



# Effects of different life events on life satisfaction in the Russian Longitudinal Monitoring Survey



Jan Michael Bauer, Dario Cords, Rachele Sellung, Alfonso Sousa-Poza \*

University of Hohenheim, Germany

## HIGHLIGHTS

- Using Russian panel data we analyse the effect of life events on life satisfaction.
- We analyse the effects of unemployment, marriage, divorce and widowhood.
- Adaptation to unemployment, marriage, divorce and widowhood seldom occurs.
- Anticipation to such events is more common.

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## ABSTRACT

This paper analyses the relation between unemployment, marriage, divorce, widowhood and subjective well-being using Russian panel data. Contrary to Clark et al. (2008) and Clark and Georgellis (2013), we find little evidence of adaptation to these life events.

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## 1. Introduction

The effects of changes in life events have sparked considerable research interest in recent years (e.g. Clark et al., 2008). Of particular interest is whether certain major life events (e.g. marriage, divorce, widowhood and unemployment) have a lasting effect on well-being or whether well-being can return to baseline level through adaptation. The literature studying these issues, however, is based largely on cross-sectional analyses, making causal inference difficult. Several studies using large-scale panel data (e.g. Lucas et al., 2003; Lucas and Clark, 2006) do provide evidence that individuals adapt to life events over time, but with few exceptions (e.g. Rudolf and Kang, 2011) these analyses are based on Western

data, meaning that the extent of adaptation could be culture specific.

Two of the most relevant studies for our analysis are Clark et al. (2008) and Clark and Georgellis (2013), based on German panel data and British data, respectively. Both provide evidence that for most life events adaptation does occur. In this paper, we apply a methodology similar to that used by Clark and Georgellis (2013) to a large-scale Russian panel data set in order to assess the generalizability of their findings.

## 2. Methodology and data

Our empirical analysis is based on data from 16 waves of the Russian Longitudinal Monitoring Survey (RLMS), covering the years 1995–2013. From this data set, we extrapolate a sample of 65,633 men and 77,562 women aged between 15 and 60. We consider four life events (also included in Clark et al., 2008); namely, unemployment, marriage, divorce and widowhood. Given the differences in retirement age, the analysis of unemployment looks at

\* Correspondence to: University of Hohenheim (530A), Fruwirthstr. 48, 70599 Stuttgart, Germany.

E-mail address: [alfonso.sousa-poza@uni-hohenheim.de](mailto:alfonso.sousa-poza@uni-hohenheim.de) (A. Sousa-Poza).

**Table 1**  
Distribution of life satisfaction.

Life satisfaction	Males		Females	
	Count	%	Count	%
1 (Not at all satisfied)	7,688	11.71	9,914	12.78
2 (Less than satisfied)	15,892	24.21	20,982	27.05
3 (Both yes and no)	15,514	23.64	18,865	24.32
4 (Rather satisfied)	21,586	32.89	22,989	29.64
5 (Fully satisfied)	4,953	7.55	4,812	6.20
Total	65,633	100.00	77,562	100.00

women between 15 and 55 and men between 15 and 60. For the analysis of widowhood, we analyse respondents up until the age of 80, which increases the sample size to 76,910 observations for men and 100,147 for women.

As in [Clark and Georgellis \(2013\)](#), we look for evidence of both anticipation and adaptation by taking advantage of a series of dummies in fixed effects regressions:

$$\begin{aligned}
 SWB_{it} = & \alpha_i + \beta'X_{it} + \gamma_{-4}U_{-4,it} + \gamma_{-3}U_{-3,it} + \gamma_{-2}U_{-2,it} \\
 & + \gamma_{-1}U_{-1,it} + \gamma_0U_{0,it} + \gamma_1U_{1,it} + \gamma_2U_{2,it} + \gamma_3U_{3,it} \\
 & + \gamma_4U_{4,it} + \gamma_5U_{5,it} + \varepsilon_{it}. \quad (1)
 \end{aligned}$$

The dependent variable is respondents' subjective well-being (SWB) as measured by the following question: "To what extent are you satisfied with your life in general at the present time?". Responses are recorded on a 5-point scale in which 5 indicates the highest SWB ([Table 1](#)).

