István György Tóth – Tamás Keller: Income distribution, inequality perception and redistributive claims in European societies

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VERY FIRST DRAFT, DO NOT QUOTE PLEASE…

Abstract

While it would be hard to establish a direct link between the extent of measured/estimated aggregate income distribution on the one hand and the demand for redistribution on the other hand, some relationship exists. Also, estimates of inequality and of relative poverty do correspond to the level of frustration measured by opinions about "too high" inequalities and with preferences for redistribution. The paper (using – primarily – LIS data on aggregate income inequalities and – primarily – Eurobarometer data for attitudes) analyse the nature of this link for a set of European countries. Tests for the role of inequality attitudes, together with other perceptional factors in diverting the "demand for redistribution" from the expected socio-economic status gradient are presented. The results can contribute to a better understanding of the apparent failure of predictions developed in the frame of the median voter theorem.

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I. Introduction

This paper is a report on work in progress about understanding more on preferences for redistribution in European countries. Policies of redistribution are increasingly challenged most recently, under the conditions of the economic crisis. While various governments need to face challenges of increased budget deficits, they also need to communicate the questions of sustainability of their welfare systems to their electorate. For the assessment of the chances of this attempt a more comprehensive understanding of people's attitude is crucial.

There are a number of theoretical suggestions about dynamics of the relationship between inequalities, popular welfare attitudes and redistributive policies. A major proposition, that of the so-called Meltzer- Richards paradigm (which applies the median voter theorem on redistributive policies), asserts that a larger level of inequalities in a certain country will predict larger level of redistribution since low income citizens outvote those above average incomes. This, however, empirically, does not always hold. In our paper we join those trying to refine the predictions via a more detailed understanding of the structure of redistributive preferences.

Section 2 puts our attempts into a theoretical contexts, specifies the frame of reference for the empirical analysis. Section 3 describes data and the models applied. Section 4 is about the relationship between macro level income inequalities, their perceptions and the approval rates for various redistributive policies. Section 5 provides analyses on what social cleavages exist in terms of redistributive preference. In section 6 we present a multivariate analysis of the redistributive attitudes. Section 7 concludes.

II. Research questions

As Meltzer and Richard, (1981, from now on: MR) suggest, larger level of inequality can lead to larger demand for redistribution. As their argument goes, if inequality is defined by the distance

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[2] Available at http://www.lisproject.org/key-figures/key-figures.htm, as of 2010-06-19.

between the median and the average incomes when individuals differ in their productivity, hence in their incomes and the median voter is the same as the person with median incomes, under assumptions of self interest she would certainly prefer bigger redistribution (higher taxes) than a person having an income above the median. This would imply higher level of redistribution in countries with larger inequalities. However, as it is shown by empirical tests (reviewed recently by Borck 2007), the evidence is very mixed in this respect, to say the least.

To find out potential reasons behind, a number of studies have made attempts (general accounts on various aspects are provided in Alesina and Giuliano, 2009, Kenworthy et al, 2007, Keely, Tan, 2007, Lupu and Pontusson, 2009, Senik, 2009). To evaluate their results, however, some useful distinctions can be offered here. From the fact that there is no strong correlation between overall (country level) pre-tax and transfer (!) inequality and to an (observed) level of overall redistribution, it does not follow that the overall frame is not useful for understanding the demand for redistribution. To explore on this, we offer distinguishing between the following questions:

1: *is there a negative correlation between actual income situation of the respondent and his/her taste for redistribution?* In other words: will individual position in the overall income rank predict redistributive preferences reasonably well? This can be tested via correlates of income and redistributive preference, from microdata. Should there be a significant negative correlation, we can conclude that higher income people prefer less redistribution and lower income people would prefer higher levels of redistribution. We call these factors for further use in this paper **„material self interest"**. Within this grouping, however, it is not only income or a stock of wealth that matters from the point of view of the respondents but also their labour market (class) position – since it also reflects/proxies differential reliance on benefits/provisions received from state. Clearly, one can expect different level of pro-state attitudes from permanent employees, the self-employed and from those relying on permanent incomes from various state welfare provisions.

