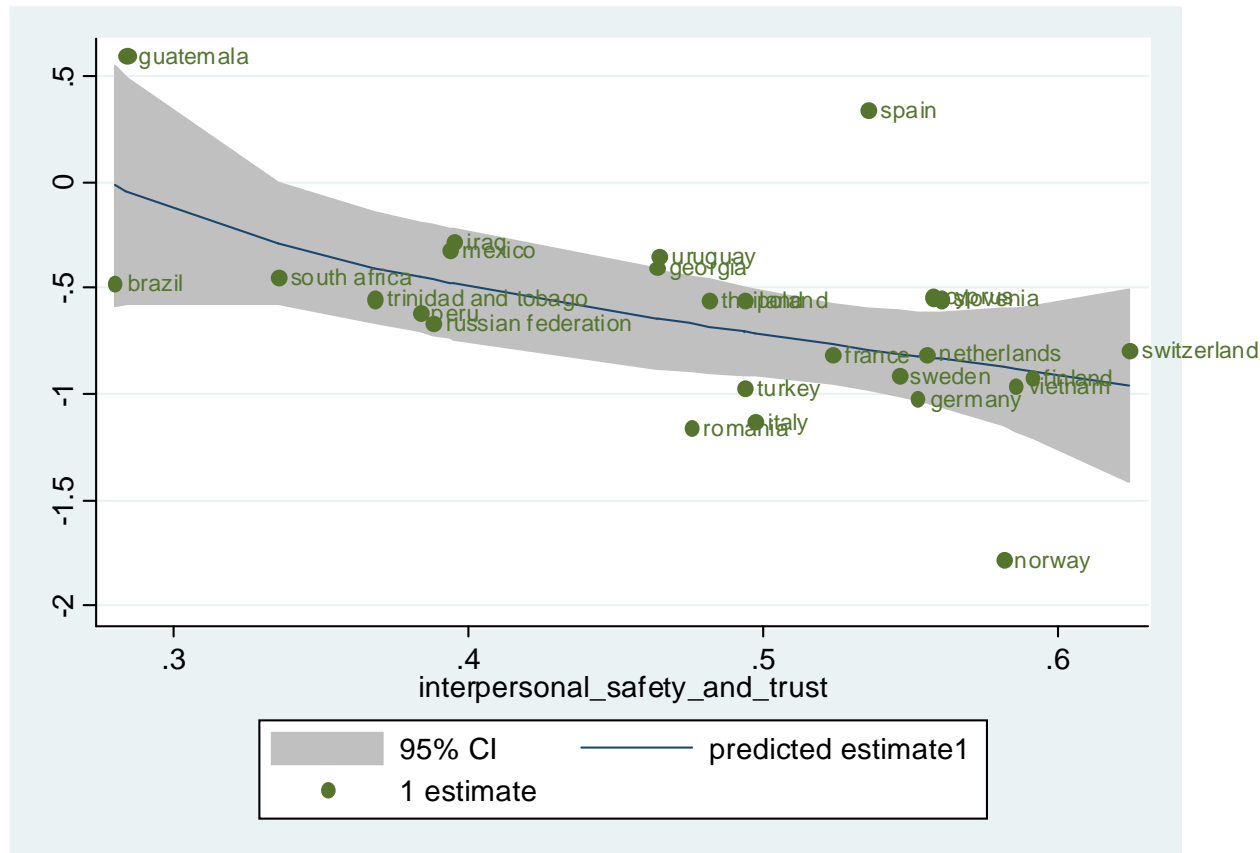


ISD indicators pick up some variation across countries. But they also show some nuances

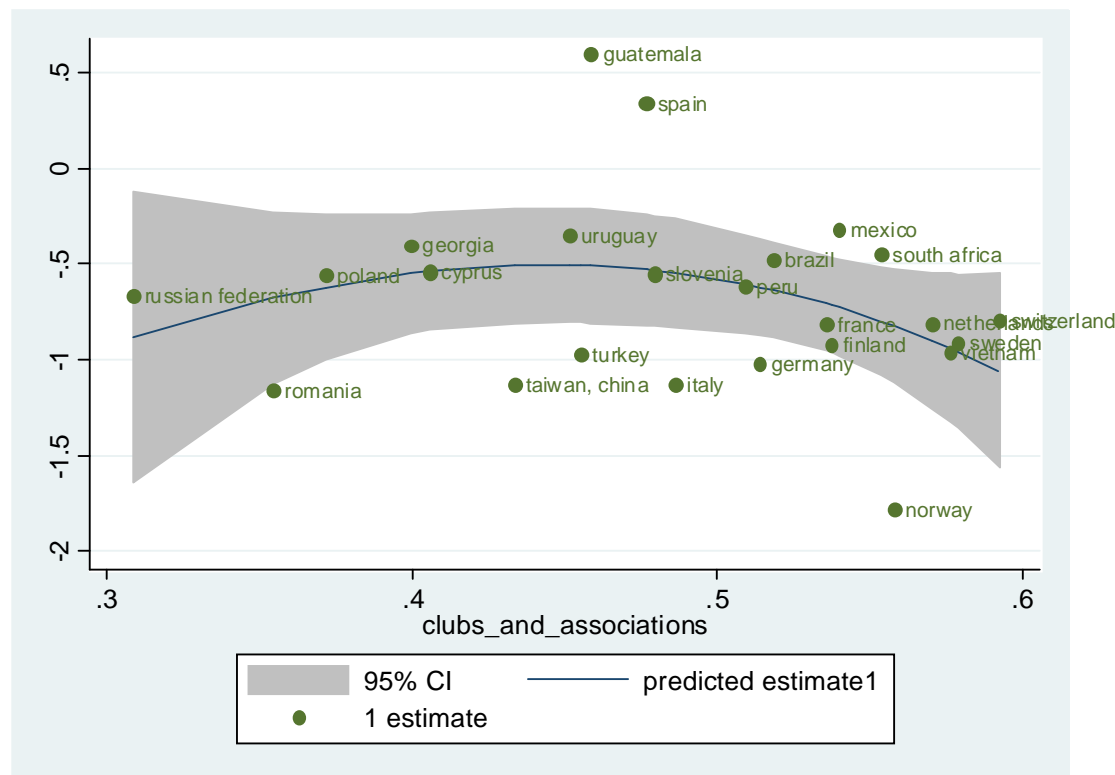
E.g. more negative effects of unemployment in countries with more civic activism...



