

THE IMPACT OF POLITICAL AND CIVIL  
INVOLVEMENT ON THE INDIVIDUAL  
EMPLOYMENT STATUS IN THE EU  
COUNTRIES

by

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## TABLE OF CONTENTS

Acknowledgments .....	i
LIST OF FIGURES.....	iii
LIST OF TABLES.....	iv
Chapter 1. Introduction.....	1
Chapter 2. Literature review.....	4
Chapter 3. Methodology.....	7
Chapter 4. Data.....	12
Chapter 5. Results.....	19
Chapter 6. Conclusions and recommendations.....	27
REFERENCES.....	29

## LIST OF FIGURES

<i>Number</i>	<i>Page</i>
Figure 1. Respondents distribution by employment status and gender	12
Figure 2. Respondents distribution by levels of their trust in the country's parliament	13
Figure 3. Respondents distribution by levels of their trust in the police	14
Figure 4. Respondents distribution by their self-placement on the left-right scale	15
Figure 5. Correlation matrix	16
Figure 6. Respondents distribution by age	17

## LIST OF TABLES

<i>Number</i>	<i>Page</i>
Table 1. Respondents distribution by countries	18
Table 2. Multinomial Logit Model. Relative Risk Ratios	20
Table 3. Marginal average effects for the category “Employee”	23
Table 4. Marginal average effects for the category “Self-employed”	24
Table 5. Marginal average effects for category “Working for own family business”	25
Table 6. Confusion Matrix and Statistics	26

## CHAPTER 1. INTRODUCTION

Employment is one of the main economic categories, which has many strong connections and effects with other spheres of human life and often defines the quality and productivity of government work, people's life satisfaction, country's prosperity, and so on. Throughout history, many scientists and researchers have been investigating the factors determining employment. Furthermore, during the last decades, high interest has been directed to the sociological and political categories, and still, it has not lost its popularity and has a lot of opportunities.

The goal of this research is to investigate whether there is any influence from public movements and attitudes toward diverse politics on a person's employment status, such as being a regular worker, self-employed, or working for own family business. Since the relevant studies and research focus mainly on the sociological interpretation of such categories, it might be quite helpful to investigate the possible effect using econometric instruments.

According to Mouw (2003), who investigated whether the positive correlation between social capital factors and labor market outputs occurs by causality or, in fact, displays nonrandom links in friendship data, there are evidence that developed social capital doesn't have causality effect on person's progress on labor market. On the contrary, social capital can contribute a positive bunch of contacts or helpful information supporting finding a job for people who need it (Brook, 2005).

On the one hand, according to Lorenzini and Guigni (2012), employment status doesn't significantly influence youth's political participation. However, associational membership indeed provokes political involvement in activities such as protests, contacting, or consumers. Besides, employed youth is more active only in consumer activities while others do not differ significantly by employment.

Other study objectives were to focus on the political impact on self-employment. Hence, according to Debus (2017), there is evidence that the increasing amount of

economic difficulties promotes the spreading of entrepreneurship and self-employment. Moreover, in the case of Germany, political parties' affiliation varies in their assistance to self-employed people: left parties are less likely to support entrepreneurship initiatives in comparison to the right ones. Some studies focused on the connection between political preferences and labor market risks, such as the impact of temporary workers. Thus, temporary in contrast to permanent employees, demonstrate higher preferences for redistribution and more significant support for the new left parties (Marx, 2014).

The research is based on the data from the European Social Survey (ESS9) that was administrated in 2021 by the Norwegian Agency for Shared Services in Education and Research and included responses from residents of thirty European countries.

Since the employment status is a categorical variable and there is no specific meaning in coding alternatives, the Multinomial logit model was used for the analysis.

For the study a set of independent variables indicating the general people's involvement in politics, their civil position, and their sociological portrait was used. The data was prepared for the research, filtered from omitted responses, and all variables were checked on the correlation between them.

The results of the model confirmed almost all of the preliminary hypotheses. Thus, the self-placement on the left-right scale, membership in the trade union, and the respondent's age significantly affect the employment status. In particular, an additional year of the respondent's age increases their chances of being self-employed or working in a family business compared to being an employee, keeping all other variables constant. Each increase in ranking yourself in favor of right-wing political parties provides a similar impact. In contrast, membership in the trade union decreases such chances, so the status of being a regular worker becomes preferable compared to the alternatives.

Also, another result confirmed the positive influence of interest in politics, boycotting certain products, and posting or sharing anything about politics online on the person's chances of being self-employed compared to being a regular worker, while gender has the opposite effect.

Quite interesting that increasing people's trust in police makes the idea of working in the family business more preferable than being just employed.

This research proves that there is a pull of capacities for studies in such fields and as humans' involvement in political and civil life becomes more relevant day by day, and there is a proven significant influence from it on employment, .it seems reasonable to discover the topic further.



## CHAPTER 2. LITERATURE REVIEW

Studies on employment have always been highly discussed in economic theory since they are one of the essential keys to any country's economy. Although the determinants of employment vary from socio-demographical to political, the latter's impact wasn't investigated much. Hence, it is reasonable to distinguish general factors that affect employment status and more specific ones.

According to Borat (2007), who refers to labor economic and social studies, one of the main factors determining employment is educational background: higher academic results increase a person's possibility of being hired. Another classical factor that significantly influences employment is gender or, in the broader sense, cultural issues. Childcare responsibilities, help to the older people, household duties, and leisure activities are still more often offered to the women reducing their abilities to work. Race, ethnicity, and religious affiliation also affect employment, which differs in developing and developed countries.

The significant negative influence on household member employment has the age of the head of the household, according to Dunga (2014). Therefore, the older person, the fewer chances he/she has to be employed, which is also proven by theory as income function depending on age has quadratic shape (Becker, 1975).

One more determinant of being employed is marital status. The intuition behind it isn't straightforward and more discussible since direction can go both ways: either a married person has incentives to have a job or vice versa – an employed person is more likely to become married (Bhorat, 2007). For a similar reason, the presence of children provokes people to find a job that does, however, not guarantee a well-paid job.

