ERASMUS UNIVERSITY ROTTERDAM

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# Does unemployment erode trust in politicians?

An empirical analysis within the Netherlands from 2008 to 2022

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# Abstract

This thesis investigates the effect of unemployment on political trust in the Netherlands. Existing literature indicates that unemployment has substantial negative effects on life satisfaction, social engagement and on one's general outlook towards the future. This suggests that unemployment is potentially linked to political disillusionment and populist support. Utilizing data from the LISS panel (2008-2022), multiple regression analyses, including individual fixed effects, reveal that unemployment initially appears to reduce political trust. However, this effect weakens when controls for education and socioeconomic status are introduced. Additionally, interaction effects indicate no significant widening of the trust gap between employed and unemployed individuals in recent years. In sum, education level and financial hardship emerge as stronger predictors of political trust than unemployment. The findings underscore the complexity of political trust dynamics and highlight the need for further research into how socioeconomic factors, such as education level, contribute to political disillusionment. Amidst a resurgence of populist sentiment across Europe, this research appears to be as important as ever.

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# 1 Introduction

It would require a sevenfold increase in income to compensate for the drop in life satisfaction upon unemployment, estimated by Winkelmann and Winkelmann (1998). For years now the academic literature has highlighted the significant negative effect unemployment has on life satisfaction. Based on these numerous studies it seems that job loss can be a profoundly disrupting event in a person's life. Furthermore, it can cause wide-ranging ripple effects such as driving individuals into social exclusion and leading them to political extremism. Kunze and Suppa (2017), for instance, find an enduring reduction in public social activities for individuals who entered unemployment. Moreover, Popova et al. (2023) discover a strong negative relationship between unemployment and confidence in government as well as financial institutions. Finally, Guriev (2018) shows that a one percentage point increase in unemployment leads to a two percentage point increase in the populist vote. To shed some further light on this timely phenomenon, this bachelor thesis will investigate the following overarching research question:

**Does unemployment lead to less trust in the national parliament in the Netherlands?**

This question holds exceptional relevance in the context of the European-wide rise in populism, set in motion by the Eurozone crisis of 2012. In the succeeding years, Britain for instance chose to leave the EU under the influence of the populist-led UKIP. Other European nations have been equally affected: France saw a rise of the 'National Rally', Germany and Austria saw resurging popularity for the far right 'AFD' and 'FPÖ' respectively and Hungary experienced a consolidation of power in 'Fidesz' led by Viktor Orban (Berman 2021). To this day, the undercurrents of this populist wave still seem poorly understood. Academics broadly debate whether this trend is driven by economic factors, such as unemployment, inequality and inflation, or cultural factors, such as a backlash towards multiculturalism and immigration (Algan et al. 2017). In a year of a range of European national elections as well as an EU parliament election it is as important as ever to shed further light on potential drivers of populism.

Further, this paper expressly investigates trust in national parliament because Foster and Frieden (2017) show that this measure is closely correlated to trust in EU parliament too. As a result, extrapolations can be made onto an EU level, thereby increasing the external validity of the results. Moreover, political trust is concentrated on because Rooduijn and Burgoon (2018) show that this metric is strongly associated with both radical right-wing and left-wing voting. Hence, anti-establishment sentiment among the unemployed can be captured more broadly by including both sides of the political

spectrum. Finally, unemployment was chosen as an operator because across the social science literature unemployment is highlighted as having exceptionally high effect sizes on a range of variables from life satisfaction (Lucas et al. 2004) to lifestyle choices (Havitz, Morden and Samdahl 2006) to physiological illnesses (Pharr, Moonie and Bungum 2012). Popova et al. (2023) also illustrate that, in terms of political distrust, unemployment is a far more significant factor than inflation. But unemployment is also important to look at for an additional reason. According to Guiso et al. (2020), more than one-third of the increase in the propensity to vote for a populist party is missed in election outcomes because the unemployed frequently abstain from voting. Hence only part of the overall rise of populist sentiment is reflected in election results. On the surface, it then may look only like a modest rise in populism when in fact some far more powerful shifts in sentiment are happening below the surface of electoral recordings. Hence, Guiso et al. (2020) make the case that many prior estimates in the literature are skewed and unemployment may be even more influential in relation to populist attitudes than presumed so far.

To explore this research question, this paper will apply the following empirical strategy. Focusing on the time frame from 2008 to 2022, first a multiple regression is performed using confidence in Dutch parliament as the dependent variable and unemployment as the independent variable. Various control variables are added to this in order to mitigate the risk of omitted variable bias. Further, this operation is extended by adding individual fixed effects. Thereby the within-individual effects of unemployment can be observed and all time-invariant characteristics can be held constant. To see how the hypothesized gap in trust between employed and unemployed develops throughout the period, a regression with interaction effects was conducted. Hereby, unemployment is interacted with each respective year, contrasting the two cohorts on a year-by-year basis. The data is extracted from the LISS panel, ranging from Wave 1 in 2008 to Wave 15 in 2022. The sections that are used are 'Background Variables', 'Work and Schooling', 'Politics and Values' and 'Income'.

## 2   Literature background

Based on a cursory review of the academic literature, it appears that unemployment has a negative effect both on trust in national parliament as well as EU parliament. Foster and Frieden (2017) extensively report on this relationship, using Eurobarometer data from 2004 to 2015. Each of the 23 waves used, performed twice yearly, consists of 26 700 individuals living in the European Union. For their analysis, logistic regressions are done to determine the factors most influencing trust in national and EU political institutions. Strikingly, they find that an increase in unemployment from 10% to 15% is

associated with a fall of 9 percentage points in the probability of trusting the national government. On an individual level, an unemployed person is 29% less likely to have trust in national parliament when compared to those working, retired, or not seeking work. Dustmann et al (2017) provide further evidence. Their data is taken from the European Social Survey from 2002 to 2014. Using OLS regressions, they find that an increase of 1% in regional unemployment reduces trust in national parliament by 0.46 percentage points.

One reason for this relationship could be because the unemployed hold politicians responsible for the labour market conditions that have led to their job loss. Autor et al (2014) indicate just this relationship. They combine data from the UN Comrade Database on US imports and the County Business Patterns database to determine the impact of Chinese import competition on the employment of US workers from 1990 to 2007. A 2SLS regression is performed using changes in Chinese imports among other high-income countries as an instrument. This shows that rising imports cause lower labour force participation, higher unemployment and reduced wages in regions that have import-competing manufacturing industries. In turn, these worsening labour market conditions spurn populist sentiment. A clear case in point is the Brexit referendum in 2016. Becker et al (2017) collect voting data at the local authority level and combine it with data from the Labour Force Survey. An OLS regression as well as a BSS procedure, which is a machine learning method, indicate that high historical dependence on manufacturing, low income and high unemployment were key drivers behind the 'Leave' vote.  On a broader scale, Colantone and Stanig (2018) investigate election data at a district level within 15 Western European countries, covering 76 general elections over the period 1988-2007. These outcomes are then contrasted with import data from Eurostat and the CEPII-BACI. From their OLS regressions, they conclude that import shocks lead to an increase in support for nationalistic and isolationistic parties, especially for radical-right parties.

