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The role of social capital in the regional mobility decision-making of unemployed individuals

Workshop

“Rational Choice Sociology”

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Motivation

- Social capital plays an important role in facilitating job-related mobility (e.g. Haug 2008; Kalter 2011)
- However, research has mostly focussed on the role of social capital in job search and the hiring process (e.g. Granovetter 1974; Lin 1981 et al.; Preisendörfer & Voss 1988)

What is the influence of social capital on mobility decision making for a given interregional job offer?

- Job related interregional mobility should be a viable exit strategy for individuals in unemployment
- Research has shown that unfavourable social context effects can hinder mobility of unemployed persons (e.g. Windzio 2004) despite apparent incentives.

Are unemployed individuals weighting social capital differently in their mobility decision making?

Social capital as a concept

“Social capital” is the value of [...] aspects of social structure to actors as resources that they can use to achieve their interests

Coleman (1988:101)

Dimensions of social capital (Coleman 1990; De Graaf & Flap 1988: 453)

- Mutual obligations, expectations, trust (Generalised reciprocity)
 - The number of people prepared to help
 - The resources they can use to provide this help
 - The extent to which they are prepared to help
- Information channels
- Norms and effective sanctions

Role of social capital in the mobility process

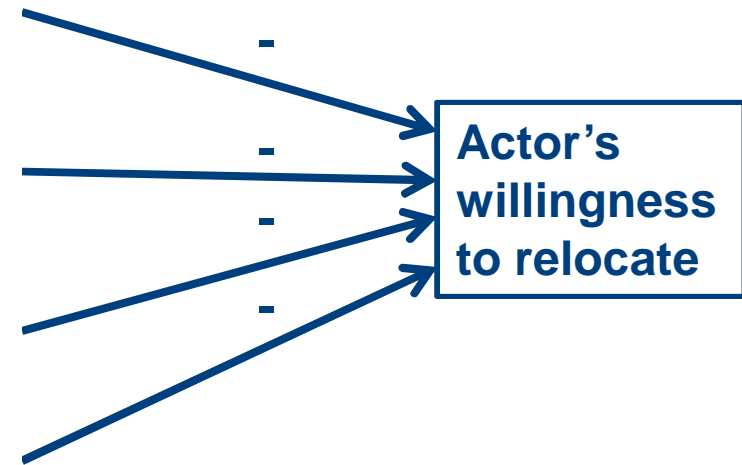
- In case of regional mobility the **value of social capital is diminished**, because actors cease sharing contexts together (Flap & Völker 2013; Kley 2010)
 - Mutual obligations can not be repaid (decreasing trust) (Lindenberg 1998; Diekmann 2007: 51)
 - Benefitting from / investment in local social capital becomes harder (DaVanzo 1981; David et al 2010)

H1a): **Size of actor's network**

H1b): **Amount of support resources available through actor's social capital**

H1c): **Willingness of network to help actor**

H1d): **Willingness of household to help actor**



Social capital and unemployment

- Lack of economic resources increases **importance of social resources** for the unemployed (Diewald & Sattler 2010; Luedtke 1998)
- This creates **dependencies** with ties of their network and their household.
- The risk of **failure at the new place and in the new job** is higher for unemployed than for employed individuals (Arulampalam *et al.* 2001; Goldsmith *et al.* 1996)

*Compared to employed individuals,
unemployed individuals show an **even lower** willingness to relocate ...*

H2a): ... *the greater the **social networks** are*

H2b): ... *the greater the **amount of support resources** are.*

H2c): ... *the greater the **willingness to help** of their **social network** is.*

H2d): ... *the greater the **willingness to help** of their **household** is.*

Social capital and unemployment

- Unemployment leads to a **higher normative orientation** towards the social network for encouragement (Luedtke 1998; Marquardsen 2012; Nonnenmacher 2009)
- Successful contacts can **encourage job search** and confidence
- Over time substitution of employment related ties with unemployed ties (Gallie et al. 1994) leads to **orientation towards less successful** social network and to discouragement (Kley 2010)

Compared to employed individuals, unemployed individuals show ...

H3a): ... an even **higher** willingness to relocate the **more success-orientated their social network** is.

H3b): ... an even **lower** willingness to relocate the **less success-orientated their social network** is.