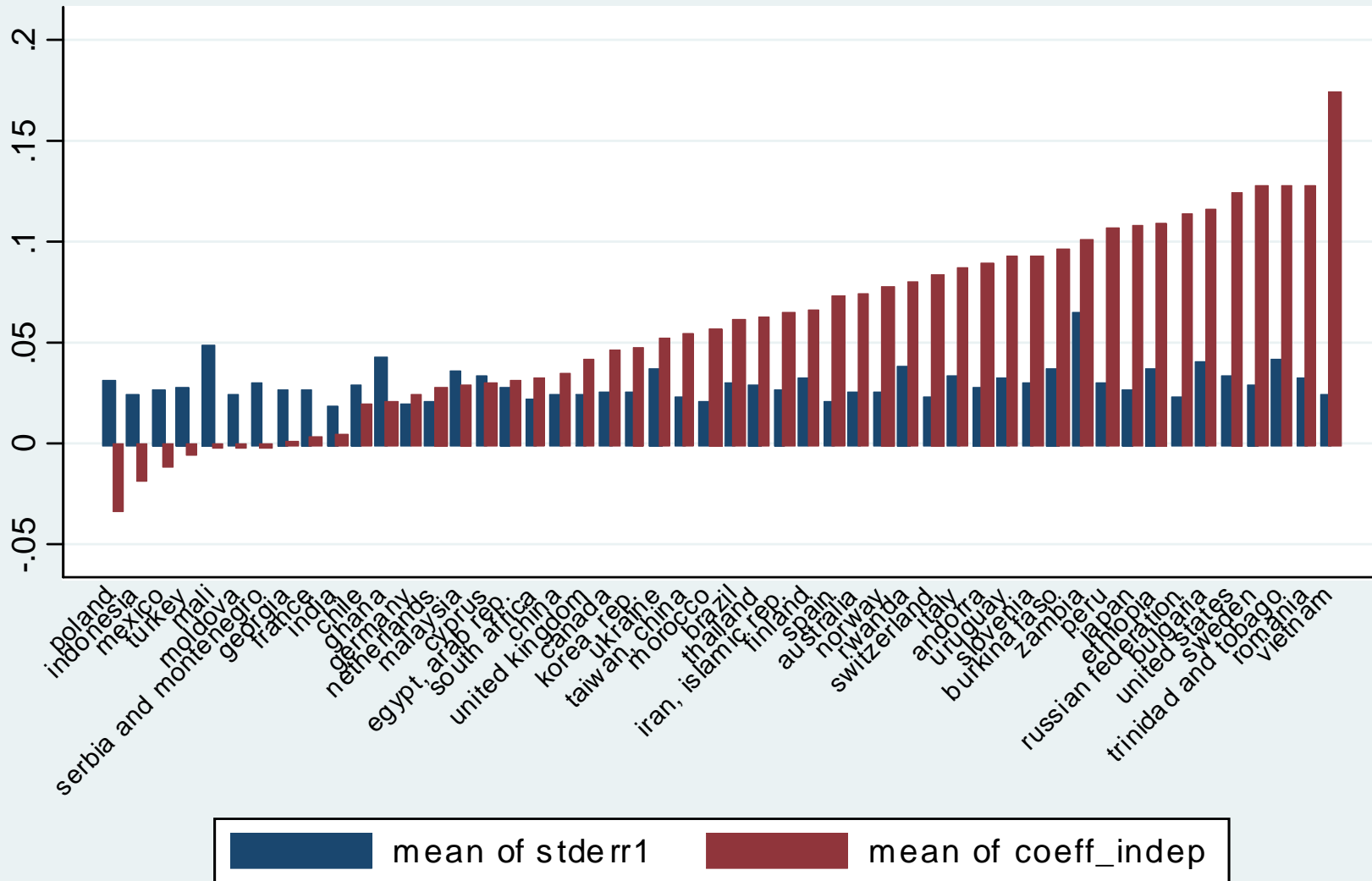
...effects of unemployment also larger in countries with more interpersonal safety and trust



But the relation between unempl. and associational density of a society is less clear