Other studies focus not only on employment per se but type of employment. Thus, Ragui (2000) investigated the factors which classify individuals into different employment states, such as employed and self-employed or family workers. The main finding is that in the case of Egypt, educated workers generally avoid self-employment. Moreover, the results highly depend on gender and age. For instance, younger uneducated employed

women tend to be temporary workers of farmers while the older ones prefer to be self-employed. Also, self-employment decreases rapidly with higher level of education degree.

Since my research related employment status and political activism, next I will consider paper that study how political participation and factors which refer to the social capital are related to employment status.

According to Mouw (2003), who investigated whether the positive correlation between social capital factors and labor market outputs occurs by causality or, in fact, displays nonrandom links in friendship data, there is evidence that developed social capital doesn't affect person's progress in the labor market. On the contrary, social capital can contribute a positive bunch of contacts or helpful information supporting finding a job for people who need it (Brook, 2005). Though, it may also provoke negative results for some groups of people such as women, the disabled, ethnic minorities, etc.

Other studies that look into relationship between political life and employment more frequently focus on the perspective of the impact of having a job (or being unemployed) on political efficacy and involvement.

On the one hand, according to Lorenzini and Guigni (2012), employment status doesn't significantly influence youth political participation. However, associational membership indeed provokes political involvement in activities such as protests, contacting, or consumers. Besides, employed youth is more active only in consumer activities while others do not differ significantly by employment.

On the other hand, unemployed people are more likely to be in economic exclusion since they face a shortage of financing and the feeling that they cannot afford the life they would like. Furthermore, losing a job may lead the unemployed to a deeper level of exclusion forms, particularly the political one. One of the main findings is that economic exclusion provokes young unemployed to higher political involvement. In contrast, social exclusion is associated with less active political life, which is indeed related to social capital (Giugni, 2012). Also, unemployment in early adulthood causes a diminishing effect on political interest and participation for a long time, according to Shore (2019).

Other study objectives were to focus on the political impact on self-employment. Hence, according to Debus (2017), there is evidence that the increasing amount of economic difficulties promotes the spreading of entrepreneurship and self-employment. Moreover, in the case of Germany, political parties' affiliation varies in their assistance to self-employed people: left parties are less likely to support entrepreneurship initiatives in comparison to the right ones.

Some studies focused on the connection between political preferences and labor market risks, such as the impact of temporary workers. Thus, temporary in contrast to permanent employees, demonstrate higher preferences for redistribution and more significant support for the new left parties (Marx, 2014). Also, recent research on Taiwanese young people concludes that political self-efficacy keeps being the primary determinant of civil participation and affects entrepreneurial initiatives (Chung, 2021). Besides, temporary workers are less likely to vote than their regular counterparts, but there is no difference between the two groups when it displays prohibiting vote. Self-efficacy consolidates employment status and voice behavior, according to Qian (2019).

In my research, I would like to analyze whether interests in civil and political life significantly impact a person's employment and, if so, if it causes larger independence translated into the prevalence of self-employment over regular employment. Available studies have not investigated the question a lot and mainly either focus on the opposite relationship (employment impact on political participation) or explore the question from a more sociological point of view, so the econometric approach may help to look at the question in a new way.

## CHAPTER 3. METHODOLOGY

To investigate the impact of political involvement on a person's employment status, the appropriate model is the Multinomial logit model since the dependent variable is a categorical variable with three options: employee, self-employed, and working for own family business without any specific meaning in coding alternatives. The model will help to understand what factors determine the person's employment status at a statistically significant level and what degree of influence they have.

Since there are three alternatives to employment status as a dependent variable, the generalized logit model will have the following expression:

$$\text{Employee: } P_1 = \frac{1}{1 + e^{-x(\beta_1 - \beta_2)} + e^{-x(\beta_1 - \beta_3)}} = \frac{e^{x\beta_1}}{e^{x\beta_1} + e^{x\beta_2} + e^{x\beta_3}} \quad (1)$$

$$\text{Self-employed: } P_2 = \frac{1}{1 + e^{-x(\beta_2 - \beta_1)} + e^{-x(\beta_2 - \beta_3)}} = \frac{e^{x\beta_2}}{e^{x\beta_1} + e^{x\beta_2} + e^{x\beta_3}} \quad (2)$$

$$\text{Family business: } P_3 = \frac{1}{1 + e^{-x(\beta_3 - \beta_1)} + e^{-x(\beta_3 - \beta_2)}} = \frac{e^{x\beta_3}}{e^{x\beta_1} + e^{x\beta_2} + e^{x\beta_3}} \quad (3)$$

where

$P_n$  describes the probability of being with a particular employment status

$x$  is the set of explanatory variables

$\beta_n$  is the set of regression coefficients associated with outcome  $n$ .

Following the existing literature, both socio-demographical and political variables were chosen as the explanatory variables. Also, the data was filtered from "refusal", "do not know", and "no answer" responses in order to maintain coherent and distinct outcomes from the model.

Thus, the socio-demographical variables consist of:

- the age of the respondent;
- gender affiliation (dummy variable);

- respondent's country (categorical variable that includes 29 countries)
- membership in a trade union or similar organization now or in the past (dummy variable).

The political variables refer to:

- person's political interests (dummy variable);
- giving a vote on the last national election (dummy variable);
- signing a petition last 12 months (dummy variable);
- taking part in a lawful public demonstration last 12 months (dummy variable);
- boycotting certain products last 12 months (dummy variable);
- posting or sharing anything about politics online last 12 months (dummy variable);
- respondent's self-placement on left to right scale (where 0 is left and 10 right);
- trust in the country's parliament (where 0 is no trust at all and 10 is complete trust);
- trust in the police (where 0 is no trust at all and 10 is complete trust).

Hence, overall 13 independent variables were considered for the multinomial logit model where the base alternative is being an employee.

Since the outcomes of the model should be interpreted referring to the base alternative which is being a regular worker, the expected results are as follows:

1. The coefficients on the age of the respondent are expected to be positive for self-employed and for being in the family business. The intuition behind this is that older people have more financing resources and become more successful in self-employment than their younger counterparts. Also, it is expected that older people are less eager to be regular employees and may prefer the work in the family business.

