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**Article**

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# Poor, Unemployed, and Politically Inactive?

by Martin Kroh and Christian Könnecke

People with low incomes and job seekers are less interested and active in politics than people above the at-risk-of-poverty threshold and the working population. Compared to other European democracies, Germany has slightly above-average levels of inequality of political participation. Data from the Socio-Economic Panel Study (SOEP) suggest that this inequality has followed an upward trend over the last three decades. The data also indicate, however, that the unemployed do not reduce their political participation only as a result of losing their job, nor do those affected by poverty do so due to loss of income. Rather, the lower levels of political participation existed prior to these events and can be attributed to the social backgrounds of those affected.

“Democracy’s unresolved dilemma” is how the well-known American political scientist Arendt Lijphart described unequal political participation in many western democracies in the mid-1990s.<sup>1</sup> This interpretation dates back to a long series of empirical findings since the 1920s,<sup>2</sup> which show that political participation rises with increased education, income, and occupational status, and is also rooted in the democratic idea that the success of democracies can be judged by the equal participation of all social groups.<sup>3</sup>

Analyses of political participation in different income groups in the German Federal Government’s Report on Poverty and Wealth show that not only do democracy researchers agree that egalitarian participation in the political process is an important indicator of how well a political system is working, but this view also prevails among policy makers and the general public.<sup>4</sup> In today’s journalistic and political debates, it is occasionally argued that the development of income and wealth inequality in recent years may have increased the differences in participation opportunities in various areas of life—possibly also in political participation.

## Political Participation Unequal Across Social Groups

In the following, the degree of inequality of political participation is understood to be the political participation rate in one social group in relation to the participation rate in another social group. For example, if 30 percent

<sup>1</sup> A. Lijphart, “Unequal Participation: Democracy’s Unresolved Dilemma,” *American Political Science Review* 91 (1997): 1–14.

<sup>2</sup> For earlier studies, see M. Jahoda, P. F. Lazarsfeld, and H. Zeisel, *Die Arbeitslosen von Marienthal. Ein soziographischer Versuch* (Leipzig: 1933); and H. F. Gosnell, *Getting Out the Vote: An Experiment in the Stimulation of Voting* (Chicago: 1927).

<sup>3</sup> See C. Pateman, *Participation and Democratic Theory* (Cambridge: 1970).

<sup>4</sup> *Life Situations in Germany. The German Federal Government’s 4th Report on Poverty and Wealth*, Federal Ministry of Labour and Social Affairs.

Box 1

## Data and Methods

### Measuring Poverty and Unemployment

In accordance with one common definition of relative income poverty, this study defines poverty as having a disposable income of less than 60 percent of German annual median income. This is referred to as the at-risk-of-poverty threshold, and in 2010, it was approximately 1,000 euros for a single person.<sup>1</sup> Disposable income is calculated as the sum of all incomes and transfers in a household, taking into account the size and composition of that household (new OECD scale).

In the following, the employed are defined as those people who had done at least one hour of paid work in the week prior to the survey date, including people on maternity leave and parental leave and those who were absent due to vacation, illness, or similar. The unemployed are defined as those people who specified that they were registered as unemployed at the employment agency (SOEP) or were not employed or actively looking for work in the week prior to the survey (ESS). Respondents not available to work, such as those in school education or pensioners, were excluded from the comparison of unemployed and employed persons.

### Indicators of Political Participation in the SOEP and ESS

The political interest of the respondents ("in more general terms: how interested are you in politics?") is surveyed in both the SOEP and the ESS on a four-point scale from "not at all interested" to "very interested." For the analyses, both the upper and lower categories are summarized so that respondents who reported to be interested or very interested in politics could be compared to those who described their political interest as low or who said they were not at all interested.

Involvement in political organizations is recorded in the SOEP by asking respondents whether they are actively involved in civic initiatives, political parties, or local politics in their leisure time. The ESS had a slightly different basis and the two indicators of political engagement were combined into one. Here, people were considered politically active if they said they had

been actively involved in the work of either a political party or another political organization in the last twelve months.

### Analyzed Samples from SOEP

In the Socio-Economic Panel Study (SOEP), all respondents over the age of 16 have been reporting their political interest annually since 1985 and whether they had actively participated in political parties, local politics or civic initiatives approximately every second year since 1984. The trend analysis on income poverty takes into account over 50,000 people (over 450,000 observations) who have answered a question about their political engagement at least once, or those who have answered a question about political engagement at least once and were registered as either employed or unemployed at the time of the survey.

The sibling study includes more than 2,000 SOEP households with at least two siblings who each answered questions about political engagement or life satisfaction at least once. In the comparison of siblings above and below the at-risk-of-poverty threshold, only siblings who lived in different households during at least one survey and therefore had different incomes were considered. The comparison of unemployed and employed siblings also excluded people from the analysis who were not available for work if they were still in education, for example.

Estimates of the effects of unemployment and income poverty on political interest and political participation are the results of multivariate regression models, which also take into account statistics concerning gender, age, east/west differences, immigration background, survey year and, in the case of the sibling analyses, the order of birth. Models 1 and 2 are linear panel fixed effects models,<sup>2</sup> Model 3 is a linear family fixed effects model and Model 4 is a linear between family effects model.

