Welfare Attitudes

Outline

- Review of Welfare Policies
- Discussion of Svallfors' methodology and the relationship between attitudes and policies
- My criticism of Svallfors' Swedish article for the Swedish case and showing my alternative results
- Discussion of the CR

Methodological purpose

- Review of Cronbach alfa and factor analysis
- Review of regression
- Brief introduction of Structural Equation Modelling
- Showing that we can get different results using different methods and different definitions

Some Basics on Welfare Policies

- Liberal= means testing, selective, low levels of support, leads to stigmatization
- Social democratic=universal, social citizenship, have right to benefits because of being a citizen
- Conservative= conserving already existing hierarchies, favoring some groups over others, traditional family roles

Dynamics

- Which countries belong to each group?
- Means-tested policies lead to stigmatization, so are less popular even within social democratic countries
- Universal policies benefit the middle class so have great support even within liberal countries (national health service in the UK, social security in the USA)
- It is more difficult to make cutbacks (i.e. Retrenchment) in conservative and social democratic countries than in liberal ones

Individual level dynamics

- With data bases can examine which groups of people are more likely to support welfare policies and which are more likely to oppose them
- We can also create scales to measure support for welfare policies
- Svallfors from Umeå in Sweden is one of the most important social scientists writing about this, so I naturally wrote an article criticizing him

Svalfors measurement of welfare support

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Table 1. *Attitudes to redistribution in eight nations. Percentage agreeing with certain propositions*

	Swe	Nor	Ger	Aut	Aus	NZ	Can	USA
It is the responsibility of the government to reduce the differences between people with high incomes and those with low incomes	53.7	60.0	65.5	69.5	42.6	53.1	47.9	38.3
The government should provide a job for everyone who wants one	74.1	78.3	66.3	72.1	39.4	49.1	40.1	47.1
The government should provide everyone with a guaranteed basic income	45.5	78.4	58.1	51.2	50.9	60.5	48.6	34.2

Table 2. *Index distributions*

	Swe	Nor	Ger	Aut	Aus	NZ	Can	USA
Government index								
Mean	4.00	4.71	4.21	4.29	3.26	3.73	3.24	2.86
Standard deviation	1.83	1.66	1.96	1.71	2.10	2.01	2.18	2.29
Cronbach's alpha	0.63	0.64	0.70	0.52	0.70	0.63	0.73	0.79

Source: ISSP92

Qustions about the scale

- Why did Svallfors think it was better to use a scale than only one question?
- Why did he create the same scale for all countries?
- Why not just choose questions that one thinks measure welfare support rather than use statistical methods like Cronbach alfa?

Interpretation

- Three questions scaled well, so were included
- Cronbach alfa used
- .7 is a good score for Cronbach alfa, most countries slightly below, Austria not reliable
- Norwegians most supportive (highest means)
- Scale 1-6, where 6 is highest
- Americans least supportive (lowest means)
- Conservative countries as supportive as social democratic
- Radical-liberal more positive than truly liberal
- No relation to policies and attitudes (he discusses this more in other articles)
- Thus, institutions more important than attitudes.

Independent Variables

- Class
- Gender
- Unemployed, Retired, employed, not in labor force (= Receiver of benefits)
- Working in the public sector (other articles)
- Receiver of benefits (other articles)
- Income (other articles)

Table 4. *Structural determinants and government index: multiple regression (OLS) unstandardized regression coefficients*

	Norway	Germany	Australia	USA
Gender (men=0)	0.61***	0.54***	0.24*	0.61***
Skilled worker	0.11	0.36**	0.11	−0.17
Routine non-manual	−0.21	−0.17	−0.41**	−0.78***
Service class II	−0.68***	−0.44***	−0.53**	−1.27***
Service class I	−1.29***	−1.13***	−1.04***	−1.66***
Self-employed	−0.25	−0.19	−0.78***	−0.92***
Unskilled worker (Reference category)				
Unemployed	0.75***	0.71**	0.37	0.35
Retired	0.27*	0.01	0.09	−0.33
Others not in labour force	−0.06	0.20	0.10	0.09
Employed (Reference category)				
Constant	*4.68***	*3.96***	*3.47***	*3.28***
R^2	12.4%	5.7%	3.8%	9.3%

Levels of significance: ***=T-value significant at 0.001 level; **=0.01 level; *=0.05 level.

