

« Precarious Prosperity and Wellbeing: the case of Switzerland»

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Outline

- Research question and concept
- The case of Switzerland
- Data
- Method
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- Conclusion
- Next steps

Research question

Research question:

1. Is people's **wellbeing** living in **precarious prosperity** significantly **different** than those who don't?
2. Which factors may explain this difference?

Hypotheses:

1. Socioeconomic factors
2. Household types
3. Health

Concept

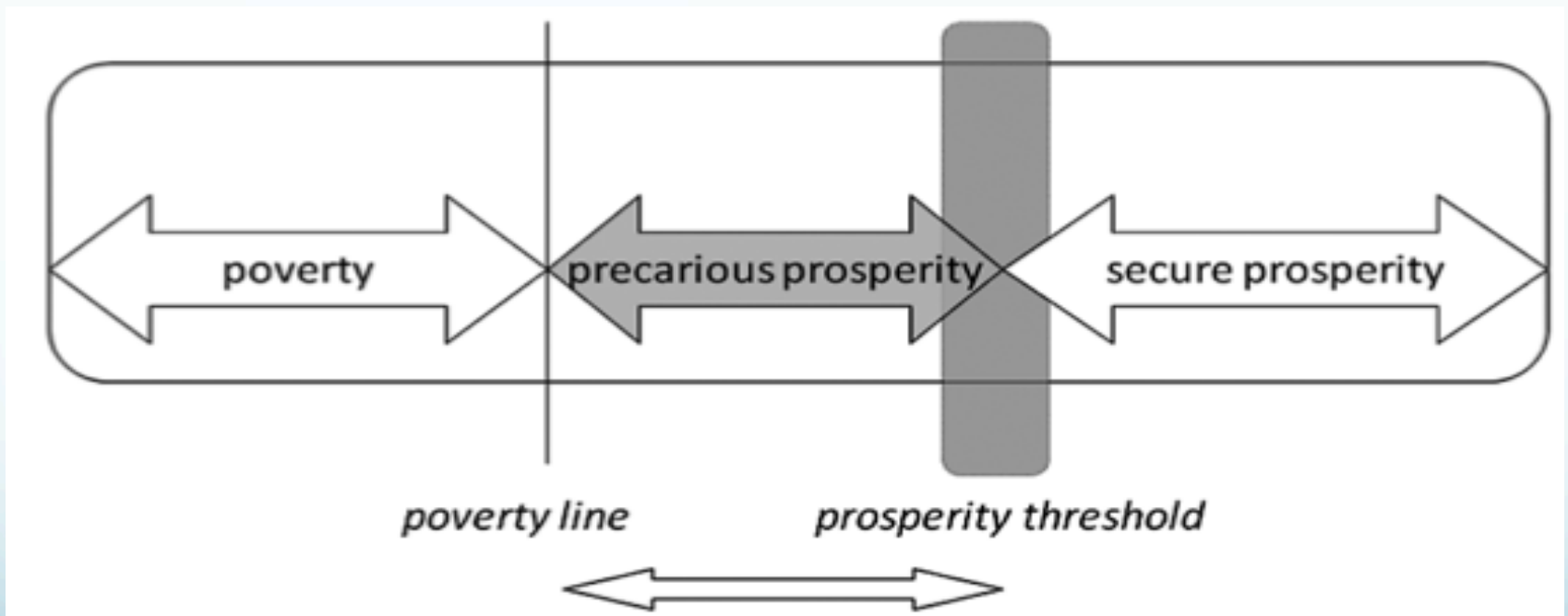
- Conceptualization of «precarious prosperity» VS:
 - Social exclusion
 - Vulnerability
 - Marginality
 - Underclass
 - Culture of poverty

Precarious prosperity focuses on economic deregulation and insecure forms of labor.

Precariousness characterizes a particular range of extent of economic wellbeing.