<sup>1</sup> See M. M. Grabka, J. Goebel, and J. Schupp, "Has Income Inequality Spiked in Germany?," DIW Economic Bulletin, no. 43 (2012).

<sup>2</sup> See M. Giesselmann and M. Windzio, *Regressionsmodelle zur Analyse von Paneldaten* (Wiesbaden: 2012).

of the employed are interested in politics, but only 20 percent of the unemployed, then the employed are 30 percent / 20 percent = 1.5 or 50 percent more interested in politics than the unemployed. Values greater than one therefore indicate that the employed and/or people above the at-risk-of-poverty threshold have a higher participation rate than the unemployed and/or people below the at-risk-of-poverty threshold. Conversely, values of less than one mean a higher participation rate among the unemployed and/or those affected by poverty.

These figures were calculated based on data from the Socio-Economic Panel Study (SOEP)<sup>5</sup>, collected by the fieldwork organization TNS Infratest Sozialforschung on behalf of DIW Berlin and the European Social Survey (ESS).<sup>6</sup> The SOEP is a survey of households in Germany conducted annually since 1984 and currently polls approximately 24,000 adults per survey wave. The ESS was a repeated cross-sectional survey conducted biennially between 2002 and 2010 in a total of 34 European countries. The number of respondents in the ESS varied between approximately 1,000 and 3,000 adults per country and survey wave.

Contrary to the SOEP, the ESS does not use a precise definition of income poverty, which is why we restricted the comparison to employed and unemployed people in this case (see Box 1). Since the data bases of the SOEP and ESS are samples, the reported estimates may contain statistical uncertainties. All ratios between participation rates are therefore reported with an upper and lower estimate value based on a 95-percent margin of error.

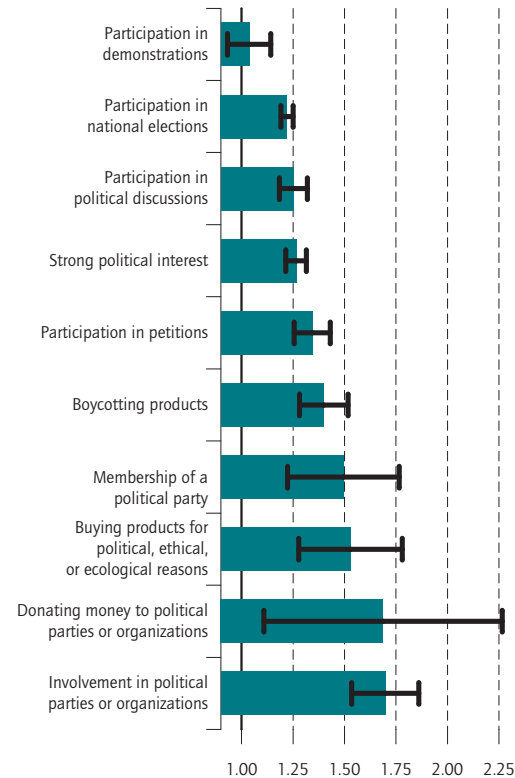
### Participation in Political Parties and Organizations Particularly Unequal

One of the features of democracies is that they provide citizens with a variety of opportunities for their interests to be incorporated in the political process. As well as participating in elections, they can, among other things, work for political parties, take part in civic initiatives, sign petitions, boycott certain products for political reasons, participate in demonstrations, donate money to political organizations, take part in civil disobedience, or run for public office. Although many people are not currently actively involved in the political process, they signal their fundamental willingness for po-

Figure 1

### Political Participation by Employed and Unemployed in 34 European Countries

Ratio between participation rates (unemployed = 1)



Example: The European average for the proportion of political party members among the employed is 1.5 times higher than among those seeking employment. Sources: European Social Survey 2002-2010, calculations by DIW Berlin.

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The employed are more politically engaged than the unemployed.

litical engagement through their interest in the political process or in political discussions with family and friends. Whether this willingness translates into political activity also depends on external factors, such as mobilization by political issues or the accessibility of opportunities to participate.

The degree of inequality of political participation in Europe varies according to the form of engagement being considered (see Figure 1). While the average election turnout of employed people in Europe is only about 22 percent higher than that of the unemployed, the participation gap when it comes to participation in political parties or other political organizations is 70 percent. Apart from the relatively egalitarian participation in elections, only demonstrations are used equally by the employed and the unemployed as a means of articulating their interests. Unconventional forms of participa-

<sup>5</sup> G. G. Wagner, G. J. Göbel, P. Krause, R. Pischner, and I. Sieber, "Das Sozio-oekonomische Panel (SOEP): Multidisziplinäres Haushaltspanel und Kohortenstudie für Deutschland - Eine Einführung (für neue Datennutzer) mit einem Ausblick (für erfahrene Anwender)," *Allgemeines Statistisches Archiv* 2, no. 4 (2008): 301-328.

<sup>6</sup> [www.europeansocialsurvey.org](http://www.europeansocialsurvey.org).

tion,<sup>7</sup> such as signing petitions or the political boycotting of products, are ranked in the middle among the unequal forms of participation.

The unemployed are not inherently less politically active than the employed, but are characterized by a somewhat different participation profile. The political engagement of the unemployed is characterized less by involvement in political parties and political organizations, and more by participation in demonstrations.