Interpreting the multiple regression

- Gender significant for each country
- What do the stars (*) mean?
- How do you interpret this?
- Class: some groups are significant, some are not
- Problem in classification of class – cannot be single variable with this method
- Why is class negative?
- Which variables are not important?

Interpreting R^2

- Not usual to write in % but rather .124
- What does it mean?
- Is the explanatory value of these models strong or weak?

Svallfors article in Swedish

- one-dimensional scale
- More independent variables
- Mostly questions on responsibility
- Concludes that differences in attitudes not related to policies (except for ”truly liberal USA)
- Institutional differences more important

Questions on government spending

	Sweden (n=1238)	Germany (West) (n=2361)	USA (n=1332)	GB (989)
1. INCREASED GOVERNMENT SPENDING				
v31: % agreeing that: *the government should spend "much more" or "more" on unemployment benefits.* **(spunemp)**	**42.7%**	28.8%	28.3%	35.9%
v30: % agreeing that: *the government should spend "much more" or "more" on old age pensions.* **(sppension)**	56.9%	44.4%	50.8%	80.0%
v28: % agreeing that: *the government should spend "much more" or "more" on education.* **(spedu)**	58.8%	51.2%	77.3%	84.5%
v26: % agreeing that: *the government should spend "much more" or "more" on health.* **(sphealth)**	76.6%	53.8%	67.5%	91.5%

Interpreting government spending

- Respondents from GB most positive
- During Thatcher era they felt that spending should be increased
- Lower starting point than in Sweden
- Still does not say what kind of policies people would like (universal, selected, means-tested, etc.)
- Outcome depends on starting point
- Sweden in 1st or 2nd place except for eduction
- In the USA long tradition of publicly financed public education. The first country with free public schools.

Questions on government responsibility

	Sweden (n=1238)	Germany (West) (n=2361)	USA (n=1332)	GB (989)
2. GOVERNMENTAL RESPONSIBILITY				
v20: % *"strongly in favor of" or "in favor of" government financing of projects to create new jobs.* **(job)**	69.3%	79.0%	73.7%	85.3%
v44: *On the whole, do you think it should be or should not be the government's responsibility to provide decent housing for those who can't afford it?* % answering "definitely should be" or "probably should be." **(RHOUSE)**	81.8%	77.9%	67%	88.6%
v38: *On the whole, do you think it should be or should not be the government's responsibility to provide health care for the sick?* % answering "definitely should be" or "probably should be." **(RHEALTH)**	96.2%	96.6%	84.6%	98.6
v39: *On the whole, do you think it should be or should not be the government's responsibility to provide a decent standard of living for the old?* % answering "definitely should be" or "probably should be." **(LVSOLD)**	97.7%	96%	86.7%	98.2%
v41: *On the whole, do you think it should be or should not be the government's responsibility to provide a decent standard of living for the unemployed?* % answering "definitely should be" or "probably should be." **(LIVUNEMP)**	**90.3%**	80.4%	47.7%	78.7%
v43: *On the whole, do you think it should be or should not be the government's responsibility to provide a decent standard of living to university students from low-income families?* % answering "definitely should be" or "probably should be." **(RESPSTU)**	79.1%	87%	85.3%	90.1%
v36: *On the whole, do you think it should be or should not be the government's responsibility to provide a job for everyone who wants one?* % answering "definitely should be" or "probably should be." **(RJOBS)**	65.1%	74.6%	39.4%	69.4%

Intepreting government responsbility

- Again the USA is the outlayer
- No big difference among the other countries
- Problems in interpreting ”responsibility”
- The government could be ”responsible” for healthcare by providing it (national health service) or by regulating it (liberal alternative) or by providing a publicly supporting health insurance (conservative alternative)
- Even in the USA high support for aid to the elderly (social security is a universal program) but low support to providing jobs for unemployed (selective program)

