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Unemployed and Alone? Unemployment and Social Participation in Europe

Structured Abstract:

Purpose - In this article we examine the relationship between unemployment and social participation and aim to identify the role of national policies and attitudes as possible mediators.

Design/Methodology/Approach - We use the 2006 EU-SILC module on social participation – a dataset that provides rich information on social participation for 26 EU countries. We adopt a two-stage multilevel design, allowing us to directly examine the impact of national policies and norms on individual outcome.

Findings - The article reveals clear evidence that the unemployed are less socially engaged than the employed across a range of indicators. The paper also reveals that macro-level variables significantly affect the extent of these differentials in social engagement. For instance, we found societies which expose the unemployed to poverty risk show a larger social participation gap between the employed and the unemployed.

Originality/Value - While the negative association between unemployment and social participation has been established in prior work, our study is the first one to employ a 'large N' comparison and using a multi-level design to statistically test the degree to which macro-level variables mediate the negative impact of unemployment on social participation. Our analyses were able to show that societal context can significantly alleviate the negative implications of unemployment for social participation.

Keywords: Social Participation, unemployment, comparative research, EU-SILC

Introduction

Social Capital theorists (e.g. Putnam, 2000) have underscored the importance of formal and informal social interactions and networks as a means of maintaining social structures and cohesion, with economic inequalities frequently found to decrease social capital reserves (e.g. Alesina and Ferrara, 2003). Social capital, the product of social interactions, has been described succinctly as a

'sociological superglue' (Putnam, 2000: 23) though the scope of the concept and the means by which it has been operationalized are vast. This paper examines the relationship between social capital and unemployment using four measures of social capital pertaining to both the formal and the informal sphere. Cleavages in the social participation of the unemployed and the employed are problematic for a variety of reasons. Social participation is a pre-requisite of functioning democracies and of civil society (Skocpol, 1999; 2004). Democracies need people to interact and engage with one another across boundaries of economic status. Social participation strengthens social networks as well as the gains that come from membership to such networks. These gains are of considerable importance to the unemployed with networks known to provide social support (Julkunen, 2002) and information about jobs (Granovetter, 1973), to lead to increased job quality (e.g. Franzen and Hangarter, 2006), to facilitate labour market re-entry (Brandt, 2006) and to enhance health, well-being and happiness (e.g.Helliwell, 2006; Stiglitz *et al.,* 2009).

Previous work suggests that the unemployed have lower levels of social participation (e.g. Brand and Burgard, 2008; Gallie *et al*., 1994; Paugam and Russell, 2000). The mechanism behind unemployed individuals' reduced participation is commonly attributed to the economic and psychological distress associated with unemployment. Not only do the unemployed experience a sharp drop in income due to wage loss but they also experience psychological strain as a result of losing their work based identity. This psychological distress is compounded by the negative social attitudes surrounding unemployment (see e.g. Gallie *et al.*, 2003) which risk further alienating the unemployed from mainstream society. While the relationship between social disadvantage and social breakdown is well known (e.g. Harris and Wilkins, 1988), and while earlier research has established the negative relationship between unemployment and social engagement, this paper examines whether the national context within which the unemployed find themselves affects their levels of social participation. Our analysis goes beyond the few existing cross-national studies on this topic which were constrained to a 'small N' comparison and were therefore unable to statistically test the degree to which macro-level variables mediate the impact of unemployment. The paper uses the 2006 EU-

SILC module on social participation which provides rich information on different spheres of sociability for 26 EU countries and crucially provides sufficient cases to analyse this labour market sub-group. The paper adopts a two-stage multilevel design, directly testing the impact of national policies and norms on individual outcome.

Previous work on Unemployment and Social Participation

Sociologists have a long-standing interest in the impact of unemployment on social participation. Some of the earliest sociological works, Jahoda *et al.*'s (1933) seminal study of unemployment in the town of Marienthal, found high unemployment to decrease social life and civic participation. More recent contributions into the unemployment experience using large-scale data have confirmed the continued negative relationship between unemployment and sociability. Paugam and Russell (2000) found unemployment to be associated with reduced levels of formal social participation (defined as: participation in a club or organization) in the majority of the 11 European countries they examined. The authors also found that unemployment led to reduced levels of informal participation (defined as: interaction with friends and relatives) in some countries, though it led to increased levels in others. The cross-national differences they observed suggested no clear pattern in terms of policy context. They did note, however, that Germany showed the strongest negative effects of unemployment on both formal and informal participation and was at the same time the country where the unemployed felt the most stigmatised.

Julkunen (2002) analysed the effects of long-term unemployment on social participation (using an indicator consisting of both informal and formal types of participation) amongst young people, comparing Scotland and the Nordic countries (Sweden, Denmark, Finland, Norway and Iceland). She found that the Nordic social-democratic welfare model was more effective at reducing the negative impact of unemployment on sociability than the Scottish liberal model. The author also discovered significant variation among Nordic countries - with Denmark being by far the most successful in maintaining high social participation levels of the unemployed. Gallie *et al.* (1994) found for the UK that unemployment led to lower levels of 'costly' sociability (e.g. going to the movies or

the pub), implying that financial constraints play a central role in explaining reduced levels of social participation amongst the unemployed. Brand and Burgard (2008) used US data from the Wisconsin Longitudinal Study to examine the impact of unemployment arising from firm closure (displacement) on a range of different types of formal and informal social participation. They found that unemployment had a long-lasting impact on social participation which persisted far beyond the actual spell of unemployment. Taking advantage of their longitudinal data, they were further able to demonstrate that unemployment had a true *causal* effect on social participation, with the negative association between unemployment and participation persisting after selection effects were accounted for.