### Germany in Upper Mid-Range in Unequal Political Participation

The level of unequal political participation was examined separately in 34 European countries in terms of political interest, a key indicator of basic willingness to engage politically, and also in terms of participation in political parties and political organizations, an important indicator of conventional political activity (see Figure 2). The countries are listed according to the disparity between the unemployed and employed. The figure shows that participation rates between the unemployed and the employed between 2002 and 2010 did not differ in all countries. In 11 of the countries studied<sup>8</sup> the confidence bands of the estimate include the value of one, which means that, due to the sampling error of the data basis, it cannot be assumed with complete certainty that the percentage of unemployed people interested in politics is lower than that of employed people in the respective countries. The same applies to participation in political parties and political organizations in 17 countries, including the Netherlands, Italy, and Turkey.

In terms of unequal levels of political interest, Germany is mid-table among European countries, and in terms of unequal political participation, it is in the upper mid-table range. Germany has relatively high inequality of political participation compared to its direct neighbors, such as France, Austria, Denmark, and the Netherlands.<sup>9</sup> For example, the participation rate of employed people involved in political parties or political organizations in Germany is 91 percent more than that of the unemployed. This difference is only more pronounced in some

central and eastern European countries, such as Slovakia and Poland.

### Political Interest Gap Widening Slightly

Data from the Socio-Economic Panel Study (SOEP) allow a comparison of the degree of political inequality in Germany with regard to political interest and participation in political organizations since the mid-1980s. In contrast to the ESS, detailed income information in the SOEP allows us to examine the effect of poverty on political participation as well as analyzing unemployment.

Basically, it can be determined for both forms of political engagement that the participation rates of unemployed people and those below the poverty threshold—also allowing for the statistical margin of error—are lower than those of the comparison group in almost all years (see Figure 3). However, there is no clear trend in the development of the degree of unequal political participation, although since the mid-1990s the participation gap for political interest has tended to increase. Since 2000, significantly unequal participation rates have also been observed for involvement in political parties and other political organizations. From 2007/2008 to 2012 (most recent available data), there was a slight decrease in unequal participation for political interest and political participation. The extent to which this is due to declining numbers of registered unemployed and the now no longer significant increase in income inequality in Germany<sup>10</sup> can only be speculated upon here. Since the values shown are relative to participation rates, it cannot be directly concluded that the political engagement of the unemployed and those on low incomes would have decreased further over time. The degree of unequal political participation measured here would still have grown if, for example, political interest among employed people had increased more than among the unemployed. Indeed, it is noticeable that the percentage of employed people who said they were interested or very interested in politics fluctuated over time between 31 percent in 1995 and 43 percent in the year after reunification, but when politically exceptional events, such as reunification, are excluded, interest remains relatively stable.

In contrast, since the mid-2000s, there has been a clear decline in the proportion of unemployed people who are interested in politics from 30 percent in 2006 to approximately 19 percent in 2009, although this figure has increased slightly in recent years. Active partici-

<sup>7</sup> To distinguish between conventional and non-conventional participation and its determinants, see S. H. Barnes, M. Kaase et al. *Political Action. Mass Participation in Five Western Democracies*, (Beverly Hills, London: 1979).

<sup>8</sup> Iceland, Romania, Luxembourg, Latvia, Lithuania, Russia, Cyprus, Italy, Finland, the Netherlands, and France.

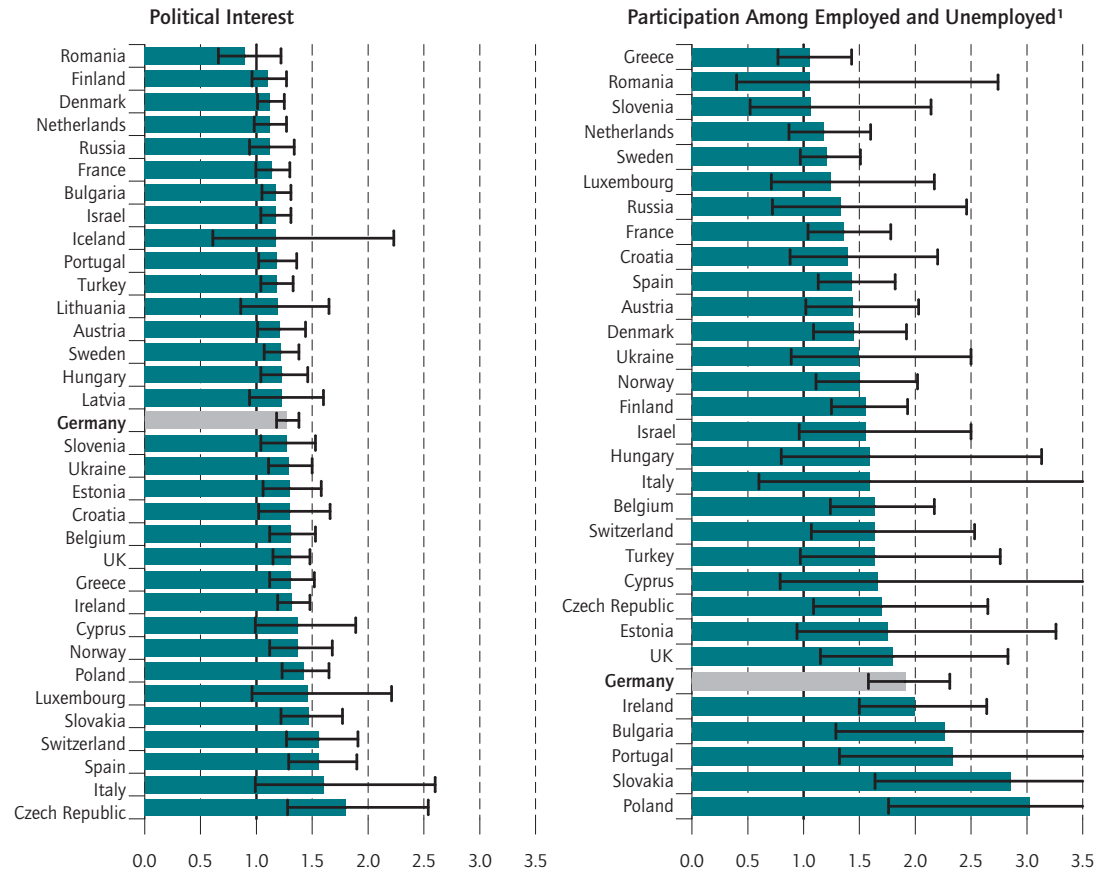
<sup>9</sup> See also J. Alber and U. Kohler, "The Inequality of Electoral Participation in Europe and America and the Politically Integrative Functions of the Welfare State," in J. Jens Alber and N. Gilbert, eds., "United in Diversity? Comparing Social Models in Europe and America," *International Policy Exchange Series 1* (Oxford, New York: 2010): 62–90.