But besides these economic mechanisms, unemployment also has powerful psychological and social effects which can lead to a general disenchantment with society and by extension with the political establishment. First, Kassenboehmer and Haisken-DeNew (2009) show a marked negative effect of unemployment on life satisfaction based on SOEP data from 1991 to 2006. Upon this OLS regression, a differential analysis is conducted in terms of gender and geography. Noteworthily, the effect on life satisfaction, measured from 0 (very unsatisfied) to 10 (very satisfied), is most pronounced among men, amounting to -1.086 for West Germans and −0.857 for East Germans. For women, the figures are −0.490 and −0.669, respectively. Von Scheve, Esche and Schupp (2017) extend upon this analysis by analysing the next 7 years of the panel, from 2007 to 2014. By employing individual fixed effects

regressions, they look out how the effect varies in terms of the length of unemployment. Interestingly, while the effect is modest in the first three months, amounting to −0.287, it compounds with time. Within 2-6 years of unemployment, it more than doubles to −0.572. Hence, there seems to be little habituation to being unemployed in terms of life satisfaction. Beyond Germany, the same conclusions are reached. Chen and Hou (2019) for instance discover that the unemployed tend to have a lower life satisfaction than the employed by about 0.3 standard deviations in the United Kingdom, the United States and Canada.

What seems to particularly depress one's outlook on life are the worsening job prospects that deteriorate the longer one spends in unemployment. Knabe and Rätzhel (2011) use SOEP data from 1984 to 2005 to illustrate that it is future insecurity that takes a toll on one's quality of life rather than a 'scarring' effect of unemployment, as hypothesized by Clark et al. (2001). The conclusion is that past unemployment 'scars' because it 'scares'. Mousteri, Daly and Delaney (2018) underscore the psychological gravity of a spell of unemployment, taking data from the SHARE survey from 2006 to 2009. Apparently, each six-month spell of unemployment predicts a 0.017 standard deviation reduction in self-reported quality of life after age 50.

Furthermore, the social sphere can often be severely disrupted upon job loss. Also using SOEP data (this time from 1991 to 2011), Kunze and Suppa (2017) show that unemployment leads to a drop in social activities such as attending cultural events, cinemas and concerts. They also find a strong correlation between engaging in such activities and agreeing with the statement 'On the whole one can trust people'. Thus, what appears to happen is that the unemployed retreat more into private life while relating less to strangers.

In this context, unemployment also has a destabilizing effect on one's sense of identity. Work friends are suddenly seen far less frequently, tasks that made one feel proficient and accomplished fall away and one's societal role is called into question. In sum, the sense of recognition and status one has previously derived from work erodes. Fukuyama (2018) stresses that such a drop in recognition can leave powerful emotional undercurrents in its wake. In fact, he suggests that these are often the driving forces of large revolutionary movements. The most politically destabilizing group is supposedly not so much the desperate poor but the part of the middle class that feels evermore neglected. For instance, according to him, the French Revolution was less driven by indigent peasants but more by a growing middle class that saw their economic and political prospects sink in the years prior. This kind of backsliding appears to breed resentment at the elite while also triggering the powerful effect of

loss aversion. The ferocity of the latter is also famously highlighted by Kahneman (2011). In this matter, as in many others, trajectory trumps position.

To sum up, both the economic as well as psychological mechanisms seem to have important implications on one's attitude towards the political establishment. Based on this prior literature, this paper will pursue the following first hypothesis:

**H1: Unemployment is associated with less trust in the political establishment.**

The academic literature highlights too that European populism, a symptom of such distrust in politicians, has been rising ever since the eurozone crisis in 2012. Rodríguez-Pose (2022) underscores that the Brexit vote and the election of Trump opened the floodgates of populism in 2016. Ever since, the Western political landscape is primarily shaped by pro-system parties being pitched against anti-system forces. He names the 2016 Austrian presidential election, the 2017 French presidential election, the 2017 German and Austrian legislative elections, the 2018 Italian election, and the 2019 parliamentary elections in Finland, Spain, Denmark as just a few cases in point. Further along in his paper, he conducts a case analysis of the Brexit referendum. Here he finds that the 'Leave' electorate tended to be older, working class and white voters. Further, they tend to have few qualifications, live on low incomes and lack the skills required to prosper amid the modern, post-industrial economy. In accordance with this finding, another paper by Rodríguez-Pose, Terrero-Dávila and Lee (2023) concludes that within Europe far-right populism is most pervasive in regions of economic decline and with high shares of immigration.

However, this begs the question: Given Europe's economic recovery since the Great Recession, why would populism gain traction once more among these 'left-behind' demographics? Howley and Knight (2022) inquire into this question using data from the UK Household Longitudinal Survey (UKHLS). The results of their individual fixed effects regressions stress the significance of relative deprivation on how citizens perceive their quality of life. For instance, the plight of the unemployed can counterintuitively be exacerbated by an economic boom. Under these circumstances, they judge themselves more harshly for being unemployed and as a result experience more dissatisfaction and frustration with their lives and the institutions they blame for it. Given the historically low Dutch unemployment rate of 3.6% in 2022, dropping from a peak of 8.6% in 2014 (Statista 2024), this mechanism could be an important factor in the relationship between unemployment and resentment towards the 'system'.

Another such mechanism could be the increased use of social media among these marginalized, often rural, groups. Transitioning from mainstream media to short-form inflammatory populist content could be markedly altering the attitudes of these social groups. Schaub and Morisi (2020) hereby employed a brilliant study design, analysing the Italian ITANES panel from 2013 and the German GLES panel from 2016 and 2017. In their instrumental variable regression, they instrumented for internet use with broadband coverage at the municipality level. Hereby they find a causal relationship between increased internet use as a source of political information and voting for populist parties. This indicates the proliferation of broadband internet access may be one of the factors behind the rise of populism, particularly in remote and rural areas.

Why social media may spur populist sentiment is explained by Hopster (2021). On the one hand, social media provides high-level affordances to populists. Due to the profit motives of social media companies, their algorithms are by design aimed at maximizing user interaction, viewer duration and click-through. As a result, breaking news and viral items tend to be favoured over more long-form content. This media ecology in turn suits charismatic 'political attractors' just right who are rewarded for generating surprises and for making statements that can easily become viral soundbites. On the other hand, low-level affordances are also given to such actors. These are affordances that are embedded in the concrete user interface and specific buttons of the respective platform. For instance, Twitter incentivizes short messages by setting a character limit of approximately 280 characters. According to Hopster (2021), this aligns well with the preference of populists for making bold and sensationalist claims, reducing complex matters into easily understandable 'us' versus 'them' frames. To sum up, the proliferation of social media use appears to be facilitating not only the demand but also the supply of populism. Hereby, social groups that are less rooted in an unmediated and 'offline' interaction with society may be more susceptible to such populist influences online. Because they do not engage in as many real-life conversations and activities with other people, the ideologies they may absorb on these platforms can more easily go unchecked. Hereby, the sphere of work often presents a place at which one still interacts with a broad range of people, an important antidote to the formation of echo chambers (Terren and Borge-Bravo 2021). As a result, the unemployed, having lost this sphere, may be particularly impacted by the proliferation of social media and its ruthless monetization of their attention.

