Project Description

Pocketbook or Principles?
The Conditional Effect of Material Self-Interest and Political Ideology on Welfare State Attitudes

April 27, 2019
Summary

Based on Danish survey and registry data and strong research designs, this PhD project explores how people form attitudes toward the welfare state. Do people rely on stable ideological commitments when evaluating redistributive and social policies? Or do their attitudes stem from their immediate economic interests? I argue that these two rival explanations, dominating past research, are both right and wrong and that neither is sufficient. Whether one motive matters or not, I propose, depends on individual and contextual factors, which increase or decrease the salience of the particular consideration. The project rests upon four empirical studies that test several observational implications of this argument. The overall contributions of the project are two-fold. Theoretically, I rethink and reformulate the relationship between ideology, self-interest, and welfare attitudes, taking account of individual and contextual differences. Empirically, I demonstrate under what conditions self-interest and ideology are major determinants of welfare attitudes, and when they are less important.

1. Introduction

Although the welfare state is, in general, a popular invention, large and stable attitudinal differences exist among subgroups (Andersen, 2008; Page & Shapiro, 1992: 117-171 & 295-303; Gilens, 1999: 27-29; Andersen, 1992; Weeden & Kurzban, 2014: 136-137). Understanding why people disagree and what drives support for the welfare state is important, as we know that public opinion influences the adoption of social and welfare policies (Page & Shapiro, 1983; Wright et al., 1987; Monroe, 1998; Campbell, 2003; though see Gilens, 2012). Hence, getting behind the dynamics that cause public sentiments to wax and wane is essential to understand the evolution of the modern welfare state.

In scholarly work, two competing explanations of welfare attitudes dominate. The first explanation focuses on the material benefits the welfare state provides certain groups with and the costs it imposes on others (Meltzer & Richard, 1981; Iversen & Soskice, 2001; Ansell, 2014; Weeden & Kurzban, 2014). Basically, this self-interest account, emphasizing the redistributive consequences of social and tax policies, expects higher support among net beneficiaries relative to net contributors. On the other hand, support of welfare institutions may be a result of people’s broader political outlook rather than utility-maximizing economic calculations. Accordingly, the ideological or value account (Sears et al., 1979; 1980; Gilens, 1999; Alesina & Glaeser, 2004; Alesina & Angeletos, 2005a; 2005b) explains attitudes toward the welfare state with reference to people’s notions of fairness and deservingness and their left-right orientation.

Within political science, political economy, and political psychology, it is a long-standing debate whether welfare attitudes mostly reflect self-interest or ideology and values. This debate has spawned an extant literature. Whereas early work indicated that the general public does not think about politics in a consistent ideological way but rather act politically based on their financial situation or
group interests (Berelson et al., 1954: 184-185, 194-195 & 197; Campbell et al., 1960: 204-207, 249-251 & 383-384; Converse, 1964; 1970; 1975), this conclusion has since been revised. Consistently across issues such as the economy, taxation, and employment, a large number of studies by Sears and his colleagues (e.g., Sears et al, 1979; 1980; Sears & Citrin, 1982; Sears & Lau, 1983; Sears & Huddy, 1987) found that self-interest typically matters very little, if at all. The exception is when the stakes are high and tangible, but still then, self-interest effects are narrowly tied to the specific issue area (Sears & Funk, 1990). Other studies have confirmed this (Citrin & Green, 1985; Green & Gerken, 1989; Chong et al., 2001; Doherty et al., 2006; Caplan, 2007: 18-19 & 148-151; Mughan, 2007; Lewis-Beck et al., 2008: 197-198; Lynch & Myrskylä, 2009). Instead of materially based political preferences, people hold “symbolic attitudes”, reflecting affective responses rooted in early-life socialization, according to the symbolic politics hypothesis (Sears & Funk, 1990). The value explanation has been supported by other research as well (Feldman, 1988; Feldman & Zaller, 1992; Gilens, 1999; Alesina & Glaeser, 2004; Alesina & La Ferrara, 2005; Alesina & Giuliano, 2009).