<sup>10</sup> See M. M. Grabka, J. Goebel, and J. Schupp, "Has Income Inequality Spiked in Germany?," *DIW Economic Bulletin*, no. 43 (2012).

Figure 2

**Political Interest and Participation Among Employed and Unemployed in Europe**

Ratio between participation rates (unemployed = 1)



<sup>1</sup> Due to low numbers of cases, the values for Iceland, Latvia and Lithuania are not shown separately. Sources: European Social Survey 2002-2010, calculations by DIW Berlin.

Political participation among the employed is much higher than among the unemployed in some European countries.

pation in political parties, civic initiatives, or local politics has decreased more significantly among the unemployed and those on low incomes, particularly since 1998, than in the corresponding reference groups. While the proportion of politically engaged persons among the employed and those above the at-risk-of-poverty threshold has fluctuated between an average of ten and eleven percent over the entire period (with peaks of 15 and 13 percent in 1998), in 2007, it decreased for both the unemployed and those on low incomes to four percent, which was the lowest level seen in the period studied, and subsequently, for the unemployed, also remained below the longstanding mean.

**Possible Causes of Unequal Political Participation**

In recent decades, there have been a variety of explanatory approaches for reduced political engagement among people experiencing job loss and a drop in income (see Box 2). These range from the social and psychological ramifications of loss of employment and income to the lack of access to the political sphere for those individuals with more limited economic resources.

However, the idea that unemployment and poverty inevitably lead to a decline in political engagement is not directly plausible. It could be argued, for example, that, due to their circumstances and their perceived sense of dissatisfaction and injustice, socially disadvantaged in-

Box 2

**Theories on the Correlation of Poverty and Unemployment with Political Participation**

Among the most prominent theories to explain low levels of political activity among socially disadvantaged persons are the deprivation and resource approaches. While the former focuses on social-psychological mechanisms leading to withdrawal from the public sphere, the resource approach concentrates more on the socioeconomic conditions that encourage or hamper political action. Another approach attributes withdrawal from political engagement to poor and unemployed people having negative experiences in dealing with welfare institutions.

Deprivation

Subjective deprivation is generally defined as the perception of unjustified social disadvantage.<sup>1</sup> This perception can be caused by substantive problems, but also by the stigmatization of certain social groups so that opportunities for social participation are curtailed. The deprivation approach has a long tradition in unemployment research. One of the pioneering social scientific studies on the subject<sup>2</sup> describes the social processes that can lead to growing isolation.<sup>3</sup> Essentially, these negative consequences are attributed to psychological

processes that are expressed in reduced self-esteem and feelings of helplessness.

The Marienthal study describes, as an example, how resignation and apathy spread throughout the Austrian village, which had been hit hard in the 1920s by mass unemployment because of the Great Depression, and the social life of many of those affected became increasingly limited to their close family. In general, the deprivation approach emphasizes the role of feelings of shame which can be the cause of this withdrawal from social networks and ultimately from public life. The loss of work or descent into poverty causes those affected to perceive an asymmetry in their social relationships and to have the feeling of no longer being able to keep up for financial reasons, for example.<sup>4</sup> In addition, financial distress can lead to a shifting and narrowing of time perspectives. Those affected focus strongly on their individual circumstances: their immediate problems, and efforts to resolve them quickly, such as actively looking for a job, have the highest priority in their daily lives.<sup>5</sup> The perceived benefits of political engagement, which rarely materialize in the short term, are pushed into the background in the face of practical challenges.