Theory and comparative institutional context

Below we list the expected mechanisms behind the unemployed individuals' lower levels of social participation focusing on the ways in which micro and macro-level interact.

Financial Deprivation: The first mechanism concerns the financial context of unemployment. Unemployment often leads to substantial reductions in disposable household incomes. Even when the unemployed are entitled to benefits these tend to be considerably lower than previous earnings. As many forms of social participation cost money the lower income levels of the unemployed are expected to restrict their social engagement. Note this is true for most forms of participation; formal participation could be restricted if membership fees are not waivered for the unemployed or if travel to and from meetings becomes too costly, similarly informal social interactions such as meeting up with friends to go-out might become too costly (c.f. e.g. Gallie *et al.* 1994). Even accepting invitations for a home cooked meal can become an issue when the unemployed person feels s/he will not be able to reciprocate. Existent research supports this assertion with the cost implications of social participation being one of the main reasons respondents give as an explanation for non-participation in common social activities (Gordon *et al.,* 2000: 62). As the financial status of the unemployed is determined nationally, this mechanism is testable at the macro-level with countries which reduce the

poverty risk of the unemployed, expected to increase unemployed individuals' ability to socially participate.

Stigma: There can be a strong component of shame attached to one's poverty status as well as stigma attached to the status of unemployment (c.f. e.g. McFayden, 1995; Paugam and Russell, 2000). The stigma attached to unemployment is often attributed to the widespread perception that unemployment is a product of the personal failings and attitudes of the unemployed (Murray, 1996). These negative societal attitudes towards the unemployed are expected to lead to low self-esteem and withdrawal from social activities. We could therefore expect some of the cross-national variance in the social participation of the unemployed to be a function of differences in societal attitudes towards disadvantaged groups, with some countries attributing less personal blame to the status of unemployment thereby reducing the feelings of worthlessness and shame associated with unemployment (e.g. Eales, 1989). In contexts where unemployment is less stigmatised, relative levels of social participation amongst the unemployed should be higher. Another macro-level factor which may counter the stigma effect and be conducive to social participation is the national unemployment rate. We could expect the unemployed to feel less stigmatised about their labour market status when the national level of unemployment is high. This would lead to lower levels of social withdrawal.

Health: The experience of unemployment is further known to reduce individuals' physical as well as psychological health (e.g. Murphy and Athanasou, 1999). We expect this decreased well-being to negatively affect unemployed persons' social participation rates. Research has found that unemployed persons' health is more likely to deteriorate when they experience severe financial deprivation (Hagquist and Starrin, 1996). This suggests that countries whose policies prevent poverty amongst the unemployed may impede their health deterioration and thereby also decrease the negative effect of unemployment on social participation. Effective policies to reduce poverty risks

amongst the unemployed are hence not only expected to have a positive effect on the social participation of the unemployed via increased financial resources but also via better health.

Research Aims and Hypotheses

Our comparative analyses aim to provide insights into cross-national differences in the level of social participation. We consider four types of participation: 1.) formal voluntary engagement 2.) 'going out' activities (e.g. movies, cultural sites); 3.) contact with friends; and 4.) the ability to depend on others. We classify the first as formal social participation and the latter three as forms of informal social participation. Previous research has underscored the importance of differentiating analyses between the formal and informal spheres (e.g. Li *et al.* 2001). Additionally, analysing a range of forms of participation means that we follow the recommendations of other scholars on this topic who advise researchers to extend beyond analyses of membership rates (measured in our formal engagement variable) to look at measures of intensity of activity (found in our 'going-out' and contact with friends variables) (Andersen *et al.,* 2006). We understand formal participation to be crucial for the development and maintenance of weak social ties and informal participation to measure strong ties (Granovetter, 1973). While we consider all types of social capital to be relevant for social well-being, it is weak ties which are generally understood to be central for labour market mobility and success (ibid.). By conducting separate analyses for different types of social participation, we can examine whether certain forms of participation are more negatively affected by unemployment than others. More crucially, by looking at different types of social participation we will also be able to discern whether certain macro-level variables have different relevance depending on outcome: for some forms of social participation alleviating the stigma of unemployment may be most relevant, for others the reduction of financial losses may be more central.

We formulate the following hypotheses:

Hypothesis 1: The unemployed will participate less than the employed in all countries under study, due to the range of factors associated with the unemployment experience including: financial deprivation, stigma and health deterioration.

Hypothesis 2: Due to cultural and institutional differences the size of the 'social participation gap' will differ across countries.