The Study

- DFG funded research project “*Precarious Employment and Regional Mobility*” (Auspurg, Hinz, Abraham 2009)
- Factorial survey module included in wave 5 of IAB’s “Panel Labour Market and Social Security” (PASS)
 - Population survey with special oversampling of unemployed households
 - In wave 5 (and 3): extended module on social capital of respondents included
 - Module presented only to CAPI sample of persons available to the labour market

Scenario: Short descriptions of interregional job offers,
whose characteristics were varied experimentally

- 5 scenarios (vignettes) per respondent and 3 (11-point) rating scales for each vignette
 - Attractiveness of job offer
 - Likelihood of acceptance
 - **Likelihood of completely moving to the location**

Realised sample and response behaviour

- 4,188 persons with 20,744 valid vignette evaluations
distribution of dep. variable skewed to the left

→ Clustering of answers at “very unlikely”

- Decision on moving for an interregional job offer as a two-stage process

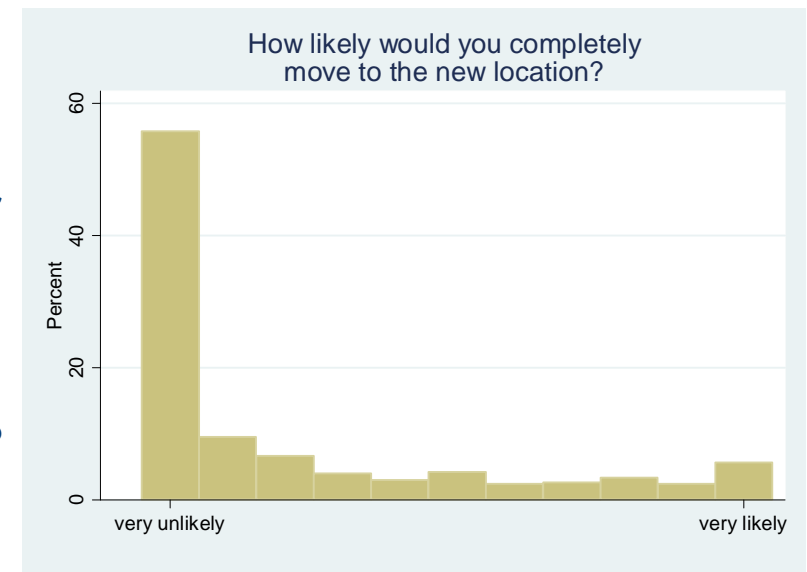
(1) Is moving an option in general?

(2) If so, which specific value does it assume?

- Zero-inflated negative Binomial Model (ZINB)

- Negative binomial count model
- Logit model to predict excess zeros

- Estimation with clustered standard errors to control for the hierarchical data structure



PASS Data – Network Module

Standard module (every wave, all respondents)

- Network size

Detailed module (only waves 3 and 5, only respondents in both waves)

- Occurrence of network (support-)resources
- Structure of personal network
 - Name generator for up to 3 most important persons
 - *Employment status (employed, unemployed, inactive)*
 - conflicts with network contacts

ZINB of the willingness to relocate	AME b/se	AME b/se	AME b/se	AME b/se
Employment status:				
Ref. Normally employed				
Unemployed <=24 Months	0.235 (0.141)	0.213 (0.267)	0.235 (0.141)	0.235 (0.141)
Unemployed 25-48 Months	0.390** (0.145)	0.026 (0.277)	0.39** (0.145)	0.39** (0.145)
Unemployed >48 Months	0.396** (0.133)	0.408 (0.216)	0.396** (0.133)	0.396** (0.133)
H1a) -	Network size (standardized)	-0.152** (0.053)	-0.086 (0.118)	-0.143 (0.125)
H1b) -	No. of support resources (0-10)		-0.057 (0.029)	
H1c) +	Conflict with network (0 no conflict / 1 some conflict)		0.411** (0.131)	
H1d) +	Conflict with household (0 no conflict / 1 some conflict)			0.106 (0.097)
Observations	20,744	7,198	6,540	20,564
Persons	4,188	1,456	1,324	4,152

Cluster robust standard errors in parentheses, * p<0.05, ** p<0.01, *** p<0.001

Control variables

age • employment status • gender • education • household income • parent of children • partner in hh • size of household • conflict with household • size of community • federal states