Resources

In contrast, the resource approach assumes that unequal participation in political processes is a direct result of the different socioeconomic positions of individuals as this essentially determines the availability and scope of resources required for

**1** See W.G. Runciman, *Relative Deprivation and Social Justice* (Aldershot: 1993).  
**2** See M. Jahoda, P. F. Lazarsfeld, and H. Zeisel, *Die Arbeitslosen von Marienthal. Ein soziographischer Versuch* (Leipzig: 1933).  
**3** It is worth noting here that this is a strand of deprivation research that tries to explain the empirical link repeatedly found between unemployment or poverty and low levels of participation in political life. In contrast, a differing viewpoint was particularly popular in the 1970s which assumed that the inherent feelings of dissatisfaction and frustration caused by deprivation would lead those affected to try and change their circumstances through political activities. See also T. Gurr, *Why Men Rebel?* (Princeton: 1970).

**4** M. Kronauer, *Exklusion. Die Gefährdung des Sozialen im hoch entwickelten Kapitalismus* (Frankfurt, New York: 2010), 173.  
**5** S. J. Rosenstone, "Economic Adversity and Voter Turnout," *American Journal of Political Science* 26, no. 1 (1982): 25–46.

individuals may be especially motivated to become politically active. After all, electoral participation, involvement in political parties, and other ways of influencing politics provide people with potential opportunities to contribute to social change, help shape social policy and, in the best-case scenario, even to improve their own circumstances in the process.

**Job Loss and Decline into Poverty: Life-Changing Events, But Not For Political Engagement**

If the often-held view that inequality of participation in political activities is due to income poverty and unemployment causing a decline in political engagement and interest is true, it would need to be empirically proven, over time, that individuals who lose their jobs or whose income drops below the at-risk-of-poverty threshold subsequently reduce their political engagement and show less interest in politics than previously.

political engagement.<sup>6</sup> The socioeconomic position is, in turn, largely dependent on educational level, occupational status, and disposable income. The ability to pay membership fees for political parties, associations, or other organizations, and also support political players with donations is obviously severely limited for people on very low incomes.<sup>7</sup>

The resource approach assigns educational level an even more important role than financial opportunities. Here the assumption is that the achievement of a higher level of education fosters the development of civic skills enabling people to function in political contexts.<sup>8</sup> These include not only the development of an understanding of sometimes very complex political processes, but also communications and organizational capacities which facilitate the articulation of political interests through direct contact with decision-makers, for example. Further, it is not only formal educational institutions, such as schools and universities, that allow for the acquisition of such skills; the various requirements and profiles of different activities and tasks at work also enable, to varying degrees, the further development of civic skills. People who frequently have to carry out organizational or communication activities at work, for example, can also apply these competences in the context of political engagement. In addition, the workplace is occasionally also the location of

political discussion (works councils' activities or trade union membership, for example), which can lead to integration into political recruitment networks. The links assumed by the resource approach therefore imply that the loss of employment and/or decline into poverty is accompanied by a reduction in relevant resources which, in turn, means that people are not (able to be) as politically active.

### Political Learning

A less prominent approach, also worth expanding on here, focuses on people's experiences of interacting with welfare institutions. According to this political learning perspective<sup>9</sup>, the specific organization of government social programs and the way in which the granting authorities interact with those claiming social benefits may contribute to a negative perception of state institutions in general. Thus, social benefits linked to regular means testing, which requires more stringent monitoring of the person affected and significant sanctions if the legal requirements are not fulfilled, may result in the interaction with the government authorities being perceived as biased and repressive. Those affected project these experiences via what is known as a spillover effect onto the functioning of the entire political system and no longer perceive the democratic process as accessible and open to influence since they no longer trust government institutions to listen to their interests and respond appropriately.

**6** S. Verba, K. Lehman Schlozman, and H. E. Brady, *Voice and Equality: Civic Voluntarism in American Politics* (Cambridge, London: Harvard University Press, 2002); S. Verba and N. H. Nie, *Participation in America: Political Democracy and Social Equality* (New York: Harper & Row, 1972).

**7** E. Priller and J. Schupp, "Wer spendet was – und wieviel?" *Wochenbericht des DIW Berlin*, no. 29 (2011).

**8** H. A. Brady, S. Verba, and K. Lehman Schlozman, "Beyond SES: A Resource Model of Political Participation," *American Political Science Review* 89, no. 2 (1995): 271-294.

**9** J. Soss, "Lessons of Welfare: Policy Design, Political Learning, and Political Action," *American Political Science Review* 93, no. 2 (1999): 363-380.

As part of the longitudinal Socio-Economic Panel Study (SOEP), the same individuals were surveyed annually over a long period of time—in some cases up to three decades. Therefore, data is available on the political engagement of a large number of respondents, both before and after becoming unemployed and/or poor. Figure 4 shows the development over time of respondents' political interest and involvement in political parties and in other political organizations during the four years preceding job loss (t-4, t-3, t-2, and t-1), during unemployment (t<sub>0</sub>), and in the four years following reentry into the labor market (t+1, t+2, t+3, and t+4). The analyses of the onset of poverty were carried out using a simi-

lar methodology.<sup>11</sup> The duration of unemployment and/or poverty for the data on which the figures are based is one year. This means that at t+1, the respondents had

**11** The analysis does not include people whose household income was only marginally above the poverty line before slipping below the threshold value. The basis for this is the consideration that people who at t-1 have a household income that is only, for example, ten euros above the statistically calculated at-risk-of-poverty threshold will barely notice a dip below this threshold in the following year as their financial situation was already precarious beforehand. Accordingly, the analysis only takes into account those respondents whose income at t-1 was at least ten percent above the critical threshold and was at least ten percent below that value in the following year so that a tangible deterioration in financial opportunities can be assumed.