But the unemployed may be particularly susceptible to another influence too, partially mediated through social media and partially mediated through society at large. Namely, these are the so-called 'Narratives of Decline in the Postmodern World' that Bennet (2001) highlighted already more than 20

years ago in a scholarly examination. He showed that these narratives are in fact recurring in Western thought, such as at the fall of the Roman Empire or at the decline of the Medieval Church. Now, he argues, they are once again gaining traction, showing themselves in growing pessimism and fatalism about the future of the planet, economy and society. But not only theory lies behind such claims. Roser (2018) substantiates this too by surveying 26 498 people from 28 countries. He finds that across the developed world only around 10% of people believe that the world is getting better. Emerging economies such as China are meanwhile far more upbeat, having witnessed firsthand the incredible economic miracle among the developing world in the past 30 years. Peculiarly, most of the world appears oblivious to this past development: More than half of people worldwide believe that in the past 20 years global extreme poverty has increased, a belief that is strikingly contrary to the facts. Actually, this rate has declined at the fastest-ever rate in this period. How could such vast misperceptions develop? Roser (2018) conjectures that one of the factors may be the nature of (social) media reporting. As a rule, unusual and preposterous events are highlighted while slow and steady major trends go underreported. The former tend to be sudden negative events while the latter are positive developments that are incrementally built upon.

Arguably, the continual broadcast of such pessimistic sentiment weighs more heavily on already-struggling social groups. Piper (2022) for instance demonstrates that the unemployed tend to feel more pessimistic about the future than the employed. Content on social media that proclaims the doom and gloom of humanity's future likely affirms such attitudes and leads these people even further into despair. This mechanism is not to be underestimated, as Piper (2022) stresses: Pessimistic attitudes likely play a moderating role in the drop in life satisfaction upon becoming unemployed. In turn, it also affects how quickly one can find unemployment again and find solid ground under their feet once more. In the context of the 'Narratives of decline' that are professed so fervently in recent years, it appears likely that these have had an outsized negative psychological effect on the unemployed. Because of such growing dissatisfaction, this paper conjectures that the trust in the political establishment has dropped among the unemployed even more than among the employed.

In conclusion, given (1) the recent year's rise of populism in Europe among the 'left-behind' cohort, (2) the proliferation of social media and (3) the growing popularity of 'Narratives of Decline', this paper will pursue the following second hypothesis:

**H2: The gap in political trust between the employed and unemployed has widened since 2008.**

# 3 Empirical strategy

## 3.1 Methodology

<u>Multiple regression</u>

The method employed to test Hypothesis 1 is a multiple regression. Throughout the operations, the following core regression equation will be taken as a baseline:

$$confidence\ in\ parliament = \beta 0 + \beta 1 * unemployed + X + \varepsilon$$

Hereby, confidence in parliament ('confparl') is regressed on unemployed ('unemp'). According to the first hypothesis, unemployment is expected to have a negative coefficient, thereby decreasing confidence in parliament. However, this effect could also be confounded by a range of other variables. Based on the literature discussion of Chapter 2 the relationships illustrated in Figure 1 are hypothesized.

**Figure 1: Directed acyclical graph (DAG) of regression model**
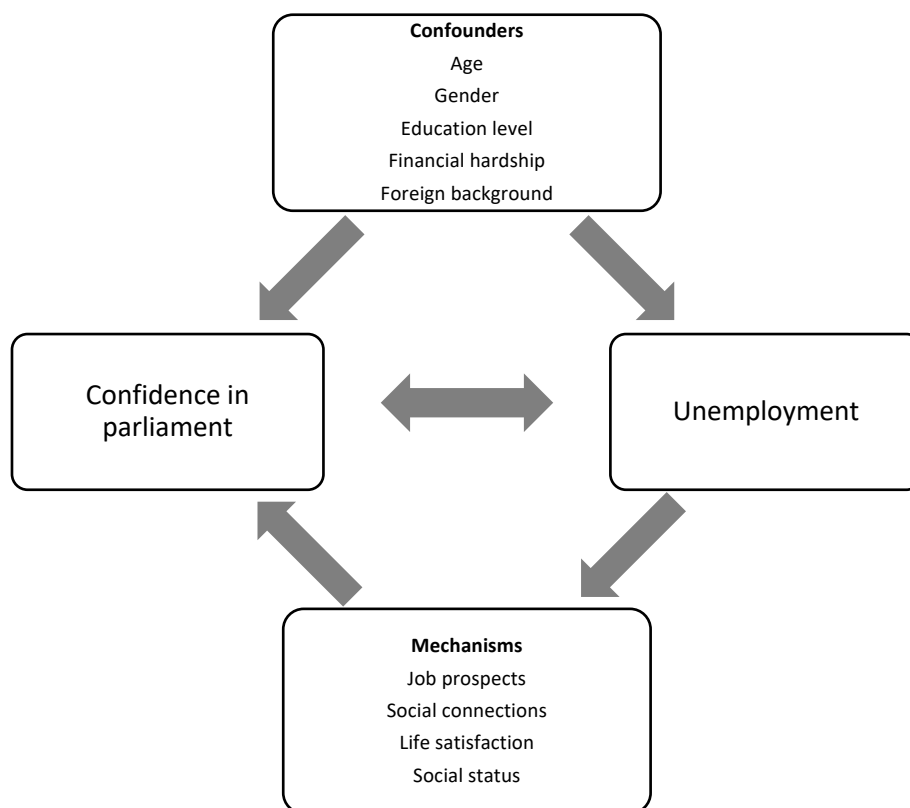


*Notes: Confounders present variables that both influence the dependent and independent variable. Mechanisms are the means through which the independent variable influences the dependent variable. In this graph, the*

*possibility of reverse causality is accounted for, as indicated by the arrow that leads in both directions between dependent and independent variable.*

It is presumed categorically that 'age' and 'gender' likely influence both variables since each characteristic is arguably fundamental to one's attitude and life circumstances. Also, differences in 'education level' as well as 'financial hardship' between employed and unemployed need to be controlled for. Lastly, it is conjectured that a 'foreign background' has pronounced effects on both the dependent and independent variables. Differences in foreign makeup between the employed and unemployed hence must be accounted for too.

In total, four regressions are conducted with each of them including successively more controls. This gradual addition has an express purpose: It sheds light on how the effect of unemployment on confidence in parliament changes as each confounder is accounted for. In this way, certain confounders can be singled out as being most responsible for the initial effect of unemployment. As a result, conclusions can be made about the hidden drivers behind the relationship in question.