H2a) -
H2b) -
H2c) +
H2d) +

ZINB of the willingness to relocate	AME b/se	AME b/se	AME b/se	AME b/se
Employment status:				
Ref. Normally employed				
Unemployed <=24 Months	0.263 (0.143)	0.226 (1.000)	0.132 (0.480)	-0.151 (0.228)
Unemployed 25-48 Months	0.405* (0.162)	-0.456 (0.905)	-0.465 (0.384)	0.149 (0.216)
Unemployed >48 Months	0.438** (0.141)	0.189 (0.660)	0.129 (0.354)	-0.014 (0.196)
Network size (standardized)	-0.243** (0.084)	-0.086 (0.119)	-0.159 (0.125)	-0.145** (0.053)
No. of support resources (0-10)		-0.067 (0.057)		
Conflict with network (0 no conflict / 1 some conflict)			0.048 (0.200)	
Conflict with household (0 no conflict / 1 some conflict)				-0.134 (0.131)
Interactions with employment status:				
Unemployed <=24 Months	0.297 (0.172)	-0.002 (0.115)	0.270 (0.560)	0.587* (0.269)
Unemployed 25-48 Months	0.124 (0.212)	0.063 (0.108)	1.030* (0.524)	0.353 (0.269)
Unemployed >48 Months	0.160 (0.178)	0.030 (0.076)	0.577 (0.391)	0.647** (0.236)
Observations	20,744	7,198	6,540	20,564
Persons	4,188	1,456	1,324	4,152

Cluster robust standard errors in parentheses, * p<0.05, ** p<0.01, *** p<0.001

	ZINB of the willingness to relocate	AME b/se	AME b/se
Employment status:			
Ref. Normally employed			
	Unemployed <=24 Months	-0.070 (0.524)	-0.114 (0.517)
	Unemployed 25-48 Months	-0.814 (0.526)	-0.87 (0.538)
	Unemployed >48 Months	0.387 (0.389)	0.352 (0.387)
Network size (standardized)		-0.131 (0.126)	-0.139 (0.126)
H3a) +	Share of <u>employed</u> persons in network (0-1)	-0.340 (0.304)	
H3b) -	Share of <u>unemployed</u> persons in network (0-1)		-0.291 (0.305)
Interactions with employment status:			
	Unemployed <=24 Months	0.574 (0.746)	-1.16 (0.989)
	Unemployed 25-48 Months	1.446* (0.718)	-1.977* (0.897)
	Unemployed >48 Months	0.088 (0.544)	-0.740 (0.692)
Observations		6,535	6,535
Persons		1,323	1,323

Additional control variables

No. of most important contacts (1-3)

•

no. of support resources

Cluster robust standard errors in parentheses, * p<0.05, ** p<0.01, *** p<0.001

Implications and Outlook

- The resource view on social capital seems to be well suited for explaining mobility decisions, when standardising its job search functions.
- Unemployed individuals react especially sensitive to conflict-induced restrictions in accessing their social capital.
- Normative functions of social capital in a labour market-context are relevant for the mobility decisions of unemployed individuals
- Next steps
 - Focus on **specific resources** and **social capital types** and organisations
 - **Robustify results** to engage possible selectivity between the two sets of social capital variable samples

Thank you for your attention



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Back up

Example of a vignette

(English translation, varied dimensions highlighted)

If you take up the offered job, your **net household income will raise to 3,510 euro**.

The **working hours** are about **20 hours** per week and the **job requirements** are **significantly below** your professional skills.

The job holds **many opportunities for internal promotion** and is **limited to 3 years**.

The **one way trip** from your current place of residence to the location of that job would be about **6 hours**.

The situation on the **labour market at the new location** is **worse** than at your current residence.

Finding appropriate housing there will take **considerable effort**.

a) **How attractive** is the job offer **for you**?



b) **How likely** would you **take the offer**?



c) **How likely** would you **completely move to the new location**?