However, newer and methodologically more sophisticated studies have questioned the inferiority of self-interest and suggested that self-interest effects may be more widespread indeed (for a recent review, see Margalit, 2019). Holding individual-specific traits, including ideology, constant, experiencing income decreases and especially unemployment boost support for welfare spending and redistribution, as Margalit (2013), Owens & Pedulla (2014), and Martén (2019) show. In economics, scholars have pointed to individual income expectations as an influential predictor of preferences for redistribution. People who are poor today but expect to be rich tomorrow are – all things being equal – more against redistribution than the poor not expecting upward mobility (Piketty, 1995; Bénabou & Ok, 1998; Alesina & La Ferrara, 2005; Alesina & Giuliano, 2009; Alesina et al., 2017; Barfort, 2017; Alt et al., 2018). Furthermore, doubt has been cast as to whether the association between ideology and specific policy attitudes represents a genuine causal effect, since in practice it may be difficult to distinguish the two and establish the causal order (Weeden & Kurzban, 2014: 16-19).

So, in summary, there is no consensus on how self-interest and ideology shape welfare state attitudes, but studies from different fields suggest that both may play a role. However, we should not take these findings for granted, as most of the existing evidence is based on cross-sectional survey data, involving a high risk of biased results. What is more important, prior studies have conceptualized self-interest and ideology as rival explanations, excluding each other. Although with exceptions (see Alesina & Giuliano, 2009), the dichotomy between self-interest and ideology has been predominant in past research, as described above.

It is my claim that it is not fruitful to consider welfare state preferences to be mainly determined...
by one cause. Nor should we expect determinants of welfare attitudes to have the same significance in all circumstances. Instead, I suggest, it is more appropriate to view ideology and self-interest as co-existing potential explanations of welfare state attitudes, whose concrete explanatory power depends on individual as well as contextual factors. As Mansbridge (1990: 11-12) notes:

"[...] motives are usually mixed. [...] What we need to study is when we can expect self-interested motivation, what forms self-interest will take, when we can expect non-self-interest motivation, what forms (both good and bad) it will take, and, crucially, which contexts promote which kinds of motives"

Also, Margalit (2013: 98) acknowledges the plurality of causes to welfare attitudes and recommends scholars to “focus on identifying the conditions and timing under which one form of influence gains relative preeminence over the others”.

Different pieces of evidence illustrate how political behavior often interact with environmental and individual conditions. A lot of political science research suggests that contextual factors and priming events, such as terrorism (Kam & Kinder, 2007; Legewie, 2013) and other kinds of threats (Feldman & Stenner, 1997), activate specific predispositions and motivations (see also Sears & Funk, 1999; Brader et al., 2008). In addition, based on what we know from literature on personality traits and political behavior (e.g., Gerber et al., 2010; Mondak et al., 2010a; 2010b; Dinesen et al., 2014; 2016), there is reason to expect that different types of people vary in their motivation to stick to their principles and in their desire and ability to calculate returns to self-interest. For instance, the trait dimension Conscientiousness could plausibly enhance a principled evaluation of welfare state polices and dampen egocentric considerations. Thus, my central hypothesis is that the effect of self-interest and ideology on attitudes toward the welfare state is conditional on individual and situational moderators. This leads to the main research question of the PhD project:

*How does the influence of self-interest and ideology on welfare state attitudes depend on individual and contextual differences?*

Based on the few studies that have already analyzed the conditional effect of self-interest and ideology, this seems to be a promising avenue. For instance, Sears et al. (1980) find that people who are politically sophisticated are more likely to judge policies based on their symbolic attitudes. And Alt et al. (2018) show that beliefs about the causes of success in life moderate how negative income shocks affect preferences for redistribution. However, apart from sporadic and typically less rigorous tests, no systematic research program has taken up this agenda.
Besides nuancing the relationship between self-interest, ideology, and welfare state attitudes, hopefully, this approach will help reconcile apparently contradictory findings in the literature by clarifying when self-interest and ideology are major determinants of welfare attitudes, and when they are not. I will test my argument in four empirical studies, which will make up the main part of the final dissertation. I describe these below. Before that, I present the theoretical and methodological foundation of the project.

