The role of social capital in the job-related regional mobility decisions of unemployed individuals

Tagung
“Soziale Beziehungen und soziales Kapital in kritischen Lebensphasen”

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Universitat Hamburg
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 founded 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

- 1,267 persons with 6,257 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?

- Double hurdle model according to Cragg (1971)
  - Hurdle (1)  Probit model (y = 0)
  - Hurdle (2)  Truncated linear model (truncation: y ≥ 0)

- Estimation with clustered standard errors to control for the hierarchical data structure
PASS Data – Network Module

- **Network size**
  - Number of really close friends and family members outside the household

- **Occurrence of network (support-)resources**
  - 10 items, sum index
  - general, emotional, labour market support resources

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

- **Household Information**
  - Frequency of conflicts with the respondent’s household
<table>
<thead>
<tr>
<th>Double hurdle model of the willingness to relocate</th>
<th>AME b/se</th>
<th>AME b/se</th>
<th>AME b/se</th>
<th>AME b/se</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment status:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ref. Normally employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed &lt;=24 Months</td>
<td>-0.084(0.276)</td>
<td>-0.069(0.277)</td>
<td>-0.067(0.276)</td>
<td>-0.125(0.271)</td>
</tr>
<tr>
<td>Unemployed 25-48 Months</td>
<td>-0.023(0.260)</td>
<td>-0.035(0.266)</td>
<td>0.104(0.274)</td>
<td>-0.051(0.260)</td>
</tr>
<tr>
<td>Unemployed &gt;48 Months</td>
<td>0.367(0.236)</td>
<td>0.354(0.238)</td>
<td>0.383(0.234)</td>
<td>0.355(0.236)</td>
</tr>
<tr>
<td><strong>H1a)</strong> - Network size (standardized)</td>
<td>-0.042(0.100)</td>
<td>-0.026(0.101)</td>
<td>-0.083(0.097)</td>
<td>-0.033(0.100)</td>
</tr>
<tr>
<td><strong>H1b)</strong> - No. of support resources (0-10)</td>
<td>-0.026(0.041)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>H1c)</strong> + Conflict with network (0 no conflict / 1 some conflict)</td>
<td>0.536*** (0.131)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>H1d)</strong> + Conflict with household (0 no conflict / 1 some conflict)</td>
<td>0.342* (0.169)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>6,257</td>
<td>6,257</td>
<td>6,257</td>
<td>6,252</td>
</tr>
<tr>
<td>Persons</td>
<td>1,267</td>
<td>1,267</td>
<td>1,267</td>
<td>1,266</td>
</tr>
</tbody>
</table>

Cluster robust standard errors in parentheses, + p<0.10, * p<0.05, ** p<0.01, *** p<0.001

**Control variables**
- age
- gender
- education
- household income
- parent of children
- partner in hh
- size of household
- conflict with household
- size of community
- federal states
Compared to employed individuals, unemployed individuals show an even lower willingness to relocate …

H2a): … the greater the social networks are.

- Unemployed persons with medium length of benefit receipt react with more (!) relocation willingness to greater network sizes than the normally employed reference group

→ No support for H2a)
Compared to employed individuals, unemployed individuals show an even lower willingness to relocate ...

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

- Negative effects expected
- No clear trend across unemployment groups
- **No support for H2b)**

![Diagram showing AME of Index of support resources on the willingness to relocate](image)
Compared to employed individuals, unemployed individuals show an even lower willingness to relocate …

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

Diminished access to social capital in the social network is especially important for persons with long periods of benefit receipt

→ Partial support for H2c)
Compared to employed individuals, unemployed individuals show an even lower willingness to relocate …

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

Diminished access to social capital in the household is especially important for persons with short periods of benefit receipt

→ Partial support for H2d)
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.

