

**Young People Living in Unemployed Households during a Labour Market-  
Crisis: How do Portugal and Scotland Compare?**

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## ABSTRACT

*Introduction* In Europe the rate of unemployment increased due to the 2008-2009 economic recession. The negative effect of unemployment on adult well-being has been demonstrated and there are strong reasons to believe that young people living in unemployed households may be also affected. Unemployment protection policies and family support programmes might help buffer such effects.

*Purpose* The aim of this study was to explore the associations between parental unemployment and youth mental well-being outcomes, and to examine possible heterogeneity between two countries with different labour market policies and parental support programme availability (Portugal and Scotland).

*Methods* Data were collected in 2014 by the Health Behaviour in School-aged Children study in Scotland and Portugal with two nationally representative samples of 13- and 15-year olds: 2748 Portuguese students ( $M_{age} = 14.7$  years  $\pm 1.2$ ; 47.8% boys); and 4512 Scottish students ( $M_{age} = 14.6$  years  $\pm 1.0$ ; 50.0% boys). Life satisfaction and subjective health complaints scales were used to assess youth mental well-being. Descriptive and linear regression analyses were performed.

*Results* Young people with one or more unemployed parents report lower levels of youth life satisfaction in both countries. In the Portuguese sample, parental unemployment was also positively associated with the frequency of subjective health complaints among young people.

*Conclusion* The association between parental unemployment status and youth low well-being were observed in both countries but there were some differences. These are discussed in the context of cross-national differences in unemployment rates and family protection policies in the two countries.

The global economic recession in 2008-2009 pushed European countries into an economic recession with widespread consequences for the labour market. In the first quarter of 2013, the rates of unemployment in the European Union rose to a record level of 11%. The highest unemployment rates were recorded in Greece (27%), Spain (26%) and Portugal (18%), while the lowest rates were found in Norway (4%), Austria (5%) and Germany (5%) (Eurostat 2016).

Many studies using adult samples have demonstrated an association between unemployment and poor well-being (Paul and Moser 2009) that is especially strong during economic recession and high unemployment periods (Frasquilho et al., 2016). In the United Kingdom (UK) – of which Scotland is a member - there is data showing a high prevalence (23%) of common mental disorders among jobseeker's allowance beneficiaries (McManus et al., 2012). Although there is no such data available for this group in Portugal, it has been suggested that the comparable figure would be even higher since mental health problems are already very common amongst the general population (23%) (Caldas de Almeida and Xavier 2013).

Young people living with unemployed parents may be affected by changes in daily life and by parents' distress and financial difficulties (Fanjul 2014). This in turn may lead to negative consequences for young people's well-being. The available evidence supports such an argument. For instance previous research based on European data (e.g. Portugal, Denmark, Finland, Iceland, Norway, Sweden and Slovakia) has demonstrated associations between parental unemployment and adverse effects on youth well-being (Frasquilho et al. 2015; Reinhardt Pedersen and Madsen 2002; Sleskova et al. 2006).

This paper represents an opportunistic comparison of the association between parental unemployment and the well-being of young people between two countries, Portugal and

Scotland, which have contrasting unemployment rates 18% vs. 7%, respectively. As well as different unemployment rates, as described below they also differ with respect to the support available for individuals and families suffering unemployment. Research shows that the provision of such support can potentially mitigate the impact of unemployment (Uutela 2010; WHO 2011).

Both Portugal and Scotland have made changes to their welfare systems as a response to pressure on public expenditure during the economic recession. However, in relation to unemployment protection, data from OECD and Eurostat show that after the recession, public spending efforts on *active labour market policies* (programmes that support jobseekers and unemployment benefit beneficiaries with enhanced access to training, skills development and psychosocial support) as a per cent of GDP have decreased in Portugal along with decreased spending on *passive labour market policies* (unemployment cash benefits and related paid benefits) (Martin 2015).

In the UK, however, while there was a decrease in passive benefits, public spending on active labour market policies have increased (Leahy et al 2013; Martin 2015). There is evidence that *active labour market policies*, together with improved social welfare protection, are associated with improvements in population health (each \$100 per capita spent on active labour market programmes reduces by 0.4% the impact of a 1% rise in unemployment on suicide) (Stuckler et al. 2009). Additionally, unemployment protection coverage rates vary between countries; Portugal has a lower coverage rate than the UK (Esser et al. 2013).