2. Theory

Above, I have sketched out the two main explanations of how people form attitudes toward the welfare state. On top of this, I assume that people are purposive actors with clearly defined preferences for the scope and content of the welfare state. These preferences may stem from their tangible material interests and/or their ideological orientation, but in the end, this is an empirical question. As purposive actors, democratic citizens are expected to pursue their political ends, which should manifest itself at the attitudinal level but also in how they vote. These propositions build loosely on standard political economy models (e.g., Downs, 1957; Buchanan & Tullock, 1962).

To predict when self-interest and ideology matter, and when one motive trumps the other, however, I augment the basic tenets of rational actor models with insights from (political) psychology. It is well-described how most people lack the information and cognitive abilities necessary to efficiently realize their goals as assumed in economic accounts of man (Green & Shapiro, 1994; Shafir & LeBoeuf, 2002; Mullainathan & Thaler, 2015). Instead of perfectly rational behavior, people more often act in a bounded rational way (Simon, 1972; Jones, 1999). As people are constrained in regard to information, attention, and cognition, but still try to do their best, this creates the opportunity for contexts and situations, which increase the salience of specific considerations or guide attention, to importantly affect people’s evaluation of (political) issues and events. Priming and anchoring are prominent examples (Tversky & Kahneman, 1974; Krosnick & Kinder, 1990; Green et al., 1998; Cohn & Maréchal, 2016). Moreover, as evidenced by personality psychology, people differ in temper and personal tendencies. These individual differences influence how people reason and act (Roccas et al., 2002; Sibley & Duckitt, 2008), also in politics (Gerber et al., 2010; Mondak et al., 2010a; 2010b), with potential consequences for how they weigh different considerations.

The bottom line is that there are good reasons to expect individual and contextual variations to influence on what grounds people base their support of the welfare state. In other words, uniform effects of self-interest and ideology should be more the exception than the rule, since personal differences and different situations promote different kinds of political judgment. This will be my working
hypothesis, which I will test from different angles in the four proposed studies.

3. Data and methods

Methodologically, I build on, but also refine, existing approaches to statistically estimate effects of self-interest and ideology. In brief, I will estimate the partial correlation between, on the one hand, measures of economic interest, first and foremost income, and ideological orientation and, on the other hand, attitudes toward redistribution and social benefits – two key features of the welfare state. However, I extend these models by taking account of individual and contextual moderation. I do that in terms of interaction models by utilizing experimental and natural-experimental variation in individual traits and contexts. This allows me to reach sound causal estimates of how effects of self-interest and ideology depend on contextual and individual differences.

As my empirical material, I combine Danish survey and registry data. Survey data are used to tap, primarily, ideological leaning and welfare attitudes. I use three sources of survey data: (a) Five rounds of the Danish National Election Studies (DNES) (Valgundersøgelserne) (see Study 2 below). I have already got these data from the Danish National Archives; (b) the Danish Social and Political Attitudes Survey (SPAPS), which is a panel dataset based on a follow-up survey of respondents interviewed in round 1, 2, and 4 of The European Social Survey (ESS) (see Study 1 and 3). The data owners Peter Thisted Dinesen and Kim Mannemar Sønderskov have permitted me to use the data (see the attached declaration); and (c) a survey experiment, which I will design myself and have conducted by a survey institute (see Study 4). I will finance the survey experiment by applying for external funding (see also the attached budget).