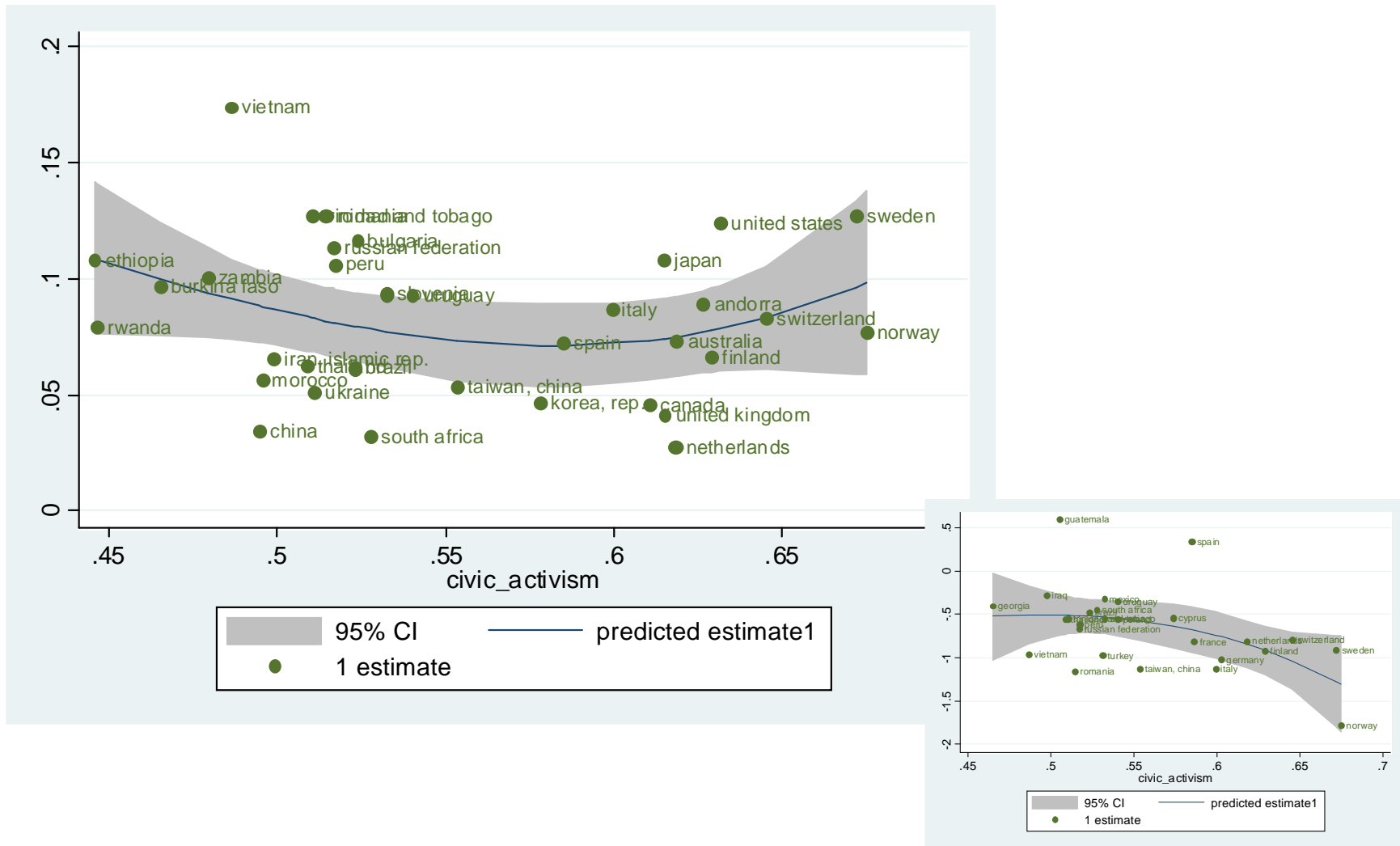


# Life satisfaction and job autonomy (v246)

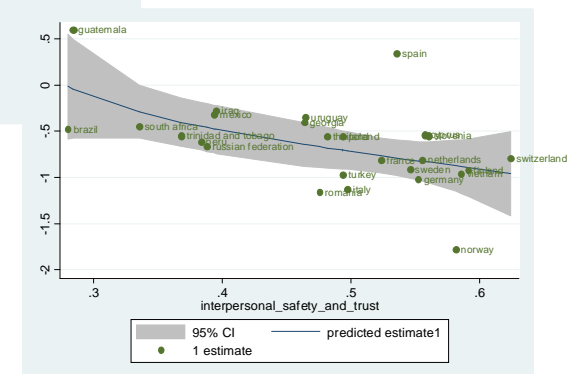
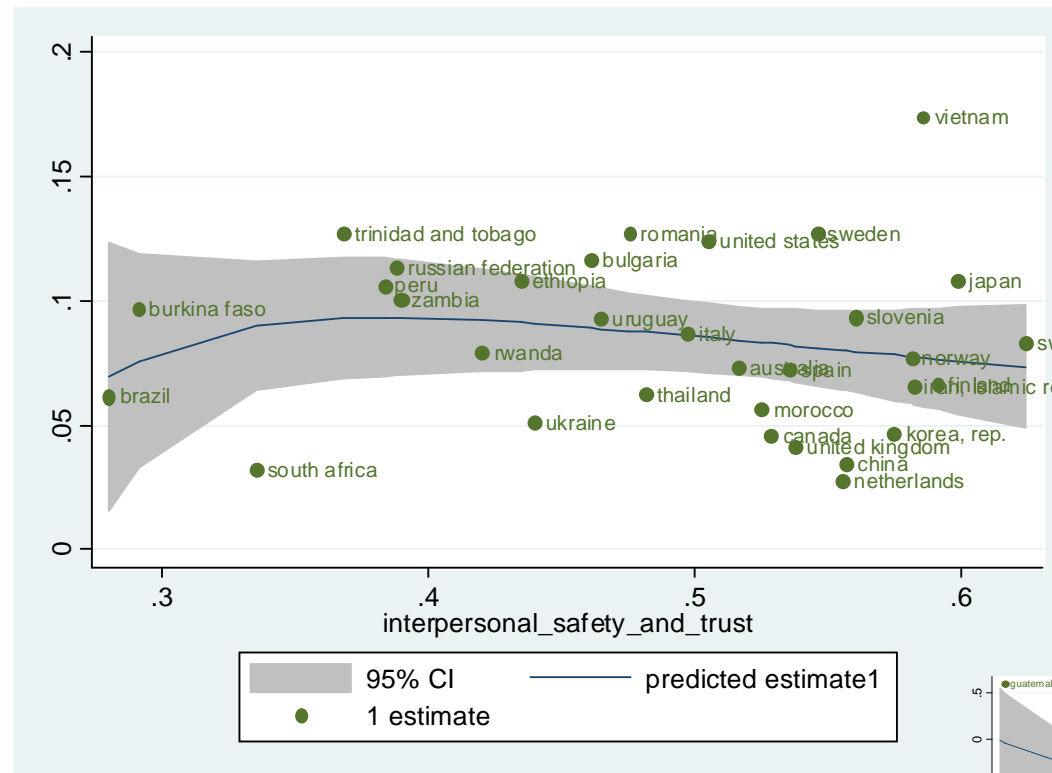