Hypothesis 3: Countries with greater poverty risk for the unemployed are expected to show decreased levels of social participation amongst the unemployed with the majority of social activities requiring some financial expenditure, which should increase the 'social participation gap' between the employed and the unemployed. The implications of the financial deprivation for the unemployed have also to be understood relative to the financial status of the employed. If the employed in a given country also have a relatively high poverty risk, this is likely to lead to reduced levels of participation amongst those with jobs and hence to reduce the social participation gap between the employed and the unemployed.

Hypothesis 4: Positive attitudes towards the unemployed will reduce the negative impact of unemployment on social participation by attenuating stigma.

Hypothesis 5: High levels of aggregate unemployment are expected to reduce the stigma effect of unemployment. If they do indeed exert such an effect, high levels of aggregate unemployment will increase social participation amongst the unemployed and lead to a smaller social participation gap between the employed and the unemployed.

Hypothesis 6: The relevance of our macro-level factors will vary by forms of social participation.

Hypothesis 6a: The unemployed will be more concerned with their stigmatised/peripheralised status with acquaintances (weak ties) than with friends (close ties). We thus expect formal participation to be particularly sensitive to stigma effects. For formal participation the macro-level variable measuring societal attitudes towards the unemployed should thus be the most central mediator. The same should hold true for a high national unemployment rate if their main effect is stigma reduction.

Hypothesis 6b: By contrast, interaction with friends, the ability to ask help of others and going-out will be more directly affected by financial constraints. In the first two cases because reciprocity may be challenged, and in the latter because going-out often involves costly activities.

The unemployed's poverty risk (as well as that of the employed) should thus be particularly crucial in affecting the size of the social participation gap between the employed and the unemployed.

Data, Statistical Methods, and Variables

The Data

Our analyses are based on the 2006 ad-hoc module on 'Social Participation' of the European Union Statistics on Income and Living Conditions (EU-SILC), which contains a range of measures of both formal and informal types of social participation (which we describe in detail below). This module was surveyed on the same sample as the main questionnaire[i] (Lelkes, 2010: 219) and covers 26 countries. The sample size ranges from 5,600 in Ireland to 21,600 in Italy. Unfortunately, it is not possible to link the EU-SILC ad-hoc models, which are cross-sectional, to the EU-SILC panel data constraining our analysis to one time point. Our sample consists of the economically active population aged between 20 to 65 years. The EU-SILC data are supplemented by macro-level data on institutional context, societal attitudes and macro-economic conditions sourced from the OECD, Eurostat, and the European Social Survey (ESS) (details are provided below in the sub-section on variables).

The Method

The estimation of the impact of country-level institutional and macroeconomic factors on individual-level outcome is at the core of our analysis. We measure the effects of macro-level variables using a multi-level design. Researchers can choose between two different applications of multi-level models, they can estimate a *simultaneous* model (i.e. a standard hierarchical linear model) or apply a *two-step* model where individual-level parameters are estimated first for each country, and are then, in the second step (the macro-level regression), used as dependent variables and regressed on country-level predictors. Which of these two options is more efficient and practicable 'depends on dataset dimensions and properties and on substantive contexts and goals' (Franzese, 2005: 431). We refrain

here from a detailed discussion (though cf. Franzese, 2005; as well as Primo *et al.,* 2007 for an exhaustive as well as instructive debate), but point instead to the two issues most relevant in our decision for the two-step approach. First, simultaneous models tend to experience convergence problems when faced with large clusters (i.e. a high number of observations per level-2 unit) – a problem not shared by two-step models (Primo *et al*., 2007: 453). Second, two-step models are less reliant on large sample sizes at level-2 than the simultaneous approach (Franzese, 2005: 442,444; Maas and Hox, 2005; Primo *et al.,* 2007: 453). The vast majority of cross-national comparative work applying a multi-level design, including our own, tends to have a maximum of 20-25 cases at level-2, while for simultaneous models a minimum of 50 is required for correct estimation of level-2 errors (Maas and Hox, 2005). That two-step models are less demanding with regard to the level-2 sample size and was thus a central factor driving our choice.

In step-1 of our analyses we estimate logit and linear regression models to determine the effect of unemployment (relative to employment) on social participation while controlling for key compositional differences. In step-2 the coefficients of difference between the unemployed and employed become our dependent variable which we regress on the macro-level predictors at country-level. In step-2 our error terms have two components. The usual random error present in all models as well as error due to the dependent variables being estimated (as opposed to observed). If sampling variance differs across observation levels there is a risk that the error component will be heteroscedastic (Lewis and Linzer 2005). As our estimated variables are based on very different samples we apply Lewis and Linzer's feasible generalized least squares (FGLS) procedure which allows us to address the problem of 'heteroscedasticity in the first level error component without assuming that the second level error component is similarly heteroscedastic' (2005: 347).