2: As in many studies it is suggested that correlation linking material position and welfare attitudes is rather weak, a second question emerges: *what explains that relatively rich (with above median incomes) people may have a taste for redistribution, while others with low (below median) incomes may not particularly like the idea of large levels of redistribution?*

2.1: To account for these differences, some suggestions remain in the frame of the assumptions of rational, self-interested individuals. It might, for example, easily happen that below median voters have positive expectations about the likely improvement of their situations (and their chances to raise above the median) in the future. Bénabou and Ok (2001) developed a formal model of the relationship between redistributive claims and the prospect for upward mobility (they call it POUM model). As they argue, there might be low (below median) income persons refusing redistribution

if they expect improvements in their positions while some of the currently rich (or at least some of those above the median), if facing challenges of income deteriorations may insist on keeping redistribution arrangements in place. There might, however, be a mixture of motivations behind the POUM hypothesis. People may expect absolute income gains in the future and they may equally expect relative gains as compared to others. Both of these expectations may result in an acceptance of more redistribution. Tests of these hypotheses have shown positive results. Ravallion and Lokshin (2000), for example, found that a very high proportion of Russians in 1996 favoured redistribution, including some of the rich. Alesina and La Ferrara (2005) stress the importance of actual (as estimated on the basis of long term panel studies) social mobility as a source of deviation from the predictions based on actual income position of the respondents (voters). We call these subjective variables **„expectations"** in our analysis.

2.2. Further, the complex nature of human motivations in these public policy issues may be another source for the deviations. Human conduct may, in addition to pecuniary motives, be driven by preferences embedded in the general value systems people endorse. On the one hand, egalitarian attitudes lead to a critique of the reward system of market economies and a preference for redistribution to correct for these failures will be formed. Also, systems with strong egalitarian features may be criticized by the actors involved as those putting too little stress on merit-related rewards. Or, to put it differently, in certain regimes (like in transition countries experiencing a move from communism to a capitalistic social order) the moral authority of the free market may form the base for inequality evaluations (Kelley any Zagorski, 2004). Corneo and Grüner (2002) and Fong (2001), based on ISSP data find that in addition to pecuniary motives, public values (social preferences) also play a significant role in shaping preferences over redistribution. Also, the large literature on the legitimation of the welfare states (not analysed here) assumes that people have aesthetic preferences for certain arrangements in the social fabric, that is, they also derive guidance from ideological value systems when forming their opinion on welfare state expenditures. Svallfors (1997) shows that while level of support is related to welfare regimes, they are of little use in explaining group difference between welfare attitudes. Rather, class divisions and gender explain differing attitudes towards the welfare states across the various welfare regimes. (On other aspects of class positions, see Svallfors, 1997, Kumlin and Svallfors, 2008). In some papers, the larger demand for redistribution is also attributed to cultural values and to socialisation. For these studies, a natural candidate for observations is the group of post transition countries as the ones who changed economic systems and, on the other hand the communities of migrant peoples, who change their countries of residences. Alesina and Fuchs-Schündeln (2005) and Suhrcke (2001) both find significant effect for the East-West dummy variable when regressed on inequality or redistribution preferences.[3] Gijsberts

[3] A growing part of the literature underlines ethnic aspects of cross national differences in social expenditures. Alesina, Glaeser and Sacerdote (2001) and Glaeser (2005) finds ethnic heterogeneity (and widespread associations of welfare

(1999) also point out that observed differences in inequality aversion between market economies and the previous state socialist countries are not due to differences in social structure, but, rather, to socialisation and values. Luutmer and Singhal (2008) draw the attention to the persistence of general attitudes towards the state in case of migrant people. We call these arguments **„social context/values explanations".**