# Job autonomy and life satisfaction: Convex relationship with civic activism

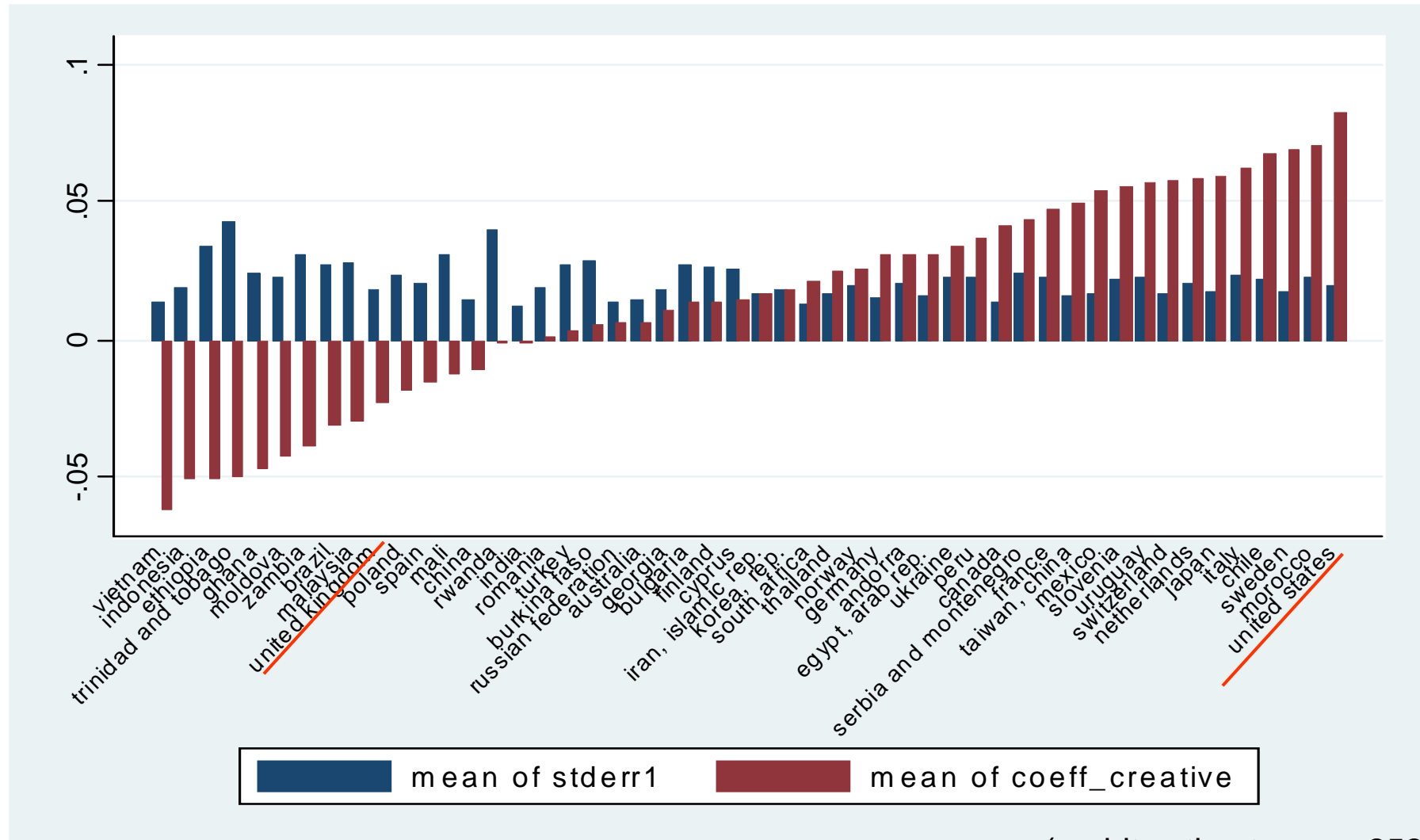


# Job autonomy and life satisfaction: But flat with interpersonal safety and trust



# Creative jobs and trust in other people

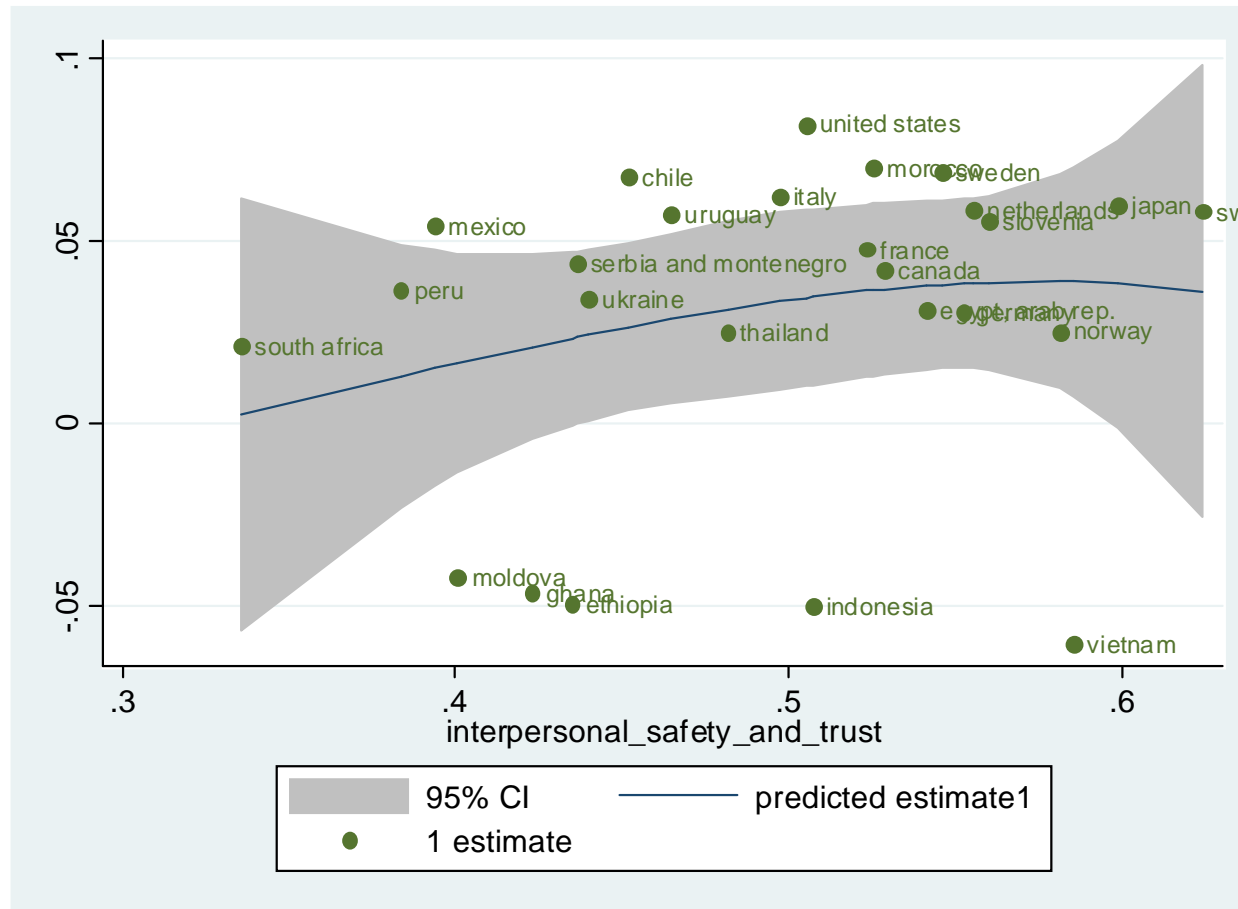
Again, not a very consistent relationship, small coefficients



(probit estimates on v252)