For measuring anticipation, the  $U_{-4,it}$  to  $U_{-1,it}$  dummies indicate SWB from 4 years to 1 year before the life event, modelled by  $U_{0,it}$  being equal to 1. The adaptation process is captured by  $U_{1,it}$  to  $U_{5,it}$ , with the index numbers corresponding to the survey year since the event's first occurrence. Because of the decreasing sample size, we aggregate 5 or more years in the  $U_{5,it}$  dummy. In the case of no adaptation, all of the coefficients from  $\gamma_1$  to  $\gamma_5$  have a roughly similar impact on SWB. As a reference category, we omit the dummies for 4+ years before the event and for individuals actually able to experience the life change being studied (e.g. we only consider the employed when looking at the unemployment effect).<sup>1</sup> Vector  $X$  is a set of standard controls (marital status, income, education, employment status, health, and age), which we adjust to the corresponding event (e.g. we exclude employment status when analysing unemployment).

All major life events can occur more than once for each individual. Hence, because we are only interested in the duration of the first spell of any life event observed (e.g., unemployment), we follow [Clark and Georgellis \(2013\)](#) and drop all but the first event per respondent. Likewise, although we are interested in both anticipation of and adaptation to different life events, we use no information on left-censored spells to trace out adaptation and thus drop any respondents that experienced the event (e.g. were already unemployed) prior to survey participation.

### 3. Empirical results

Results for the estimated lead and lag effects are reported in [Table 2](#) and [Fig. 1](#). In the case of unemployment, although men are able to anticipate unemployment up to 1 year before becoming unemployed, we observe no such anticipation effect for women. In fact, the regression results show a significantly negative effect of all estimated lag coefficients for both genders, with no evidence at

all of adaptation for men (i.e. the estimated coefficients are very similar in size). For women, the negative effect of unemployment on life satisfaction increases in absolute value with the duration of unemployment, although men seem to suffer much more from unemployment in the short run, with an estimated coefficient for the 0–1 year dummy that is four times larger than the same coefficient for women. In the long run, well-being remains lower for men, but the difference between genders diminishes over time.

In the case of marriage, there is no anticipation. Rather, all lag dummies are positive and significant for both regressions, indicating that being married is associated with higher well-being for both men and women. The magnitude and general pattern of the lag dummies, however, appear to differ between genders. Overall, men seem less affected by being married: the magnitude of the 0–1 year dummy after marriage is only half that for women in the same time period. After a slight decrease in the following two years, well-being remains stable at a high level for men in long-term marriages. Women, on the other hand, show higher well-being after a recent marriage but face a steady decline until about year 4. Like men, women seem notably happier in long-term relationships.

For divorce, we find a strong anticipation effect for women, whose absolute values increase as the actual divorce event approaches. For men, we find only a small negative lead effect 1 year prior to divorce. All the lag dummies are negative and significant for both genders, however, which implies little adaptation to divorce. For widowhood, the lead coefficients in the male sample all remain insignificant, indicating no anticipation effect. Women, in contrast, can anticipate widowhood up to 3 years before their spouse dies: the coefficients of the respective lead dummies are all negative and increase in size the closer their spouse is to dying. In terms of adjustment to widowhood, for men most lag dummies are negative, significant and relatively similar in size, although the dummies for 2–3 years and 5 or more years are insignificant, implying a certain degree of adaptation. For women, in contrast, all lag dummies are negative and significant, with lower well-being after a recent widowhood, although the negative effect gradually depletes over the widowhood's duration. The above results are summarized in [Table 3](#).

### 4. Conclusions

Our results based on Russian data differ markedly from the findings of [Clark et al. \(2008\)](#) based on German data and of [Clark and Georgellis \(2013\)](#) using British data. Overall, with the exception of widowhood among males, we observe little evidence of adaptation. There are at least three possible explanations for this finding: First, culture may matter, and different cultures may adapt to certain life events differently (or at different speeds). Second, economic transition in Eastern Europe appears to have lowered happiness on average, yet does not affect everyone equally ([Lelkes, 2006](#); [Guriev and Zhuravskaya, 2009](#)). It is conceivable that the transition in Russia experienced in past decades may make adaptation to life events more difficult than in "normal circumstances".<sup>2</sup> Finally, we cannot rule out that the meaning of "life satisfaction" in Russian is different than in other languages or cultures. It has been reported, for example, that Russian (as well as German) equivalents of "happiness" and "happy" evoke a rare state, compared to the equivalent English terms, thereby suggesting that many rare conditions need to be met for someone to be happy in Russian cultural contexts ([Wierzbicka, 2004](#)). Such differences in meaning could explain differences in (the rate of) adaptation across countries.

<sup>1</sup> Including those individuals with no event observed within the observation period.

<sup>2</sup> We did conducted an analysis separately for the period 1995–2004 and 2005–2013 and the results show a very similar pattern.

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