2.3. In addition to the belief in the fair operations of the economic system (also assumed to contribute to a smaller demand for redistribution, see Fong, 2001, Alesina and La Ferrara, 2005, a related issue is the popular evaluation of conditions of getting ahead in society. Shall people in general associate poverty with lack of effort, motivations to endorse (further) redistribution will vanish. Alternatively, "votes" for redistribution can be stronger in case of a general belief that poverty is a result of bad luck rather than nonexistent individual efforts. Picketty (1996) in an early article, also derived the demand for redistribution from experience of social mobility (and the beliefs about whether effort and luck determine individual success.) Fong (2001) observes the influence of social preferences (depending on how the agents perceive determinants of poverty and affluence in their societies: do the associate bad luck or lack of effort with poverty). From different perspectives though, Alesina and Glaeser (2004) and Smeeding and Osberg (2006) both point out that the mix of personal and social reasons attributed to poverty are significant determinants of inequality evaluations and redistributive preferences. We call this type of argument **„failure attribution arguments"** referring to the fact that poverty might be explained by private failures (bad luck, laziness, ect.) or by failures of the social system (injustices, exclusion tendencies, etc).

3. Whatever the answers to the above two questions will be, a third, largely institutional question also emerges: **how redistributive preferences of the electorate are transformed into policy when actual decisions on public expenditure preferences are formed**? This clearly depends on a large number of very important factors from political communication through electoral systems, welfare regimes, etc. This issues are just mentioned here as the ones for which the control in a public opinion poll context is the least possible.

3.1.: Some, like Moene and Wallerstein, 2001, underline that both the concepts of "taxes" and "redistribution" are too broad terms and they cannot be evaluated independently of their distributional consequences. Rather, it can be expected that some kinds of inequalities would induce demand for some kinds of expenditures. This, in a public opinion polls context calls for a better specification of the dependent variable and to the fact that more care should be taken about the definition of „redistribution" itself. We deal, in our article, with this issue as a **„specification problem of the predicted variable".**

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benefits to ethnic groups) a reason for the absence of American welfare state as compared to the extensive European welfare states.

3.2. As the final decision on redistributive preferences of a political community are decided upon via elections, macro outcomes will largely depend, for example, on differential political participation of the affluent and of the poorer segments of the society (Bénabou, 2000) may lead to less (or more) redistribution than the one would be predicted by the MR model. Also, most recently, Larcinese (2007) argues the turnout plays a major role in defining electoral outcome and, via that, public spending priorities (see also Lupu and Pontusson 2008, Mahler, 2006). Studies on higher education finance, also show that adverse redistribution (from the poor to the rich) might easily be a result of the democratic game under the terms of higher political participation of the affluent and large segments of the low educated among the electorate. We call this **„political composition effect"**.

3.3. Europe, as such, has many common features deeply rooted in history and social structures. This becomes evident when comparisons are extended outside Europe. *Transatlantic differences* in inequality attitudes are, for example, emphasized by Alesina, Di Tella and MacCulloch (2004) who found that the happiness of Europeans is reduced by perceived inequalities, while for the US respondents it matters much less, and even the relationship between happiness and inequality is insignificant. As they emphasize, this is not undifferentiated across various social groups: while in America the happiness of all four segments they analyse (poor-rich and left-right) seems unaffected by inequalities, in Europe the poor and the leftist (by ideological inclination) show strong aversions to inequality. In addition, they conclude, this transatlantic difference does not originate from different preferences of Europeans and Americans, but, rather, from differential perceptions of opportunities for mobility in the US and in European welfare states. Osberg and Smeeding (2006), however, argue that while transatlantic differences exist, they are rooted in the differential attitudes towards the unfortunate at the bottom end that make a difference, rather than the evaluations of income differentials as such.
However, there also are many contextual differences that shape the attitude climate of redistribution for the various countries or country groupings *within Europe*. The European Union, which is fully covered by the international datasets – the EB and the ESS – includes countries with a long history of democratic governments, together with those that have experienced major economic, political and societal changes in the past decades or so. Also, various regions of the European Union have different cultural attitudes towards inequalities which might be reflected in cross country differences between – say – Continental European countries and those in the Mediterranean tier, between those with more liberal welfare regimes of the Anglo-Saxon countries and the Nordic welfare regimes. We call these **„institutional/contextual effects"** below.