Income equality

	Sweden (n=1238)	Germany (West) (n=2361)	USA (n=1332)	GB (989)
3. INCOME EQUALITY				
v16: % *"Agree strongly" or "Agree" that it is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes.* **(REDISTR)**	**59.6%**	49.4%	32.6%	54.0%
v17: % *"strongly in favor of" or "in favor of" control of wages by law.* **(wagecon)**	28.3%	27.2%	28.2%	38.3%
v18: % *"strongly in favor of" or "in favor of" control of prices by law.* **(PRICECON)**	**58%**	50.4%	34.9%	52.0%
v19: % *"strongly against" or "against" cuts in government spending* **(cuts)**	20.4%	4.2%	5.9%	26.8%
v57: % *describing taxes in respondent's country as generally being "too low or "much too low" for those with high incomes.* **(taxhi)**	**62.4%**	53.0%	38.8%	47.6%

Svallfors does not look at questions on equality, but provides another dimension

- Sweden stands out more
- One exception is cuts in government spending, in which GB is slightly higher because of Thatcher
- The other exception is wage control, because in Sweden the unions are strong and do not want governmental intervention in the wage sector
- But neither of these two questions scale well, so not included in the scale of supporting equality

The importance of the equality dimension

- People in other European countries also want generous social policies
- But Swedes see equality in itself as a positive goal
- Swedes are also willing to pay taxes for financing generous social policies
- This cultural factor makes it more difficult to cutback on social programs in Sweden and makes it easier to gain support for financing expansions of social programs

Svallfors model using SEM program

Table 3: Regression Models of Welfare Attitudes in Sweden Using Svallfors' Measurement Model for Welfare Attitudes
(standardized coefficients in parentheses)

INDEPENDENT VARIABLES EXPLAINING PRO-WELFARE ATTITUDES	1) Svallfors' 1999 Regression Model (Diagram 3)	2) Svallfors' 1999 statistics including independent variables from Svallfors 1993, 1995 and 1997 studies	3) Svallfors 1999 statistics including statistically significant variables from his previous studies
a) Class according to the Erikson-Goldthrope definition	-.09 *** (-.83)	-.07*** (-.64)	-.07 *** (-.64)
b) gender (female=1)	.10*** (.27)	not significant	
c) public employee (yes=1)		.10** (.27)	.10** (.27)
d) receiver of welfare (pensioned or unemployed =1)	.21*** (.49)	.15 *** (.33)	.15*** (.33)
e) income (level 1-8)		-.07*** (-.64)	-.07*** (-.64)
Test Statistics			
chi-square	615.660	1135.900	873.661
df	44	65	54
p-value	.000	.000	.000
GFI (should be >.9)	.908	.866	.888
AGFI (should be >.9)	.863	.813	.838
RMSEA (should be < .08)	.104	.118	.111
Explained variance of PRO-WELFARE ATTITUDES	.14	.16	.16

**= significant at the .01 level. *= .05 significant at the level. All other coefficients are significant at the .001 level unless labeled insignificant

Improvements on Svallfors with SEM

- I create a two-dimensional model for measuring welfare support (using CONFIRMATORY factor analysis)
- With CFA we begin with theory, with Exploratory we begin with data
- Factor 1=big public sector
- Factor 2=equality
- By doing this the explained variance (R^2) increases from 14-16% to 24% (in the English article R^2 was only 3-12%)
- The model is more parsimonious as gender is no longer significant and receiver can be eliminated as the model makes a closer fit without it
- We see that women are more supportive of welfare policies because they are more likely to be employed in the public sector, not because they are inherently more leftwing or more likely to receive benefits
- These are models 1 and 2 below