Nevertheless, the UK (Scotland) has recently faced significant changes to their welfare system with the introduction of the universal credit payment. This is paid once a month, and merges six working-age benefits where applicable (jobseeker's allowance, income-related employment and support allowance, income support, child tax credit, working tax credit and

housing benefit) (UKGOV 2016). Overall, benefits to Scottish families are now capped, and sanctions and qualifications are stricter. The effects of these changes are yet to be evaluated.

In addition to unemployment protection measures, state supported parenting programmes may help to buffer some of the effects of unemployment on families well-being as they are considered helpful in breaking intergenerational transmission of distress and inequity between parents and their children (WHO 2014). There is evidence that each \$100 per capita invested in family support and parenting programmes reduces by 0.2% the impact of unemployment on suicides (Stuckler et al. 2009). Thus, supporting families facing unemployment may bring short-term health outcomes and long-term economic gains for societies (McDaid and Park 2011). In Portugal, however, national systematic delivery of such programmes is rare compared to Scotland (e.g. Scottish Psychology of Parenting Project – PoPP) (NHS Scotland 2015).

Overall, Portugal is struggling with cuts to public budgets, high unemployment rates and a lack of jobs. The resources to support unemployed individuals and their families are lacking in comparison to Scotland. Because school-age is such an important developmental period and there is already well-established evidence showing an association between parental unemployment and low well-being in young people, it is important to focus research on youth living in unemployed households. This paper provides an opportunity to compare the situation in Scotland with Portugal where unemployed people and their children may be less protected due to the higher rates of unemployment and less investment in protection policies. Thus, the purpose of this study was to examine how Portugal and Scotland, two countries facing different levels of challenge and state support, compare in terms of the associations between parental employment status and adolescents' self-reported well-being.

## Method

### Participants and procedures

The analyses were based on data collected as part of the Health Behaviour in School-aged Children (HBSC) survey conducted in 2014 in Portugal and Scotland. The HBSC study is carried out internationally every 4 years in 44 European and North American countries, in collaboration with the World Health Organisation. The HBSC data collection is stratified by age group. For this study we only included nationally representative samples of 13- and 15-year old students.

According to the HBSC international standardized research protocol (Currie et al. 2014), the participants were recruited via a clustered sampling design (whole classes were used as sampling units) to meet the required number of students for each school grade. All participating students' legal guardians gave signed informed consent. Students' participation was voluntary and the survey was self-completed. Confidentiality was ensured as questionnaire responses were anonymous.

Ethics approval for the 2014 Portuguese HBSC was given from the Portuguese Ministry of Education and Health, by the ethics committee of São João Hospital, and by the national ethics committee. Ethics approval for the 2014 Scottish HBSC was given from the University of St Andrews Teaching and Research Ethics Committee.

### Measures

We examined health and well-being outcomes across two *parental employment status groups*: 1) both parents employed; 2) at least one parent unemployed and looking for a job (both parents were unemployed and looking for job; only the father was unemployed and looking for

job; only the mother was unemployed and looking for job). Unemployed parents who were students, retired or stay-at-home parents were considered to be voluntarily jobless and therefore were not included as being unemployed and looking for job, and were excluded from the analysis.

*Subjective health complaints* were assessed by the HBSC Symptom Checklist (HBSC-SCL). Students were asked how often in the last 6 months they had experienced: headache; stomach-ache; backache; feeling low; irritability; nervousness; difficulties in getting to sleep; and dizziness. The response options for each item ranged from (4) “feel this about every day” to (0) “rarely or never feel this”. For this study we used an eight-item composite scale ranging from (0) non-occurrence of complaints to (32) frequent occurrence of complaints. The items included in the scale have been found in previous studies to be sensitive measures of young peoples’ mental health status (Haugland et al. 2001).

*Life satisfaction* was measured using an adapted version of the Cantril Ladder (Cantril 1965) on which adolescents rate their current life satisfaction as a measure of subjective well-being. They were asked to indicate on a picture of a ladder (the top of the ladder 10 is the best possible life and the bottom 0 is the worst possible life) where on the ladder they felt they stood at the time. This scale has been validated and used in several studies to assess mental well-being in adolescents (Levin and Currie 2014; Muldoon et al. 2010).

