
SOCIO-ECONOMIC EFFECT OF UNEMPLOYMENT ON FAMILY STABILITY: DOES AGE AND EDUCATIONAL ATTAINMENT MATTER?

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Abstract:

The study examines whether employment status, educational attainment, family size, age and gender have any influence on family stability. The study used survey results of 150 married respondents. The study confirms the proposition that unemployment is detrimental to family stability. It is found that unemployment is one of the major factors leading to family instability. The evaluation also indicates that other factors: educational attainment and family size, also have a significant impact on family stability. However, the age and gender of the respondents have no significant effect on family instability. Unemployment and poor education could lead to family instability, hurting children's development and employment prospects. Policy to provide access to education and employment creation are recommended to reduce unemployment and, by extension, family instability. This will go a long way in reducing the social-economic problem and crime in society.

Keywords: Unemployment, Family stability.

JEL Classification Number: I31; J64

1. Introduction

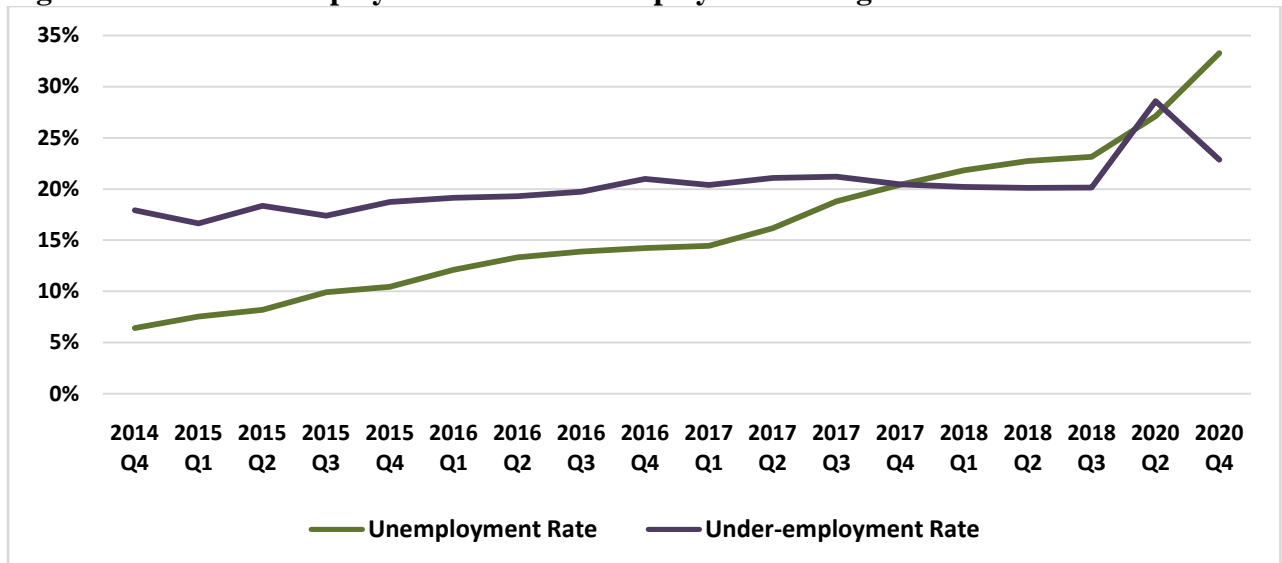
Unemployment and poverty are critical global challenges affecting people's economic well-being, especially in developing countries. People still looking for a job must often rely on benefits, making life extremely difficult. Moreover, the sense of failure, boredom, and rejection generated by unemployment has real social consequences. Studies have repeatedly linked unemployment to rising crime and suicide rates and the deterioration of health. Unemployment is a serious concern because it affects not only the individual but the entire family. A stable source of income is essential for the need of a family. When an unemployed does not earn income, the whole family will be affected emotionally, psychologically, and socially. Studies show that the impact of employment instability on family stability (divorce) remains significant (for instance, see Lewin, (2005); Kaplan & Herbst-Debby, (2018).