The SEM Regression Table

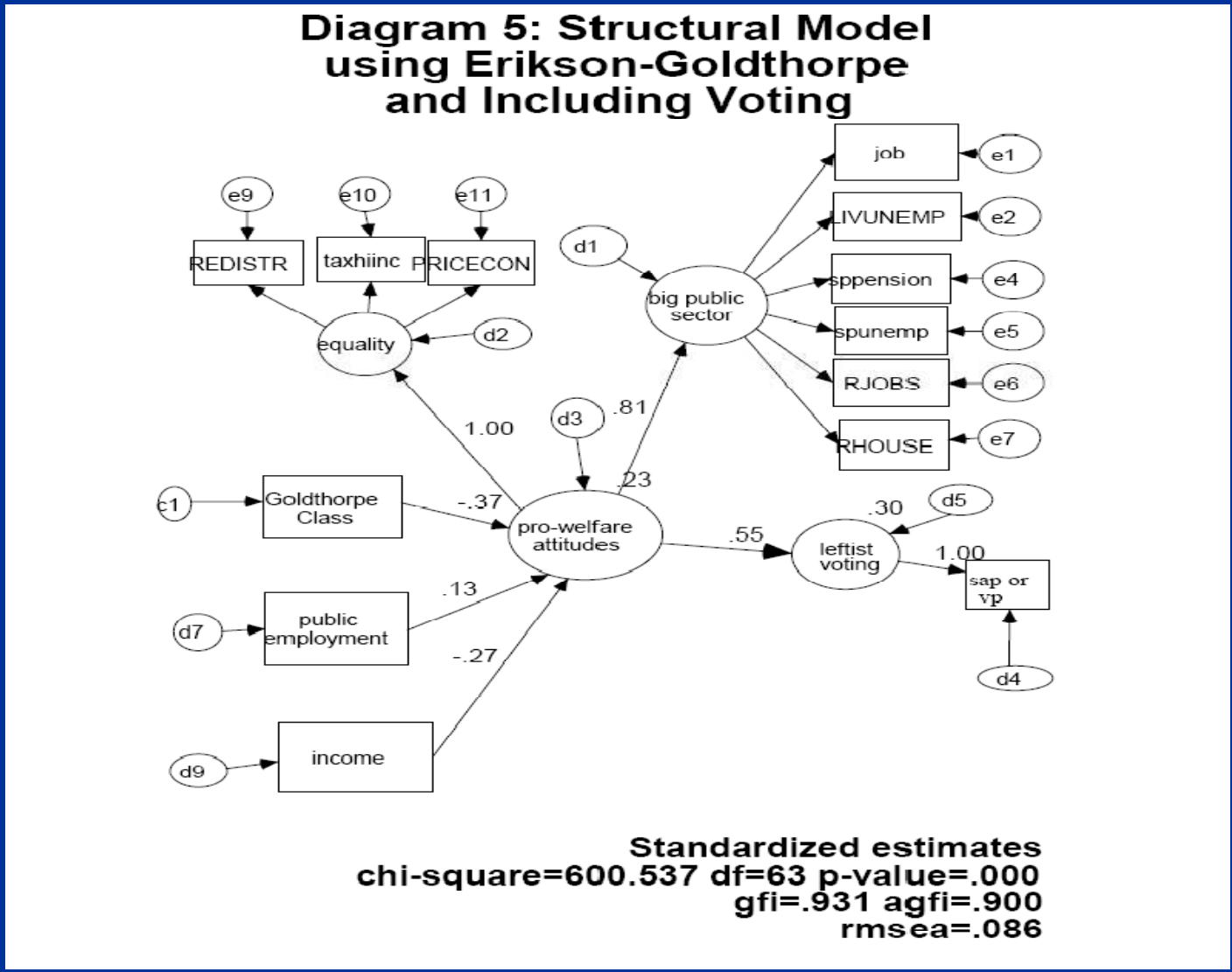
Table 4: Structural Models of Support for Welfare in Sweden
(standardized coefficients in parentheses)

	1) Full SEM model using Erikson-Goldthrope (Diagram 4)	2) Close-fit SEM model using Erikson-Goldthrope	3) Close-fit SEM model using Marx (Diagram 5)	4) Close-fit SEM model using Erikson-Goldthrope including voting (diagram 6)	5) Close-fit SEM model using Marx including voting
Indicators of CLASS					
a) own class (Goldthorpe definition for models 1, 2, 4 and Marxian definition for models 3 & 5)	fixed	fixed	1.30*** (.55)	fixed	1.36*** (.56)
b) spouse's class (Marxian definition 1-3)			fixed (.48)		fixed (.47)
Determinants of PRO-WELFARE ATTITUDES					
a) class	-.18*** (-.35)	-.18 *** (-.35)	1.79*** (-.54)	-.20 *** (-.37)	-2.03*** (-.58)
b) public employment (job in public sector =1)	.23*** (.13)	.22*** (.12)	.21*** (.12)	.23*** (.13)	.22*** (.12)
c) receiver (pensioned or unemployed =1)	.18*** (.09)		excluded +		
d) income (1-8)	-.16*** (-.30)	-.17*** (-.32)	-.19*** (-.37)	-.15 *** (-.27)	-.18*** (-.33)
e) gender (female=1)	not sign.		excluded+		
Determinants of LEFTIST VOTING					
a) pro-welfare attitudes (second order factor measured in EQUALITY and BIG GOVERNMENT)				.30*** (.55)	.30*** (.56)
Test Statistics					
Chi-square	894.252	519.777	452.133	600.537	566.987
Df	75	52	62	63	74
p-value	.000	.000	.000	.000	.000
GFI (should be >.9)	.904	.935	.945	.931	.939
AGFI (should be >.9)	.865	.903	.920	.900	.913
RMSEA (should be <.08)	.096	.087	.073	.086	.075
Explained variance of PRO-WELFARE ATTITUDES	.24	.24	.44	.23	.46