Employed and unemployed workers may differ in systematic ways that would have led to differences in their social participation rates even if the latter had not actually experienced unemployment. With panel data researchers can account for such between-group differences as they have information on individuals' pre-unemployment characteristics and can ensure that only persons with similar 'pre-

treatment' characteristics are compared. Crucially, by taking advantage of differences in pre- and post-unemployment characteristics, the researcher can also account for time-invariant unobserved differences between persons who experienced unemployment and those that did not. Pre-unemployment measures of our outcome variables (social participation) would be necessary for us to make 'true' causal claims. Unfortunately, as noted above, the data we use is available in cross-sectional format only limiting our ability to make causal claims. Nonetheless, we take succour from existent work using panel data that finds unemployment to have a causal effect on social participation. Even after controlling for observed covariates which drive selection into unemployment including pre-unemployment levels of social participation Brand and Burgard (2008: 235) found 'enduring, substantively and statistically significant lower probabilities of social involvement over the life-course' among the unemployed. We thus assert that while the unemployed may have had somewhat lower participation rates even in the absence of the unemployment spell, the experience of unemployment in and of itself should have a notable negative effect on workers' participation rates.

Variables at the micro and the macro level

-The micro-level-

We analyse four dependent variables which capture different components and spheres of social participation. The variables analysed operationalise components of both the formal and the informal sphere. This allows us to determine variance in the effect of unemployment by form of participation. We insured that our four dependent variables were cross-nationally comparable.[ii] The first dependent variable is a composite binary variable that identifies respondents' participation in formal groups. A polychoric factor analysis (Holqalo-tello *et al.* 2010) confirmed the existence of a 'formal voluntary organisation' factor with an eigenvalue of 1.88 across five of the six forms of formal participation. These included involvement in political parties or trade unions, professional organisations, church or religious groups, recreational groups, charities and participation in any other

formal group or organisation. Involvement with Church or religious groups was weakly correlated with the factor (representing a unique variance of .80) and thus excluded from the composite variable.

The remaining three dependent variables relate to the informal sphere. The first two are substantively count variables. The variable entitled 'going-out to the cinema and cultural sites' is a composite of four variables that identify the frequency over the previous year that people 'went out' to: the cinema, to a live performance (e.g. plays, concerts, operas, ballet and dance performances), to a cultural site (e.g. historical monuments, museums, art galleries or archaeological sites), and/or to a live sporting event (professional or amateur). The composite variable varies from zero (the respondent reported no social outings in any of the categories) to 52 (the respondent reported a minimum of 52 outings in the past year, i.e. reported going out at least 13 times in the past year in each of the four categories). The second count variable concerns the frequency with which respondents met up, or were in contact with, friends and neighbours in the previous year.[iii] This variable ranges from zero, no contact/meetings, to 365 (meeting/contacting friends or neighbours at least once a day in the previous year). Our final dependent variable in the step-1 analyses reveals whether respondents felt able to ask a friend, family member or neighbour for help and is dichotomous.

Our central explanatory variable is employment status which is binary. It is coded 0 if individuals are currently employed and have been employed continuously throughout the past 12 months and 1 if individuals are currently unemployed and have been unemployed for at least 6 months during the past 12 months. This operationalisation, which takes account of individuals' employment status over the past 12 months, is necessary as social participation is measured retrospectively having a 12 month reference period. This operationalisation excludes 4 percent of respondents who experienced between 1 and 5 months of unemployment, the majority of the sample, 87 percent, experienced no unemployment while 9 percent experienced at least 6 months of unemployment. In all our analyses we control for sex, age, education, health, and marital status

(summary statistics can be obtained from Table A1 in the appendix). Note that we excluded countries from our analysis that had too few cases of consistently unemployed to provide a robust analysis (this forced us to exclude Norway and Iceland from our analysis).

-The macro-level-

The dependent variables in the macro-level regressions are the estimated parameters identifying the differences in social participation between the continuously unemployed and employed stemming from our country-by-country micro-level analyses. Given our relatively small level two N, we are restricted in the number of independent macro-level variables we can include in our models and also need to be especially mindful of multicollinearities (examined in a series of correlation analyses) in our macro-level models. Our final macro-level models include the following variables: the poverty risk of the unemployed, the poverty risk of the employed, public opinion on redistribution as an indicator of attitudes towards the disadvantaged and the unemployed, national unemployment rate.

Both of our poverty measures are based on Eurostat statistics on social exclusion which define as poor those whose equivalised post-transfer income is lower than 60 percent of the national mean. While our main interest is in the poverty risk of the unemployed, it is also necessary to account for the poverty risk of the employed. In countries where the employed hold a relatively high poverty risk this is likely to affect the social participation gap between the employed and the unemployed because a larger share of the employed may then (also) be excluded from social participation. In order to proxy attitudes towards the unemployed we measure public opinion on redistribution using round two of the European Social Survey (2004). We use an indicator of pro-redistribution, measured by agreement with the statement: "The government should take measures to reduce differences in income levels"(1=disagree strongly->5=agree strongly). We understand this to be a good proxy of positive attitudes towards the unemployed and the disadvantaged more generally. [iv] We measure variance in national unemployment rates using OECD statistics based on the EULFS 2005 and defined according to the ILO definition of unemployment. Finally, we also ran a series of tests examining the

impact of GDP, a variable commonly tested at the macro-level in multi-country studies on the topic (Curtis et al., 1992). However, we found GDP to be rarely significant and to not affect the effects of the other predictors whilst simultaneously taking up valuable degrees of freedom for this reason it is excluded from our final models which we present here. Table A2 (Panel A) in the appendix presents the distributions of our macro variables.

