

## The research questions for the Final (13 April)

First off, congratulations on making it to the final day! We hope you are well-rested and ready for the task ahead.

For the final, we stick with the general issue of unemployment and wellbeing. But, as you might have guessed, we now become interested in particular mechanisms.

Of interest in the final are the mechanisms via which the effects of unemployment on the wellbeing of others occur. This means that we want to know how the unemployment of a person affects the wellbeing of others. There are many lenses one can use to think about such a question, since individuals in a society affect each other in many different ways, including via the labour market, the tax-transfer system, the health system, the criminal markets, marriage markets, social media, physical presence, etc. Whilst we encourage you to think broad and whilst we will look dispassionately at any argument you wish to make, participants are particularly encouraged to think of psychological mechanisms and socio-economic mechanisms.

Psychological mechanisms could include changes in how individuals feel about the same situation even though there would be no change in the objective situation, such as anxiety felt about the possibility of job-loss. Socio-economic mechanisms could include behavioural changes such as crime spillovers in the neighbourhood or household production spillovers within the household.

In this final, we will also want to see the participants expand their notion of wellbeing to include domains of life, i.e. the wellbeing of individuals or their groups in particular areas. The example of how this was done with different data (panel data) is Van Praag et al. (2003) that deconstructed life satisfaction into satisfaction with several different domains, hence allowing effects to be traced via different spheres of life.

The overall instructions then become:

- [main question] How are the effects of the unemployment of one person on others mediated. Think for instance of crime, health, trust, social relations, and mental health.
- [Follow-up question 1] Are different domains of satisfaction affected differently?
- [Follow-up question 2] Are the results sensitive to the definition of (levels of) unemployment, and does the implied data from this survey differ from other available statistics on unemployment?
- [Follow-up question 2] Discuss causality.

In terms of breakdowns between effects via different channels, the participants are encouraged to think of decomposition techniques and visualisation techniques of those contributions.



### **Judgement Criteria**

We will judge the final based on the same criteria as we used for the first two days, i.e. understanding, mastery, creativity, and presentation. Yet, we will judge you on what you submit for the final on its own: the quality of your work in the first two days is now irrelevant.

Yet, you are at liberty to use any text or analysis you wish that you worked on or handed in regarding the first two days. You can hence start with the same text and add things, or liberally copy and paste whatever you want (no self-citations needed!). Do bear in mind that we will judge you on how well you ask the questions of the final only, and are hence no longer interested in seeing answers to the previous questions.

### **References and key literature**

Van Praag, B. M., Frijters, P., & Ferrer-i-Carbonell, A. (2003). The anatomy of subjective well-being. *Journal of Economic Behavior & Organization*, 51(1), 29-49.