2. The coefficients on the gender of the respondent are expected to be negative for self-employed and being in the family business. Although recently more women wanted to be self-employed, the mostly work as employees. Also, it is expected that working in the family business is less attractive for women than being a regular employee with required social welfare and insurance.
3. The coefficients on the membership in a trade union or similar organization of the respondent are expected to be negative for self-employed and family businesses since such structures mainly refer to the employees.
4. The coefficients on the person's political interest are expected to be positive for self-employed and negative for being in the family business. The intuition behind this is that people who are interested a lot in politics and public movements usually are more open-minded for entrepreneurial activities, and from the same perspective, more risk-aversion people such as those who are involved in the family business are expected to be less interested in politics compared to the regular employees.
5. The coefficients on "the giving a vote on the last national election", signing a petition during last 12 months, taking part in a lawful public demonstration during last 12 months, and boycotting certain products during last 12 months, and posting or sharing anything about politics online during last 12 months are expected to be positive for self-employed and negative for those who are involved in the family businesses. Since such active civilians do not afraid to take responsibility and create something new in terms of uncertainty it might be more common for them to work on themselves in comparison to other people.

6. The coefficients on the respondent's self-placement on left to right scale are expected to be positive for self-employed and family businesses. Since the person related more to the right political views is expected to be more independent and prefer being self-employed or in the family business to being a regular employee. Furthermore, given that those who related more to the left political views interfere with society and social lives more which is more common for regular employees.
7. The coefficients on the trust in the country's parliament, and the trust in the police are expected to be negative for the self-employed and positive to family business. The intuition behind this is that generally those who are involved in the family businesses trust in the government structures the most since they are not so eager to criticize them which also corresponds to their lower interest in politics life compared to the other alternatives. From the same perspective, self-employed are expected to show less trust than the base alternative.

The potential problem for this model can be endogeneity – when independent variables may be influenced by the dependent variable or both of them may be affected by the unobservable third factor. However, given the related studies either from sociological or economical perspectives, there is no evidence of such a problem.

Also, based on some arguments about potential sources of bias the endogeneity seems quite unlikely. Firstly, since we can observe changes in analyzed variables, the measurement error doesn't occur. Secondly, to avoid the potentially omitted variables or decrease its risk, additional parameters such as gender, age and country were added to the model. Finally, since the data is neither time-series nor panel and due to the lack of significant autocorrelation between variables, the simultaneity problem also is unconvincing.

Hence, in this research, we consider there is no endogeneity due to quite low probability, but we cannot omit the issue completely. If the problem occurs, the instrumented variable approach or two-stage least squares regression analysis can be used to resolve the issue.



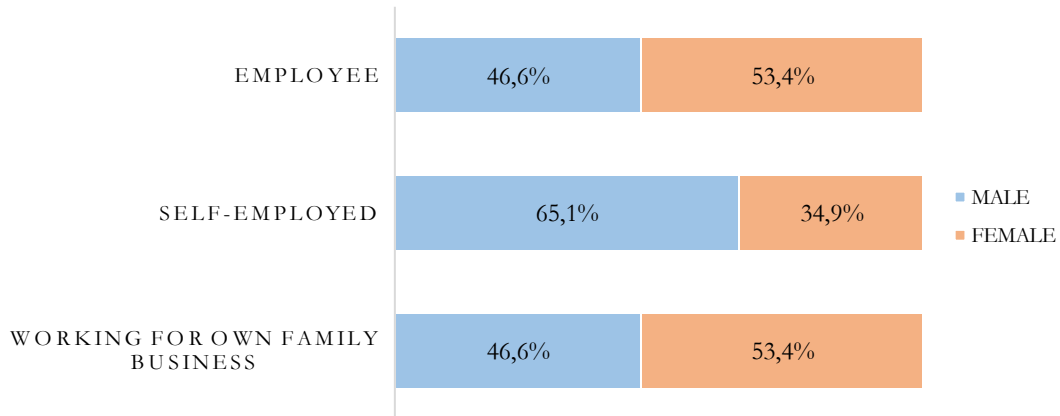
## CHAPTER 4. DATA

Data for this work was taken from the European Social Survey (ESS9) administrated in 2021 by “Norwegian Agency for Shared Services in Education and Research” and included socio-demographical, economic, and political information from twenty-nine European countries.

The sample contains 35,888 people who participated in the survey from 2018 to 2020, excluding respondents with “refusal”, “do not know”, and “no answer” responses. The vast majority were currently employed (86.6%), also some of them were self-employed (11.6%) or working for their own family business (1.8%). The survey was conducted during 3 years, so the data was collected from different individuals at various period of time but not as panel data.

The data are gender balanced with 51.3% female and 48.7% male respondents, except for the self-employed category of people, where the number of male respondents is twice bigger than that of females, which is expected (Figure 1).

Figure 1. Respondents distribution by employment status and gender



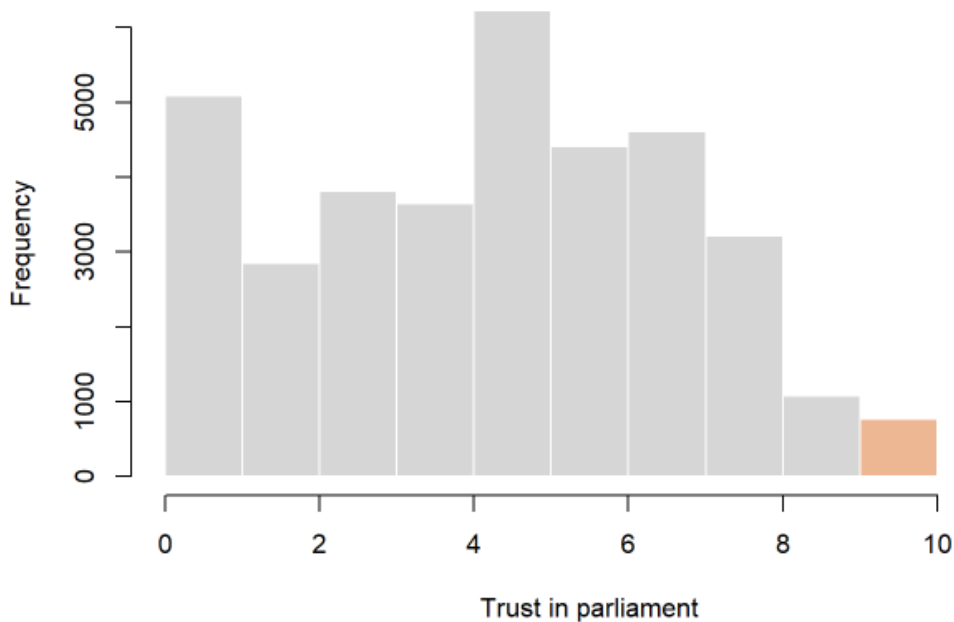
Source: Based on data from the European Social Survey (ESS9)