## **Statistical analyses**

Descriptive analyses of sociodemographic variables were calculated for the sample. Linear regression analyses were conducted to examine if having unemployed parents predicted subjective health complaints and life satisfaction scores in both countries. The first model shows

the unadjusted results and the second model shows the adjusted results by gender and age to control for these known effects on life satisfaction and health complaints (Cavallo et al. 2015a; Hetland et al. 2002). All data analyses were completed using (SPSS v22.0), and  $\alpha$  was set at .05.

## Results

The final samples consisted of 2748 Portuguese students ( $M_{\text{age}} = 14.7$  years  $\pm 1.2$ ; 47.8% boys), and 4512 Scottish students ( $M_{\text{age}} = 14.6$  years  $\pm 1.0$ ; 50.0% boys). The Portuguese sample showed a much higher proportion of young people reporting having at least one parent unemployed (19%) in comparison to the Scottish sample (7%).

The coefficients of linear regression analyses are shown in Table 1 for the Portuguese sample and Table 2 for the Scottish sample.

For Portugal, the model predicting life satisfaction with parental unemployment as the only predictor was statistically significant,  $F(1, 2746) = 12.775$ ,  $p < .001$ , and accounted for approximately 0.5% of the variance in life satisfaction. Having unemployed parents significantly predicted lower levels of life satisfaction ( $B = -0.32$ ,  $p < 0.001$ ). This remained statistically significant in the model containing also gender and age ( $B = -0.29$ ,  $p < 0.001$ ).

Subjective health complaints among Portuguese students were also predicted by parental employment status, before and after adjusting for gender and age,  $F(1, 2746) = 7.883$ ,  $p < .01$ ;  $F(3, 2744) = 100.207$ ,  $p < .001$ . In the unadjusted model parental unemployment accounted for approximately 5.4% of the variance of subjective health complaints. The prediction model containing also gender and age accounted for 31% of the variance. Having unemployed parents significantly predicted higher levels of subjective health complaints among the Portuguese young people ( $B = 0.91$ ,  $p < 0.01$ ), even after adjusting for age and gender ( $B = 0.71$ ,  $p < 0.05$ ).

[INSERT TABLE 1 AROUND HERE]

For Scotland (Table 2), the model predicting life satisfaction with parental unemployment was statistically significant,  $F(1, 4395) = 23.477, p < .001$ , and accounted for approximately 0.5% of the variance in life satisfaction. The model adjusting for gender and age was also statistically significant,  $F(3, 4393) = 76.207, p < .001$  and accounted for 4.9% of the variance. Having unemployed parents significantly predicted lower levels of life satisfaction among Scottish young people ( $B = -0.52, p < 0.001$ ), even after adjusting for age and gender ( $B = -0.53, p < 0.001$ ).

In terms of subjective health complaints, the unadjusted model was not statistically significant,  $F(1, 4371) = 0.807, p = 0.369$ . Parental unemployment alone did not significantly account for variance in subjective health complaints among the Scottish sample ( $B=0.39, p = 0.369$ ). The predictive effect of parental unemployment remained non-significant ( $B=0.32, p = 0.433$ ) after adjusting for age and gender.

[INSERT TABLE 2 AROUND HERE]

## **Discussion**

In this study, data from the Portuguese and Scottish HBSC survey 2014 were used to analyse the associations between parental employment status and youth well-being outcomes. We examined the results in light of both countries different unemployment rates, labour market policies and family support systems.

The percentage of young people with unemployed parents was higher in Portugal than in Scotland, which corroborates the official unemployment statistics of both countries (Eurostat 2012). Our findings firstly re-emphasise the association between parental unemployment and youth low well-being (Fanjul 2014; Frasilho et al. 2015; Reinhardt Pedersen and Madsen 2002; Sleskova et al. 2006). Secondly, the fact that having unemployed parents predicted health complaints among young people from Portugal but not among young people from Scotland suggest that countries' associations between parental unemployment and adolescents' well-being are not equal for all health indicators.