## Individual fixed effects

While the multiple regression accounts for some omitted variables, it is near impossible to control for all of them. Individual fixed effects can hereby make a meaningful contribution by directly contrasting how unemployment impacts trust in politicians on an individual basis. Because the individual is compared to their prior employed self, all the time-invariant differences can be accounted for. Regarding time-variant differences, these are likely far more moderate as one and the same individual only changes gradually. In sum, individual fixed effects enable the exclusive effect of unemployment to be approximated more closely.

In terms of implementation, two individual fixed effects regressions are conducted. In the first only the bare regression equation is used while the second includes 'financial hardship' as a control. This control serves to account for possible time-variant differences in financial circumstances. Because these differences could also influence trust in parliament, they need to be clearly distinguished from the pure effect of unemployment.

## Data visualization

In terms of investigating Hypothesis 2, an overview will first be provided. For this, the historic development of confidence in parliament is shown for the period 2008 to 2022, once for the employed and once for the unemployed cohort. The two trendlines are hereby contrasted visually and clear divergences are identified at first sight. It is important to mention that merely the means of each year are displayed in the visualization and, as a result, no statistical conclusions can be derived. Rather the visualization serves to give an initial intuition and, equipped with this insight, the stage is set to conduct the next operation.

## Interaction terms

To check how the gap between employed and unemployed develops over time, interaction terms will be added to the initial regression equation. Specifically, unemployment will be interacted with each year from 2008 to 2022. This results in the modified regression equation:

$$confidence\ in\ parliament$$
$$= \beta0 + \beta1 * unemployed + \beta2 * i.year + \beta3 * i.year * unemployed + \varepsilon$$

The reason for adding the interaction term is that thereby the effect of unemployment can be singled out for each year. This works in the following way: First, the effect of each year is displayed for the employed cohort through the term '$\beta2 * i.year$'. Then, the same is done for the unemployed cohort by using the term '$\beta2 * i.year * unemployed$'. An employed person would have the value '0' for the unemployed variable and hence this entire term would equate to '0'. On the other hand, an unemployed person is assigned the value '1' and now the given effect of the interaction term is added for that year. If this effect size grows each year while maintaining statistical significance it can be concluded that the gap between the employed and unemployed is widening. The advantage of this procedure is that it does not matter how much the overall level of confidence in parliament fluctuates per year. Instead, it is recorded how the trendline of the unemployed behaves relative to that of the employed in each year. In this way, Hypothesis 2 can be conclusively tested.

## 3.2   Endogeneity

Using this range of methods the two hypotheses of this paper can be investigated from multiple vantage points. Naturally, throughout the operations the danger of endogeneity, meaning the danger of

omitted variables, must be kept in mind. To mitigate this, a range of control variables are included in the initial multiple regression. Further, the individual fixed effects regressions allow for an individual to be compared to their prior self and hence all time-invariant differences fall away. As for the interaction terms, endogeneity presents less of a problem because merely the rate of change per year is put under investigation. Even if omitted variables influence the relationship, as long as these don't change too much between years, the results will hardly be impacted by them.

Lastly, two important caveats need to be mentioned regarding selection bias. First, the analyses of this paper often differ in their number of observations. This is because a certain proportion of survey respondents left questions blank. Therefore, it is possible that respondents that were willing to give an answer were selected for. And second, for the panel data used for the individual fixed effects regressions only individuals who had participated in the survey for at least two consecutive years were considered. Thus, once again, it is possible that certain characteristics were inadvertently selected for. Nevertheless, it seems unlikely that this selection bias meaningfully impacts the results. No clear mechanism can be identified that would make certain groups more or less likely to answer the survey or to participate consistently in the panel.

## 3.3 Data

### Source

In this paper, we make use of data from the LISS panel (Longitudinal Internet studies for the Social Sciences) managed by the non-profit research institute Centerdata (Tilburg University, the Netherlands). Each year from 2008 onwards surveys are conducted among a representative sample of 7500 Dutch individuals who are 16 years or older. The panel works on an invite-basis only, reaches average response rates of approximately 80% and provides digital equipment for respondents who do not have a computer or internet connection. All these measures help to bolster the panel's reliability and validity.

### Data operations

Data is extracted and merged from the sections 'Background Variables', 'Work and Schooling', 'Politics and Values' and 'Income'. Furthermore, the entire available time range from 2008 to 2022 was utilized. Thus Wave 1 to 15 were merged into one comprehensive dataset. Because respondents only participated in the survey for 4.6 years on average, it was decided to only use panel data for the

individual fixed effects regressions. For all other methods, it was deemed better to analyse the data in aggregate and not on an individual basis. Furthermore, data trimming procedures were conducted, as exhibited in Figure 2.

**Table 1: Data trimming table for observations from 2008 to 2022**

|  | Observations | Percentage |
| --- | --- | --- |
| Total sample | 96 100 | 100% |
| Working age sample | 66 178 | 69% |
| Unemployed sample | 10 103 | 11% |
| Employed sample | 56 075 | 58% |

*Notes: The working age sample excludes all observations below 18 years and above 65 years. The unemployed sample is compiled based on the conditions listed below.*

First, individuals outside the working age population, specifically below 18 and above 65, were dropped which resulted in a 31% reduction in sample size. Regarding unemployment, the definition of the U.S. Bureau of Labour Statistics (2023) was used which classifies people as unemployed if they are currently available to work, do not have a job and have actively looked for work in the prior four weeks. Accordingly, the sample includes individuals for whom one of the following conditions applied: (1) 'I am not working now, but have performed paid work in the past' or (2) 'I perform unpaid work while retaining my benefit or allowance' or (3) 'I am looking for work following the loss of my previous job' or (4) 'I have performed paid work, but am released from the obligation to find a new job following the loss of my previous job' or (5) 'I am a first-time job seeker' or (6) 'I am seeking work following a lengthy interruption'. In line with the aforementioned definition, students, people with disabilities, houseworkers, the financially independent, early retirees and pensioners were all omitted from the unemployed sample. Ultimately, this resulted in 10 103 unemployed and 56 075, 11% and 58% of the original sample respectively. Stretched out over 15 years, this means that each year consisted of 674 unemployed and 3738 employed on average.

Variable description

Moreover, the dependent variable 'confidence in Dutch parliament' was extracted from the 'Politics and Values' section. This metric was recorded on a scale of 1 (low confidence) to 10 (high confidence). 'Gender' has inputs '1' for male and '2' for female. Because the category 'Other' only comprised 0.005% of the sample it was omitted. This allows the variable to take on a binary format, thereby simplifying the analysis. Further, education level is a categorical variable with the inputs *1* for 'primary

school', 2 for 'VMBO, 3 for 'HAVO/VWO', 4 for 'MBO', 5 for 'HBO' and 6 for 'WO'. Lastly, 'financial hardship' is a self-reported estimate of how hard it is to live off the income of one's household. The answer runs from a scale of 0 (very easy) to 10 (very hard). Each of these variables was recorded in every one of the 15 waves of the LISS panel. Only the variable 'foreign' misses data from before 2011 as the LISS panel had not recorded it before this year. As a result, the regression using 'foreign' as a control only runs from 2011 to 2022.