Concept

Being in precarious prosperity is a structural position



Concept

- Material deprivation: a 9 items list.
 - ❖ Arrears of payments
 - ❖ To be able to go for one week of holiday outside the house
 - ❖ Ability to eat a full dinner at least every two days
 - ❖ Ability to face unexpected expenses
 - ❖ Do you have a computer
 - ❖ Do you have a colour TV
 - ❖ Do you have a car for personal use
 - ❖ Do you have a washing machine
 - ❖ Ability to maintain a adequate temperature
- Equivalized median population income

Concept

- Precarious prosperity is defined in three ways:
 - ❖ An equivalized median population income below the poverty threshold (60 percent) and no or only one deprivation
 - ❖ An income between 60 or 80 percent of the equivalized median population income
 - ❖ An income of above 80 percent of the equivalized median population income but two or more deprivations

The case of Switzerland

%	2007	2008	2009	2010	2011	2012
Secure prosperity	65.3	64.4	65.5	66.3	66.8	67.3
Precarious prosperity	30.7	31.6	25.2	29.6	29.9	29.6
Poverty	4.0	4.0	9.3	4.1	3.3	3.1
Total	100	100	100	100	100	100

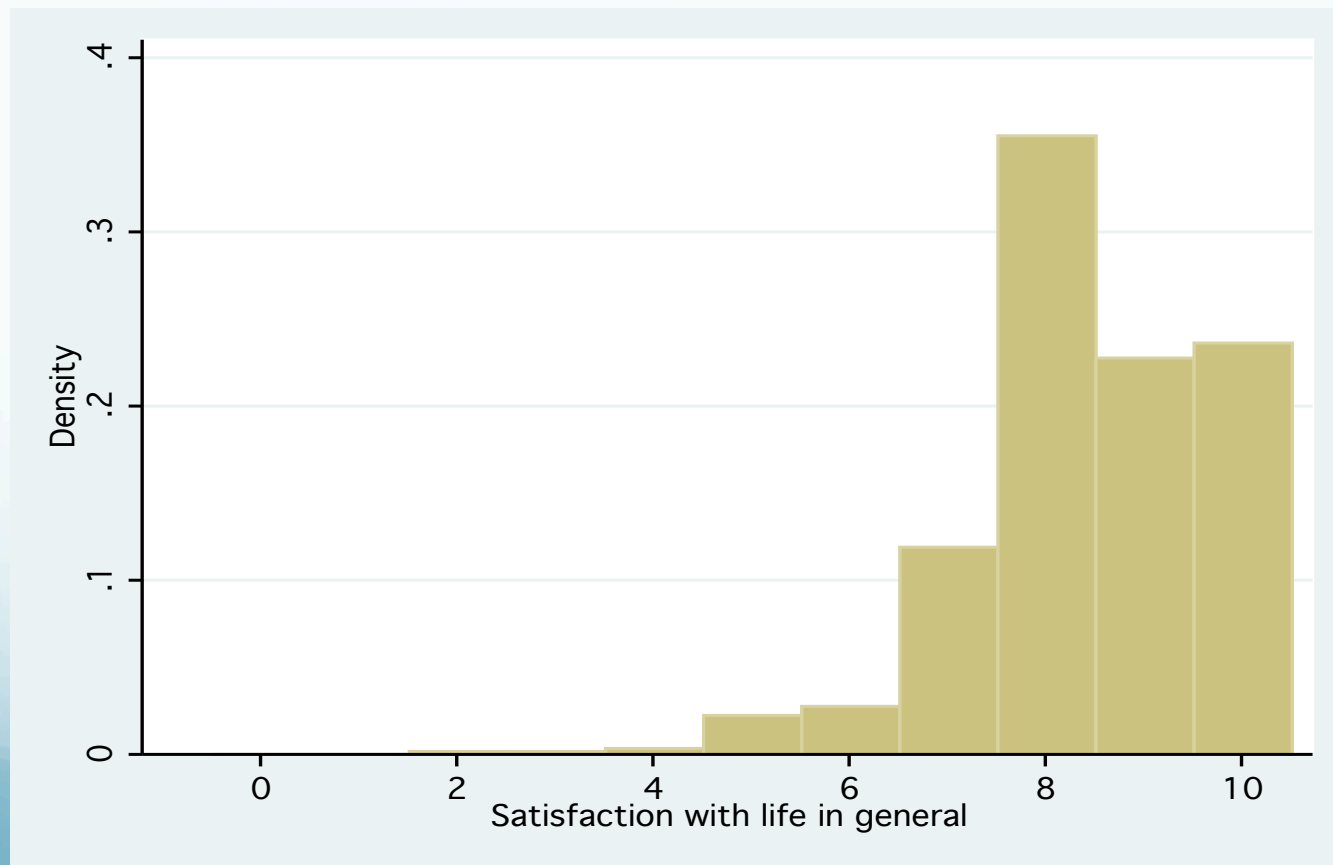
Source: Survey on Income and Living Conditions, 2007-2012