As a crucial part of the ESS, the Danish respondents are sampled using the Danish Civil Registration System (CPR) (Pedersen, 2011), allowing me to link survey information on ideology, welfare state attitudes, etc. with registry data from Statistics Denmark. Combining survey and registry data has a number of advantages. First, the Danish registries contain up-to-date and reliable administrative data (Ministry for IT and Research, 2001: 12-13; Mortensen, 2004; Thygesen & Ersbøll, 2011). As such, they provide an alternative source of very detailed information about income, social benefit receipt, etc. that is less prone to measurement error than survey data. Since income is a central variable measuring self-interest in several of the proposed studies, and it is well-known that survey answers about earnings are typically unreliable (Hariri & Lassen, 2017), I will rely on registry data to the extent possible.

The second reason why registry data give added value is that the registries contain information that is incompletely covered by the surveys. Although questions about income are standard in most
surveys, a large proportion of respondents does not answer these questions (Riphahn & Serfling, 2002; Frick & Grabka, 2007). Furthermore, there is a lot of relevant questions that the surveys do not ask, which applies to many of the contextual variables used in this project. In contrast, the registries contain population-wide information on a wealth of different dimensions, also back in time, making attrition and non-response less of a concern (Ministry of IT and Research, 2001: 13). Therefore, to sum up, linking survey data on political attitudes with registry data on “hard” individual and contextual measures constitutes a near-ideal setup for studying the questions asked in this project and is a huge advantage compared to most existing studies.

To identify and estimate causal effects, I will rely on a range of advanced quantitative research designs that are well suited to answer questions of cause and effect. Besides the survey experiment mentioned above, these designs include regression discontinuity, difference-in-difference, and fixed effects estimation (see the next section). These experimental and natural-experimental designs will help establish a credible causal claim about how the effect of self-interest and ideology is moderated by individual and contextual factors (Angrist & Pischke, 2009; 2010; Sniderman, 2011; Samii, 2016).

4. The four proposed studies

In this section, I briefly outline the four empirical investigations that I plan to carry out as part of answering the research question. The first two studies examine contextual moderators of self-interest and ideology, respectively, drawing on anchoring and priming theory. The third study analyzes the role of personality in forming people’s tendency to evaluate welfare policies on either self-interested or ideological grounds. In the last study, I dig further into how ideology and self-interest interact when social desirability bias may be a concern.

Study 1: The Comparative Nature of Self-Interest: Anchoring Egocentric Evaluations of Redistribution and Social Spending

A well-studied phenomenon in psychology is the anchoring effect by which judgments and evaluations are disproportionately affected by some prior information (Tversky & Kahneman, 1974). This cognitive heuristic has been demonstrated in a range of different domains (Furnham & Boo, 2011). A related phenomenon is a tendency for people to use reference points or comparisons when making sense of performance information (Boyce et al, 2010; Hansen et al., 2015; Olsen, 2017). Based on these pieces of work, I speculate that support of welfare policies does not only depend on people’s own material circumstances but also on how relevant others perform. Specifically, I expect people’s evaluations of their economic well-being and thus their self-interest vis-à-vis the welfare state to be relative
and anchored to the economic fortune of salient social reference points. Being better off financially reduces support for redistribution and social policies, but less so if others experience the same income gains, and more so if the income of others falls.

To measure attitudes toward the welfare state, I rely on five questions from the SPAPS that cover attitudes toward both redistribution and social benefits, allowing a comprehensive test of the hypotheses. I link the survey data with registry data on income and other individual characteristics. I use two variables of referent group income: One defined geographically as the average income of people in the same neighborhood, and the other defined in social terms as the average income of people belonging to the same socio-economic group. I analyze the data by first-difference models with interaction terms for referent group income, equivalent to a difference-in-difference design. Due to the panel structure of the data, this setup makes the results less prone to endogeneity, especially self-selection bias and omitted variable bias, compared to cross-sectional analyses of pure survey data.