## Descriptive analysis

This section provides a preview of the sample's characteristics and how these differ between employed and unemployed. Table 3 illustrates the descriptive statistics for the whole sample. Some insights can be mentioned: Interestingly, the Dutch population seems to have slightly more working age females than males. Further, the average working-age person has an education level between 'HAVO/VWO' and 'MBO', tilting towards the latter. Also, on average financial hardship is rated at a 3.344 out of 10.

**Table 2: Descriptive statistics of total sample**

|  | Mean | St. dev. | Min | Max |
| --- | --- | --- | --- | --- |
| confparl | 5.418 | 2.052 | 0 | 10 |
| age | 44.245 | 13.613 | 18 | 65 |
| gender | 1.554 | .497 | 1 | 2 |
| foreign | .213 | .409 | 0 | 1 |
| education level | 3.790 | 1.44 | 1 | 6 |
| financial hardship | 3.344 | 2.028 | 0 | 10 |

On their own, these figures don't give away much. Table 4 however allows for more comparative insights by contrasting how these metrics differ on average between the employed and unemployed: The unemployed cohort appears to be on average 4 years older and comprising marginally more women. Further, there are 7% more people with a foreign background among them. Lastly, they tend to have a lower education level and rate their financial hardship by more than one point higher.

**Table 3: Descriptive statistics of employed and unemployed sample**

|  | Employed | | Unemployed | |
| --- | --- | --- | --- | --- |
|  | Mean | St. dev. | Mean | St. dev. |
| confparl | 5.469 | 2.027 | 5.132 | 2.165 |

| | | | | |
|---|---|---|---|---|
| age | 43.624 | 13.272 | 47.692 | 14.907 |
| gender | 1.540 | .498 | 1.630 | .483 |
| foreign | .202 | .402 | .272 | .445 |
| education level | 3.865 | 1.423 | 3.373 | 1.471 |
| financial hardship | 3.181 | 1.917 | 4.207 | 2.356 |

# 4   Results

## 4.1   Hypothesis 1

### Multiple regression

Column 1 in Table 4 shows the simple regression equation, prior to adding any controls. Notably, unemployment is shown to have a statistically significant negative effect of -0.336 on confidence in Dutch parliament. This means that the confidence in parliament is 3.36 percentage points lower for the unemployed faction when compared to the employed. Subsequently, in Column 2 the controls 'gender' and 'age' were added. The former shows that women have a marginally lower trust of 1.01 percentage points when compared to men. The latter demonstrates that each year one ages one's trust decreases highly incrementally by 0.1 percentage points. Both effects are statistically significant. The third column has the controls 'education level' and 'financial hardship appended. Each higher level of attained education adds 2.37 percentage points to one's political trust. Strikingly, this means that an individual who completed university (WO) has 14.22 percentage points higher trust than someone who only completed primary school. As for self-reported financial hardship, each unit increase on a scale of 1 to 10 results in a drop of 2.5 percentage points in political trust. Statistical significance holds throughout. Notably, upon this addition, the former negative effect of unemployment disappears, in fact now displaying an increase of 0.59 percentage points. Finally, column 4 also includes 'foreign'. Having a foreign background is associated with an incremental drop of 0.68 percentage points in confidence.

In summary, initially, unemployment displays a small negative effect. However, particularly upon controlling for 'education level' and 'financial hardship' this effect vanishes and even reverses. Thus, it appears that the former effect was mainly due to inherent differences in education and affluence between the unemployed and employed. Collinearity concerns between these variables will be discussed in Chapter 5.

**Table 4: Regression analysis of effect of unemployment on political trust in in the period of 2008 until 2022**

| confparl | (1) | (2) | (3) | (4) |
|---|---|---|---|---|
| unemp | -.336*** | -.281*** | .059** | .071** |
| | (.025) | (.026) | (.028) | (.034) |
| gender | | -.101*** | -.095*** | -.103*** |
| | | (.018) | (.019) | (.023) |
| age | | -.010*** | -.006*** | -.006*** |
| | | (.001) | (.001) | (.001) |
| education level | | | .237*** | .272*** |
| | | | (.007) | (.009) |
| financial hardship | | | -.251*** | -.270*** |
| | | | (.006) | (.007) |
| foreign | | | | -.068** |
| | | | | (.032) |
| Constant | 5.469*** | 6.057*** | 5.769*** | 5.629*** |
| | (.009) | (.042) | (.067) | (.084) |
| Observations | 55 295 | 55 254 | 42 582 | 31 654 |

*Notes: Robust unclustered standard errors are in parentheses.  * p≤ 0.10, **p ≤ 0.05, *** p ≤ 0.01.*


Individual fixed effects

Moreover, two individual fixed effects regressions were conducted. The first, in Column 1 of Table 5, exhibits that unemployment only has an statistically insignificant effect of -0.13 points. This means that when holding all unobserved differences constant, as is the case when comparing an individual to themselves, the effect of unemployment is virtually nonexistent. A peculiar nuance is discovered hereby: As established in the multiple regression in Table 4, the cohort of unemployed in aggregate

has statistically significantly less trust before adding controls. Meanwhile, on an individual basis, trust is hardly impacted upon entering unemployment. Hence, this provides additional evidence that there are important unobserved differences between the unemployed and employed driving the initially observed divergence.

To further investigate the nature of these confounders, the control 'financial hardship' was added in Column 2. In line with the findings of Table 4, this results in the negative effect of unemployment diminishing even further to 0.02 percentage points. Interestingly, 'financial hardship' itself has a far smaller negative effect than the one observed in Table 4. This indicates that, on an individual basis, this confounder also has little impact. Thus, there remain important unobserved differences between individuals apart from financial hardship that explain the divergence in trust in parliament.

**Table 5: Individual fixed effects of unemployment on political trust in the period of 2008 until 2022**

| confparl | (1) | (2) |
|---|---|---|
| unemployed | -.013 | -.002 |
| | (.024) | (.028) |
| financial hardship | | -.044*** |
| | | (.007) |
| Constant | 5.420*** | 5.541*** |
| | (.004) | (.023) |
| Observations | 55 295 | 42 686 |

*Notes: Robust standard errors, clustered by individuals, are in parentheses. * p≤ 0.10, **p ≤ 0.05, *** p ≤ 0.01.*

## 4.2   Hypothesis 2

*Data visualization*

To provide an initial visual overview, Figure 2 displays the development of political trust levels from 2008 onwards, once for the employed (0) and once for the unemployed (1). A marked discrepancy can be seen between the two groups from the very start: The trust levels of the unemployed are on

average around 0.3 points lower. Remarkably, the two trendlines behave virtually synchronously throughout the entire observed period. The only notable divergence occured in 2019 whereby the trust levels of the employed declined sharply while the one of the unemployed kept rising.