To sort out determinants of the demand for redistribution, at the current level of our preparedness we can give different weights to the above factors. We ask the following questions in the rest of the paper (not necessarily in the order of the above list):

- On macro level: do people living in countries with higher actual inequalities demand larger level of redistribution than those living in less equal countries? To explore on this, we also need to experiment with what notion of „inequality" should we use so that we can reasonably find a better correlate with actual redistributive preferences. Also, attention should be paid as to how should we define redistributive preferences?

- On micro level: are people on lower levels of relative material positions more in favour of redistribution than their more well-of felow.

- Should there be no straightforward relationship between level of inequalities (on macro level) and material position (on micro level) on the one hand and redistributive attitudes on the other, what other factors are behind?

We deal more with the issue of definitions in Section 3, while the basic macro and micro questions are touched upon in Section 4 and 6. respectively.

III. Data and definitions

The datasets we use come from various large international data exercises. For descriptions, see Annex 1). For the attitudes, we base our analysis on Eurobarometer (EB), a survey which periodically monitors the people's attitudes towards various social issues and also towards inequalities. The more than 35 years old EB has standard surveys on opinions about EU institutions and EU policies, but also on various social and economic issues. In addition, Special EB's are devoted to special topics. We, in our analysis, use the 2009 special EB survey on poverty and social exclusion, which has contained a battery of questions on redistributive attitudes, inequality perceptions, evaluations of social policies and poverty alleviation instruments applied in the member states[4]. This makes it possible to analyse attitudes of various social groups in various EU countries towards perceived inequalities and towards redistribution. (For more on the survey, see Annex 1.)

For various country level contextual information (level of actual income inequalities and of poverty rates, we use data from the

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Luxemburg Income Study (LIS). The estimates we quote are taken from the LIS Key Figures website facility[5].

We differentiate between *actual levels of inequalities* (i.e. LIS survey estimates of inequality measures), and *perceived levels of inequalities* (i.e. perceptions of the respondents about the gap between various social strata). We call *"inequality intolerance"* (or, sometimes, inequality aversion) when people express their agreement to the statement that "inequalities are too large" in their countries[6]. We call *"redistributive preference"* (RP) when people agree to the statement that "governments should reduce inequalities in their countries.

Clearly, for most of the concepts it is only second best proxies that can be used as no such single survey exist that would cover all or most theoretically sound question formulations in the same design. However, the Special EB, which has the unbeatable advantage of the harmonized EU27 coverage, contains sufficiently large number of variables, from which we can gain a fairly comprehensive picture on how European citizens think about the actual and tolerated levels of inequalities, in addition to their redistributive preferences.

To capture a broader notion of redistribution, we combine five questions about state, market and redistribution. The first is a general question about the desirability of vertical redistribution in the country of the respondents.

> *EB 72.1. Q14 Please tell me whether you agree to the statement that government should ensure that the wealth of the country is redistributed in a fair way to all citizens. Respondents had five options to say that they „totally agree", „tend to agree", „tend to disagree" or totally disagree", with the fifth option reserved for those unable to decide.*

Four question in the EB asked respondents to reveal their agreement with normative judgements on the potential desirability of state involvement in providing jobs for the citizens, education finance and social expenditures, We also included a question on general attitude about the role of the state to provide for citizens versus the citizens responsibility in the formation of their fates. The actual wordings were as follows:

> *EB72.1. Q25: People think differently on what steps should be taken to help solving social and economic problems in (OUR COUNTRY). I'm going to read you two contradictory statements on this topic. Please tell me which one comes closest to your view.*
>
> *Qa25_a: 1: It is primarily up to the (NATIONALITY) Government to provide jobs for the unemployed or 2: Providing jobs should rest*

[5] Available at http://www.lisproject.org/key-figures/key-figures.htm, as of 2010-06-19.