Furthermore, the findings partly support the study hypothesis that young people with unemployed parents report worse health and well-being outcomes, and that these differ by country. In Portugal we found two associations between having unemployed parents and health outcomes (lower levels of life satisfaction together with higher frequency of health complaints) and in Scotland only one association was significant (lower life satisfaction). This heterogeneity of results between the two countries may be due to unemployed families in Portugal facing more socioeconomic difficulties than the Scottish and thus exacerbating the deleterious well-being effects of unemployment. Research conducted by Holstein and colleagues (2009) showed that a high level of health complaints among youth is usually associated with lower socioeconomic backgrounds. This study used data from the Health Behaviour in School-aged Children (HBSC) international study (same data source for the current study), which included comparable samples of 37 European countries (including Portugal and Scotland). The apparent differences between Portugal and Scotland may also reflect the countries' variation in terms of unemployment and family protection policy. Nevertheless, further analysis is needed to better explain this difference.

The aim of this study was to make a cross-country comparison on how the effect of parental employment status on youth mental well-being differed in two contexts with different unemployment rates, labour market policies and family support programmes delivery. This was possible because the indicators used in both countries were identical. Nevertheless, caution is advised in the interpretation of the results, since the cross-sectional design of this study prevents causal inferences. For instance, it could be the case that youth with more complaints and lower satisfaction with life require additional caring responsibilities making it harder for parents to keep jobs and not the other way around. Nevertheless, the survey in both countries asked the reason for parents' unemployment, thus, to ensure minimum bias, in both samples the unemployed parents' group did not include non-voluntarily unemployed parent(s) (e.g. parents taking care of family members and stay-at-home parents). In addition, self-report measures are sometimes considered to be unreliable and cultural differences in responding style between Portugal and Scotland might also have affected the results. However, we do not consider this to be a major threat to the validity of the study, because the instruments used have been methodologically validated (with equivalent protocols in all HBSC countries) allowing for cross-national comparisons. Moreover, the literature shows that life-satisfaction and health complaints are valuable measures of both physical and psychological health that correlate well with youth well-being outcomes (Haugland et al., 2001, Cavallo et al, 2015). A further limitation is the limited scope within the current paper to provide an in-depth analysis of the various formal and informal individual and family protection policies in each country. We have instead highlighted the source material from which readers can garner more detailed information, and note that broadly speaking we are comparing passive labour market strategies in Portugal, and active labour market strategies in Scotland.

There are several lines of inquiry that future research should explore. For instance, during labour market crises and recessions, there are numerous factors such as family conflicts, duration of unemployment, structural problems related to the country's economy and health services that can increase risk or protect mental health and well-being of young people living with unemployed parents. Future studies may structure research to focus on such factors, for example using multilevel analysis adjusting for macro-level determinants (e.g. national unemployment rates, GDP and Gini Index).

Although the findings suggest that in both countries young people with unemployed parents had poorer well-being outcomes than those with employed parents, at the time of data collection Portugal had a higher unemployment rate compared to Scotland and had less effective resources to support unemployed individuals and their families: 1) its labour market policies were based on *passive* spending (unemployment insurance and related paid benefits) which is less effective than *active labour policies* (programmes that support jobseekers and unemployment benefit beneficiaries with enhanced access to training and skills development and psychosocial support), 2) the delivery of parenting programmes in Portugal is rare in comparison to Scotland. Thus, we argue that although Scotland needs to improve protection of young people living in families where unemployment exists, a shift towards investing in effective protection of these families seems crucial to implement in Portugal given the additional structural risk factors (e.g. high unemployment rate and family economic deprivation). These may make a positive difference to adolescents' overall well-being.

## **Conclusion**

This study provides evidence for the association between parental employment status and adolescents' well-being in two countries that differ in unemployment rates, labour market policies and availability of family support programmes (Portugal and Scotland).

Results from both countries highlight that adolescents with both parents employed report better scores on well-being indicators compared to those with unemployed parents. In Portugal but not Scotland, young people living with unemployed parents reported a greater number of subjective health complaints than the sample with employed parents.

The findings can be useful for both countries and others to focus attention on young people living in families coping with unemployment since they may be more vulnerable to distress. Ultimately, assisting these families and young people may bring better health outcomes and socioeconomic gains for both countries.

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