Some general comments about the trend in political trust can be made: Markedly, in the period of 2012 to 2015 a general slump can be seen. This likely relates to the coinciding eurozone crisis in which widespread discontent emerged among European nations about political policy. It remains unclear if this was due to the Netherlands being a net contributor to the EU and thereby at least partially footing the bill for bailing out Greece. Alternatively, this decline could also be associated with a peak in the unemployment rate of 8.6% in 2014 (Statista 2024). In this case, it is worth noting that the trust of both the employed and unemployed declined. Hence, the employed seem just as dissatisfied. This is possibly due to the adverse working conditions amidst high unemployment such as lower wages or fear of layoffs. Either way, from 2015 onwards trust gradually restores and reaches pre-eurozone crisis levels in 2018.

Since then, the trend displays an unprecedented amount of volatility. Upon the outbreak of the Covid-19 pandemic in 2020, trust levels took a hit of around 0.5 points for both groups. The survey wave of 2020 ended at the end of March, importantly right at the onset of the pandemic. People were likely in a state of confusion and disbelief that a global pandemic was in fact happening, thereby also questioning to what degree politicians can be trusted. Nevertheless, the following year exhibited a surprising surge to levels even higher than their peaks in 2011. It could be speculated that the public habituated more to the new circumstances while also appreciating to varying degrees the necessity of the government pandemic policies. The fact that this survey wave was conducted in winter, in which Covid-19 tended to be most contagious, may have influenced this development too.

But the bout of volatility was far from over. 2022 saw a precipitous drop in trust levels of approximately 1.25 points. On the one hand, the pandemic lockdowns were dragging on and the public expressed their discontent evermore. This was most strikingly evidenced for instance in the lockdown protests in Rotterdam in November 2021. On the other hand, in 2021 the now famous 'toeslagenaffaire', a major Dutch childcare benefits scandal, burst into the public limelight once more. The government, led by the Rutte cabinet, hereby falsely accused an estimated 26 000 parents of making fraudulent benefit claims, requesting repayment. In addition, they had used algorithms that seemed to target individuals with a foreign background in particular (Heikkilä 2022). This was regarded widely as a sign of administrative incompetence as well as discrimination, upon which the Dutch government

resigned. In conclusion, these two developments likely dovetailed to produce this sudden drop in confidence.

*Figure 2: Development of trust from 2008 to 2022*



Graphs by unemployment
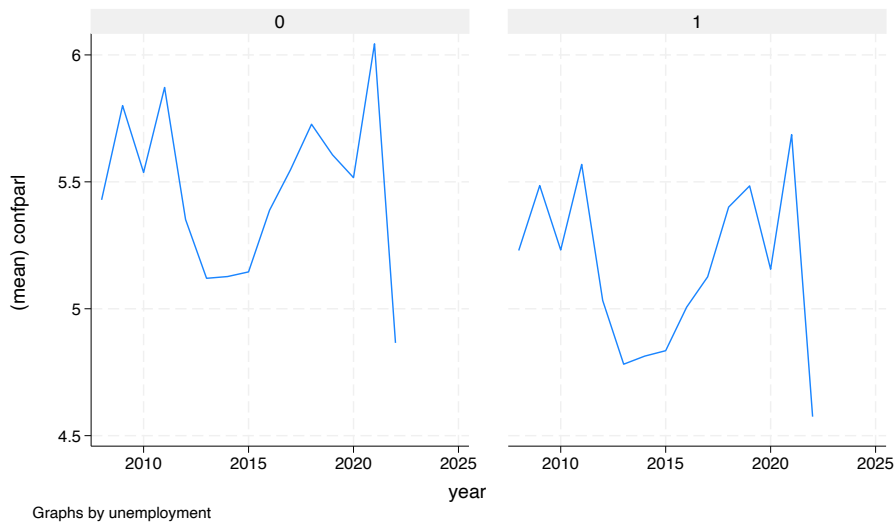
*Notes: Means of confidence in parliament 'confparl' are used. The graphs are grouped into employed (0) and unemployed (1), each one comprising the respective sample.*

## Regression with interaction term

To verify these developments statistically, an interaction term for unemployment and each year is added to the regression equation. Overall, Table 6 substantiates the findings of the prior graphs. Indeed, there appears to be a consistent gap of 2.06 percentage points between employed and unemployed. Does this gap widen on a year-by-year basis? Hardly. Only in 2017 and 2020, the schism expanded statistically significantly, by 2.54 and 2.64 percentage points respectively. On the whole, the coefficients accord with the development seen in Figure 6. Namely, from 2012 to 2015 the trend saw statistically significant drops. Then from 2017 to 2021, these could gradually be recovered only to plunge once more in 2022.

**Table 6: Regression with interaction term between year and unemployed from 2008 to 2022**

| confparl | (1) |
| --- | --- |
| unemp | -.206*** (.070) |
| 2009 | .362*** (.039) |
| 2010 | .112*** (.040) |

| | |
|---|---|
| 2011 | .438*** (.042) |
| 2012 | -.091** (.043) |
| 2013 | -.313*** (.048) |
| 2014 | -.303*** (.048) |
| 2015 | -.282*** (.049) |
| 2016 | -.049 (.046) |
| 2017 | .119*** (.046) |
| 2018 | .295*** (.045) |
| 2019 | .218*** (.049) |
| 2020 | .103** (.050) |
| 2021 | .619*** (.047) |
| 2022 | -.555*** (.050) |
| unemp*2009 | -.072 (.099) |
| unemp*2010 | -.149 (.105) |
| unemp*2011 | -.093 (.119) |
| unemp*2012 | -.054 (.116) |
| unemp*2013 | -.139 (.126) |
| unemp*2014 | -.116 (.125) |
| unemp*2015 | -.135 (.125) |
| unemp*2016 | -.158 (.123) |
| unemp*2017 | -.254* (.131) |
| unemp*2018 | -.121 (.126) |
| unemp*2019 | -.140 (.124) |
| unemp*2020 | -.264* (.143) |
| unemp*2021 | -.173 (.139) |
| unemp*2022 | -.144 (.148) |
| Constant | 5.417*** (.027) |
| Observations | 55 295 |

*Notes: Robust (unclustered) standard errors are in parantheses. For the sake of brevity these were put on the same line as the coefficients. * p≤ 0.10, **p ≤ 0.05, *** p ≤ 0.01.*

# 5   Robustness

This section is dedicated to testing the assumptions of each method as well as questioning the prior analysis.