[6] The wording of this question is as follows: Please tell me if you totally agree, tend to agree, tend to disagree or totally disagree to the statement that "Nowadays in (OUR COUNTRY) income differences between people are far too large"

primarily on private companies and markets in general or 3: It depends

Qa25_b: 1: Education should be totally free, even if this means that the quality might be lower or 2: Tuition fees are necessary for providing high quality education, even if this means that some people won't be able to afford it or 3: It depends

Qa25_c: 1: Higher level of health care, education and social spending must be guaranteed, even if it means that taxes might increase or 2: Taxes should be decreased even if it means a general lower level of health care, education and social spending or 3: It depends

Qa25_d: 1: The (NATIONALITY) Government should take more responsibility to ensure that everyone is provided for or 2: People should take more responsibility to provide for themselves or 3: It depends

The basic distributions of the above variables is shown in Annex 3. of this paper.

Dependent variable. To compute the redistributive preference index, (RPI) The dependent variable was arrived at via applying principal component analysis (PCA) for the five basic variables listed in Table 1. We name the first principal component as *redistributive preference index* (RPI). The correlations of RPI with the component variables is shown in Table 2. The variance explained is about one third of the total variance of the five elementary variables, which could in principle be improved (to around forty percent of the – then – four included variables) if we exclude the variable on preferences for social expenditures with price tags applied. However, our concept is that we first try to measure an overall index of redistributive preference as it occurs in the „real" world (including taste for vertical redistribution, provision of various in kind services, public provision for education and labour market measures, etc. The strongest correlate (with RPI) is the question on the general requirement that the state has a duty to provide for its citizens to a maximum extent (r=0.74).

Table 1 Dependent variable (main statistics of the principal component "redistributive preference")

	Correlation with the redistribution preference principal component
Qa14_3	0,59
Qa25_a	0,65
Qa25_b	0,53
Qa25_c	0,12
Qa25_d	0,74
Eigenvalue	1,62
Cumulative Sums of Squared Loadings	32,47%

Explanatory variables. The available variable structure of the EB72.1. makes it possible to reflect most (though, unfortunately, not all) aspects of the above factors. For a quick overview, Table 2. provides an insight.

The **basic model** and the **demography variables** are self-explanatory. We use all these as controls to back the analysis of the effects of the other factor groupings.[7]

The **material status index** is created from two different elementary questions. The base is a general ten-point scale self evaluation of the (material) situation of the household (Qa44). This is corrected by responses to a question on ability to „make ends meet"(Qa35). People responding they belong to the lowest three categories OR declaring that they can make ends meet „with great difficulties" receive a score of 1, denoting „low material status". People responding they belong to the highest three categories OR declaring that they can make ends meet „very easily" receive a score of 1, denoting „high material status". People putting themselves into categories 4,5,6 or 7 on the ten point scale are defined „middle material status". The question arises: will the use of subjective self evaluation (rather than measured income position) cause problems for interpretation. To make it clear: we have no other option as there are no „objective" incomes in the EB72.1. file. However, we would not even agree that subjective variables are inappropriate here. The line of reasoning is as follows: given that people voting at a ballot most likely do not have a perfect assessment on the shape of the „real" income distribution, neither on their own rank within it, they need to rely on their subjective assessments in any case. While the precision of their estimate is most likely questionable, this holds for both the opinion poll and for the election context. Therefore, using this subjective measure as a basis for their material position do not seem to be a very large sacrifice.

The problem is bigger with the „**expectations**" variable. As no proper question wording was available in EB72.1. for subjective mobility, the „12 month expectations for the situation to get better, same or worse" (Qa38) is clearly a second best substitute to measure POUM. We come back to this issue at the interpretations.