In the observed sample, 49.9% of people are very interested or quite interested in politics, and 45.9% are currently or previously members of trade unions or similar organizations.

Among respondents, 82.6% voted in the last national election, 28.7% signed a petition throughout the previous 12 months, and 8.3% took part in a lawful public demonstration last year. Furthermore, 21.4% of the interviewed people boycotted certain products in the previous 12 months, and 17.3% posted or shared anything about politics on social media in the last 12 months.

The dataset also includes the trust questions of the respondents regarding the legal and government police force systems. Having a scale from 0, which means “No trust at all” to 10, which reflects “Complete trust”, 90% of interviewed people on the question about their trust in the country's parliament chose options ranked less than 10, and on average, it was around 4 and 5 rates (Figure 2). Moreover, many people seem to have a strong distrust of that structure since almost 10% of respondents had 0 as the answer.

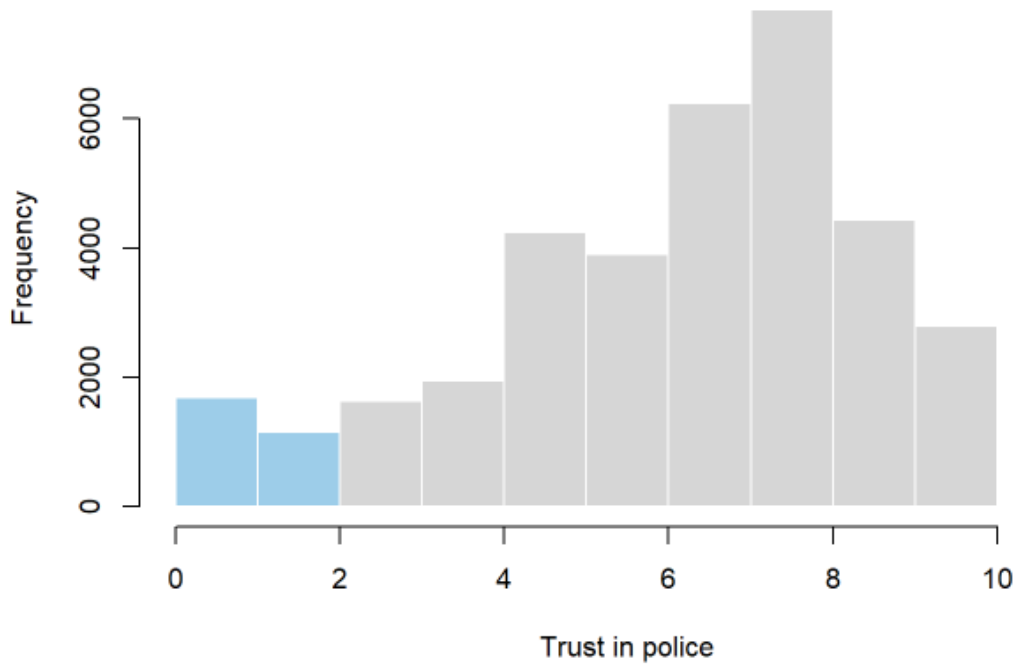
Figure 2. Respondents distribution by levels of their trust in the country's parliament



Source: Based on data from the European Social Survey (ESS9)

In contrast, quite different results were obtained when people were asked about their trust in the police. Thus, 90% of respondents chose options from 2 and bigger; on average, it was around 6 and 7 (Figure 3). Hence, based on the observed survey, we can conclude that people would rather believe in defending structures than legislative ones.

Figure 3. Respondents distribution by levels of their trust in the police



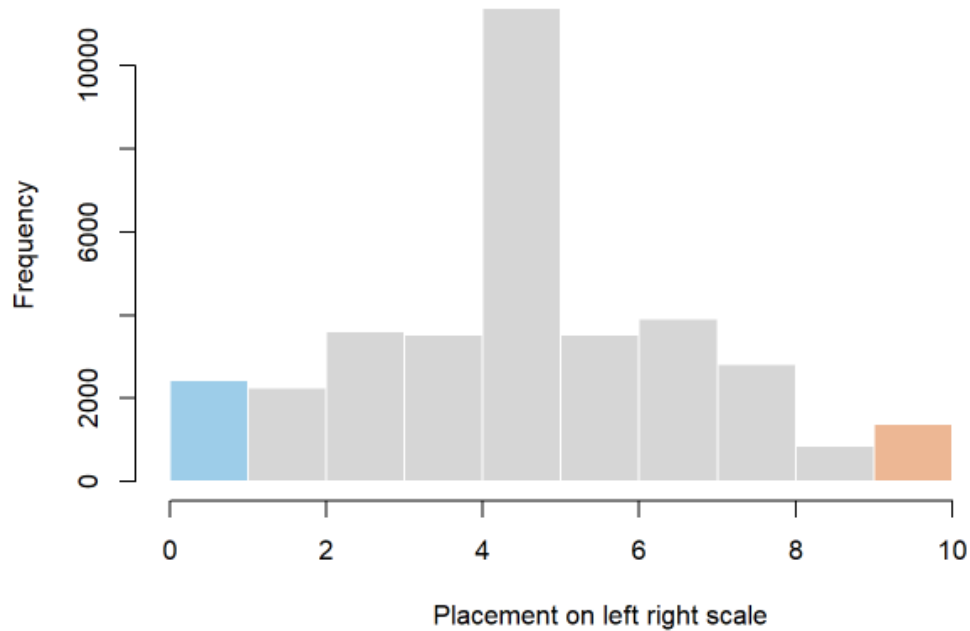
Source: Based on data from the European Social Survey (ESS9)

Nowadays, no less important factor that may reflect a person’s political preferences is their self-placement on the scale from the left party’s affiliation to the right one. Endorsers of the former focus more on fair trade, supporting society’s interests, and personal freedom. In contrast, supporters of the latter encourage economic freedom and focus on individual interests, free trade, and employers’ rights.