Findings

Table 1 presents both the prevalence of social participation by employment status (Panel A) as well as multivariate analyses of predictors of social participation (Panel B) based on pooled country data, for our sample we find 18 percent of unemployed people are involved in formal voluntary groups while the proportion of employed people is considerably higher at 35 percent. The disparity is replicated in the average number of times unemployed and employed people 'go out' to the cinema, a life performance or a cultural site per year (3.3 times for the unemployed versus 6.4 times per year for the employed), as well as the proportion of unemployed able to ask for help 88 percent, versus 92 percent of the employed. Notably, though, the unemployed meet with friends slightly more often than the employed with an average of 106 interactions for the unemployed compared to 95 for the employed. However, this purely descriptive analysis does not control for important compositional differences between the employed and unemployed. The multivariate analyses in Table 1 (Panel B) show that, once these compositional differences are controlled for, being unemployed *significantly* and *substantially* reduces social participation (*Hypothesis* 1) for *all four* dimensions considered. While our main focus is on the relationship between unemployment and social participation and its macro-level mediators, it is worth pointing very briefly to some similarities and differences in the predictors of participation for each of our four dependent variables: The less educated and those in poor health are less engaged across the board, a common finding in the literature. There are also age differences (perhaps also cohort, though not testable here) with older respondents more likely to be engaged in formal participation (echoing Putnam's findings of age-based decreases in social participation) while younger respondents are more involved in informal social participation. A further set of analyses

analyse the social participation of the unemployed separately by country (cf. Table A2, Panel B, in the appendix). The results provide very clear support of our *hypothesis 2* which predicted that the size of the social participation gap between the employed and the unemployed would vary substantially by country. It also supports our motivation for the step-2 analyses which aim to discern the macro-level factors driving these differences.

[Table 1 here]

Can macro-level variables mediate the impact of unemployment on social participation? This question is addressed by our analyses in table 2. The table presents four models – one for each type of social participation. The first three models show the relationship between each dependent variable and each (set of) predictor(s) while the final model presents a full model with all predictors. We present the full model sequence to reveal any potential fluctuations in the significance of our predictors as a result of our limited degrees of freedom. The full model is the one which we will mainly refer to in the following. Recall that the coefficients for unemployment status in the step-1 country-by-country analyses are now treated as an estimated dependent variable. These analyses allow us to test which macro-level variables are relevant in mediating social participation disparities between the unemployed and the employed, and also whether their relative importance varies with type of social participation. We use HC3 robust standard errors (Efron standard errors) in all our macro-level analyses to control for possible heteroskedasticities (Lewis and Linzer, 2005).

We hypothesised a higher poverty risk for the unemployed would negatively affect their social participation in general (*hypothesis* 3). We argued that this should be particularly relevant for 'going out activities', 'contact with friends' and 'asking help of others' due to the costs involved and 'reciprocity norms' (*hypothesis 6b)*. We find support for these hypotheses with countries with greater poverty risks among their unemployed having lower formal participation as well as lower rates of going out. The poverty risk of the unemployed was tested along with the poverty risk of the

employed to control for within country inequalities in poverty risk with the expectation that higher poverty risk among the employed would decrease the size of the social participation gap between the employed and the unemployed since a larger share of the employed would also exhibit reduced social participation levels[v]. This expectation was again confirmed in the data. We found that higher poverty risks among the employed decrease the gap in going-out rates between the employed and the unemployed as well as in the perceived capacity to ask help from others. It is worth noting that while the poverty risks of the employed are no longer significant in the full model with robust standard errors, when normal, less conservative, standard errors were estimated the relationship between the poverty risks of the employed and the social participation gap is significant.

[Table 2 here]

It had further been hypothesised that public opinion that is pro-redistribution would decrease the peripheralisation of the unemployed from social engagement (*hypothesis 4*). We argued this would be especially relevant for formal types of sociability which tend to involve interaction with acquaintances (weak ties) rather than close friends (strong ties), with weak ties expected to be more vulnerable to the stigma attached to unemployment. As we understand pro-redistributive attitudes to proxy positive attitudes towards the unemployed and the disadvantaged more generally, we expect contexts which are pro-redistribution to decrease the stigma of unemployment and to increase the unemployed's social participation (*hypothesis 6a*). We find evidence that pro-redistribution reduces the social participation gap for two of our four dimensions of sociability: going-out and interactions with friends. While the results in the full model are significant at the .10 level in the table shown, they were significant at .01 in models without robust standard errors. Notably, though, pro-redistribution does not appear to have an effect on formal participation.

Finally, we hypothesised that national unemployment rates might reduce the stigma of unemployment leading to higher participation rates of the unemployed; this stigma reduction was

deemed to be especially crucial for involvement in the formal sphere (*hypothesis 6a).* Our analyses give no clear support to this prediction with unemployment rates insignificant in the final estimation model for all our dependent variables, though it was found to be associated with higher rates of going out when included in estimations as a single predictor.