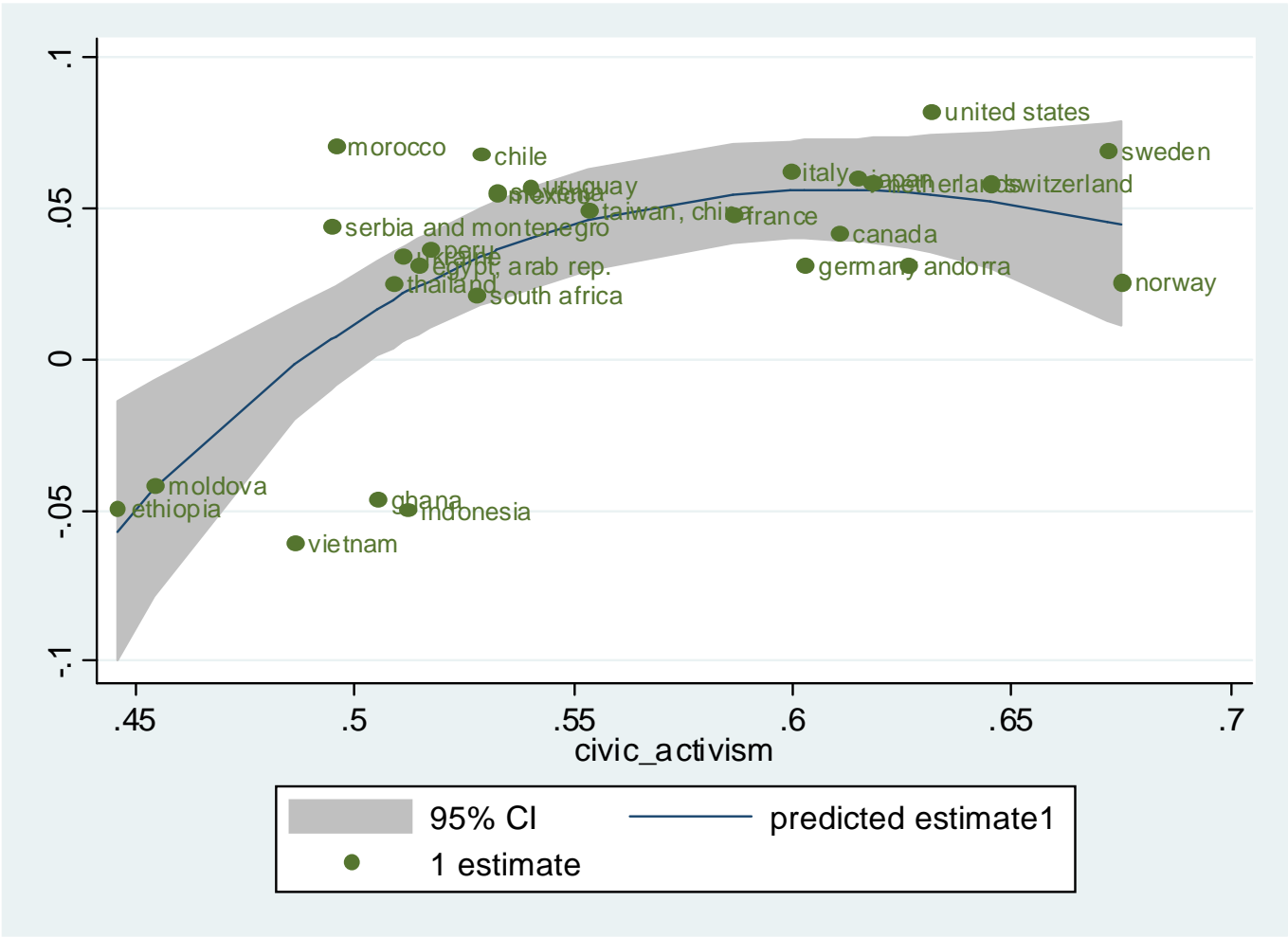
# Creative jobs and trust in other people