	Secure prosperity	Precarious prosperity	Poverty
Mean Life Satisfaction*	8.42	8.02	7.15

* Life satisfaction question (from 0 to 10)

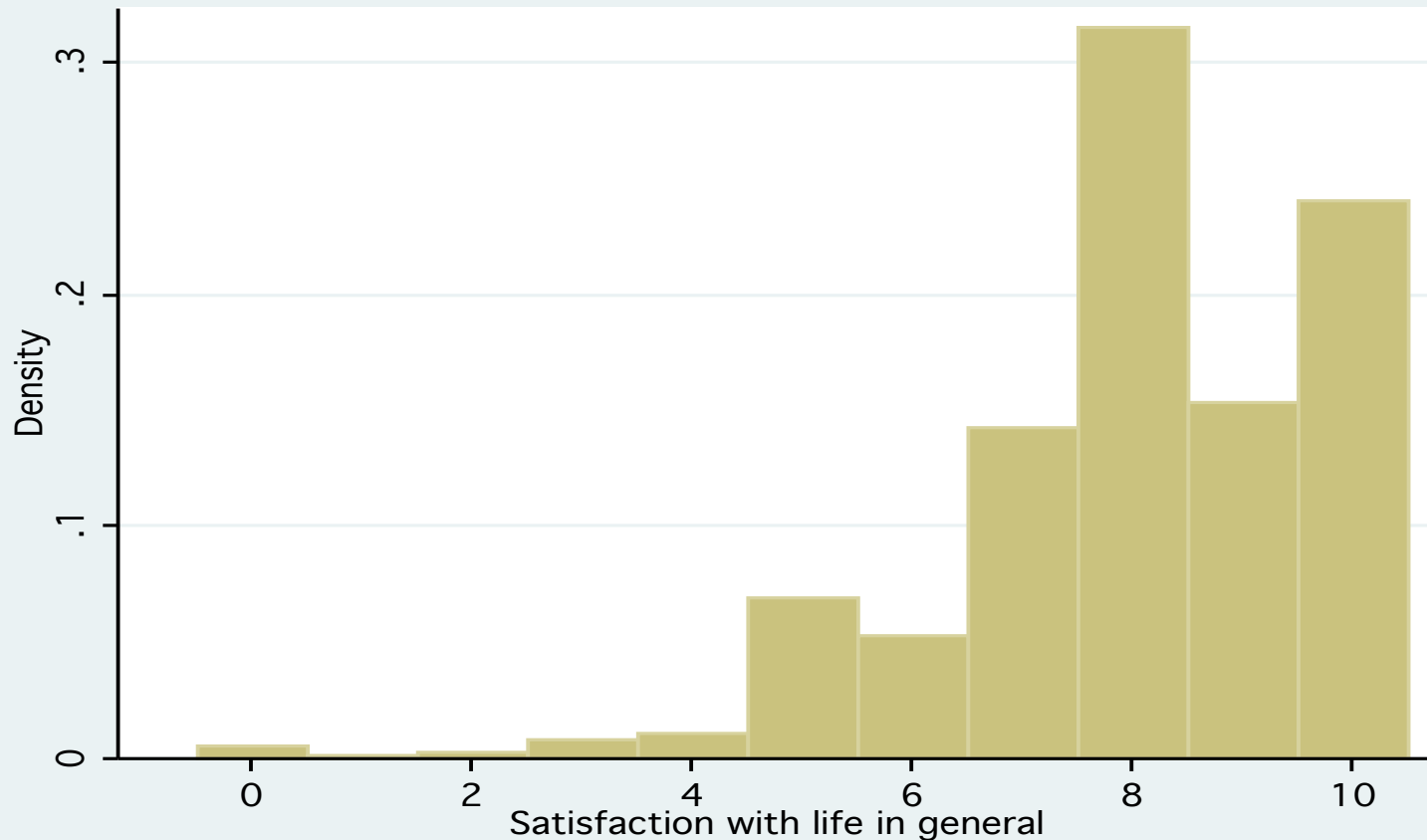
The case of Switzerland

Distribution of answers to the LS question for the SP



The case of Switzerland

Distribution of answers to the LS question for the PP



Data

- The Survey on Income and Living Conditions (SILC): annual data from 2007 to 2012.
- It is a four year rotative panel.
- Pooled data (five waves)
- $N \approx 13'500$ per year. Total $N = 82'054$