Failure attribution in terms of poverty is based on a question about why are there people who live in poverty? The choice of one of the four options (they are unlucky, lazy and lack willpower, there is much injustice in the society or because poverty is an inevitable part of progress) provided a hint on the respondents opinion on what they think poverty can be attributed to.

Within the **social context/values** bracket we have, for each and every respondents, their general subjective evaluations of the

7 EB is different from many other similar type of opinion surveys, however, as its bottom age limit is set at 15. This causes problems for interpretation, especially when interactions with other background variables are taken into account. For example, given that the variable for employment status is very rough (three categories of employed, not working and self-employed) the combination of these two results very heterogenous categories. We did not deal with this problem in this paper, but we are fully aware that we should in the next version..

circumstances in their countries. The evaluation of the general level of inequalities in their countries (q14_2) is the first. All thinking inequalities are „too high", this variable takes the value of 1, 0 otherwise. In addition, the „a lot of" evaluations of „how much tension is there between rich/poor, manager/worker, young/old and different racial and ethnic groups" contrasted to all other answer options is taken as a sign of frustration with the various aspects of the surrounding social environments.
Finally, for cross country comparisons, we have various country level **contextual variables** like Gini and poverty rate and also we have various dummy variables to denote country groupings like country grouping belonging to various geographical parts of Europe (and, to some extent, to different welfare regimes)[8].

Table 2. The type of independent variables used in the analysis*

Basic model	Country dummies (reference: Germany)
Demography	gender (male=1) age (15-24, 25-39, [40-54] and 55+) school (less than primary, primary, [secondary], higher, no education) settlement (village, [small town], large town) Household size
Material self interest	material status index (low, [middle], high) labour market position (self employed, [employed], not working)
Expectations	Future expectations (better, [same], worse)
Failure attribution	Poverty attribution ([unluck], lazy, injust, progress)
Social context/values	Inequality intolerance (level is „too high" dummy) Tensions (between poor-rich, young-old, managers-workers and between ethnic groups dummies)
Institutional context	Welfare regime type (Nordic, [Continental], Anglo-saxon, Mediterranean, East-EU, Baltic)
Inequality	Inequality: gini Poverty rate (60%med)

*for the regression analysis: categories in square brackets are omitted

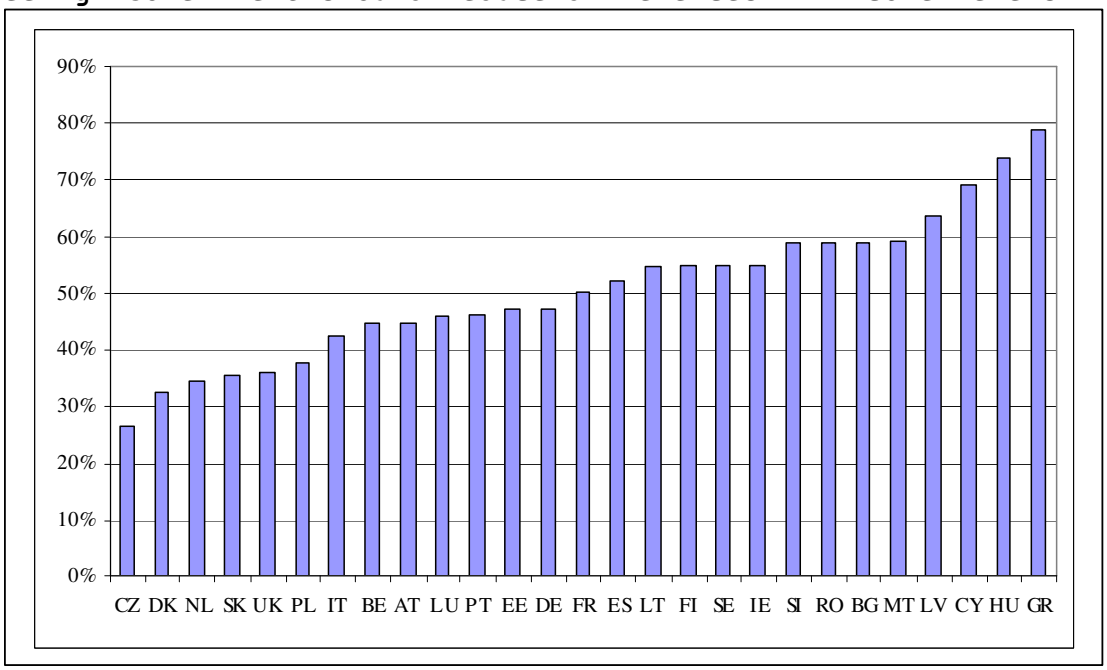
[8] Country groupings: Anglo-saxon: UK, IE, Continental: AT, BE, FR, NL, LU, GE, Nordic: SE, FI, DK, Baltic: EE. LT, LV, EastEU: HU, PL, CZ, SK, SL, RO, BG Mediterranean: PT, ES, IT, GR, CY, MT. Though the line of reasoning comes basically from the Esping-Andersen (1990) typology, we do not call it like that because of the inclusion of EastEU, Baltics and Mediterranean groups.