Low correlation with ISD interpersonal safety & trust

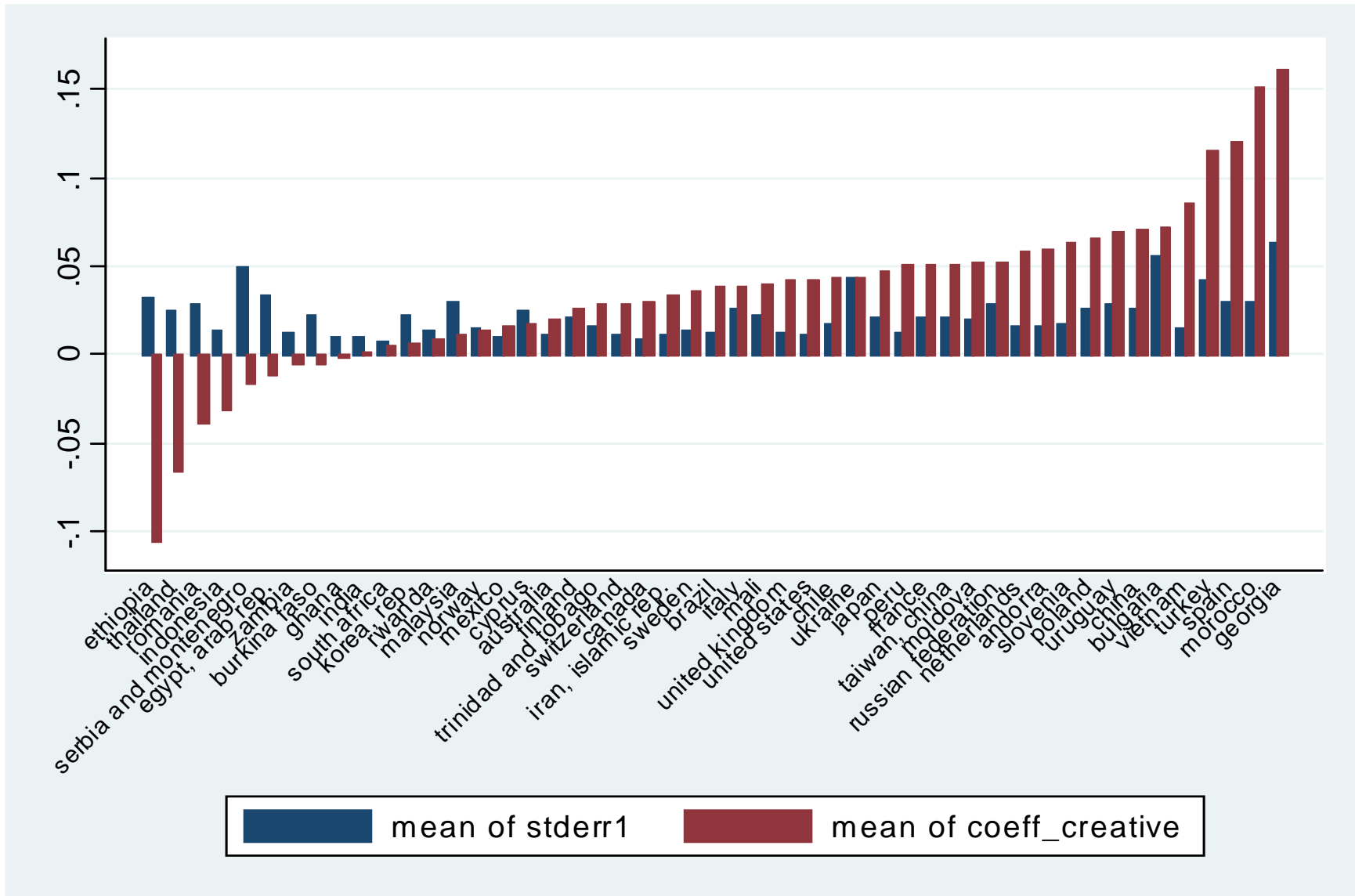


# Creative jobs and trust in other people

## But strong with civic activism



# Creative jobs and individual membership in associations (active m/ship only)

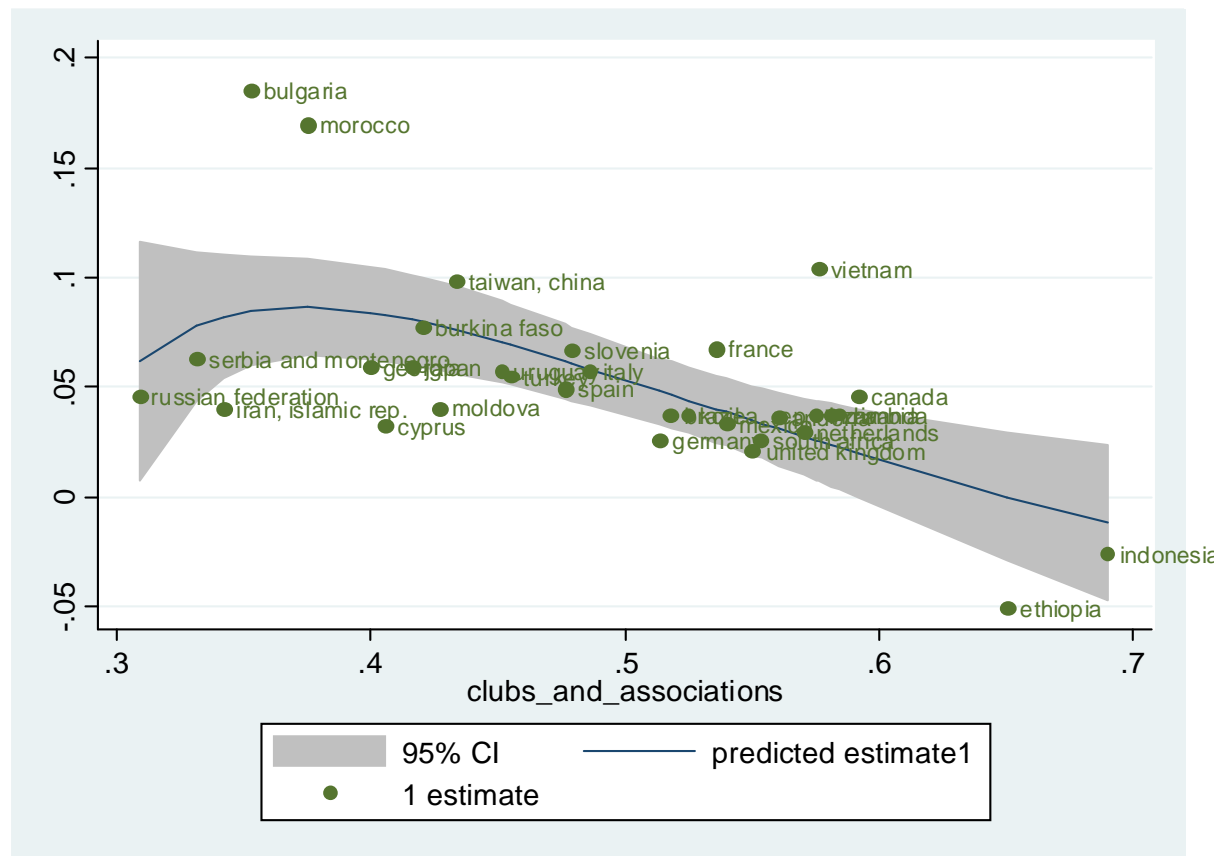


dependent variable

b1

# Membership in associations correlates with job quality in many countries.

But the correlation is lower in countries with more associations. Networks more equitable in these countries?



## Slide 31

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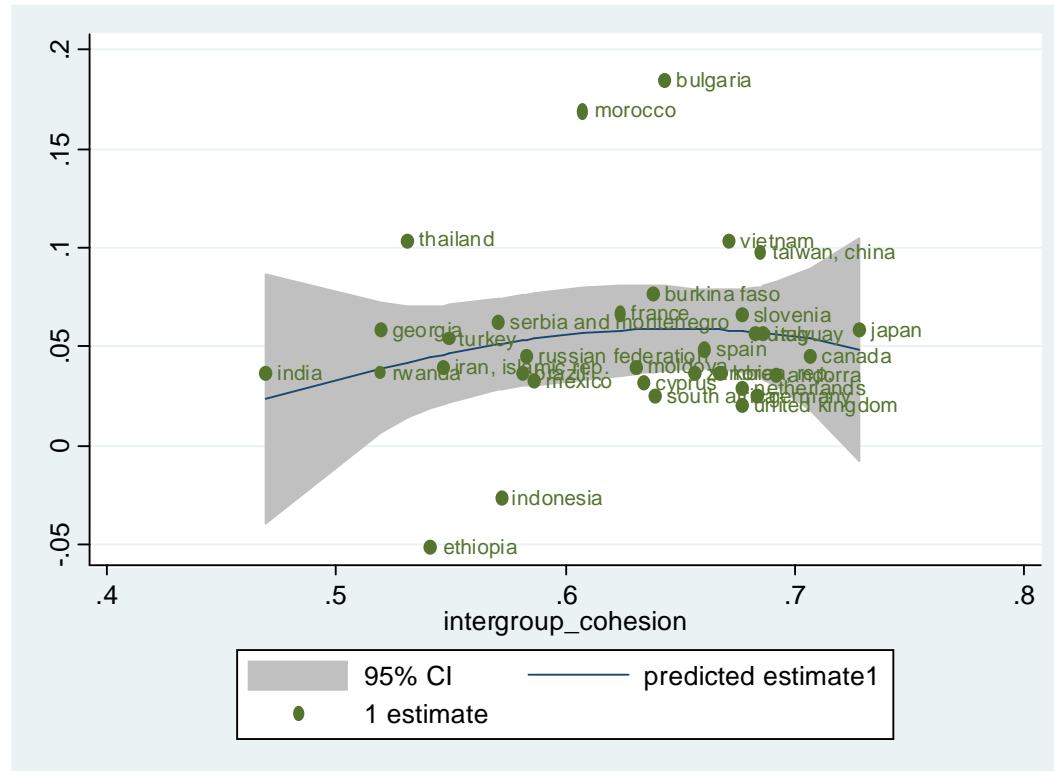
**b1**

