« Precarious Prosperity and Wellbeing: the case of Switzerland »

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Outline

- Research question and concept
- The case of Switzerland
- Data
- Method
- Regression results
- 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.

Source: Budowski et al. (2008)
Being in precarious prosperity is a structural position.

Source: Budowski et al. (2010).
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

<table>
<thead>
<tr>
<th>%</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure prosperity</td>
<td>65.3</td>
<td>64.4</td>
<td>65.5</td>
<td>66.3</td>
<td>66.8</td>
<td>67.3</td>
</tr>
<tr>
<td>Precarious prosperity</td>
<td>30.7</td>
<td>31.6</td>
<td>25.2</td>
<td>29.6</td>
<td>29.9</td>
<td>29.6</td>
</tr>
<tr>
<td>Poverty</td>
<td>4.0</td>
<td>4.0</td>
<td>9.3</td>
<td>4.1</td>
<td>3.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Secure prosperity</th>
<th>Precarious prosperity</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Life Satisfaction*</td>
<td>8.42</td>
<td>8.02</td>
<td>7.15</td>
</tr>
</tbody>
</table>

* 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

- 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 dependent variable (life satisfaction-wellbeing) and a set of independent variables which equation takes the form as followed:

\[
\Pr(y_{it} > k|\kappa, x_{it}, \nu_i) = H(x_{it}\beta + \nu_i - \kappa_k)
\]
**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  | -0.4075252 - 0.3468234 |
| Precarious prosperity (0+1) | -0.362  | (0.0156) | -23.12     | 0.000  | -0.3914702 - 0.3311257 |
| Precarious prosperity (0+2) | -0.356  | (0.0157) | -22.69     | 0.000  | -0.3870406 - 0.3254826 |
| Precarious prosperity (0+3) | -0.380  | (0.0155) | -24.49     | 0.000  | -0.4109212 - 0.3500186 |
| Precarious prosperity (0+4) | -0.353  | (0.0156) | -22.70     | 0.000  | -0.3838224 - 0.3228079 |
| Precarious prosperity (0+5) | -0.303  | (0.0156) | -19.46     | 0.000  | -0.3336596 - 0.2726059 |

(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 to -.3468234 |
| Precarious prosperity     | (0+1)  | -0.362 | (0.0156)   | -23.12 | 0.000 | -.3924702 to -.3311257 |
| Precarious prosperity     | (0+1+2)| -0.341 | (0.0159)   | -21.46 | 0.000 | -.3716471 to -.3094474 |
| Precarious prosperity     | (0+1+2+3)| -0.344 | (0.0159)   | -21.64 | 0.000 | -.3752323 to -.312919  |
| Precarious prosperity     | (0+1+2+3+4) | -0.324 | (0.0160)   | -20.30 | 0.000 | -.3550837 to -.2925586  |
| Precarious prosperity     | (0+1+2+3+4+5) | -0.272 | (0.0160)   | -17.00 | 0.000 | -.3037268 to -.2409258  |
## Positive Determinants

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

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.