**Study 2: Triggering Ideological Thinking: How Local Politics Primed Ideological Reactions to the Welfare State**

Political scientists studying priming have shown how especially media and campaigns can influence how politicians and policies are discussed and evaluated (Zaller, 1992; Krosnick & Kinder, 1990; Sears & Funk, 1999; Scheufele, 2000). However, priming can also work in a more subtle way. For instance, specific focusing events can work as situational triggers of deep-seated individual predispositions, such as ethnocentrism (Kam & Kinder, 2007), authoritarianism (Feldman & Stenner, 1997), and anxiety (Huddy et al., 2005; Brader et al., 2008). In this study, I draw on these insights when examining how the local political context activates ideological predispositions. Specifically, using the ideological leaning of Danish mayors as a natural experiment, I study how being in ideological opposition at the local level increases the tendency to base support of welfare policies and voting in national elections on your ideological orientation. My hypothesis is that living in a municipality where the ruling mayor belongs to the opposite pole of the left-right continuum compared to yourself makes you more aware of your own ideological leaning, causing ideology to have a stronger effect on welfare state attitudes and voting.

Methodologically, I use a fuzzy regression discontinuity design that utilizes the quasi-random variation in outcomes of Danish municipal elections. I focus on local elections in which one or the other side won the majority by a small margin to get a causal estimate of how living under conflicting political rule influences the effect of ideology. I use the five rounds of the DNES that contain both relevant measures of ideology, welfare attitudes, and voting, and information about home municipality
Study 3: Personality and Motivations to Approve the Welfare State: Evidence of Heterogenous Effects of Self-Interest and Ideology

An increasing amount of evidence illustrates the relevance of stable personality structures for political attitudes and political behavior (e.g., Schoen & Schumann, 2007; Jost et al., 2009; Gerber et al., 2010; Mondak et al., 2010a; 2010b). However, what is missing is research linking personality to how people weigh different political considerations, including ideology and self-interest. In this study, drawing on the Big Five Model of personality and insights from the personality literature, I attempt to explain systematic individual differences in people’s propensity to rely on ideology and self-interest when expressing support of the welfare state. Among other things, I expect the traits Conscientiousness and Openness to Experience to increase the influence of ideology and decrease the effect of self-interest. Conscientious people are dutiful and organized, which may promote a principled evaluation of welfare policies at the expense of narrow self-interest. People scoring high on Openness to Experience are described as creative and philosophical, plausibly enhancing abstract as opposed to particularistic thinking.

I rely on the SPAPS for measures of welfare state attitudes and ideology. Fortunately, the follow-up survey also contains a serial of questions measuring personality. I link the survey data to data on income and other individual characteristics from the registries and estimate a number of fixed effects and random effects model, testing the moderating effect of personality using interaction terms. The fact that personality is partly a product of exogenous biological differences reduces concerns that any moderating effect of personality is due to unobservables (Mondak et al., 2010a: 89-90).

Study 4: The Social Desirability Bias of Self-Interest and Ideology: Revealing Hidden Tax Preferences

In the final study, I investigate whether survey-based analyses of associations between self-interest, ideology, and attitudes toward redistribution may suffer from social desirability bias (SDB). SDB – the tendency to provide socially acceptable answers to sensible questions – is a well-known phenomenon in survey research (e.g., Holbrook & Krosnick, 2010; Janus, 2010). Expressing redistributive preferences reflecting economic self-interest could be prone to the same kind of bias. Acting out of purely selfish motives may result in social stigmatization and exclusion, as it signals non-cooperative behavior.
Thus, people are likely to pretend that they are generous and altruistic, even when they are not (Weeden & Kurzban, 2014: 49-60; Green & Cowden, 1992). Whereas survey data plausible understates the effect of self-interest, the effect of ideology could, on the other hand, be overstated. As a democratic ideal, citizens are expected to possess coherent and well-informed attitudes (Dahl, 1989: 111-112; Berelson et al., 1954: 308-309). Hence, when considering redistribution, people may pretend to have consistent and principled views, inflating correlations between ideology and welfare attitudes. Furthermore, I expect the stated redistributive preferences to depend on whether your ideology and self-interest align or conflict. When the two conflict, group-specific norms and peer pressure could increase the tendency to present yourself in a socially desirable way, that is, delivering ideologically conformist answers. When ideology and self-interest align, people’s stated preferences and their actual ones should be more closely connected.