Figure 3

**Political Interest and Participation in Germany**  
Ratio between participation rates (unemployed = 1)



Sources: Socio-Economic Panel Study (v29), calculations by DIW Berlin.

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Inequality of political interest increased slightly between 1990 and 2008.

already returned to gainful employment or their household income was above the at-risk-of-poverty threshold.

The graphs show that job loss and/or a dip below the at-risk-of-poverty threshold did not result in a significant negative change in either political interest or involvement in political parties or organizations. In the years surveyed, the proportion of individuals with a strong political interest remained constant at around the 27-percent mark, and the proportion active in political parties, local politics, and civic initiatives hovered around nine percent.<sup>12</sup>

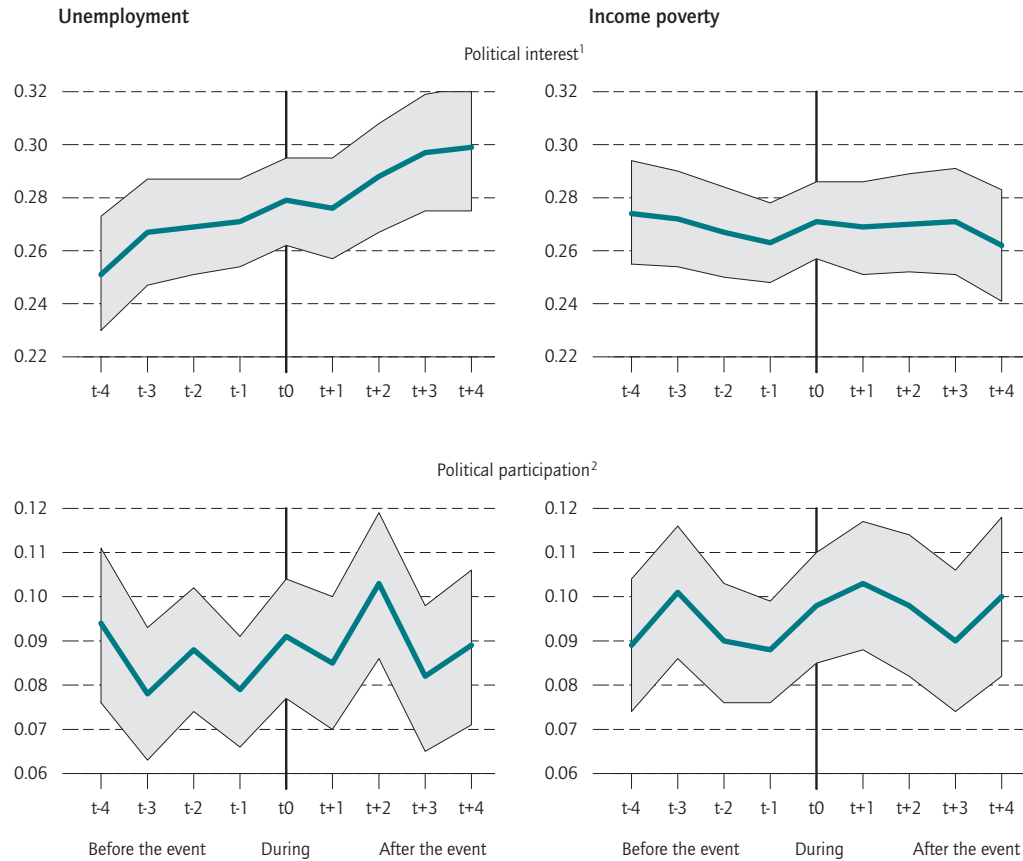
<sup>12</sup> The analysis only includes people who were registered as unemployed and/or whose income was below the at-risk-of-poverty threshold at a given point in time. If all SOEP respondents over the age of 16 are taken as a basis, the proportion of people with a strong interest in politics is approximately 35 percent, and the proportion of people who are active in political parties, local politics, or civic initiatives is roughly ten percent.

The findings clearly demonstrate that those affected already exhibited only limited political interest and a low level of political participation before they became unemployed or poor. The notion that withdrawal from political engagement is a consequence of this situation, as is frequently surmised by explanatory theories addressing the issue of unequal political participation, is not substantiated by this empirical evaluation. In fact, unemployment more frequently appears to be accompanied by a slight increase in political interest. The estimated proportion of people reporting strong political interest increased from approximately 26 to 30 percent, although this change falls within the statistical margin of error for this sample.<sup>13</sup>

<sup>13</sup> If the analyses are repeated for those who are unemployed or poor for longer than one year (two to three years), the results are very similar and are therefore not presented in separate figures. Thus, no long-term reduction in

Figure 4

**Political Interest and Activity During Periods of Unemployment or Poverty**



1 Strong political interest  
 2 People who are active in political parties, local politics, and civic initiatives.  
 Sources: Socio-Economic Panel Study (v29), calculations by DIW Berlin.

Political engagement does not decline with unemployment or poverty.