Hence, from the observed sample, we can come to the conclusion that the vast majority of respondents have less categorical political preferences, and only less than 10% of them had answers of 0 or 10 (strict left and strict right respectively). The most common

response is 5, which corresponds to almost 32% of all survey respondents and the less popular rank was 9 (Figure 4).

Figure 4. Respondents distribution by their self-placement on the left-right scale



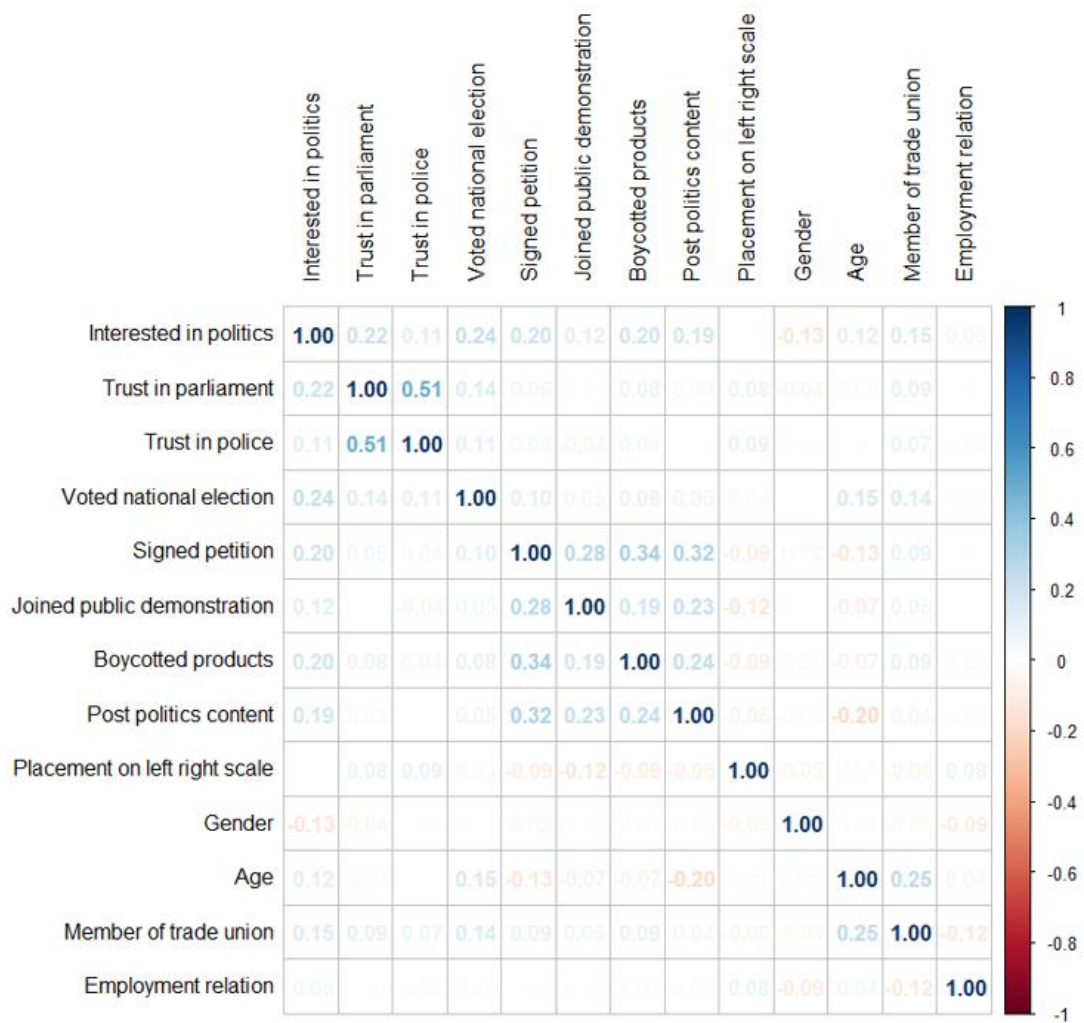
Source: Based on data from the European Social Survey (ESS9)

Since the research includes many different variables, it requires testing whether there is any strong correlation between them (Figure 5).

Using the correlation matrix, we can conclude that data do not exhibit multicollinearity problem as correlation between independent variables is generally less than 25%. The only visible exception is the medium positive connection between people's trust in the country's parliament and in the police forces, which is 51%. It is reasonable since both variables refer to trust to government institutions, and an average person has limited levers of influence on such structures. Despite, I think there is no necessity to take one of the variables away from the research.

There are positive correlations of around 30% between signing a petition, boycotting certain products, and posting or sharing anything about politics online that might be understandable due to the general active position of the person (all throughout the last 12 months).