Unemployment and poverty affect both skilled and unskilled persons across all occupational categories. The family, the basic unit of society and the first socialising agent provides emotional security, psychological protection, and emotional support for the individual to have an everyday life. The cooperation and understanding of both partners are necessary. When these various necessities are lacking, anxiety, frustration, unhappiness, depression, and conflict among couples will rise and lead to divorce (Lewin, 2005).

The family faces threats of instability which are strongly associated with problems, among which are unemployment, utilisation of labour resources, loss of potential production, wastage of workforce resources, and delinquency.

Due to the decade-long insurgency, the unemployment rate in northeastern Nigeria surpasses those of other regions. This led to family instability and an increasing rate of divorces, child labour, wife battering, drug abuse, mental and physical stress, etc. There is also a surge in the rate of criminal activities because people need to be employed to earn an income to meet their needs. In the same light, unemployment affects the psyche of youths who go into drug addiction and other misdemeanours to occupy their minds and give them a false sense of security. To check the situation, the Nigerian government established some agencies. The problem of unemployment is on the increase in Nigeria. For instance, the National Bureau Statistics (NBS) fourth-quarter 2020 report showed that Nigeria's unemployment and underemployment rates were 33.28% and 22.84%, respectively (NBS, 2021).

Figure 1: Rate of Unemployment and Underemployment in Nigeria 2014-2020



Source: NBS 2021

Considering Nigeria's unemployment rate, and the consequent low family income, families are seemingly at risk of consistent wrangling, which shakes the stable structure of the family and leads to divorces. This is considered a pertinent cause for study. As it relates to unemployment, it can thus be concluded that unemployment carries an array of emotions ranging from stress, fear, anxiety, and depression. It contributes to low self-esteem and family instability, decreased family relations, and in some cases, domestic violence.

This study examines the socio-economic impact of unemployment on family stability in the Damaturu metropolis of Yobe state, Nigeria. The study examines the population's perception of unemployment status, explores the extent and nature of unemployment and the major factors contributing to unemployment, and will provide the policymakers with in-depth analysis to conform with projects and programmes designed to eradicate unemployment, especially among youth.

2. Literature Review

Family instability is defined as repeated changes in a child's family structure. It is often measured as a count of the entrances and exits by a biological parent's romantic partners or spouses into or out of a household (Fomby & Cherlin, 2007; Osborne & McLanahan, 2007).

Family instability is any factor that leads to more challenges in a family unit that eventually create friction among members due to their inability to manage the home and the living environment effectively. Family instability will manifest in different forms; economic, emotional, social, and physical.

Lorenzini and Giugui (2012) pointed out that unemployment leads to social isolation and decreased social contact and collective participation as individuals become psychologically depressed and lonely. It usually affects both the mental and psychological health of individuals. People become pessimistic that either person can attempt suicide or involve themselves in activities that negatively affect their lives. Individuals' self-esteem is affected negatively, and feeling that they become a burden to their family and society's social solution makes young people consider themselves useless and unable to do anything useful to the family and community.

Gul et al. (2012) argued that unemployment's social and private costs are severe financial suffering, poverty, debt, destitution and housing stress, family tensions and failure, boredom, isolation, indignity and humiliation, increased social isolation, misconduct, and destruction of confidence and self-esteem.

Another argument is that these effects increase with an expanded period of unemployment. According to Pohlan (2019), unemployment threatens the stability of the family as an economic and social unit without income or loss of income. The family's wants and needs cannot be fulfilled, and the family relationship suffers. Economy and social dependency on other essential family ties may be in jeopardy and may eventually be served by prolonged unemployment. Human connection outside the family is also affected by unemployment. An unemployed person loses self-respect and influence among the employed, may be rejected by a working companion, and lose pride and confidence. In the end, unemployment may become spiritually disabled.

The structural functionalism theory, propounded in the late 19th century, gained prominence in the first part of the 1960s. The basic assumptions of this theory centred on the fact that society is a system of interrelated parts. The system has specific basic needs which must be

met to survive. These needs are known as functional prerequisites. The function of any part of society is its contribution to the maintenance of the system.