In order to illustrate that unemployment and/or poverty can have a definite impact on other areas of the lives of those affected, we compared the development of life satisfaction before, during, and after the period of unemployment and poverty (see Figure 5).<sup>14</sup> This analysis shows the proportion of respondents who reported high life satisfaction (values of eight or more on an 11-point scale from zero to ten). In contrast to political interest and participation in political parties and organizations, a clear and statistically significant effect of loss of em-

ployment and/or a decline in income to below the at-risk-of-poverty threshold is evident. If over 40 percent of those affected reported high life satisfaction before becoming unemployed or poor, this figure dropped to 25 percent during unemployment and approximately 37 percent during poverty.

Even for those who returned to employment the following year, life satisfaction did not increase to quite the same level as before unemployment. Similarly, the life satisfaction of people who were affected by poverty for a one-year period subsequently remained permanently lower than before their experience of poverty.

The analyses indicate that many of those affected perceive unemployment and poverty as life-changing experiences that, to some extent, also extend beyond the events

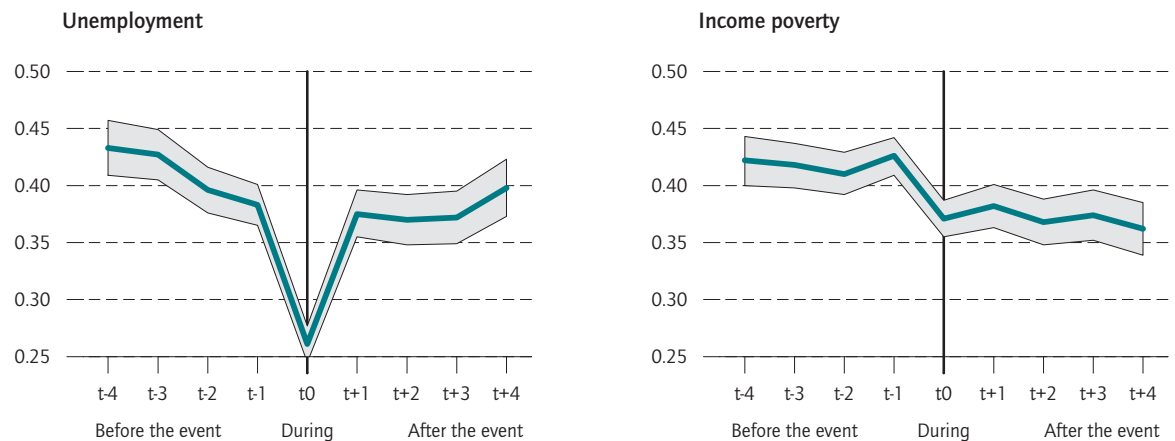
political engagement or decline in political interest is observed, even during longer periods of unemployment or poverty.

<sup>14</sup> L. Winkelmann, and R. Winkelmann, "Why are the unemployed so unhappy? Evidence from panel data," *Economica* 65, no. 257 (1998): 1-15; and also a recent study by C. von Scheve, F. Esche, and J. Schupp, "The Emotional Timeline of Unemployment: Anticipation, Reaction, and Adaption," SOEPpaper, no. 593 (2013).

Figure 5

**Life Satisfaction During Periods of Unemployment or Poverty**

Proportions of high life satisfaction



Sources: Socio-Economic Panel Study (v29), calculations by DIW Berlin.

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Unemployment and poverty have a significant impact on life satisfaction.

themselves. However, the findings also show that there is no lasting impact on political participation. If there is no evidence that loss of employment and income results in a significant decline in the level of individual participation, this begs the question as to why unemployed people and those below the at-risk-of-poverty threshold are less politically interested and active, even before experiencing job loss and/or a decline in income, than those in employment and not affected by income poverty.

**Social Background and Unequal Political Participation**

An alternative way of interpreting the correlation between unemployment and poverty on the one hand and below average political participation on the other is to look at the possibility of common causes. Insofar as, for example, social background influences both the likelihood of unemployment and of social participation, a statistical correlation of this kind may result between the two phenomena without it being causal.

A hitherto little-used but particularly robust method of empirically estimating the significance of social background for the correlation between unemployment and poverty on the one hand and political participation on the other is the use of a sibling study design: the analysis examines a sample of over 2,000 families based on the SOEP, although the study only draws on the 4,500

siblings in these families (at least two siblings per family). If the unemployed and/or low-income respondents are less politically active than their own siblings who are in employment and/or not affected by poverty, this would suggest a correlation between individual experiences of unemployment and poverty and the level of political participation. However, if there are no statistically significant differences between employed and unemployed siblings with regard to their political participation despite evidence of such a correlation among the general population, this would indicate that social background leads to disadvantages in terms of the risk of unemployment and poverty and also results in political inactivity.

The table presents four statistical analyses each for political interest and participation and, for comparison purposes, also for life satisfaction. The first analysis (Model 1) of 50,000 SOEP respondents compares the level of individual political engagement and life satisfaction during the years in which the respondents were unemployed and/or poor with the level during the years in which they were employed and/or had household incomes above the at-risk-of-poverty threshold. The analysis does not indicate any effect of unemployment on political activity. Also, poverty neither results in declining political interest nor in a reduction in active participati-

on.<sup>15</sup> Periods of unemployment even lead to a slight increase in political interest (the proportion of people with a strong interest in politics increases by an estimated one percentage point).

Model 2 repeats the analysis based on a reduced sample of approximately 4,500 siblings. There is no change in the findings due to the smaller sample size. The siblings' responses to unemployment and poverty were very similar to that of the overall sample, which also included only children and had a significantly higher average age.