Figure 5. Correlation matrix



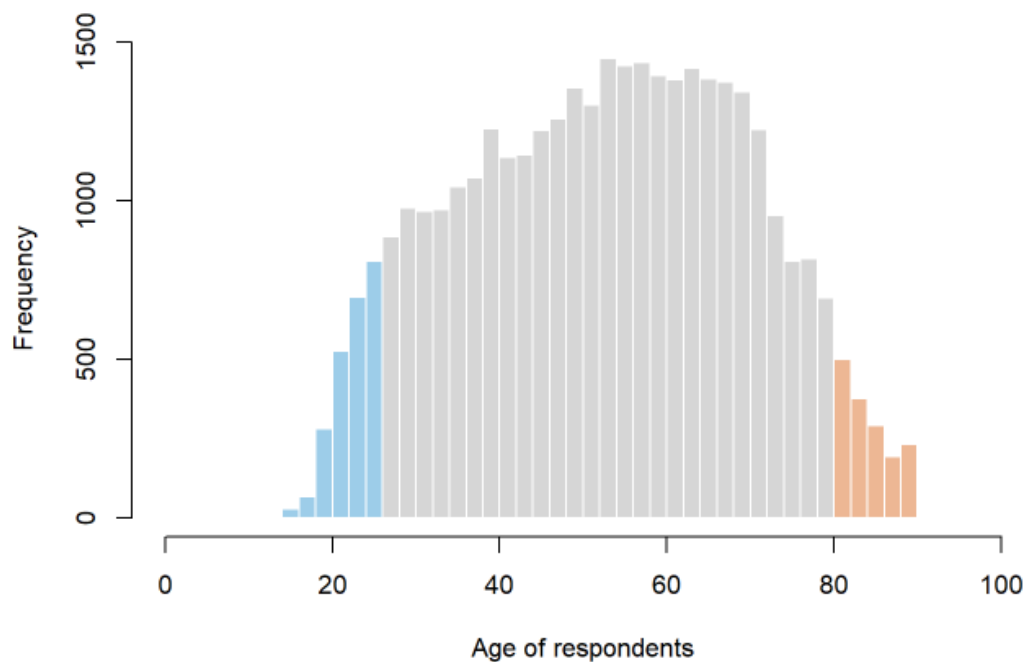
Source: Based on data from the European Social Survey (ESS9)

Also, there is a medium positive correlation between the respondent's age and the membership in a trade union, 25%, which is quite reasonable since such unions are less popular nowadays.

We might also pay attention that the gender variable has almost zero connections with the other ones, except for a little negative correlation (-13%) with interest in politics. It means that in most cases, gender has no significant correlation with political factors.

The average age of survey respondents is 53 years. The minimum age is 15, and the maximum age is 90. Most of them (90%) are from 25 to 80 years and are equally distributed without any anomaly (Figure 6).

Figure 6. Respondents distribution by age



Source: Based on data from the European Social Survey (ESS9)

The respondents of the survey are from twenty-nine European countries where the largest and the smallest shares belongs to Austria and Cyprus respectively (Table 1).

Table 1. Respondents distribution by countries

<b>Country</b>	<b>Share</b>	<b>Country</b>	<b>Share</b>
Austria	5.5%	Bulgaria	3.3%
Germany	5.5%	Norway	3.3%
Czechia	5.2%	Spain	3.2%
United Kingdom	5.1%	Lithuania	3.2%
Ireland	4.5%	Poland	2.8%
France	4.3%	Serbia	2.8%
Finland	4.2%	Switzerland	2.8%
Italy	4.2%	Slovenia	2.6%
Estonia	4.0%	Slovakia	2.5%
Netherlands	3.9%	Portugal	2.2%
Sweden	3.9%	Iceland	2.0%
Belgium	3.8%	Latvia	1.5%
Croatia	3.8%	Montenegro	1.5%
Denmark	3.7%	Cyprus	1.3%
Hungary	3.5%		

Source: Based on data from the European Social Survey (ESS9)

## CHAPTER 5. RESULTS

The estimation results for the model presented in Chapter 3 are displayed via relative risk ratios in Table 2 for Category 2 (Self-employed) and Category 3 (Working for own family business) with reference to Category 1 (Employee).

The results show that not all explanatory variables have a significant impact for each or even for both categories relative to the base. However, there are some useful results, in particular, *ceteris paribus*:

- increase in the respondents' age by 1 year, makes them 1.016 times more likely to be self-employed and 1.016 times more likely to be in the family business than being a regular employee (the odds are 1.6% higher for both categories). The preliminary hypotheses are proved for both categories.
- if the respondent is female, she is 0.476 more likely to be self-employed in comparison to being a regular employee (the odds are 52.4% lower). Hence, the preliminary hypothesis is proved for the 2<sup>nd</sup> category.
- if the respondents are members of the trade union or were them before, they are 0.372 times more likely to be self-employed and 0.269 times more likely to be in the family business in comparison to being a regular employee (the odds are 62.8% and 73.1% lower respectively). Hence, the preliminary hypotheses are proved for both categories.
- if the respondents are interested in politics, they are 1.306 more likely to be self-employed than being a regular employee (the odds are 30.1% higher). Hence, the preliminary hypothesis is proved for the 2<sup>nd</sup> category.
- if the respondents boycotted certain products last 12 months, they are 1.241 more likely to be self-employed in comparison to being a regular employee (the odds are 24.1% higher). Hence, the preliminary hypothesis is proved for the 2<sup>nd</sup> category.
- if the respondents posted or shared anything about politics online last 12 months, they are 1.281 more likely to be self-employed in comparison



to being a regular employee (the odds are 28.1% higher). Hence, the preliminary hypothesis is proved for the 2<sup>nd</sup> category.

- if the respondents affiliate themselves more right-wing by 1 rank, they were 1.087 times more likely to be self-employed and 1.137 times more likely to be in the family business compared to being a regular employee (the odds are 8.7% and 13.7% higher respectively). Hence, the preliminary hypotheses are proved for both categories.
- if the respondents' trust in police increased by 1 rank, they are 0.964 more likely to be self-employed in comparison to being a regular employee (the odds are 3.6% lower). Hence, the preliminary hypothesis is denied and the opposite effect is proved for the 3<sup>rd</sup> category.

