

考 試 科 目	專業英文	所 別	社會學系	考 試 時 間	5 月 9 日(六) 第一節
---------	------	-----	------	---------	----------------

The following excerpt came from Jennie E. Brand's article, "The Far-Reaching Impact of Job Loss and Unemployment." (Annual Review of Sociology, 2015, 41:1.1-1.17)

Please read carefully and answer questions (either in English or Chinese) at the end of the excerpt.

#### INTRODUCTION

A central tradition of research in sociology and economics seeks to identify and take account of the processes shaping socioeconomic outcomes, including the mechanisms that affect mobility and define opportunity structures. A notable strand of this research has assessed the extent to which job loss, often accompanied by a period of unemployment, divides the career achievement of workers. With the recent severe economic upheaval came a precipitous increase in attention to the study of job loss and unemployment. Much of this work has understandably focused on economic outcomes, as indicated by employment levels and earnings, but another important body of research has attended to the wider impact of job loss.

A few definitions help fix ideas. Job separation includes both voluntary (worker-initiated job separation or quitting) and involuntary job termination. Job loss is generally understood as indicating involuntary separation that occurs when workers are fired or laid off, where layoffs occur as a result of firms downsizing, restructuring, closing plants, or relocating. Involuntary job loss may also indicate job separation as a result of health conditions. In this case, the separation may be worker initiated but nevertheless be considered to some degree involuntary. Job displacement is a specific form of involuntary job loss that does not include workers being fired or termination for health reasons; it is reserved for involuntary job separation that is the result of economic and business conditions that are largely beyond the control of the individual worker and thus presumably less governed by worker performance. Strict definitions include some period of predisplacement firm-specific tenure, such as three years in the Displaced Worker Survey of the Bureau of Labor Statistics. Some studies on job loss focus attention on involuntary job loss, whereas others focus more specifically on job displacement.....

Individual-level (involuntary) unemployment occurs when individuals are without a job and are actively seeking employment; some definitions allow discouraged workers who have dropped out of the labor force to be counted among the unemployed, or at least among the jobless. Unemployment is one potential consequence of job loss. Job loss is not synonymous with unemployment. A period (at times a prolonged period) of unemployment typically, but not necessarily, accompanies job loss. However, unemployment is not necessarily preceded by job loss, and displaced workers are not generally representative of the unemployed population (Kletzer 1998). Job loss is a discrete event, whereas unemployment is a state, with a great deal of heterogeneity with respect to instigation and duration. Job displacement is more of an exogenous shock than unemployment, or job loss more broadly defined, allowing for better estimates of the consequences of socioeconomic mobility.

.....

備 註	一、作答於試題上者，不予計分。 二、試題請隨卷繳交。
-----	-------------------------------

考 試 科 目	專業英文	所 別	社會學系	考 試 時 間	5 月 9 日 ( 六 ) 第一節
---------	------	-----	------	---------	-------------------

### ESTIMATING EFFECTS OF JOB LOSS

Abrupt changes in socioeconomic conditions provide a sort of natural experiment that offers a stronger basis for inference than the usual practice of examining the covariation of outcomes with socioeconomic status that may arise from a variety of sources over an indeterminate period of time. The study of job displacement thus provides researchers a unique opportunity to assess within individual changes in socioeconomic conditions that are relatively exogenous to individual characteristics. Indeed, scholars often explicitly describe the study of displacement as a way to estimate the causal effects of socioeconomic shocks (Stevens 2014). Nevertheless, the study of displacement does not fully mitigate selection issues, as job loss is clearly conditioned by factors that are also associated with levels of subsequent outcomes. A primary concern in attempting to identify the effects of job loss is the potential presence of unobservable characteristics that affect both worker displacement and subsequent outcomes. That is, we are left with the fundamental question of whether workers who were displaced from jobs have outcomes that are different than they otherwise would have been had they not been displaced. If employers make targeted decisions regarding whom to displace, then relatively less productive workers (e.g., lower levels of motivation, commitment, and ability), workers with physical or mental health issues, and socially inept workers are possibly more likely to lose jobs and have worse economic and social outcomes. Scholars, however, have found few differences across several leading estimators of causal effects (including regression, matching, difference-in-difference, and fixed effects models), suggesting a degree of robustness regarding the nature of the observed associations between displacement and life outcomes in the face of various technical assumptions and model specifications (Brand 2006, Coelli 2011, Stevens & Schaller 2011).

Yet another strategy to deal with possible selection bias is a quasi-experimental strategy that tracks the well-being of workers following a plant closure. When an entire organization closes, it is unlikely that a worker's specific characteristics are responsible for the displacement. Thus, if the results for plant closings and more individualized layoffs are similar, we have a firmer basis for claiming the validity of the effect estimates for the full population of displaced workers. Likewise, job losses occurring during recessionary periods, in which large numbers of individuals lose jobs, may provide better causal estimates of job loss (Stevens 2014). A few caveats about inferences we can make from mass-layoff studies are nevertheless in order. Although such studies make strong claims for having eliminated the influence of selection, plant closure studies are often limited to specific populations (typically blue-collar workers) in specific geographic areas, restricting generalizability to the US workforce as a whole. That is, studies of plant closures ostensibly sacrifice external for internal validity. Some plant closure studies also lack a control group of nondisplaced workers. Additionally, plant closure studies may still be subject to selection bias, as more qualified and adaptive employees may leave the plant upon word of the impending closure. The same can be said for studies of workers displaced during recessions.

Job losses due to layoffs and plant closings, and job loss occurring in different economic contexts, may also

備

註

- 一、作答於試題上者，不予計分。
- 二、試題請隨卷繳交。

考 試 科 目	專業英文	所 別	社會學系	考 試 時 間	5 月 9 日(六) 第一節
---------	------	-----	------	---------	----------------

produce different effects because they are potentially different treatment conditions. In the case of layoffs and job loss during economic expansions, the greater likelihood for discretionary dismissal of employees can call into question competency and character and act as a signal of below-average productivity to the displaced workers, as well as to their families and communities, and to potential employers. If employers interpret layoffs as indications of ineptitude, hiring will be discouraged. The resulting difficulty of laid-off workers to secure suitable reemployment may result in greater long-term economic losses. Economic distress, alongside attribution of job loss to one's own shortcomings, and the stigma of a layoff and resulting strained relations with colleagues, friends, and family members can in turn lead laid-off workers to lower self-esteem, anxiety, and depressive symptoms (Leana & Feldman 1992, Miller & Hoppe 1994). Individually laid-off workers may also lack similarly strained peers to offer a network of support (Brand et al. 2008, Miller & Hoppe 1994). These circumstances contrast with those of job loss due to plant closings and job loss occurring in economic recessions, in which clearly external influences, including the health of the macroeconomy and firms' decisions to restructure or relocate business units, provoke separation. Because such factors are clearly beyond the control of individual employees, plant closings do not involve a negative signal that raises transaction costs for displaced workers. Indeed, workers displaced because of business closings are victims of an event that could befall anyone, and seldom perceive themselves as responsible for the job loss. Thus, such workers may endure lower economic and social-psychological burdens.

### Questions

1. The introduction of the article offers several concepts related to job loss and unemployment. Please explain how these concepts differ from each other and relate to each other. (50%)
2. The article states that "the study of displacement does not fully mitigate selection issues." What selection issues are involved in the estimating effects of job loss? Moreover, what strategies are proposed by the article to mitigate the issue of selection bias? (50%)

備 註	一、作答於試題上者，不予計分。 二、試題請隨卷繳交。
-----	-------------------------------