Youth unemployment and mental health: some Dutch findings

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Two hypotheses were investigated: (1) the causation hypothesis that assumes that unemployment leads to poor mental health and (2) the selection hypothesis that assumes that poor mental health reduces the likelihood of finding a job. A prospective longitudinal design was used in order to study two Dutch samples: 633 college graduates and 767 school-leavers. The causation hypothesis was confirmed for school-leavers but not for college graduates. In addition, as expected, employment and further education increased levels of mental health among school-leavers. The selection hypothesis, unfortunately, could not be confirmed in the graduate sample, was not confirmed as far as mental health was concerned. However, it appeared that future employment among graduates was predicted by a positive attitude and an active way of dealing with unemployment. Results are interpreted with reference to the favourable Dutch structural and cultural context that existed at the time the research was conducted. In addition, the role of proactivity is discussed.

Introduction

Viewed from an international perspective, youth unemployment in the Netherlands represents an interesting case since high unemployment rates are combined with a fairly favourable social context. As in most industrial countries, youth unemployment rates are relatively high in the Netherlands. In the mid-eighties, when we started our research, youth unemployment was very high: 28% of the Dutch aged under 24 were without jobs. At that time, the Netherlands, together with Spain and Ireland, was among the three countries that had the highest unemployment rates among the 24 OECD countries (OECD, 1991). On the other hand, Dutch unemployment benefits were relatively generous, at least at the time when we conducted our research. According to the OECD (1989), in the mid-eighties, Dutch unemployment benefits, after Canada, were second highest within the OECD. Generally, Dutch unemployment received 70% of their last earned income for the first 2½ years of unemployment and, unlike most other countries, Dutch unemployment school-leavers received social assistance that roughly equalled the net minimum wage until they found a paid job (approximately US$960 per month for couples and US$670 for singles). However, starting in the late eighties when we concluded our research, the government has cut back severely on social security, particularly for young people. Unemployment benefits and entitlement periods for recipients have been reduced and criteria for entitlement to benefits have been tightened up.

Traditionally, in psychological unemployment research the negative effects of

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unemployment are confounded by poverty (Fryer, 1992). However, thanks to the histori cally speaking rather unique combination of high levels of unemployment and relatively generous financial arrangements, such contamination is not likely to occur in our study. Put another way, the current study might provide indirect evidence whether or not potentially detrimental psychological effects of unemployment can be buffered, for instance, by favourable financial arrangements.

Unemployment and mental health

Unemployment research over the past decades has shown quite convincingly that unemployment leads to psychological distress and that re-employment improves mental health (for recent reviews see Feather, 1990; Ery, 1993; Wintefeld, 1995). In other words, these seem to be a causal relationship between unemployment and poor mental health; the so-called causation hypothesis. However, two critical notes have to be made. First, the strength of the relationship between unemployment and psychological distress is rather weak. Roughly speaking only 10 to 15% of the variance in distress is explained by unemployment status (Fryer and Payne, 1986). Second, the fact that unemployment causes psychological distress does not rule out the possibility that high levels of distress might lead to prolonged unemployment. For instance, in a large Australian sample of extended school-leavers Winfield and Tiggemann (1985) found that depressed mood and poor self-esteem were antecedents as well as effects of unemployment. Hence, poor mental health might cause failure in the labour market. This is also known as reversed causation or the selection hypothesis.

The current study addresses two major issues. First, the negative impact of unemployment on mental health is studied (causality hypothesis). And second, the factors that determine success and failure in the labour market are investigated (selection hypothesis). The unemployed’s level of mental health might be one of the selective factors.

Unemployment, mental health and level of education

Most unemployment research has used very specific samples that are predominantly White, married, male, and blue collar. As far as youth unemployment is concerned, research particularly concentrates on the lower qualified school-leavers (Francis and Nelles, 1984; Wait et al., 1988). Therefore, in addition to school-leavers who left secondary school or a vocational training centre, we included a higher educated group of college graduates as well.

There has been quite a lot of speculation about the impact of unemployment upon the well educated. Basically these speculations can be summarized in two alternative hypotheses: According to the first hypothesis, the well educated are particularly vulnerable to unemployment stress mainly because they experience considerable status inconsistencies (“The higher the climb, the harder the fall”). According to the alternative hypothesis, the better educated can cope rather well with unemployment, since they can draw upon considerable education and other coping resources. For instance, Feather and Bond (1983, p. 251) concluded “The successful graduate has presumably developed some skills in structuring time and in developing a sense of purpose and autonomy”. In a similar vein, Wait (1984) concluded well educated unemployed as extraordinarily “good copers” (p. 278).