Table 2. Multinomial Logit Model. Relative Risk Ratios

<b>Variable</b>	<b>Self-employed (2)</b>	<b>Family business (3)</b>
<b>Age</b>	1.016*** (0.001)	1.016*** (0.003)
<b>Gender (1=female)</b>	0.476*** (0.036)	1.019 (0.083)
<b>Member of trade union</b>	0.372*** (0.041)	0.269*** (0.107)
<b>Interested in politics</b>	1.306*** (0.039)	1.128 (0.091)
<b>Voted national election</b>	1.022 (0.049)	0.994 (0.114)
<b>Signed petition</b>	1.034 (0.043)	1.087 (0.107)
<b>Joined public demonstration</b>	0.953 (0.066)	0.972 (0.173)
<b>Boycotted products</b>	1.241*** (0.045)	1.184 (0.113)
<b>Posted politics content</b>	1.281*** (0.048)	0.860 (0.130)
<b>Placement on left right scale</b>	1.087*** (0.008)	1.137*** (0.018)
<b>Trust in parliament</b>	0.986 (0.008)	0.980 (0.018)
<b>Trust in police</b>	0.968 (0.008)	0.964** (0.030)
<b>Belgium</b>	1.511*** (0.114)	2.685*** (0.316)
<b>Bulgaria</b>	0.339*** (0.163)	1.775* (0.318)
<b>Switzerland</b>	1.004 (0.125)	2.147** (0.323)

Table 2 – Continued

<b>Variable</b>	<b>Self-employed (2)</b>	<b>Family business (3)</b>
<b>Cyprus</b>	1.606*** (0.154)	4.952*** (0.340)
<b>Czechia</b>	1.281** (0.109)	1.245 (0.336)
<b>Germany</b>	0.889 (0.108)	1.233 (0.324)
<b>Denmark</b>	1.166 (0.129)	1.487 (0.420)
<b>Estonia</b>	1.178 (0.117)	1.203 (0.365)
<b>Spain</b>	1.445*** (0.115)	1.141 (0.382)
<b>Finland</b>	1.581*** (0.114)	4.231*** (0.302)
<b>France</b>	0.891 (0.114)	0.661 (0.381)
<b>United Kingdom</b>	1.638*** (0.101)	1.654 (0.316)
<b>Croatia</b>	0.757** (0.131)	1.509 (0.338)
<b>Hungary</b>	0.610*** (0.141)	1.820* (0.322)
<b>Ireland</b>	1.241** (0.108)	2.762*** (0.292)
<b>Iceland</b>	2.371*** (0.138)	11.422*** (0.319)
<b>Italy</b>	2.117*** (0.102)	2.420*** (0.302)
<b>Lithuania</b>	0.563*** (0.155)	1.277 (0.367)
<b>Latvia</b>	0.754 (0.187)	1.409 (0.456)
<b>Montenegro</b>	1.098 (0.167)	7.648*** (0.309)
<b>Netherlands</b>	1.317** (0.111)	3.198*** (0.294)
<b>Norway</b>	1.118 (0.131)	2.735*** (0.345)
<b>Poland</b>	1.496*** (0.117)	0.713 (0.433)
<b>Portugal</b>	1.452*** (0.127)	2.689*** (0.332)
<b>Serbia</b>	0.970 (0.135)	3.009*** (0.320)
<b>Sweden</b>	1.522*** (0.117)	1.596 (0.385)
<b>Slovenia</b>	1.175 (0.136)	4.684*** (0.306)
<b>Slovakia</b>	0.960 (0.138)	0.342* (0.630)
<b>Constant</b>	0.065*** (0.122)	0.004*** (0.332)

Source: Model results based on data from the European Social Survey (ESS9)

Furthermore, the model shows that the respondent's country also influences employment status. Since the prevalence respondents are from Austria, the base category for country was chosen respectfully.

In most countries with statistically significant results, we observe that being self-employed or working in the family business is more likely in comparison to being a regular employee. However, there are possible unique trends in some groups of countries also.

On the one hand, in such countries as Bulgaria, Croatia, Hungary, and Lithuania are less possible to have self-employed people than employed, *ceteris paribus*. For instance, if the respondents are from Bulgaria, they are 0.339 more likely to be self-employed and 1.775 times more likely to be in the family business in comparison to being a regular employee (the odds are 66.1% lower and 77.5% higher respectively). Moreover, as we can see Serbia, Latvia and Slovakia have a similar trend, despite the lack of significance. One common characteristic in these countries is that all of them were socialistic for some time, which might influence employment status in the country. Hence, we may generalize them to the "Socialistic" group and assume that in these countries, people are more likely regular employees than self-employed.

On the other hand, in countries like Finland, Iceland, Sweden, and the Netherlands are more possible to be self-employed people or work in the family business than employed, *ceteris paribus*. For instance, if the respondents are from Finland, they are 1.581 more likely to be self-employed and 4.231 times more likely to be in the family business in comparison to being a regular employee (the odds are 58.1% and 323.1% higher respectively). Given that Scandinavian countries have a particular style of education that focuses on problem-solving and that entrepreneurial initiatives are highly supported by the government, it might be the cause of the prevalence of having own business. Thus, we may generalize them to the "Nordic" group and assume that in these countries, people are less likely regular employees than self-employed or work in the family business.

The Marginal average effects for the estimated category 1 “Employee”, category 2 “Self-employed” and category 3 “Working for own family business” are provided in Table 3; Table 4. and Table 5 respectively. The significant ones by the level of 5% are shaded.

The impact of age, gender, membership in the trade union, interest in politics, boycotting certain products last 12 months, posting or sharing anything about politics online last 12 months, self-placement on the left-right scale, and trust in police only have a significant impact on person’s employment status as a regular employee (Table 3).