I test these predictions within a framework suitable to estimate SDB: the List Experiment. The control group is asked to indicate how many out of three balanced statements they disagree with. The treatment group evaluates the same statements as well as one about redistribution. Comparing the average number of disagreed statements in the two groups gives an unbiased and unobtrusive estimate of redistributive preferences. Asking the control group directly whether it supports redistribution allows me to construct a measure of SDB. To evaluate the hypotheses, the survey experiment will also contain questions about income, ideology, and relevant background characteristics.

5. Practicalities: Supervisor and connection to the department

I prefer having professor Peter Thisted Dinesen supervising the project. Dinesen has conducted research on personal experiences, neighborhood effects, personality, and priming (Dinesen, 2012; Dinesen et al., 2014; 2016; Dinesen & Sønderskov, 2015; Larsen et al., 2019), which are highly relevant for this project. In the capacity of an experienced quantitative scholar, Dinesen is also the right one to guide me methodologically. He has agreed to supervise the project.

The project also fits well with the Department of Political Science more generally. It has obvious links to work on opinion formation and political behavior done in relation to the research group on Democratic Politics as well as Centre for Voting and Parties. Although in the subfield of public administration, Asmus Leth Olsen is already engaged in research drawing on psychological theory (e.g., Olsen, 2017). Together with Frederik Georg Hjorth, he has recently conducted research on self-interest and fairness in the context of (dis)honesty (Barfort et al., 2018; Olsen et al., 2018). More broadly, the project will contribute to the community of quantitative researchers at the department, including people such as Kasper Møller Hansen, Peter Kurrild-Klitgaard, and Jacob Gerner Hariri.
The project also opens up for cross-disciplinary collaboration, as several researchers at the Department of Economics, for example, David Dreyer Lassen, do research on political economy and redistributive preferences.

6. Academic qualifications

My educational background and professional experiences make me a highly qualified PhD scholar (see the attached CV and diploma). First, as a political scientist specialized in political behavior and advanced quantitative methods, I am well-versed in the relevant theories and methods underlying the project. In the courses *Political Behavior*, *Immigration and Political Behavior*, and *Behavioral Public Administration*, I familiarized myself with research on self-interest, values, priming, anchoring, and personality. In the courses *Advanced Quantitative Methods in the Study of Political Behavior* and *Impact Evaluation*, I developed specialized knowledge about techniques such as regression discontinuity and fixed effects as well as experimental research, which I have used at several occasions at the university and professionally. Both my bachelor’s and master’s thesis were about economic voting, which is situated within political economy, and both relied on advanced statistical modeling. They were both awarded the grade 12 (A), and, in addition, my bachelor’s thesis was selected as the best political science bachelor’s thesis at the University of Copenhagen 2016 by McKinsey & Company. In general, I have demonstrated excellent academic skills, as my grade point averages (GPAs) illustrate. At the bachelor’s level, I achieved a GPA of 11.3, and the GPA of my master’s degree is 12.

Second, I have hands-on experiences analyzing survey and registry data. Working currently as a research assistant at the Danish Center for Social Science Research (VIVE), I work daily with Danish registry data. Thus, I am already familiar with most of the registries relevant for this project. As a former intern and student assistant at the survey institute Epinion, I have practical knowledge about how to design surveys and analyze survey data as well as connections to the industry. This will help me when working with survey data on my own and, especially, when planning and analyzing the survey experiment as part of Study 4.

7. References