Effect directions are in line with the hypotheses

For the middle group, we find significant encouragement effects of the social network

→ Partial support for H3a)
Implications

- The resource view on social capital seems to be suitable 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

Challenges

- Unemployment sample contains many long-term unemployed persons, where social capital transformation might be complete

- Unemployment heterogeneity not easy to model

- Items of the social support resources focus on labour market integration
Thank you for your attention

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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?**

Very unattractive  ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● Very attractive

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

Very unlikely  ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● Very likely

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

Very unlikely  ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● Very likely
# Vignette Dimensions

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net income of household</td>
<td>5 levels, from plus 0% to plus 80%</td>
</tr>
<tr>
<td>Weekly working hours</td>
<td>20 hours</td>
</tr>
<tr>
<td>Over-qualification for offered job</td>
<td>None</td>
</tr>
<tr>
<td>Prospects of internal promotion</td>
<td>None</td>
</tr>
<tr>
<td>Contract duration</td>
<td>Permanent</td>
</tr>
<tr>
<td>Distance from home (one-way commuting time)</td>
<td>1 hour</td>
</tr>
<tr>
<td>Local employment opportunities compared with actual residence</td>
<td>Worse</td>
</tr>
<tr>
<td>Difficulty of finding adequate housing</td>
<td>Very easy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>20 hours</th>
<th>30 hours</th>
<th>40 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slight</td>
<td>Considerable</td>
<td></td>
</tr>
<tr>
<td>Few</td>
<td>Many</td>
<td></td>
</tr>
<tr>
<td>Limited to 1 year</td>
<td>Limited to 3 years</td>
<td></td>
</tr>
<tr>
<td>4 hours</td>
<td>6 hours</td>
<td></td>
</tr>
<tr>
<td>Similar</td>
<td>Better</td>
<td></td>
</tr>
<tr>
<td>Some effort</td>
<td>Considerable effort</td>
<td></td>
</tr>
</tbody>
</table>
## Support Resources

<table>
<thead>
<tr>
<th>Do you know someone ...</th>
<th>Total</th>
<th>Emp.</th>
<th>Unemp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>... who’s advice you can trust</td>
<td>91%</td>
<td>95%</td>
<td>85%</td>
</tr>
<tr>
<td>... who would point out a job vacancy to you?</td>
<td>87%</td>
<td>91%</td>
<td>81%</td>
</tr>
<tr>
<td>... who encourages you to continue your education?</td>
<td>75%</td>
<td>81%</td>
<td>67%</td>
</tr>
<tr>
<td>... who you can turn to with personal problems?</td>
<td>94%</td>
<td>97%</td>
<td>89%</td>
</tr>
<tr>
<td>... who would help you to apply for a job?</td>
<td>87%</td>
<td>90%</td>
<td>81%</td>
</tr>
<tr>
<td>... who would recommend you to an employer?</td>
<td>80%</td>
<td>88%</td>
<td>69%</td>
</tr>
<tr>
<td>... who would help you fill out forms for agencies, taxes or social benefits?</td>
<td>86%</td>
<td>90%</td>
<td>80%</td>
</tr>
<tr>
<td>... who supports you in every way?</td>
<td>88%</td>
<td>94%</td>
<td>80%</td>
</tr>
<tr>
<td>... who would borrow you 1.000 euro?</td>
<td>68%</td>
<td>82%</td>
<td>46%</td>
</tr>
<tr>
<td>... who would help you in a conflict with a family member?</td>
<td>83%</td>
<td>88%</td>
<td>75%</td>
</tr>
</tbody>
</table>
Selection Equation
Probit Model on participation in detailed social capital module

Conditional Marginal Effects with 95% CIs

Effects with Respect to:
- Mobility experience
- Parents living in hh
- married
- Duration of stay at current residence
- property ownership: no info.
- property ownership
- own child(ren) present in hh
- Unemp. Dur. >48 Months
- Unemp. Dur. 25-48 Months
- Unemp. Dur. 13-14 Months
- Unemp. Dur. <12 Months
- ALG-2
- Gender: female
- stand. Age
- stand. Age²

Probability change on selection into detailed social capital module

- -.4
- -.2
- 0
- .2
Selection Equation
Probit Model on participation in detailed social capital module

Conditional Marginal Effects with 95% CIs
Compared to employed individuals, unemployed individuals show …

H3a): … an even higher willingness to relocate the more success-orientated their social network is.
Compared to employed individuals, unemployed individuals show …

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