Table 3. Marginal average effects for the category “Employee”

<b>Variable</b>	<b>Effect</b>	<b>Std. Error</b>	<b>P-value</b>
<b>Age</b>	-0.0017	1.126e-04	<2.22e-16
<b>Gender (1=female)</b>	0.0733	3.682e-03	<2.22e-16
<b>Member of trade union</b>	0.1037	3.930e-03	<2.22e-16
<b>Interested in politics</b>	-0.0267	3.911e-03	8.5441e-12
<b>Voted national election</b>	-0.0044	4.978e-03	0.378703
<b>Signed petition</b>	-0.0060	4.432e-03	0.175071
<b>Joined public demonstration</b>	0.0016	6.866e-03	0.818854
<b>Boycotted products</b>	-0.0255	4.570e-03	2.3630e-08
<b>Posted politics content</b>	-0.0256	5.016e-03	3.1925e-07
<b>Placement on left right scale</b>	-0.0099	7.872e-04	<2.22e-16
<b>Trust in parliament</b>	0.0009	8.007e-04	0.261441
<b>Trust in police</b>	0.0018	8.358e-04	0.035125

Source: Model results based on data from the European Social Survey (ESS9)

However, we should also take into account that such effects are quite small even whether they are statistically significant. Thus, any decisions that might be occurs based on these results should be critically weighted.

Similarly, to the regular employee factors. the same variables have an impact on self-employed people, except for trust in the police which is insignificant due to the model (Table 4).

Table 4. Marginal average effects for the category “Self-employed”

<b>Variable</b>	<b>Effect</b>	<b>Std. Error</b>	<b>P-value</b>
<b>Age</b>	0.0015	1.064e-04	<2.22e-16
<b>Gender (1=female)</b>	-0.0747	3.496e-03	<2.22e-16
<b>Member of trade union</b>	-0.0874	3.706e-03	<2.22e-16
<b>Interested in politics</b>	0.0257	3.696e-03	3.7817e-12
<b>Voted national election</b>	0.0028	4.711e-03	0.552790
<b>Signed petition</b>	0.0050	4.165e-03	0.226649
<b>Joined public demonstration</b>	-0.0016	6.408e-03	0.805534
<b>Boycotted products</b>	0.0232	4.280e-03	5.8457e-08
<b>Posted politics content</b>	0.0287	4.638e-03	6.4486e-10
<b>Placement on left right scale</b>	0.0079	7.407e-04	<2.22e-16
<b>Trust in parliament</b>	-0.0008	7.542e-04	0.303432
<b>Trust in police</b>	-0.0008	7.890e-04	0.150343

Source: Model results based on data from the European Social Survey (ESS9)

Table 5. Marginal average effects for category “Working for own family business”

<b>Variable</b>	<b>Effect</b>	<b>Std. Error</b>	<b>P-value</b>
<b>Age</b>	0.0002	4.423e-05	1.3080e-06
<b>Gender (1=female)</b>	0.0014	1.389e-03	0.309158
<b>Member of trade union</b>	-0.0163	1.716e-03	<2.22e-16
<b>Interested in politics</b>	0.0010	1.521e-03	0.494052
<b>Voted national election</b>	0.0016	1.938e-03	0.413267
<b>Signed petition</b>	0.0010	1.786e-03	0.585445
<b>Joined public demonstration</b>	0.0001	2.902e-03	0.998593
<b>Boycotted products</b>	0.0023	1.870e-03	0.217490
<b>Posted politics content</b>	-0.0030	2.216e-03	0.173768
<b>Placement on left right scale</b>	0.0020	3.198e-04	2.3006e-10
<b>Trust in parliament</b>	-0.0001	3.164e-04	0.697428
<b>Trust in police</b>	-0.0006	3.243e-04	0.053530

Source: Model results based on data from the European Social Survey (ESS9)

Only age, membership in the trade union, and self-placement on the left-right scale have a significant effect on a person’s employment status as a worker in the family business (Table 5).

However, such limited performance may be explained by too little number of such respondents in the observed sample in comparison to other categories. Thus, it also should be taken into account in further researches in this field.

To see the accuracy of the model, the Confusion Matrix was estimated. Although the accuracy is quite high and equals 86.6%, there are visible False Positive predictions or Type 1 errors that might be due to the vast outweigh of “Employee” respondents over other categories (Table 6).

Table 6. Confusion Matrix and Statistics

<b>Accuracy: 0.8662</b>		<b>Reference</b>		
		1	2	3
<b>Prediction</b>	1	31076	4159	633
	2	10	10	0
	3	0	0	0

Source: Model results based on data from the European Social Survey (ESS9)

## CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

In this research, the author examines whether people's involvement in politics has any significant impact on a person's employment status – employee, self-employed, and working on the family business. In particular, were chosen a set of testing variables such as the general interest in politics, self-placement on the left-right scale, trust in parliament and police, membership in the trade union, and various activities during the last 12 months (signing a petition, boycotting certain product. posting or sharing anything about politics online, public demonstration) as well as age and gender. The research is based on the data from the European Social Survey (ESS9) that was administered in 2021 and included respondents' answers from twenty-nine European countries.

The research results illustrated that self-placement on the left-right scale, membership in the trade union, and the respondent's age significantly influence each employment category. Thus, an additional year of the respondent's age increases their chances of being self-employed or working in a family business compared to being a regular worker, keeping all other variables constant. Also, each increase in ranking yourself in favor of right-wing political parties makes a similar impact. Conversely, membership in the trade union decreases the chances, so the employee status becomes preferable compared to the alternatives.

Another result confirmed the positive impact of interest in politics, boycotting certain products, and posting or sharing anything about politics online on the person's chances of being self-employed compared to being a regular worker, while gender has the opposite effect.

Although other options overweighed the category of people who worked in the family business, it also has a specific influence factor – increasing people's trust in police makes its category more preferable than the base one.

Furthermore, respondents' country usually also affect on their possible employment status.



However, the model has some limitations. On the one hand, despite the high accuracy rate, the First type of error appears, and most predictions are made in favor of the base category that has massive privilege by a number of observations compared to others. On the other, it is hard to investigate the presence of an endogeneity problem on such data. Although, this is quite unlikely due to the previous worldwide research and studies, it also should be considered.

This research opens many opportunities for further studies since people's involvement in political and civil life has a confirmed significant impact on their employment. Hence, it might be helpful in forecasting general economic tendencies in the countries and planning specific policies.

In such cases when the government depending on the current economic situation intends to predict, for instance, a more active entrepreneurship movement in the county, it might be helpful to use not only the regular economical instruments but also such indirect features as people's involvement in politics and civil life. It also may be useful for policy makers for monitoring, regulating and promoting new politics and companies.

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