As a linkage, this theory sees society as made up of various parts that are always in harmony and consensus. Anything that will bring about any changes in the number of structures is seen as the normal functioning of societal fabrics or brings about disequilibrium. Thus, unemployment is seen as a threat to the equilibrium of the social system. This theory does not, however, tell how dysfunctional unemployment is to the victim (Kufeldt, 1995). That is dysfunctional to the designand does not explain in the first place why a nation so blessed in both human and natural resources would have such a problem that is assumed to be the magnitude of a social problem. Thus the conflict model is considered.

However, the primary assumption of conflict theory is premised on the fact that society is divided into classes, with each class struggling to maintain domination over the other. In trying to do this, conflict and resolution of conflict arise. Differences and disagreements are indeed an inseparable part of any society. This occurs because every society's resources are not proportional to the human population, so those who control power control the larger share of the resources. This class that contains wealth is the economically dominant class pursuing self-interest by exploring the working class's labour (Akeju, 2014).

In this struggle to control resources in society, conflict arises, and the need to resolve this conflict or crisis becomes unavoidable. These conflicts generate social vices like war, unemployment, and corruption. This theory proposes that society is divided into classes, the dominant and the dominated class, with mass exploitation coming from the dominated class because every individual has to survive, which entails feeding, clothing, providing shelter, etc.

In another early study on marital decision-making, Becker (1973) based his study on the relationship between the unemployment rate to marriage and divorce on utility-maximizing individuals who choose to marry when the expected lifetime utility derived from marriage exceeds the expected utility from remaining single, predict a positive relationship between male job losses and the likelihood of remaining single, within a framework of specialisation where the man is the breadwinner.

In their empirical studies, Hoynes et al. (2012) indicate a more significant negative impact on male employment than on females in times of economic crisis. Other research suggests an opposite relationship, where marriage is deemed as insurance against poor economic conditions (Shore, 2009). Becker et al. (1977) extend Becker's original model to marital instability. In this framework, male job unemployment raises the likelihood of divorce. Conversely, where marriage is considered insurance against economic difficulty, it implies that the greater the unemployment rate, the lower the divorce rate.

Ariizumi et al. (2015) indicate that the sign of the relationship between divorce and the unemployment rate hangs on the balance of the economic crisis impacts on the gains derived from marriage and on the quality of those without a partner that divorcees may match. Amato and Beattie (2011) explored different viewpoints: the psycho-social stress perspective and the cost of divorce perspective. The psycho-social stress perspective leads to a positive link between the unemployment rate and divorce. However, the impact should be significant when the variables are lagged, as the stress of declining employment opportunities takes time to affect marital stability. From the cost-of-divorce perspective, a job loss can create economic constraints, making access to a potentially costly divorce unlikely; hence, the rise in the unemployment rate should be inversely related to the divorce rate.

Axelrad *et al.* (2018) literature about unemployment reference the unemployment of older workers (ages 45 or 50 and over) and youth unemployment (15–24). These two phenomena differ in their characteristics, scope and solutions. Unemployment among young people begins when they are eligible to work. According to the International Labour Office (ILO), young people increasingly have trouble when looking for their first job (ILO, 2011). The sharp increase in youth unemployment and underemployment is rooted in long-standing structural obstacles that prevent many young people in both OECD countries and emerging economies from successfully transitioning from school to work. Not all young people face the same difficulties in gaining access to productive and rewarding jobs, and the extent of these difficulties varies across countries. Nevertheless, in all countries, a core group of young people faces various combinations of high and persistent unemployment, poor quality jobs when they find work and a high risk of social exclusion (Keese *et al.*, 2013). Axelrad, Malul & Luski (2018) show that workers aged 30–44 were significantly more likely than those aged 45–59 to find a job a year after being unemployed.

All the different studies in the literature alluded to the fact that there is a relationship between unemployment and family instability. However, these studies show conflicting results with different age groups, gender and location. This study, therefore, aims to add to the literature by examining the relationship between unemployment and family instability by exploring the impact of the respondents' educational attainment, family size, age and gender.