To date, neither hypothesis is supported convincingly by empirical research.

In contrast, expectations about the consequences of unemployment for low qualified and poorly educated school-leavers are more clear. By definition, they leave school at a younger age of about 16 or 17 year, during their adolescence. This developmental phase is accompanied by many psychological and social stresses that may make the youngsters more vulnerable to negative consequences of unemployment. Indeed, a number of British (Wait et al., 1988) as well as Australian studies (Wintefeld et al., 1993) found modest negative effects of unemployment on mental health indicators in this group. On the other hand, getting a job is a crucial part of the identity formation of school-leavers (Erikson, 1968, pp. 32-68). It is therefore not surprising that many empirical studies show that employment has a beneficial effect, specifically upon the mental health of poorly educated school-leavers (e.g. Wintefeld et al., 1993). That positive effect of employment is sometimes even stronger than the negative effect of unemployment on mental health (Joumey, 1985; Donovan et al., 1986). That getting a job not necessarily leads to an improvement of mental health was shown by Feather and O’Brian (1986) in a number of studies amongst Australian school-leavers. They conclude that well qualified jobs and bad working conditions can counteract the potentially beneficial effects of employment, particularly among the less qualified school-leavers.

Nevertheless, we expect an as the less educated group to, by and large, employment improves mental health, whereas unemployment leads to poor mental health. The latter finding would support the causation hypothesis.

Success and failure in the labour market

Based on a review of the literature (e.g. War, 1987; Feather, 1990; Ery, 1993; Wintefeld et al., 1993; Wintefeld, 1995) several types of factors can be identified as potential predictors of success and failure in the labour market of college graduates. In addition to the unemployed’s level of mental health, the following seven types of variables were included in our study: (1) demographic characteristics (gender, marital status, type of education, working in an unpaid job); (2) financial strain; (3) personality characteristics (self-esteem, locus of control); (4) causal attribution of unemployment; (5) problem-focused way of coping with unemployment; (6) social support; and (7) attitudes towards work and non-work (instrumental work orientation, non-work orientation, perceived control, employment commitment and estimated success in the labour market).

Based on earlier studies (e.g. Winfield and Tiggemann, 1985; Iversen and Sabbe, 1988) it was expected that in accordance with the selection hypothesis initial levels of mental health, measured at the time when the respondents were still at school, significantly predict future employment status.

Method

Procedure

Table 1 summarizes the main features of two longitudinal studies that were carried out. Both samples completed a questionnaire shortly before their final exam. The somewhat lower initial response rates are likely to have been caused by the fact that the students were quite busy preparing themselves for their final exam.

In the first study, four follow-ups were conducted with regular intervals of 6 months. The
college graduates were followed over a 2-year period, from 1984 to 1986. The school-leaver study included young men who, for the past 4 years, either followed vocational training or had been enrolled as a secondary school. The school-leavers were followed over a 1-year period from 1988 to 1989. As can be seen from Table 1, the school-leavers were on average about 6 years younger than the college graduates. Unfortunately and unexpectedly the percentage of unemployed school-leaves at the 1-year follow-up was very low (5%; n=14).

The main reason is that almost 80% of the school-leavers continued their education. About one-quarter of this group reported that their decision to continue their education was due to fear of not being able to find a job. In other words, they postponed their entrance on the labour market because of poor employment prospects. Due to this small number of unemployed it was not possible to study the determinants of future employment in the school-leaver sample.

**Table 1** Some characteristics of both studies

<table>
<thead>
<tr>
<th></th>
<th>Study 1: College graduates (n=635)</th>
<th>Study 2: School-leaves (n=767)</th>
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<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Mean age</td>
<td>22.8</td>
<td>16.2</td>
</tr>
<tr>
<td>Number of follow-ups</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Response rate</td>
<td>100%</td>
<td>83%</td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 months</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>12 months</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>18 months</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>24 months</td>
<td>12%</td>
<td></td>
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</table>