Method

- **Dependent variable:**

1. Life satisfaction (rated from 0 to 10)

- **Independent variables:**

1. Precarious prosperity
2. Socio-demographics characteristics
3. Household types and linguistic region
4. Education level
5. Status on the labor market and contract types
6. Social capital and politic interest
7. Health

Method

- People selected from 16 years and over.
- Pooled the five years datasets (2007-2012)
- We use an ordered logistic regression for panel data to estimate the relationship between an ordinal dependant variable (life satisfaction-wellbeing) and a set of independant variables which equation takes the form as followed:

$$\Pr(y_{it} > k | \kappa, \mathbf{x}_{it}, \nu_i) = H(\mathbf{x}_{it}\boldsymbol{\beta} + \nu_i - \kappa_k)$$

Ordred Logistic Regression

- Separate addition of factors

Life satisfaction	models	Coeff.	Std. error	z	P> z	(95% Conf. Interval)	
Precarious prosperity	(0)	-0.377	(0.0155)	-24.36	0.000	-.4075252	-.3468234
Precarious prosperity	(0+1)	-0.362	(0.0156)	-23.12	0.000	-.3914702	-.3311257
Precarious prosperity	(0+2)	-0.356	(0.0157)	-22.69	0.000	-.3870406	-.3254826
Precarious prosperity	(0+3)	-0.380	(0.0155)	-24.49	0.000	-.4109212	-.3500186
Precarious prosperity	(0+4)	-0.353	(0.0156)	-22.70	0.000	-.3838224	-.3228079
Precarious prosperity	(0+5)	-0.303	(0.0156)	-19.46	0.000	-.3336596	-.2726059

(0) socio-demographics factors; (0+1) households types; (0+2) education level; (0+3) labor market; (0+4) social capital; (0+5) health

Ordred Logistic Regression

- Sequential addition of factors

Life satisfaction	models	Coeff.	Std. error	z	P> z	(95% Conf. Interval)	
Precarious prosperity	(0)	-0.377	(0.0155)	-24.36	0.000	-.4075252	-.3468234
Precarious prosperity	(0+1)	-0.362	(0.0156)	-23.12	0.000	-.3924702	-.3311257
Precarious prosperity	(0+1+2)	-0.341	(0.0159)	-21.46	0.000	-.3716471	-.3094474
Precarious prosperity	(0+1+2+3)	-0.344	(0.0159)	-21.64	0.000	-.3752323	-.312919
Precarious prosperity	(0+1+2+3+4)	-0.324	(0.0160)	-20.30	0.000	-.3550837	-.2925586
Precarious prosperity	(0+1+2+3+4+5)	-0.272	(0.0160)	-17.00	0.000	-.3037268	-.2409258

Positive Determinants

Being a women	Live in the french part
Young under 26 or over 64 years old	Being « other inactive » (retired, student, military service, other)
Being married or widowed	To have social support from friends and family
Swiss	Being interested in politics and political activities
Household with 2 adults and at least one over 65 years/ 2 adults with 3 or more children	Being in good health (also not to have chronic illness, not being physically limited and to be able to go for a medical consult)
High education	

All factors have a level significance *** $p < 0.01$

Conclusion

- We observed a significant difference, even if it is very small, in terms of wellbeing for those living in PP.
- The factors chosen to explain this gap did not allow us to explain this difference, meaning that we did not control for all the factors.
- Determinants of WB for those in PP are similar to factors observed in other research.

Next steps

- Introduce subjective factors in order to try explaining the remaining difference in terms of WB for people in PP.
- To refine the statistical model with attitudes toward possible strategies (no help, mixed help and functional help), as they are important for people in PP.