Adding Marx

- Instead of the 7-scale Goldthorpe measurement, I used a 3-scale Marxian
- Working Class, Professional, Capitalist
- I included the class of each respondent's partner
- This almost doubles the explained variance
- See model 3

Adding the connection between attitudes and voting



Intepreting the addition of voting

- Models 4 and 5
- We see that welfare attitudes are highly correlated with voting
- Those who are support generous welfare policies are more likely to vote for leftist parties
- With SEM we can see the connection between structural factors, attitudes and voting

Comparing Sweden to the CR

TABLE 3. Support for welfare (listing of the latent variables)

	Sweden		*Czech Republic*	
	Full Model	*Modified Model*	*Full Model (n = 1098)*	*Modified Model (n = 916)*
Influence of CLASS on PRO-WELFARE ATTITUDES (CLASS is measured by own occupation and spouse's occupation)				
standardized coefficient	−0.45	−0.64	−0.04	
unstandardized coefficient	−1.44*	−2.13*	−0.01	
std. Error	0.22	0.27	0.01	
Influence of INCOME on PRO-WELFARE ATTITUDES				
standardized coefficient	−0.28		−0.33	−0.43
unstandardized coefficient	−0.14*		−0.04*	−0.07*
std. Error	0.02		0.01	0.01
Influence of EDUCATIONAL LEVEL on PRO-WELFARE ATTITUDES				
standardized coefficient	−0.31		−0.27	
unstandardized coefficient	−0.19*		−0.06*	
std. Error	0.02		0.01	
Influence of PRO-WELFARE ATTITUDES on VOTING (Left-voting = 1)				
standardized coefficient	0.53	0.58	0.28	0.30
unstandardized coefficient	0.30*	0.31*	0.50*	0.39*
std. Error	0.02	0.02	0.07	0.07
Model fit indices				
chi-square	397.969	75.236	425.509	36.067
df	32	17	34	12
P value	0.000	0.000	0.000	0.000
GFI	0.936	0.985	0.930	0.989
AGFI	0.891	0.968	0.886	0.975
RMSEA	0.097	0.053[a]	0.102	0.047
AIC	443.969	72.000	467.509	68.067
P-close	0.000	0.308[a]	0.000	0.586

* = significant at .001 level. For the CR, EQUALITY was set to equal 1 as well as BIG PUBLIC SECTOR in order to not have standard coefficients greater than 1.

[a]Note: if AMOS' missing variable function is used, then RMSEA becomes 0.045 and P-close becomes 0.744. However, the GFI AND AGFI cannot be calculated.

Intepretation

- Class important in Sweden
- In the CR classes were in flux, so people did not know their class interests
- But income was very important
- Social policies more important for Swedish voters than Czech
- In CR people could support generous welfare policies and still vote for Klaus (charismatic)
- Anti-communist feelings more important than social policies
- Thus, many authors were wrong about Czech politics being class-based and revolving around economic issues

Summary

- Using factor analysis we see that welfare has an equality dimension
- Suddenly culture matters: Swedes have a culture supporting equality and are willing to pay higher taxes to support welfare
- People in other countries like benefits, but do not like paying for them
- The Marxian definiation of class better explains attitudes
- With SEM we can examin the relationship between attitudes and behavior
- SEM also showed that working in the public sector explains women´s greater support for welfare policies
- Comparing Sweden to the CR shows that class was not important as previous authors stated and parties do not necessarily compete based on economic issues