1The Dutch system of higher education differs considerably from that in other countries. In The Netherlands, two types of higher educational institutions are distinguished: universities and technical colleges (i.e. schools for Higher Professional Education). The difference between these institutions is historical rather than structural. At the universities students are in principle prepared for theoretical work in the pure sciences and arts, whereas in technical colleges they are treated as the applied arts and sciences (e.g. engineering, administration, health, education, welfare and agriculture). Rather intriguingly, the teaching of some other professionals such as physicians, dentists, lawyers and psychologists, is done here at the universities. Both educational institutions offer a 4-year programme, after which the students obtain a degree or diploma. After their graduation from a technical college students may continue their education in a more theoretical level at the university for another 4 years. Usually, all graduates are admissible to PhD programmes. However, only university graduates actually avail themselves of this opportunity. In The Netherlands approximately 100,000 students are enrolled at technical colleges and 150,000 at universities.

unemployment, social support, instrumental work orientation, non-work orientation, perceived control, employment commitment) were measured with multi-item questionnaires. These questionnaires satisfy the appropriate psychometrical standards. For example, internal consistency coefficients ranged from 0.70 to 0.94. More detailed information about the measures is provided elsewhere (Schaufeli and Van Yperen, 1992, 1993).

The level of mental health or psychological distress was measured in Study 1 with the Dutch version of the Symptom Checklist-90 (SCL-90) (Derolex and Derolex, 1986). The SCL-90-R is a multidimensional scale of mental health. Derolex (1984) found that among university students the SCL-90 essentially measures one construct of psychological distress. Therefore, in the present study only the SCL-90 total score was used.

No significant mean differences in levels of mental health were observed between the college graduates and the group norms from the test manual based on 1026 subjects randomly sampled from the Dutch general population aged 18 years and over (Derolex and Derolex, 1986). In Study 2, the Dutch 12-item version of the General Health Questionnaire (GHQ-12) was used (Koozer and Omell, 1991). The GHQ-12 has been validated for use among employed and unemployed school-leaves in Britain (Banks et al., 1980). Unfortunately, no adequate Dutch GHQ-12 group norms exist for comparison of levels of mental health in Study 2.

**Results**

**Unemployment and mental health**

The analysis of the course of psychological distress among college graduates was rather complicated since four follow-ups were conducted. The dynamic equilibrium model that was employed to estimate the strength of the relationship between employment status and mental health was tested by carrying out a longitudinal LISREL analysis. The mathematical description of this procedure has been described elsewhere (Omell and Schaefeli, 1991). The model was developed in several steps in one half of the sample and was then cross-validated in the other half in order to avoid statistical artefacts such as chance correlation.

In Figure 1, the observed level of mental health (C0) at time 0 is divided into two independent components: a latent variable stable component (S) and a change component (C0 to C1). The former is by definition stable across time and can be considered as a "true", whereas the latter reflects the actual "true" level of mental health. Accordingly, the dynamic equilibrium model is able to disentangle the true and the state component of mental health. The change "false" component is supposed to be influenced by the individual's current employment status (E1 to E4). At Time 0, all students were still at school. The numbers in Figure 1 represent proportions of explained variance.

A formal test of the differences that are described elsewhere in greater detail by Schaufeli and Van Yperen (1993) that the observed level of mental health was mainly influenced by the stable component. That is, 65% of the variance was explained by this stable factor. On the other hand, no significant proportion of the variance in psychological symptoms was explained by the
individual's actual employment status. This is much less than the 10 to 15% which is usually found in other studies according to Fryer and Payne (1986).

Analysis of the longitudinal data from the school-leaver sample was more straightforward. Three groups were created according to the actual situation at the follow-up 1 year after leaving school: employed (n=99), unemployed (n=14), and students who continued their education (n=392).

At Time 0 when all attended school-leavers were still at school, no significant difference was observed in levels of mental health between the three groups (see Figure 2). However, a MANOVA with repeated measures revealed a significant group (employed, unemployed, students) x time (T0, T1, T2) interaction effect (Wilk's = 0.95, p<0.001) indicating that unemployment led to a deterioration in mental health (ε11=2.76, p<0.05), whereas employment or continuing education improved mental health (ε21=3.12, p<0.01 and ε21= 3.42, p<0.01, respectively). Accordingly, an unexpected and employment had a positive effect on the level of mental health of school-leavers. Moreover, continuing one's education improved mental health to a similar degree as employment: both leaved at the bottom of Figure 2 overlap.