Vignette Dimensions

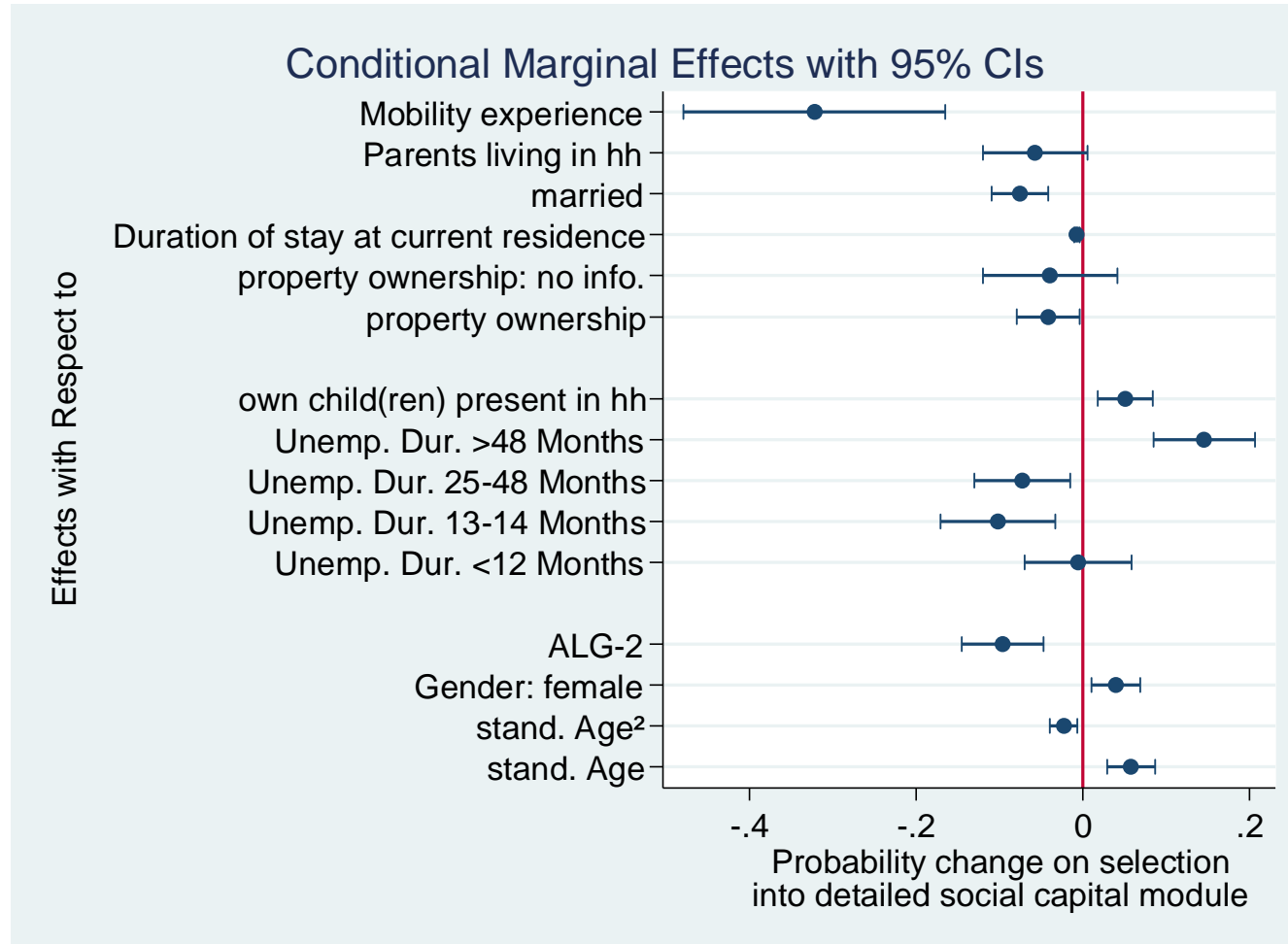
Dimensions	Levels		
	1	2	3
Increase in net income of household	5 levels, from plus 0% to plus 80%		
Weekly working hours	20 hours	30 hours	40 hours
Over-qualification for offered job	None	Slight	Considerable
Prospects of internal promotion	None	Few	Many
Contract duration	Permanent	Limited to 1 year	Limited to 3 years
Distance from home (one-way commuting time)	1 hour	4 hours	6 hours
Local employment opportunities compared with actual residence	Worse	Similar	Better
Difficulty of finding adequate housing	Very easy	Some effort	Considerable effort

Support Resources

Do you know someone ...	Total	Emp.	Unemp.
... whose advice you can trust	91%	95%	85%
... whose would point out a job vacancy to you?	87%	91%	81%
... whose encourages you to continue your education?	75%	81%	67%
... whose you can turn to with personal problems?	94%	97%	89%
... whose would help you to apply for a job?	87%	90%	81%
... whose would recommend you to a employer?	80%	88%	69%
... whose would help you fill out forms for agencies, taxes or social benefits?	86%	90%	80%
... whose supports you in every way?	88%	94%	80%
... whose would borrow you 1.000 euro?	68%	82%	46%
... whose would help you in a conflict with a family member?	83%	88%	75%

Selection Equation

Probit Model on participation in detailed social capital module



Selection Equation

Probit Model on participation in detailed social capital module