IV. Inequalities, their perceptions and redistributive attitudes across countries

In an earlier paper (Medgyesi et al, 2009) we found that that the "preference for (vertical) redistribution" is strongest in some Eastern European countries, including Hungary and Latvia, while in some other former transition countries (like Czech Republic and Slovakia) this share shows among the lowest in Europe. The share of those calling for government intervention exceeds 70% in Greece and in Hungary, while it is around only 30 % in Czech Republic and Denmark (Figure 1).

When searching for the macro relationship between redistributive attitudes and inequality intolerance, we found the share of people most dissatisfied with the overall level of inequality to be over 70% in Latvia, Hungary, Slovenia, Estonia, Bulgarian Greece and Latvia while it is below 40% in Denmark, Netherlands, Austria, Italy and Malta (Medgyesi et al, 2009). The geographical pattern was found to be diffuse, though in countries that experienced a transition from socialism to capitalism during the nineties a higher frustration towards perceived inequality levels have been shown. However, the Polish, Czech and Slovak results seemed to fit the middle of the range while the relatively high level of dissatisfaction of the Greek respondents also shows out from the general picture.

Figure 1. Preference for redistribution (share of population agreeing "Government should reduce differences in income levels"



Note: the share of population who "totally agree" with the statement: "Government should ensure that the wealth of country is redistributed in a fair way". Source: Medgyesi et al 2009, based on data from: Special 72.1. Eurobarometer on poverty and social exclusion, 2009.

There is a relatively high correlation between the two (overall European) country rankings by the two observed variables (correlation coefficient: 0.62 between inequality tolerance and redistributive preference rankings). However, there are a few countries deviating: in Greece, Hungary and Cyprus, the frustration with inequality levels is coupled with a high strain on government, while in Poland, Slovakia and the Czech Republic the relatively lower level of inequality intolerance is coupled with some of the lowest level of popular redistributive preferences.