For the multiple regression, five main assumptions need to be considered: Linearity, Independence of errors, homoscedasticity, normality of errors and independence of independent variables. Because the independent variables in each regression consisted of a binary dummy variable, the first four assumptions can be disregarded. As for the fifth assumption, the correlation matrix in Table 7 verifies that unemployment is only weakly correlated with the control variables used in Table 4. The most pronounced correlation is with financial hardship, displaying a coefficient of 0.187. It can be conjectured that financial hardship increases the likelihood of unemployment while unemployment conversely also exacerbates financial hardship. Hence this correlation should come as little surprise. Because the correlation is nonetheless relatively moderate it is unlikely that collinearity presents a problem hereby.

*Table 7: Correlation matrix as conditional independence test*

|  | unemployed | age | gender | foreign | education level | financial hardship |
|---|---|---|---|---|---|---|
| unemployed | 1.000 |  |  |  |  |  |
| age | 0.037 | 1.000 |  |  |  |  |
| gender | 0.064 | -0.053 | 1.000 |  |  |  |
| foreign | 0.0523 | -0.1462 | -0.012 | 1.000 |  |  |
| education level | 0.052 | -0.097 | 0.021 | -0.035 | 1.000 |  |
| financial hardship | 0.187 | -0.030 | 0.042 | 0.146 | -0.239 | 1.000 |

Secondly, for the individual fixed effect regressions the following assumptions must be tested: no outliers, no autocorrelation and no heteroscedasticity. Because all variables that were used had strict limits, the issue of outliers is of no concern. Further, the Wooldridge test for autocorrelation is given in Table A1 whereby individual fixed effects regressions are verified to exhibit no first-order autocorrelation. This means that, for instance, the values of trust in national parliament are not determined

by its previous year's values but rather are indeed influenced by the variables 'unemployed' and 'financial hardship'. Finally, the risk of heteroscedasticity was mitigated by including robust standard errors in each fixed effects regression.

Thirdly, in the final regression with interaction terms, a precipitous drop in political trust was discovered in 2022. It must be questioned whether this drop coincides with worsening socioeconomic conditions relating to unemployment or can be rather ascribed to cultural factors. The best candidate for this test is the control variable 'financial hardship', insofar as it shows the largest correlation with unemployment. Table A2 shows the development of this indicator year-by-year dating from 2008 to 2022. In summary, apart from 2013 and 2014 financial conditions are improving for the Dutch population. Notably, this improvement is most pronounced in the years 2020, 2021 and 2022. In conclusion, the drop in political trust in 2022 does not appear to be driven by socioeconomic conditions.

The final robustness check relates less to the methods but rather to a conceptual verification. One of the assumptions this paper builds upon is that the unemployed become frustrated with not being able to find re-employment. In turn, they hold politicians responsible for producing such an unfavorable labour market, leading to an erosion of trust in them. To validate this mechanism, another cohort is put under investigation which hypothetically shares this frustration. Namely, these are the people who are employed but are nevertheless looking for more or other work. Table A3 regresses confidence in parliament on these working job seekers, named 'wjobseek'. Hereby, unemployment is controlled for to exclusively compare this group to the employed who are not seeking further work. Indeed, it is found that this group has a statistically significant lower trust in parliament by -.144 points. Although this effect is marginal, it provides evidence that this mechanism exists by which labour market frustration gets blamed on politicians.

# 6  Discussion

## 6.1  Main takeaways

Based on the results of this paper, Hypothesis 1 must be rejected. While initially unemployment featured a marginal yet significant negative effect this gradually weakened as more controls were added. Especially, the control 'education level' accounted for a large proportion of this effect and by itself seemed to play a far more influential role for political trust than unemployment. Likewise, the individual fixed effects regression illustrated a negligible as well as insignificant effect of unemployment. This

finding is even more conclusive when considering an individual is compared to their past selves hereby: Most potential differences, such as gender, education level, origin, etc., can therefore be held constant and the effect of unemployment can virtually be isolated. As for Hypothesis 2, this must equally be rejected. When observing how confidence in parliament developed on average it can be concluded that the gap between employed and unemployed has not widened in recent years. The regression with year interaction effects underscores this finding by showing that the rate of change of political trust barely differs between the two groups in the entire period from 2008 to 2022.

In addition, in the process of investigating the hypotheses some other important findings were discovered. First, the variables 'education level' and 'financial hardship' were shown to have a sizable impact on political trust, far beyond that of unemployment itself. Especially, the less educated and the more financial hardship one experiences the less trust one has in Dutch parliamentarians. This indicates that the lower socioeconomic classes seem to be largely disillusioned with the political establishment. Whether this has picked up in recent times or has been historically the case must be the subject of further research.

Second, from observing the effects of job loss it can be seen that temporary unemployment has far less of an impact on political trust than thought. Rather, what the academic literature demonstrates is that one's job prospects are far more important (Knabe and Räthzel 2011). In summary, people seem to care far less about bouts of unemployment than about the future they are heading towards.

The final takeaway relates to the historical development of political trust in the Netherlands. Hereby the eurozone crisis caused a marked drop in trust levels from 2012 through to 2015, a sign of discontent with Dutch political policy at the time. More strikingly, however, in 2022 there has been a substantial drop in political trust, albeit from historically high levels. Both the enduring pandemic lockdowns and the 'toeslagenaffaire' were likely contributors.

## 6.2   Policy implications

Recent years have seen a rise in populism not only in the Netherlands but across Europe. In this context, this section will attempt to delineate policy implications based on this paper's findings. A special focus will be put on what considerations must be kept in mind when trying to re-establish and affirm trust in the Dutch political establishment.

Rather than concentrating too much on unemployment figures, what appears to be of more importance for political trust is the level of education one has obtained. Financial hardship also seems to be of equal significance. However, since it rather presents a symptom of sub-standard education and training it makes sense instead to stress one of the root causes of poverty: Education level. Acknowledging the complexity of this matter, this paper merely stresses the importance of quality education. The paper refrains from giving any specific policy recommendations, leaving this to specialists on the topic.

Second, because job prospects seem to carry far more weight than temporary unemployment, emphasis must also be put on this. This is particularly noteworthy in the context of technological advancements in artificial intelligence (AI) that could potentially take over large proportions of low-skill jobs. With the prospect of having to compete with remarkably sophisticated AIs many of the lower-skilled unemployed may drift into frustration and then hopelessness. The psychological as well as political consequences could be detrimental to the peace and stability that most developed nations enjoy today. To prepare for this, special consideration must be given to upskill, encourage and accommodate these struggling social groups for an age of fierce labour market competition, not from humans but from machines.

Thirdly, the eurozone crisis markedly damaged the political trust in the Netherlands. This presents an important precedent when considering the effect of potential future financial crises. Historically, these have occurred approximately every 10 to 15 years as the business cycle oscillates from peak economic output to a local trough (Lucas 1995). If this economic theory continues to hold, another recession awaits us likely within the next decade. When it happens, a downturn in political trust is to be expected not only among the unemployed but across the entire population. In this context, it must be examined how political systems plan to endure such a destabilizing event and how they plan on mitigating its effects on the worst affected, e.g. the low-skilled and financially struggling. History does not repeat, but it rhymes after all. We better be ready for that rhyme when it chimes.