3. Research Methodology

3.1 Participants

The target population for this study is married men and women who satisfy the criteria and clause of residing in Damaturu and the clause of the age between 18 and 60 years. Damaturu, Yobe State, was chosen because of the alarming youth unemployment rates in recent years, especially since the start of the Boko haram insurgency in 2010. The sample consisted of 150 participants divided into two groups. The first group consisted of 80 participants (mean age = 39.11 range = 18 – 60) living in families and an unemployed person dwelling in the Damaturu metropolis. The second group was a control group consisting of 70 participants (mean age = 48.00, range = 18 – 60) living in a family and a gainfully employed person dwelling in the Damaturu metropolis.

3.2 Procedure

This study adopted accidental and snowball sampling methods to draw 150 respondents from the target population. The research subjects are drawn on availability, after which the respondents are required to suggest another potential respondent who is eligible hence the concept of snowball sampling. A questionnaire instrument was used to carry out this study. The questionnaire is designed to obtain information from the respondent about their socio-economic background, how they are affected by unemployment within the family, their efforts, durations of unemployment, etc.

The data collected were analysed using simple frequency distributions and cross-tabulation to test the existing and significant relationship between the variables under study.

3.3 Data

A questionnaire instrument was used to evaluate the impact of educational attainment and employment status on family stability. It assesses the selected respondent's family stability, employment status, educational attainment, age and gender. The variables identified from the data collected are of two types (continuous or categorical/dummy). Family stability, educational attainment and family size are continuous variables. In contrast, employment

status and gender are categorical/dummy variables. Following Chowdhury (2013), we specify a linear model used to evaluate the impact as follows:

$$stab_i = f(empl_i, educ_i, size_i, age_i, gend_i) \quad (1)$$

The dependent variable of the equation, family stability, denoted $stab_i$, is captured from the respondents on a scale of 1 to 3. 1 represents an unstable family, 2 represents a moderate family, and 3 represents a stable family. The independent variables are employment status, denoted $empl_i$; educational attainment, denoted $educ_i$; family size, denoted $size_i$; the age, denoted age_i , and gender of the respondent, denoted $gend_i$. For employment status, dummy variable '0' represents unemployment and '1' otherwise. A scale of 1 to 5 was used for educational attainment, with 1 representing no formal education, 2 for primary education, 3 for secondary education, 4 for degree and equivalent and 5 for postgraduate degrees. For the family size, we have from 2 to any number. For gender, dummy variable '0' represents female and '1' otherwise.

Table 1: Descriptive statistics for continuous variables

Variables	$stab_i$	age_i	$educ_i$	$size_i$
Mean	2.59	44.38	3.22	7.95
Median	3.00	46.00	4.00	7.00
Maximum	3.00	60.00	5.00	24.00
Minimum	1.00	20.00	1.00	2.00
Std. Dev.	0.66	10.51	1.51	4.89
Observations	150	150	150	150

Table 1 reports descriptive statistics for the continuous variables. The mean value of $stab_i$ (2.59) shows that the average is slightly less than the maximum (3.00), meaning most respondents have relatively stable families. The mean value of age_i (44.38) indicates the average age of the respondents, which was slightly lower than the median value of (46.00), meaning the sample is slightly younger people. For the educational attainment $educ_i$, the mean value is (3.22), which indicates that an average respondent in the survey is educated up to secondary education. At the same time, the mean value of (7.95) for $size_i$ shows that the average family size of the respondents is approximately eight persons.

Table 2: Correlation matrix for continuous variables

	$stab_i$	age_i	$educ_i$	$size_i$
$stab_i$	1.000	0.103	0.577	-0.530
age_i	0.103	1.000	0.182	0.293
$educ_i$	0.577	0.182	1.000	-0.376
$size_i$	-0.530	0.293	-0.376	1.000

Table 2 shows the simple correlation coefficient matrix for the four continuous variables. The simple correlation coefficients suggest that respondents' age age_i is positively correlated (0.103) with the family stability $stab_i$. Educational attainment $educ_i$ is positively correlated (0.5774) with the family stability $stab_i$. In contrast, family size $size_i$ negatively correlates (-0.5305) with family stability $stab_i$. At the same time, educational attainment $educ_i$ is negatively correlated (-0.3758) with family size $size_i$. Hence, age_i , $educ_i$ and $size_i$ are likely significant determinants of $stab_i$.

