

# A1.3 Non-employment in Europe: A Comparative Analysis of Social Risk Groups in Household Contexts



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## Goals & Design

### Goal:

This internationally comparative project analyses the conditions for cross-national variations in non-employment and its varying socio-demographic composition

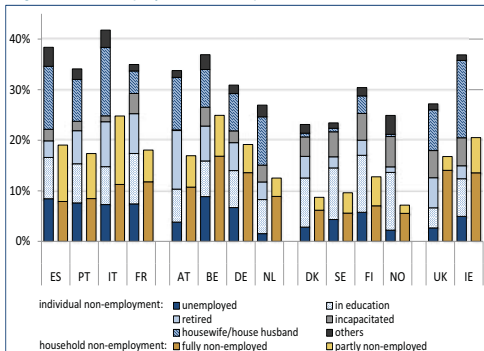
### Multilevel analysis:

Combining internationally comparative macro-level analyses with micro-level data enables the project to study

- institutional configurations,
- individual factors,
- and household contexts

as factors of non-employment and their interactions.

Figure 1: Non-employment in Europe



Source: EU-SILC 2006, own calculations

### Risk groups:

Some socio-demographic groups are particularly at higher risk of non-employment:

- labour market entrants (age 15-25),
- low-qualified workers,
- workers with care responsibilities, in particular women,
- and older people (age 55-64).

### Research focus on households:

The project analyses non-employment in the household context concerning three main aspects:

- the effects of household composition on the capacity to compensate for job losses,
- the dynamics between household members, and
- Social benefits affecting the cumulation or compensation of non-employment risks in the household.

### Methods:

- Cross-national multilevel analysis
- Longitudinal analyses (event history)
- Sequence analysis

## Preliminary Results

### Patterns of Non-employment:

#### Labour Market Institutions and Employment Performance of Social Groups

In a first step we conducted a comparative study of the European Labour Force Survey (ELFS) for 14 countries, 1992 to 2007.

Our analyses indicate that institutional arrangements affect the labour market performance of socio-demographic groups (gender, age groups, educational levels) in different ways.

Thus, the institutional context shapes not only overall levels of non-employment but also social group differences.

Table 1: Institutional effects on non-employment probabilities

	Total population	female vs. male	young vs. prime-aged	old vs. prime-aged	young vs. old	low educ. vs. med.ed.	high vs. med.ed.	low vs. high ed.
Replacement Rate	0	0	-.***	+.***	-.***	0	0	0
Social assistance	-.*	-.***	-.***	-.*	-.*	0	+.***	-.**
Disability Pensions	+.***	+.***	0	0	0	-.***	0	-†
ALMP	0	0	-.*	+.**	-.***	0	+.*	0
EPL	-.***	+.***	-.*	0	-†	-.***	0	0
Union Density	0	+.***	0	0	+.†	-.***	-.***	0
Centrality	-.*	0	-.**	0	-.**	0	0	-†
Labour Tax Wedge	+.***	0	+.***	-.**	+.***	-.**	-.**	0

Source: ELFS, own calculations. Models with country, country-gender, country-age group, country-educational level, and year fixed effects. Controls: marital status, main effects of all institutional variables, output gap. p<\*\*\* p<0.001, \*\* p<0.01, \* p<0.05, † p<0.1

### Individual transitions out of non-employment in Britain and Germany

Our individual level analyses investigate how the institutional context shapes individuals' transitions out of non-employment and which form of employment they obtain.

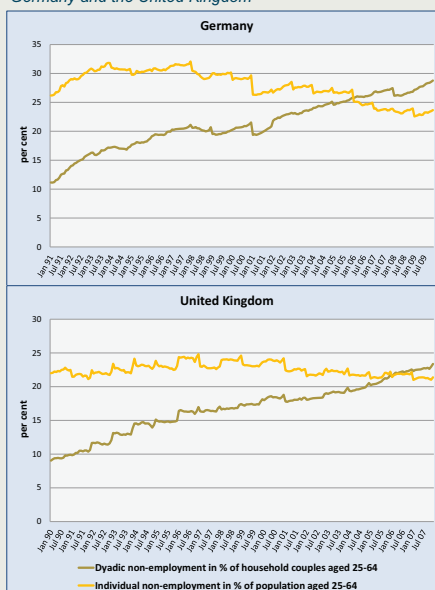
We contrast a strongly dualized labour market system, Germany, with a flexible one, the United Kingdom, using data from the British Household Panel Study (BHPS) and the German Socio-economic Panel (GSOEP).

Event history models show that it is more difficult to reach a permanent full-time position in Germany than in Britain. The distribution of full-time work, atypical jobs and non-employment is also more socially unequal in terms of gender, age, and education in Germany compared to Britain.

Sequence analyses using the same data furthermore indicate that stable career trajectories after non-employment are distributed more socially unequal in Germany than in Britain.

### The duration of household non-employment spells in the United Kingdom and Germany: Individual, structural and policy factors

Figure 2: Individual and household non-employment rates in Germany and the United Kingdom



Source: GSOEP, BHPS, own calculation

GSOEP and BHPS data show a steady increase of the non-employment rate of couples, whereas the growth of individual non-employment slowed down and even became negative.

Social risks thus cluster within households, this has a significant effect on social inequality in the long run.

Using event history analysis, we study the duration of couples' non-employment in order to trace households that experience an accumulation of social risks.

Reforms that intensified the means-testing of social benefits are associated with longer non-employment spells. These effects are partly explained by structural changes in the population of households on benefits.

In both countries, women's health, education and work experience have a higher impact on the chances of overcoming household non-employment than for men.

This indicates the crucial role of women's resources for a female breadwinner model.

This effect is more pronounced in the United Kingdom, where care responsibilities have a weaker impact on spell duration than in Germany.