In short, the impact of unemployment on mental health differed depending on the level of education. Unlike the less well educated school-leavers, the unemployed college graduates did not suffer from poor mental health. Thus, the causation hypotheses that unemployment leads to poor mental health was only supported for the school-leavers.

Success and failure in the labour market
As previously noted, the determinants of future employment could only be investigated among college graduates. Table 2 shows the factors that significantly contributed to the prediction of future success in the labour market. In total 15 variables (e.g., gender, marital status, working in an unpaid job, estimated success in the labour market, financial status, self-esteem, locus of control, causal attribution of unemployment, problem-focused coping with unemployment, social support, instrumental work orientation, non-work orientation, perceived control, employment commitment, and mental health), and six dummies for type of education were included in the regression analysis.

Two regression analyses were carried out. Employment after 6 months (T1) was predicted by variables measured at T0 when all graduates were still at college. Furthermore, employment after 1 year (T2) was predicted by variables measured at T1, 6 months

![Figure 1. Mental health and employment status of college graduates](image1)

![Figure 2. Mental health and employment status of school-leavers (■)=employed (n=99), (□)=unemployed (n=14), (●)=students (n=392)](image2)

**Table 2: Predictors of future unemployment of college graduates**

<table>
<thead>
<tr>
<th></th>
<th>Time 2 (n=379)</th>
<th>Time 3 (n=1621)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>β</td>
<td>R²</td>
</tr>
<tr>
<td>Engineering</td>
<td>0.23*</td>
<td>0.01</td>
</tr>
<tr>
<td>Administration</td>
<td>0.13*</td>
<td>0.03</td>
</tr>
<tr>
<td>Unpaid work</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Problem-focused</td>
<td>0.20**</td>
<td>0.03</td>
</tr>
<tr>
<td>coping</td>
<td>0.23***</td>
<td>0.12</td>
</tr>
<tr>
<td>Estimated success</td>
<td>0.23***</td>
<td>0.12</td>
</tr>
<tr>
<td>Total R²</td>
<td>0.20</td>
<td>0.18</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001
previously As can be seen from Table 2, only a few variables contributed to predicting future employment. Graduates with a background in engineering or in administration were most likely to find a job within 6 months. Working in an unpaid job at T1 seemed to pay off because it increased the likelihood of employment within the next 6 months. Most interestingly, problem-focused coping predicted future employment on both occasions. The scale measuring problem-focused coping includes items that reflect active job hunting (e.g. writing, companies, phoning for a job, talking to other people in order to get relevant information). Finally, students who initially estimated their success in the labour market as quite high were likely to find a job within the first 6 months after graduation. Interestingly, neither the graduates' level of mental health, nor financial status, nor personality characteristics seemed to play a role in finding a job.

In short, in addition to educational background and working in an unpaid job, subjective factors seemed to play a decisive role. This suggests that self-selection takes place in the labour market. Confidence and an appropriate active and problem-focused way of coping increase the chance of success. However, the selection hypothesis was, unexpectedly, not supported as far as mental health was concerned: the graduates' mental health did not play a significant role in getting a job.

Conclusion and discussion

Three important conclusions can be drawn from our two studies. First, the level of mental health of college graduates is not affected by their employment status. Only a negligible, non-significant proportion of variance in mental health (i.e., 1%) is explained by the graduates' employment status. Rather than experiencing status inconsistency, they seem to cope pretty well with unemployment. Second, in accordance with the causation hypothesis, unemployment has a negative impact on the level of mental health in school-leavers. Moreover, getting a job or continuing education decreases their level of mental health. Third, future employment is predicted by factors that reflect a positive attitude (i.e., confidence) and an active way of dealing with unemployment (i.e. active job hunting and working in an unpaid job). Initial levels of mental health were not predictive of future success in the labour market. Thus, the selection hypothesis was not supported as far as poor mental health is concerned.

The national context

Recently, Winfield and Fryer (1996) have stressed the importance of taking into consideration the historical and societal setting when researching findings on unemployment and mental health are interpreted. Therefore, it is necessary to define the aspects that are supposed to be typical for The Netherlands at the time when the research was carried out. It seems that these structural and cultural aspects operate differently on the mental health of graduates and school-leavers (Schaufeli, 1992).