Concluding Discussion

This study examines whether institutional and societal structures can mediate the negative relationship between unemployment and social participation thereby supporting social cohesion and decreasing the social exclusion of the unemployed. We used the EU-SILC module on social participation which allowed us to investigate this issue across 26 European countries. We found the unemployed to have lower social participation rates than the employed, and found this to be true across all different types of social participation tested here. The unemployed participated less in formal clubs and organisations, they went out less, had less contact with friends and were less able to ask for help from others than the employed. In general there is a strong tendency across a broad range of European countries for the unemployed to be less socially engaged. This is problematic for social cohesion and has important implications for the unemployed themselves in terms of their own well-being as well as for their future employability. Our analyses further revealed that the size of the social participation gap between the employed and the unemployed varies substantially across countries pointing to the importance of institutional and cultural factors in mediating the effect of unemployment (see Table A2, Panel B).

The second step of our analyses then showed clear support for the assumption of cross-national variance: the negative impact of unemployment on participation levels is significantly mediated by macro-level factors. We found societies where redistributive ideals are held high have a smaller social participation gap between the employed and the unemployed especially for informal types of participation. This suggests that the normative environment has a structuring effect on social participation, which confirms our hypothesis that societal attitudes can encourage or dissuade the social engagement of outsider groups. We also found a significant association between the

poverty rates of the unemployed and of the employed and social participation rates, i.e. in countries with higher poverty rates for the unemployed the unemployed had lower rates of formal voluntary participation and also had lower relative rates of going-out. Meanwhile, countries with higher poverty rates among their working population showed relatively higher participation of the unemployed. We argued that this outcome was likely to be a function of a reduced social participation of the employed due to their financial inability to socially participate with poverty rates pushing the more costly forms of social engagement beyond economic reach. The variable measuring national unemployment rates proved less conclusive. While we found national levels of unemployment to increase the going out activity of the unemployed, this variable had no significant effect when other types of social participation were considered.

Finally, we must acknowledge the limitations of this paper. While the data used offer a high degree of comparability and a high coverage of countries and thus allowed us to conduct a large-scale comparative study on the social participation of the unemployed and its macro-level determinants, important limitations exist because of its cross-national nature. Due to our inability to test the associations revealed (both at the micro and at the macro-level) within a longitudinal framework, we have to temper any causal claims. Until large scale multi-country data on the topic are available in longitudinal format, we are unable to correct this shortcoming. Nonetheless, the findings of this paper outweigh these limitations outlined above. The paper revealed that the societal context within which the unemployed find themselves have clear, and empirically robust, implications. Financial deprivation depresses the social engagement of the unemployed. As sociologists our results were reassuring as they served to confirm the extent to which societal context matters, even so called 'soft' attitudinal variables were consequential. Countries that were attitudinally pro-redistribution were those within which the unemployed were more engaged. This paper therefore empirically confirms the expectation that the social fabric is an important resource for individual behaviour and outcome.

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Tables

Table 1. Employment Status and Social Participation: Descriptive and Multivariate Evidence

PANEL A: Social Participation by Employment Status

		Consistently Unemployed (mean)	Consistently Employed (mean)
Formal Participation	Participation in clubs, groups, organisations	0.18	0.35
Informal Participation	Going-out to Cinema/Cultural sites (0-52)	3.31	6.45
	Frequency of relationships with friends (0-365)	105.6	94.9
	Can ask Friend, Family, Neighbour for Help (0-1)	0.88	0.92
	N	13,833	198,506

PANEL B: Multivariate Analyses

	Participation in formal groups	**Going-out to Cinema/Cultural sites**	**Frequency of relationships with friends**	**Can ask for Help**
	Logit	OLS	OLS	Logit
	Coef./(s.e.)	Coef./(s.e.)	Coef./(s.e.)	Coef./(s.e.)
Consistently Unemployed (ref: Consistently Employed)	-0.705***	-0.486***	-0.199***	-0.545***
	(0.04)	(0.01)	(0.03)	(0.05)
Female	-0.273***	-0.089***	0.019~	0.193***
	(0.02)	(0.01)	(0.01)	(0.04)
20-24yrs of age	-0.317***	0.272***	0.871***	0.502***
	(0.04)	(0.02)	(0.02)	(0.08)
25-34yrs	-0.322***	0.031**	0.408***	0.144**
	(0.02)	(0.01)	(0.01)	(0.05)
55-54yrs	0.202***	0.006	-0.126***	-0.016
	(0.02)	(0.01)	(0.02)	(0.05)
Lower secondary Education	-1.067***	-0.861***	-0.034*	-0.822***
	(0.02)	(0.01)	(0.02)	(0.05)
Upper secondary Education (ref: Tertiary Education).	-0.613***	-0.528***	-0.126***	-0.316***
	(0.02)	(0.01)	(0.01)	(0.04)
Bad health	-0.315***	-0.348***	-0.325***	-0.429***
	(0.05)	(0.02)	(0.04)	(0.07)
Never Married (ref: Married)	0.081***	0.332***	0.408***	-0.329***
	(0.02)	(0.01)	(0.01)	(0.05)
Widowed	0.184***	0.104***	0.330***	-0.200
	(0.05)	(0.02)	(0.03)	(0.12)
Divorced	-0.007	0.112***	0.212***	-0.438***
	(0.03)	(0.01)	(0.02)	(0.06)
Constant	0.032~	1.635***	3.610***	3.155***
	(0.02)	(0.01)	(0.01)	(0.05)
			*excl DK	*excl: UK

Notes: Pooled data for 26 countries. All analyses are weighted by survey weights. ~p<=.10,*p<=.05, ** p<=.01, *** p<=.001
This paper examines the impact of unemployment on social participation relative to employment, though other labour

market categories for our age segment, 20-65years, exist. These include students, the early retired, those engaged in care duties in the home and ‘other inactive’ which comprise 27 percent of the remaining sample.

