

Does Social Context Impact the Well-Being Consequences of Unemployment?

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Abstract

Does social context impact the well-being consequences of unemployment? ABSTRACT Many studies show that unemployment is harmful to well-being. However, it has been also shown that these negative consequences of unemployment can depend on the social environment. This study examines whether the social context is a matter for mitigating the negative impacts of unemployment on life satisfaction by using the Life Satisfaction Survey in Turkey in 2013 which, has 196,203 observations. To find the contextual effect of unemployment, we use the province-level unemployment rates, the average percentage of unemployed in the age group, and the number of unemployed in one's household. Our multilevel analysis results show that the effect of social context is statistically significant. When the unemployment rate in the province lived increases by 1%, the negative impact of unemployment on life satisfaction decreases by 0.005 points. When the unemployment rate in one's age group in the province lived increases by 1%, unemployed individuals' happiness increases by 0.01 points. 1% increase in unemployment among one's education group in the province lived leads to 0.005 points increase in unemployed individuals' happiness scores. Moreover, when there are more unemployed people in one's household, unemployed individuals' happiness increases by 0.039 points. This evidence indicates that the negative impacts of unemployment on life satisfaction are mitigated more in a narrower social context.

Keywords: unemployment, social context, social norm, life satisfaction, happiness

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