Finally, as noted in the introduction, unemployment benefits were relatively high compared to other countries. This was particularly true for college graduates, most of whom received more financial assistance than during their education. Consequently, particularly for graduates, certain financial problems were not an important reason for finding a job. Unlike the graduates, most unemployed school-leavers still lived with their parents. Although school-leavers received employment assistance as well, they remained financially dependent upon their parents since their level of assistance was rather low because they did not live on their own. It is likely that this might have created serious tensions within the family leading to psychological distress. Since the Dutch government has recently cut back on unemployment benefits, the picture might look more gloomy now, also for college graduates.

Second, in the Netherlands unpaid work as a volunteer is institutionalized. For instance, special consent is given in order to avoid a cutting of unemployment benefits and social assistance. As a result, in many work settings such as health care and education, the distinction between paid and unpaid work is blurred. Additional semi-structured interviews that were carried out with a random sample of nearly one hundred graduates who were unemployed at T1 showed that almost half of them were engaged in some kind of unpaid activity. As we have seen, working in an unpaid job improves one's chances of finding a regular paid job. In contrast, unemployed school-leavers have far fewer opportunities to find satisfying unpaid volunteer work. Amongst other things, this is caused by the fact that they are unable to compete with the better educated and hence tend to be offered the least attractive unpaid work, or no unpaid work at all (Pahl, 1992). This process is similar to that taking place in the paid labour market.

Third, during the past decades a cultural change has been taking place in the Netherlands towards what has been called a normalization of unemployment. It has been empirically demonstrated that public acceptance of unemployment increased, particularly in the first half of the eighties, when unemployment rates increased drastically (Diasassen and de Goede, 1987). However, this normalization of unemployment is specifically observed among the better educated and not so much among the less educated. There is some indication that overall unemployment is less common in The Netherlands than in other countries. Nevertheless, the usual social class gradient is observed as well.

In short, the results of our study suggest that among college graduates the potentially detrimental psychological effects of unemployment were buffered by the favourable financial, social and cultural context that existed until recently in The Netherlands. However, despite this relatively favourable context, unemployed school-leavers were worse off psychologically than college graduates.

The social and psychological context

In addition to the three societal factors mentioned above there were important socio-cultural differences between the two educational groups which might be responsible for the different effects of unemployment on mental health. For instance, it can be argued that graduates occupy a socially and culturally privileged position. They have adequate information available about alternatives to paid work, like training programmes or unpaid activities; they have learned to spend their leisure time in a useful and satisfying way; they generally have broad cultural interests, and so on. In other words they have more coping resources at their disposal that enable them to deal effectively with stress (Hobfoll, 1988).

Moreover, it is likely that psychological differences between the two samples play a significant role as well. For instance, school-leavers are younger than college graduates. Therefore, it is possible that unemployment interferes with their identity formation (c.f., Gurley, 1980, Mecklenburg-Edwards et al., 1981).
Finally, it seems that unemployed college graduates behave in a proactive manner, instead of being passive victims they are active agents. Most probably this has two important consequences: these levels of mental health are not impaired and by being active in job hunting or by doing unpaid work they increase the likelihood of getting a regular job. The latter agrees with Holmes and Wetherel (1992) who found that re-employed individuals were more active in the job market, had greater self-efficacy and possessed better problem-solving skills than individuals who remained unemployed.

Our findings seem to support Fryer’s (1986) Agency Restriction Theory that postulates that people who are fundamentally proactive and show negative consequences of unemployment occur exclusively when the exercise of personal agency is inhibited (c.f., Wintefeld, 1995). This was obviously not the case in our college graduates sample: they remain proactive when unemployed and thus they did not experience any negative mental health consequences.

Unfortunately, success and failure in the labour market, and thus the role of proactivity, could not be studied in the school-leaver sample because of the limited number of unemployed at the 1-year follow-up. However, it can be speculated that school-leavers are less likely to behave proactively than college graduates, not only because they have fewer resources at their disposal, but also because their labour market prospects are worse.

Concluding remarks

Our results underscore the importance of differentiation in psychological unemployment research. Unemployment not only has different effects in different educational groups; in addition, as suggested by Wintefeld and Fryer (1996), the specific societal and historical context seems to play a role as well. In the Netherlands at the time the current research was conducted, this was a positive role, at least for the better educated. Their mental health seemed to be less affected by unemployment than that of theirfellows from other countries (c.f., Kusmin, 1982; Feather and Bond, 1983).

References