This is close to a tautology but it suggests that higher ISD mean values of associational density are driven by/accompanied by a more equitable distribution of memberships

borge, 15/12/2011

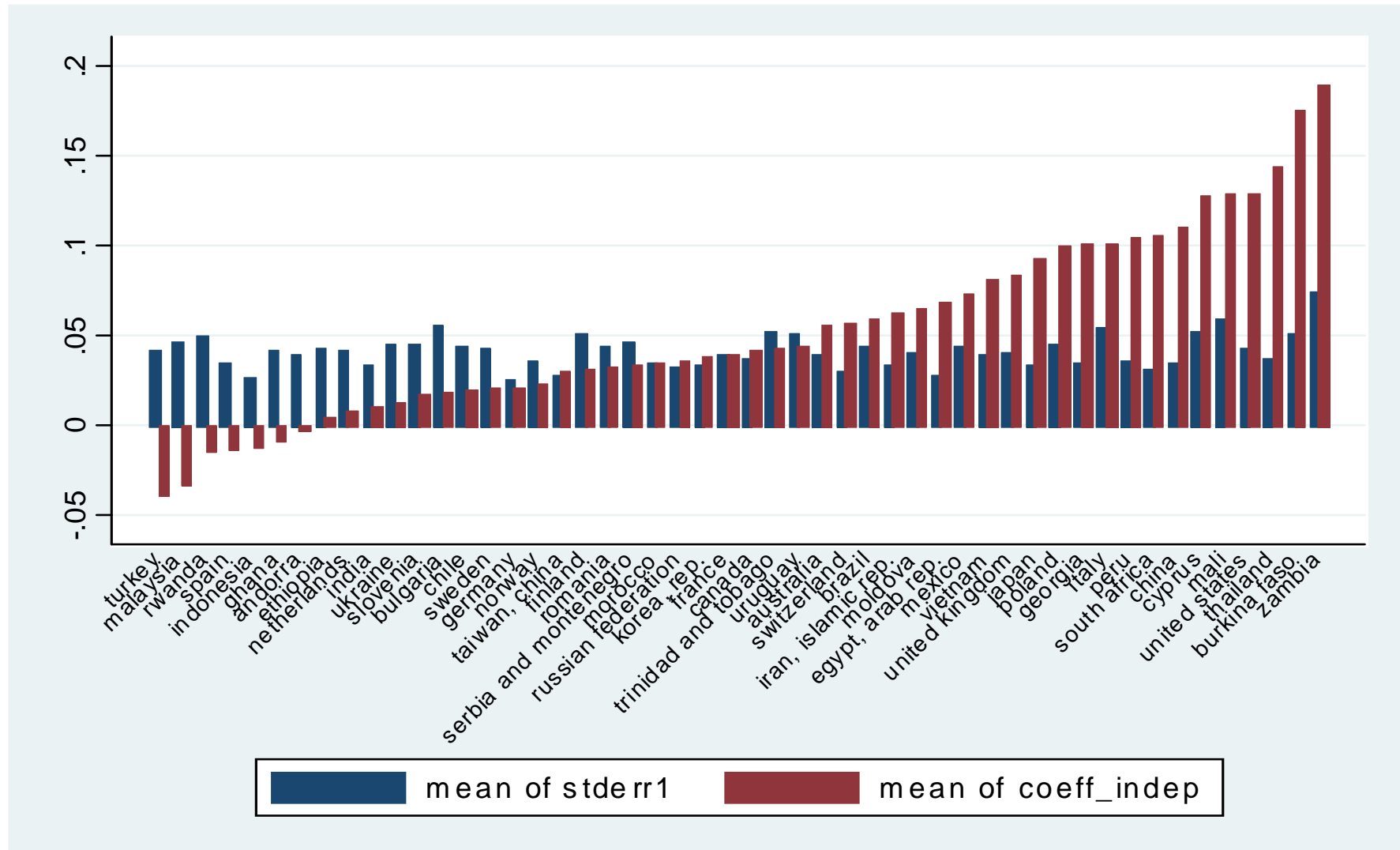


On the other hand, correlation between creative jobs and intergroup cohesion is mildly positive



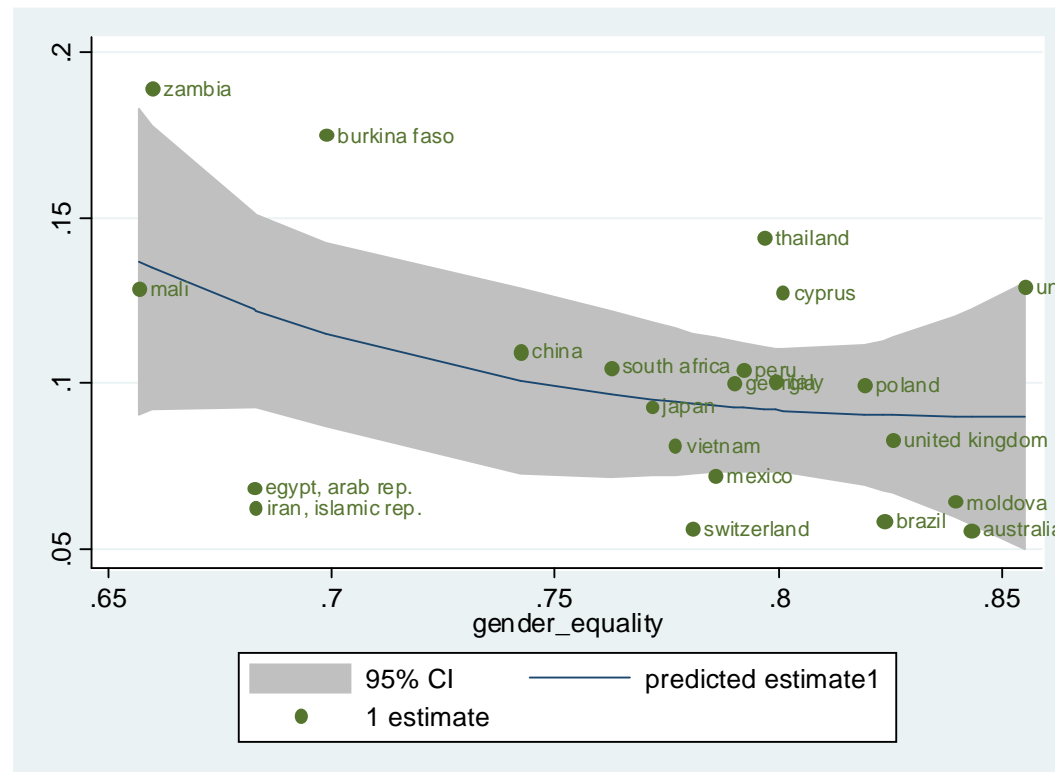
# Independent jobs and attitudes towards wage inequality (v116).

People in more independent jobs tend to accept higher levels of inequality



# Independent jobs and attitudes towards wage inequality (v116).

Mild negative correlation between gender equality in a society and job-related differences in attitudes towards wage inequality.