4. Results

The results of our five estimated models are reported in Table 3. All our inference uses a 5% level of significance—Newey–West standard errors for coefficients estimated to overcome autocorrelation and heteroskedasticity in the model error terms.

Table 3: Result of Estimated Models

	M1	M2	M3	M4	M5
c	2.151*** (15.675)	1.634*** (10.338)	2.314*** (11.478)	2.338*** (11.031)	2.323*** (10.913)
empl_i	0.557*** (3.803)	0.293*** (2.027)	0.628*** (4.671)	0.638*** (4.406)	0.634*** (4.335)
educ_i		0.224*** (6.808)	0.108*** (3.268)	0.109*** (3.249)	0.109*** (3.229)
size_i			-0.071*** (-7.121)	-0.070*** (-6.895)	-0.070*** (-6.890)
age_i				-0.000 (-0.248)	-0.000 (-0.245)
gend_i					0.031 (0.432)
R²	0.124	0.364	0.556	0.565	0.566
SE	0.617	0.527	0.437	0.438	0.440
AIC	1.885	1.578	1.211	1.224	1.236
SIC	1.925	1.639	1.291	1.324	1.356
F(R² = 0)	21.036 [0.000]	42.125 [0.000]	63.417 [0.000]	47.260 [0.000]	37.633 [0.000]

The dependent variable is *stab_i* and the figures in parentheses below coefficients are estimated *t*-ratios. \bar{R}^2 is the coefficient of determination adjusted for degrees of freedom, SE is the regression standard error, and $F(R^2 = 0)$ is the F-test for deleting all slope coefficients from the model. AIC denotes Akaike's information criterion, and SIC represents Schwarz's information criterion. Probability values for selected tests are reported in squared brackets below the statistic to which they correspond. ***, **, and * denote significance at the 1%, 5% and 10% levels, respectively. All regressions are estimated with 150 observations.

In the first model, M1, the two included variables (*c* and *empl_i*) are significant, and the model has 12.4% explanatory power according to the adjusted coefficient of determination (\bar{R}^2).

In the second model, M2, all three included variables (*c*, *empl_i* and *educ_i*) are significant, and the model has 36.4% explanatory power. Therefore, *educ_i* is an essential determinant of *stab_i* because the education attainment of the respondent has a significant positive impact on *stab_i* (a one percentage point increase in *educ_i* raises *stab_i* by approximately 0.22%), and the inclusion of *educ_i* has almost tripled the explanatory power of the model relative to its exclusion.

In the third model, M3, all four included variables (*c*, *empl_i*, *educ_i* and *size_i*) are significant, and the model has 55.6% explanatory power. Hence, *size_i* is an essential determinant of *stab_i* because the family size has a significant negative effect on *stab_i* (a one percentage point increase in *size_i* decreases *stab_i* by approximately 0.07%), and the inclusion of *size_i* has improved the explanatory power of the model compared to its exclusion.

The last two models (M4 and M5) added two variables to the third model. These variables respondents age denoted age_i and gender denoted $gend_i$ were never significant. However, their inclusion slightly improved the explanatory power of the model.

The favoured Model is the third model (M3) that includes four variables c , $empl_i$, $educ_i$ and $size_i$ has 55.6% explanatory power. $empl_i$ and $educ_i$ are positively and significantly correlated with $stab_i$. While $size_i$ is negatively and significantly correlated with the $stab_i$.

5. Conclusion and Policy Recommendations

This study analyses the socio-economic effects of unemployment on family stability. The study examines whether employment status, educational attainment, family size, age and gender influence family stability. The study used survey results of 150 married respondents.

Using the regression model developed, the study shows that unemployment affects family stability. In other words, the study confirms that unemployment is detrimental to family stability. The evaluation also indicates that other factors, such as educational attainment and family size, also significantly impact family stability. However, the age and gender of the respondents have no significant effect on family stability. Unemployment and poor education could lead to family instability, hurting children's development and employment prospects. Policy to provide access to education and employment creation are recommended to reduce unemployment and, by extension, family instability. This will go a long way in reducing the social-economic problem and crime in society.

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