Finally, the development of trust in Dutch parliament over the next years must be carefully watched. This is because it was found that 2022 experienced a sudden drop in political trust. While on average the levels are as of yet in the 5/10 range, this could change if the trend continues into the years 2023 and 2024. Hereby, the political events of the two years in the Netherlands provide some hints. On the one hand, widespread farmer protests erupted in opposition to a new agricultural regulation passed by the government. Against this backdrop, the Farmer-Citizen Movement (BBB) won a surprise victory

in the 2023 provincial elections, which determine the composition of the Senate (Politico 2023). On the other hand, about half a year later in November 2023 the Party for Freedom led by Geert Wilders unexpectedly won the general elections to the dismay of the political establishment. Wilders popularity is seen as a sign of the discontent among the Dutch public with political policy, particularly on matters of immigration (Adler 2023). In this context, the incoming waves of the LISS will be particularly insightful. They can for instance shed light on which cohorts of the Dutch public are most dissatisfied with politics. The political establishment would be well advised to pay attention. Listening more to these cohorts may just prevent similar surprises from happening in future.

## 6.3  Weaknesses of analysis

While the analyses of this paper were conducted as thoroughly as possible, three main weaknesses remain. One of the limitations of this paper is that only the Netherlands is investigated. Because of this, it is unclear to what degree the findings can be extrapolated to other countries. This may be less problematic for countries such as Belgium and Germany which share many of the same characteristics. Conversely, beyond this zone of geographical and cultural vicinity, the findings likely have little external validity.

Secondly, socioeconomic status could only be proxied based on a self-report of how hard it is to make ends meet. Because of its subjective element, it is unclear how accurately it records socioeconomic position. As a result, differences in wealth may only be imperfectly controlled for. Assuming that lower socioeconomic status is positively correlated with unemployment and negatively correlated with political trust, the omitted variable bias of this would be negative.

Finally, the analysis is restricted to the period up until 2022, given the delayed publication of the LISS panel. As a result, contemporary events such as the outcomes of the EU parliament elections in 2024 can only be explained to a limited extent by the findings of this paper. Developments in 2023 and 2024 likely had an added effect on these outcomes and must be included in order to form a comprehensive picture of the current political landscape in the Netherlands.

## 6.4  Solutions to weaknesses

These weaknesses can be mitigated by using improved or expanded datasets. Unemployment would be directly measured in these and the strict definition of it would be adhered to. This would allow for more precise grouping into unemployed and employed. To address concerns about external validity

other countries, for instance in Eastern or Southern Europe, could be surveyed. In addition, datasets that record household wealth could be used to serve as a more objective proxy for socioeconomic status. Lastly, this analysis could be extended to the years 2023 and 2024 as soon as the LISS panel publicizes each of the new waves. Particularly regarding the former this is set to happen in the coming months as some of the sections already include the 'Wave 16' conducted in 2023.

# 7  Conclusion

Concerning hypothesis 1, this paper finds that unemployment has a marginal and statistically significant negative effect on political trust. When adding controls for education level as well as socioeconomic status this effect becomes negligible and can even turn marginally positive. Further, when analysing the effect of job loss within an individual's life, no statistically significant effect on political trust is discovered. Regarding hypothesis 2, it is revealed that the gap in political trust between the unemployed and employed has not widened in recent years. The trend for the Dutch public as a whole has been exceptionally volatile from 2020 onwards though. Notably, 2022 saw a sharp drop in political trust to the lowest levels observed over the entire range from 2008 onwards.

In this context, it would be important to analyse future waves of the LISS panel in 2023 and 2024 to see if this drop has continued or leveled out. In addition, this data can also aid in determining the driving forces behind surprise election outcomes in the Netherlands such as the victory of Geert Wilders in 2023. Hereby, it is particularly pertinent to inquire how political trust develops among the lower socioeconomic classes and lower educated. Research can be conducted on the reasons for their persistently lower political trust. This could also provide insightful indications as to how this trust could be restored. Lastly, comparative analyses can be conducted between national and EU institutions to determine the extent to which this distrust is targeted at different levels of political representation.

In terms of research beyond the scope of the LISS panel, similar panels can be set up in other European countries too. Then it can be studied how unemployment relates to political trust in different contexts of culture, labour markets and government regulations. Eastern and Southern European nations would thus be of particular interest insofar as they share fewer characteristics with the Netherlands. As a result, the external validity of these findings can be verified and important nuances between countries can be discovered. This will further shed light on the complex relationships that shape the European political landscape. Future outbreaks in populist sentiment can then be better understood, anticipated and possibly even counteracted. However small, this would mark an important step

towards a more cooperative and cohesive Europe. A Europe, in which rural, working-class and 'left-behind' areas are as economically integrated as urban ones. A Europe, in which public discourse occurs across political factions, from right to left and left to right. And finally, a Europe, whose dynamic democratic system can remain a role model for aspiring emerging economies across the world instead of regressing to the politics of the last century.

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# 9 Appendix

**Table A1: Wooldridge test for autocorrelation on fixed effects regressions**

|  | F-statistic | P-value |
|---|---|---|
| FE1 | 257.85 | 0.000 |
| FE2 | 149.64 | 0.000 |

*Notes: Robustness check of first-order autocorrelation for the two individual fixed effect regressions*

**Table A2: Regression of financial hardship on each year from 2008 to 2022**

| finhardship | (1) |
|---|---|
| 2009 | -.114*** |
|  | (.043) |
| 2010 | -.037 |
|  | (.045) |
| 2011 | -.153*** |
|  | (.046) |
| 2012 | -.065 |
|  | (.045) |
| 2013 | .048 |
|  | (.047) |
| 2014 | .028 |
|  | (.046) |
| 2015 | -.155*** |
|  | (.046) |
| 2016 | -.261*** |
|  | (.047) |
| 2017 | -.423*** |
|  | (.047) |
| 2018 | -.432*** |
|  | (.046) |
| 2019 | -.516*** |
|  | (.049) |

| | |
|---|---|
| 2020 | -.716** |
| | (.047) |
| 2021 | -.754*** |
| | (.048) |
| 2022 | -.530*** |
| | (.049) |
| Constant | 3.590*** |
| | (.030) |
| Observations | 49 151 |

*Notes: Robust (unclustered) standard errors are in parentheses. * p≤ 0.10, **p ≤ 0.05, *** p ≤ 0.01.*

**Table A3: Regression of confidence in parliament on working job seekers**

| confparl | (1) |
|---|---|
| wjobseek | -.144*** |
| | (.041) |
| unemp | -.339*** |
| | (.026) |
| Constant | 5.475*** |
| | (.010) |
| Observations | 55 129 |

*Notes: Robust (unclustered) standard errors are in parentheses. * p≤ 0.10, **p ≤ 0.05, *** p ≤ 0.01.*