## Slide 34

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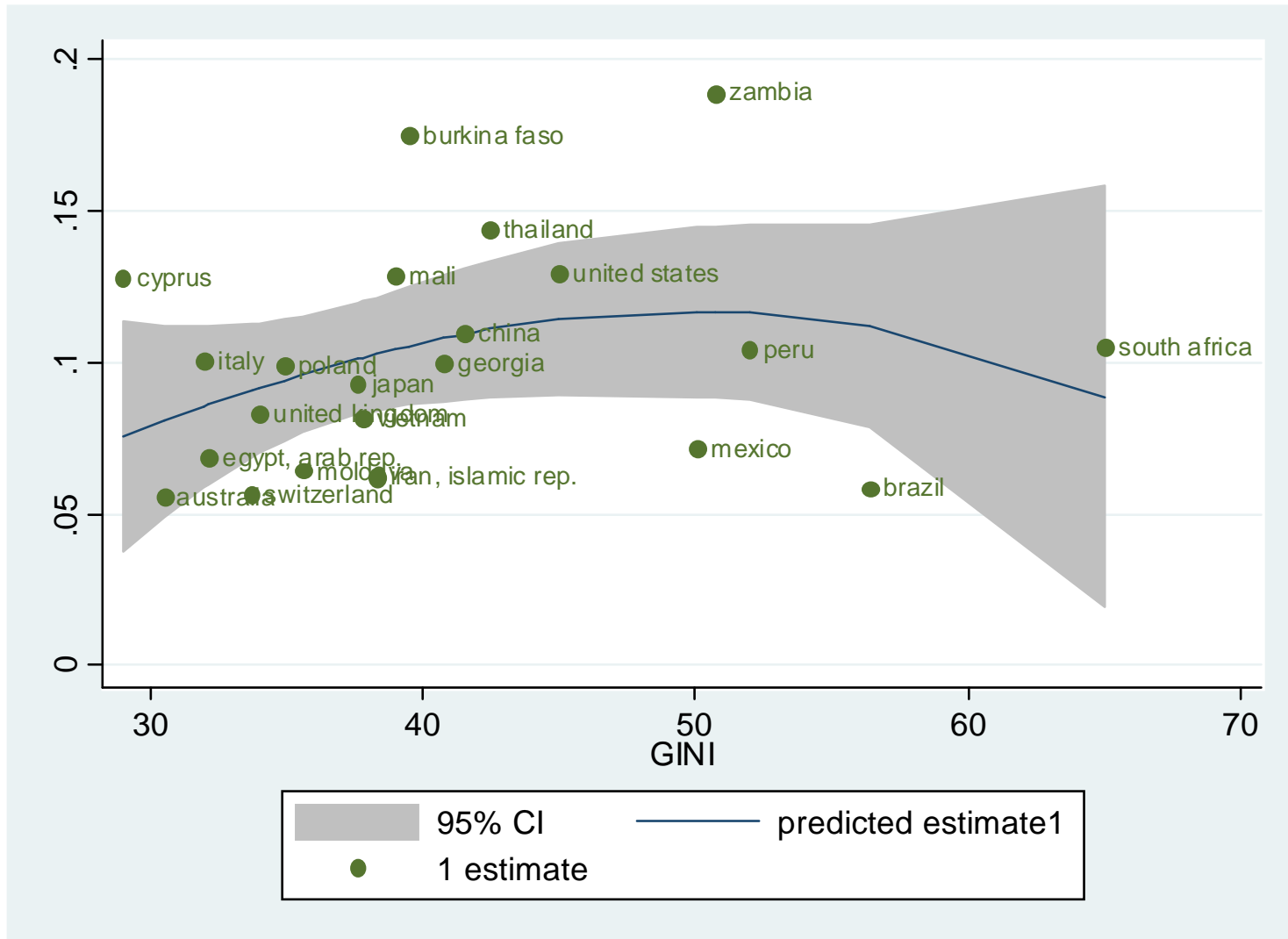
**b2**

More gender equality means lower acceptance of high inequality among the more autonomous workers

borge, 15/12/2011

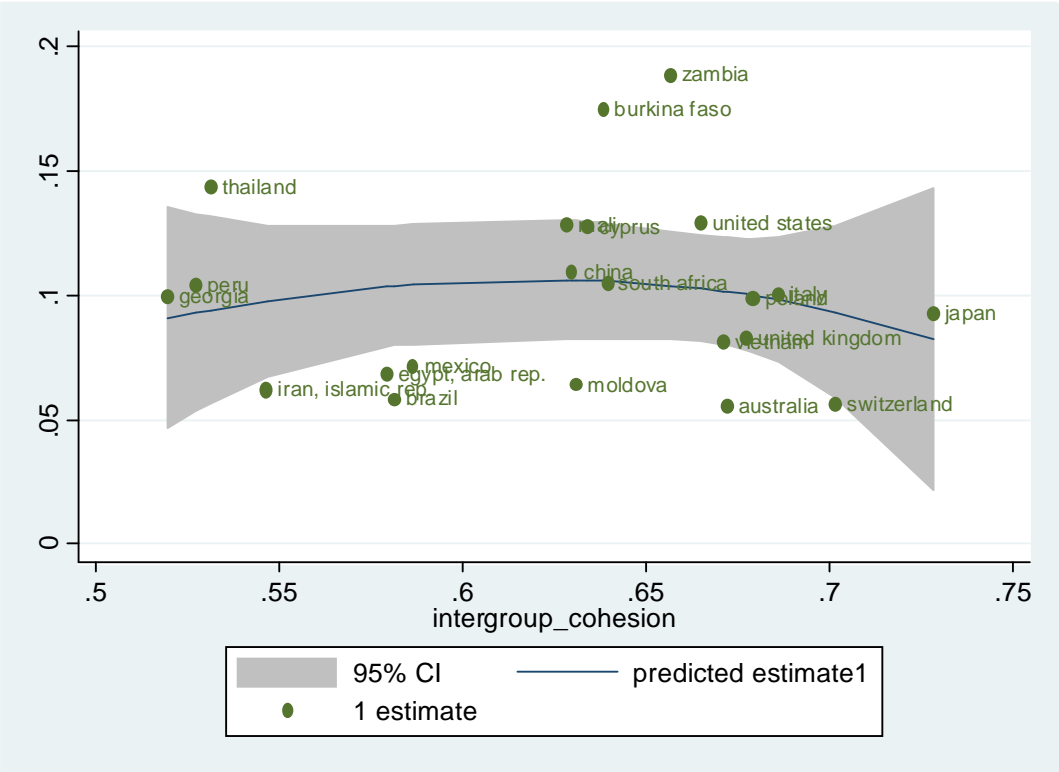
# Independent jobs and attitudes towards wage inequality (v116).

Positive correlation with GINI



# Independent jobs and attitudes towards wage inequality (v116).

Flat correlation with level of intergroup cohesion



# Conclusions

## **Wellbeing and jobs:**

Interesting differences between pooled country and country-level regressions

## **ISD**

- very preliminary results
- Some (nice) variation in correlations across ISD dimensions / indicators
- mixed evidence on level of inequality omitted by ISD aggregate indicators