Table 2. Macro-level Predictors of the Relative Social Participation Rates of the Unemployed

	Formal Participation				Going-Out				Friends				Help from Others			
	m1	m2	m3	m4	m1	m2	m3	m4	m1	m2	m3	m4	m1	m2	m3	m4
Unemployment rate	-0.028			-0.064	0.190*			0.088	-0.010			0.030	0.142			-0.091
Poverty risk of unemployed		-0.166*		-0.175*		-0.070*		-0.059*		0.003		0.025		-0.015		-0.007
Poverty Risk of employed		0.040		0.133		0.298***		0.104		-0.024		-0.265		0.459**		0.569
Pro-redistribution			-0.052	-0.100			0.309**	0.245~			0.272*	0.409~			0.200	-0.123
Constant	-0.617**	0.007	-0.441	0.409	-0.552***	-0.332**	-1.593***	-1.258***	-0.082	-0.085	-1.157*	-1.617~	-0.741***	-0.914*	-1.403	-0.468
r2	0.001	0.320	0.004	0.341	0.188	0.506	0.460	0.741	0.000	0.002	0.215	0.342	0.025	0.214	0.034	0.205
p	0.912	0.062	0.719	0.254	0.039	0.001	0.000	0.000	0.906	0.975	0.029	0.323	0.348	0.021	0.496	0.203
N of Cases (Countries)	23	23	23	23	23	23	23	23	22	22	22	22	22	22	22	22

Notes:. ~p<=.10,*p<=.05, ** p<=.01, *** p<=.001, HC3 robust standard errors were used. Friends excludes Denmark, Help from others excludes the UK.

Appendix

Table A1. Summary Statistics of Micro-Level predictors

	Consistently Unemployed N	Consistently Unemployed	Female	Lower Secondary	Upper Secondary	Bad Health	Married	Mean (Age)
AT	191	0.05	0.43	0.15	0.55	0.03	0.58	40.63
BE	532	0.09	0.45	0.18	0.34	0.03	0.55	40.58
CY	105	0.02	0.44	0.25	0.38	0.03	0.72	40.3
CZ	461	0.1	0.44	0.07	0.77	0.05	0.62	40.81
DE	968	0.08	0.46	0.14	0.52	0.05	0.59	42.26
DK	119	0.03	0.46	0.23	0.47	0.02	0.56	42.98
EE	291	0.05	0.49	0.1	0.49	0.04	0.49	41.25
ES	1,107	0.08	0.41	0.43	0.23	0.04	0.6	39.77
FI	778	0.08	0.48	0.17	0.45	0.02	0.52	42.8
FR	564	0.06	0.48	0.14	0.53	0.03	0.55	40.53
GR	466	0.08	0.41	0.34	0.34	0.02	0.63	40.27
HU	559	0.08	0.46	0.15	0.61	0.06	0.56	39.99
IE	278	0.05	0.42	0.3	0.25	0.01	0.54	40.17
IT	1,654	0.07	0.4	0.41	0.36	0.03	0.6	40.56
LU	176	0.03	0.42	0.33	0.37	0.03	0.6	40.37
LV	324	0.06	0.49	0.12	0.53	0.08	0.53	40.74
NL	97	0.02	0.42	0.22	0.4	0.01	0.58	41.13
PL	2,668	0.15	0.46	0.1	0.65	0.05	0.68	39.14
PT	339	0.07	0.46	0.7	0.16	0.06	0.69	40.17
SE	212	0.03	0.48	0.13	0.49	0.02	0.46	42.78
SI	680	0.05	0.45	0.16	0.62	0.03	0.56	40.62
SK	692	0.09	0.48	0.04	0.77	0.05	0.68	39.83
UK	205	0.03	0.48	0.18	0.41	0.02	0.56	41.33