Model 3 does not compare individuals' phases of employment and unemployment or their income periods above and below the at-risk-of-poverty threshold, but rather compares the employed (or those not on low incomes) with the unemployed (or low-income) siblings in one family in terms of their political engagement and life satisfaction. Here, too, unemployment and poverty appear to have no negative effect on political engagement, i.e., unemployed and/or low-income people are no less interested in politics and no less politically active than their employed siblings and/or siblings with incomes above the at-risk-of-poverty threshold.

However, all three models show significant negative effects of unemployment and poverty on the life satisfaction of those affected: people are less satisfied with their lives when they lose their jobs or have lower incomes, and they are less satisfied than their employed, higher-income siblings. The different models predict a decline in the proportion of those reporting high satisfaction of approximately 15 percentage points during unemployment and roughly six percentage points in the case of poverty.

Lastly, Model 4 reports the statistical correlation between the mean number of politically engaged siblings in families with the mean number of unemployed and/or income-poor siblings per family. This is the only analysis that reveals strong negative effects of unemployment and poverty on political interest, i.e., the level of political interest of the siblings is higher, on average, in families where siblings are less frequently unemployed or poor, and vice versa. If a family comprised only of unemployed siblings is compared with a family comprised only

<sup>15</sup> The finding that job loss and a drop in income do not result in a long-term change in individual political engagement is based on German data from the last three decades. However, there remains a possibility that, in certain situations, unemployed people or those affected by poverty may significantly reduce or increase their political participation as a result of these circumstances. Recent examples of a precarious social situation having a mobilizing effect are the protests by young people in the French suburbs or the protests against youth unemployment in Mediterranean countries hit by the financial crisis.

Table

**Effects of Unemployment and Poverty on Political Engagement and Life Satisfaction**

Parameters of model estimates

	Model 1	Model 2	Model 3	Model 4
	Population	Siblings		
	Temporary deviation from individual mean value	Individual deviation from family mean value	Difference between families	
<b>Political interest</b>				
Unemployment	0.01 ***	0.02 ***	0.02 **	-0.11 ***
Poverty	0.00	0.00	0.00	-0.09 ***
<b>Political activity</b>				
Unemployment	0.01	0.01	0.00	-0.02
Poverty	0.00	0.00	0.01	0.01
<b>Life satisfaction</b>				
Unemployment	-0.11 ***	-0.14 ***	-0.17 ***	-0.31 ***
Poverty	-0.05 ***	-0.06 ***	-0.07 ***	-0.11 ***

\*\*\*, \*\* indicate significance at the 1- or 5-percent level.  
Sources: Socio-Economic Panel Study (v29), calculations by DIW Berlin.

In terms of political engagement, barely any difference is observed between unemployed and employed siblings.

of employed siblings, then statistically, the proportion of siblings with a strong political interest is 11 percentage points lower in the former case than in the latter (see Model 4). The simultaneous absence of unemployment- and poverty-related differences between siblings in one family (see Model 3) can be interpreted as an indication of the strong social background effects on unemployment and/or poverty, on one hand, and on political interest, on the other.<sup>16</sup>

**Conclusion**

The analyses demonstrate—as have a long series of previous empirical studies<sup>17</sup>—that political participation in democracies is not distributed equally but is often particularly low among people in precarious economic circumstances. The analyses also indicate that there has

<sup>16</sup> The analysis of the reported probability of voter turnout, conducted as part of the SOEP in the run-up to the German parliamentary elections in 2005 and 2009, produces a very similar pattern of findings to the examination of political interest: no appreciable effects of unemployment and poverty are observed in Models 1 to 3 but there are significantly lower voting intentions in families that are frequently affected by poverty and unemployment (Model 4).

<sup>17</sup> See L. R. Jacobs and T. Skocpol, eds., *Inequality and American democracy. What we know and what we need to learn* (New York: Russell Sage Foundation, 2005); and on Germany, P. Böhnke, "Ungleiche Verteilung politischer und zivilgesellschaftlicher Partizipation," in *Aus Politik und Zeitgeschichte*, supplement to the weekly newspaper *Das Parlament*, no. 1/2, (2011): 18-25.

been no evidence of a narrowing of the political participation gap in Germany in the last 30 years and that the degree of inequality is actually higher than in many comparable European democracies.

A prerequisite for effective political measures to promote political participation of the unemployed and those on low incomes is an understanding of the exact causes of the statistical correlation. The findings of this report indicate that, on average, a lower level of political participation had already been observed before unemployment and/or loss of income, and that political interest is determined, in the long term, by social background. With this in mind, measures to create equal opportunities at an early stage could make an effective contribution to reducing inequality in political participation. Above all, this includes reducing background-related differences in educational attainment, but also better education about democracy in schools.

The empirical finding of this study that the statistical correlation between unemployment and/or poverty and political engagement is probably not due, in the long term, to the experience of unemployment itself, but rather to an individual's social background, does not, however, allow us to conclude the reverse, namely that the problem of unequal political participation is less relevant in terms of democratic theory. On the contrary, given that life opportunities, including individual political participation, are not only influenced by individual experiences and behavior, but are also largely formed by social background, it is the government's responsibility to counteract these background effects as early as possible, for example in schools, to reduce the inequality of conditions for democratic participation and involvement.

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