Table A2. Country-Level Estimates

PANEL A: Summary Statistics on Macro-Level Variables						PANEL B: Results of Level 1 Regressions			
	Poverty Risk Unemp.	*Poverty RiskEmp.*	*Unemployment Rate*	Pro-redistribution	*GDP*	Participate in formal groups (Logit)	Going-out to Cinema/ Cultural sites (OLS)	Frequency of relations with friends (OLS)	Can ask for Help (Logit)
	Country level means					*Coefficient for the consistently unemployed*			
AT	46.9	6.7	5.2	3.78	124.4	-0.519**	-0.502***	-0.269**	-0.520*
BE	30.9	3.9	8.5	3.67	119.8	-0.486***	-0.373***	0.018	-0.730***
CY	37.1	6.4	5.3	4.08	90.9	-0.746**	-0.479***	0.007	-0.695*
CZ	51.1	3.5	7.9	3.59	75.9	-0.945***	-0.497***	-0.205**	-0.931***
DE	40.9	4.8	10.7	3.37	116.9	-0.644***	-0.582***	-0.289***	-0.943***
DK	26.8	4.9	4.8	2.98	123.7	-0.606*	-0.411**	excluded	-0.155
EE	60	7.5	7.9	3.93	61.6	-1.556***	-0.400***	-0.012	-0.470*
ES	34.8	10.4	9.2	3.99	102	-0.301***	-0.295***	-0.330***	-0.557***
FI	35.6	3.7	8.4	3.78	114.2	-0.549***	-0.415***	0.103	-0.076
FR	29.5	6.1	9.3	4.22	110.6	-0.260*	-0.370***	0.148*	-0.770***
GR	32.6	12.8	9.9	4.45	91.8	-0.689***	-0.180***	-0.022	-0.488~
HU	49.7	8.9	7.2	4.27	63.2	-0.803***	-0.355***	0.243***	-0.211
IE	47.1	5.9	4.4	3.78	144.1	-0.851***	-0.668***	-0.233*	-1.042**
IT	44.2	8.9	7.7	4.03	104.9	-0.292***	-0.351***	0.139***	-0.408***
LU	48.8	9.8	4.6	3.57	254.5	-0.568**	-0.492***	-0.220~	-0.205
LV	58.5	9.1	8.9	4.23	48.6	-1.261***	-0.349***	0.09	-1.092***
NL	27.9	5.8	4.7	3.36	130.8	-0.388	-0.565***	-0.075	-1.041
PL	45.6	13.9	17.8	4.04	51.4	-0.992***	-0.206***	-0.161***	-0.400***
PT	28.6	11.5	7.7	4.18	77	-0.569**	-0.131*	-0.176*	-0.415*
SE	26.9	5.5	7.7	3.67	120.3	-0.666***	-0.436***	-0.209~	-1.547***
SI									
SK	39.2	9	16.3	3.87	60.2	-0.377***	-0.362***	-0.162**	-0.339
UK	53.9	8.1	4.8	3.55	121.9	-0.686***	-0.734***	-0.358***	excluded

Notes:

PANEL 1:The Poverty Risk Statistics pertain to 2005, and are taken from Eurostat's Social Exclusion Statistics. The statistic represents the share of those whose disposable income (after social transfers) is less than 60% of the equivalised national mean. Further details are available here: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Social_inclusion_statistics

Pro-redistribution is estimated as a national mean for each country from ESS data (Round 2), the national means for Latvia and Cyprus use Round 3 of the ESS data.

Unemployment rate is for 2005 and is taken from published statistics (European Commission, 2008). The figure for Norway is also from 2005 but is taken fromOECD (2007).

GDP per capita in Purchasing Power Standards in 2005 calculated in relation to EU-27=100 (Eurostat 2011).

PANEL 2: National variation in the coefficient for the consistently unemployed compared to the consistently employed by country controlling for key covariates, the probabilities of the difference being statistically significant are ~p<=.10,*p<=.05, ** p<=.01, *** p<=.001

[i] Exceptions are Finland, The Netherlands, and Slovenia who cover only a sub-sample.

[ii] Issues of cross-national non-comparability were checked directly by looking for unexpected distributions between countries in our dependent variables. Any unusual distributions were followed up through assessments of variation in the wording of national questionnaires. This work uncovered some small inconsistencies in wording, though none of the variables analysed were deemed sufficiently problematic to warrant exclusion due to non-comparability. Nonetheless in all our analyses we had to exclude some countries for reasons of non-comparability. For participation in political groups Belgium was excluded as the question was not asked of respondents, for Denmark the variable frequency of contact with friends has a coding error so we exclude it (see Lelkes, 2010). Finally, for the variable, Can ask for Help, the UK data used different questionnaire wording, so is excluded.

[iii] The original 'going out' variables were coded from 1 to 6, ranging from 1 corresponding with no outings in the past year, 2 corresponding with 1-3 outings, 3, corresponding with 4-6 outings, 4 corresponding with 7-12 outings, and 5 corresponding with more than 12 outings. We recoded the count to the lowest number of outings as this was always a known number. The original contact with friends variable were coded from 1 to 6, 1 corresponding with daily contact (recoded as 365), 2 corresponding with weekly contact (recoded as 52),3 corresponding with several times a month (recoded as 24), 4 corresponding with monthly contact (recoded as 12), 5 corresponding with once a year (recoded as 1).

[iv] The 'Welfare Attitudes in a Changing Europe' module of the 2008/2009 ESS provides a more direct measurement of national attitudes towards the unemployed (e.g. agreement with the statement 'most unemployed people do not really try to find a job'). However, this module was fielded three years after our EU-SILC micro-level data observation window. Using these attitudinal measures would thus mean that our explanatory variable is measured after our dependent variable which clearly is a questionable strategy. As some have argued that societal attitudes are generally rather stable over time and tend to change slowly, we ran some tests with these data. These tests suggested that negative attitudes towards the unemployed seem to decrease the social participation of the unemployed. They further suggested a high correlation between positive attitudes towards the unemployed and pro-redistribution ideals.