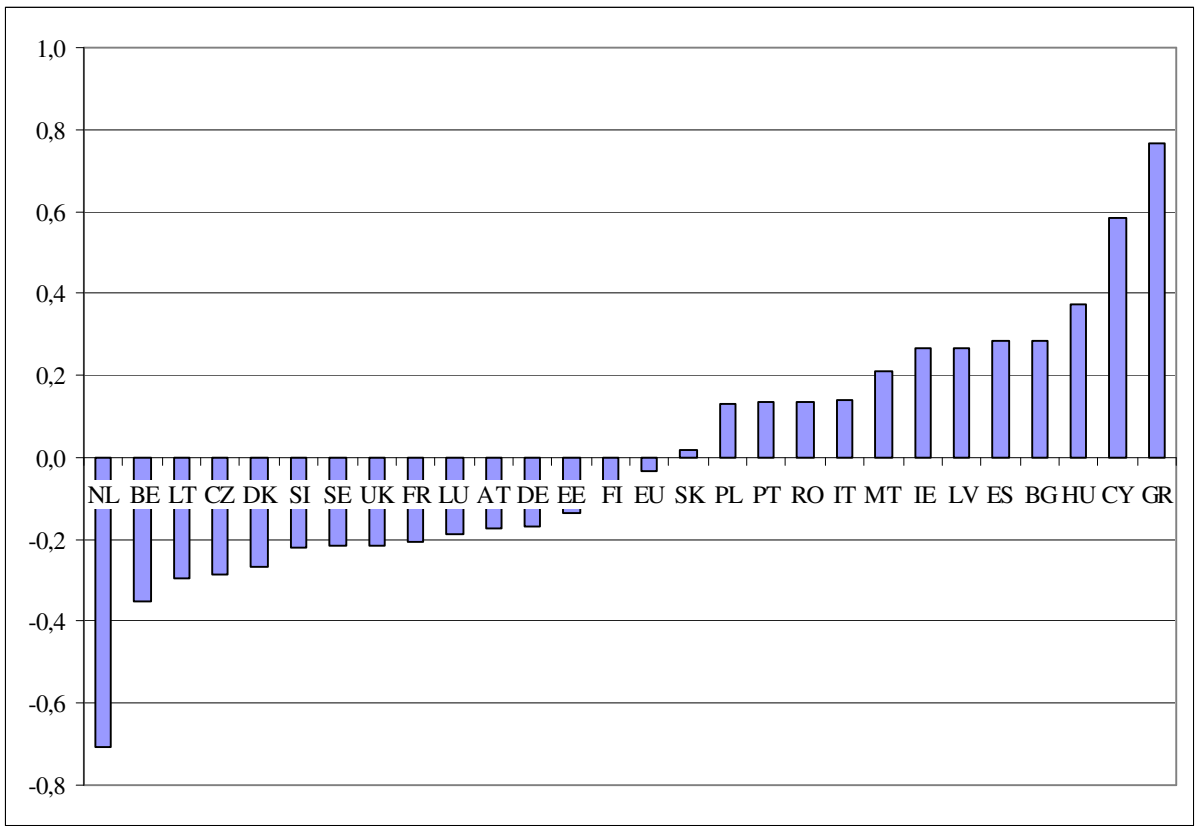
When trying to find correlations between measured (EU-SILC-nased) inequality levels and redistributive preferences, we experimented with various „tricks" to filter potential „noises" in measuring attitudes and also in measuring actual inequalities. Still, when averaging measures of country level attitudes over years and also averaging measured inequalities over years, we found a weak positive relationship between period-averaged Gini coefficients and redistribution promoting population shares: the more unequal a country is in terms of Gini coefficient, the more inhabitants think it is important that their governments reduce inequalities.

The strongest correlate of the share of redistributive preference we found in relative poverty rates (and, even more, poverty gaps). It was shown that the higher the poverty rate, the higher the redistributive preference will be in the observed countries. However, there were important deviations from the rule as well. For example, in Slovenia, France, Hungary and Cyprus there was a relatively high level of redistributive preference, despite the fact that relative poverty was not measured to be particularly high in the period observed. In Luxemburg, the Netherlands and Germany – where quite the same level of poverty occurs – people seemed to have lower demand for redistribution (Medgyesi et al, 2009, Fig. 13.).

For the present analysis we use RPI as a dependent variable. Its country level averages are shown in Figure 2. As it is seen, the composite variable has a significant cross country variance. Its overall values are highest in Greece, Cyprus and Hungary, followed by a country grouping of Bulgaria, Spain, Latvia and Ireland. The lowest redistributive preference value is found in the Netherlands[9], followed by Belgium, Czech Republic and Denmark – countries with relatively extensive welfare states – together with Lithuania.

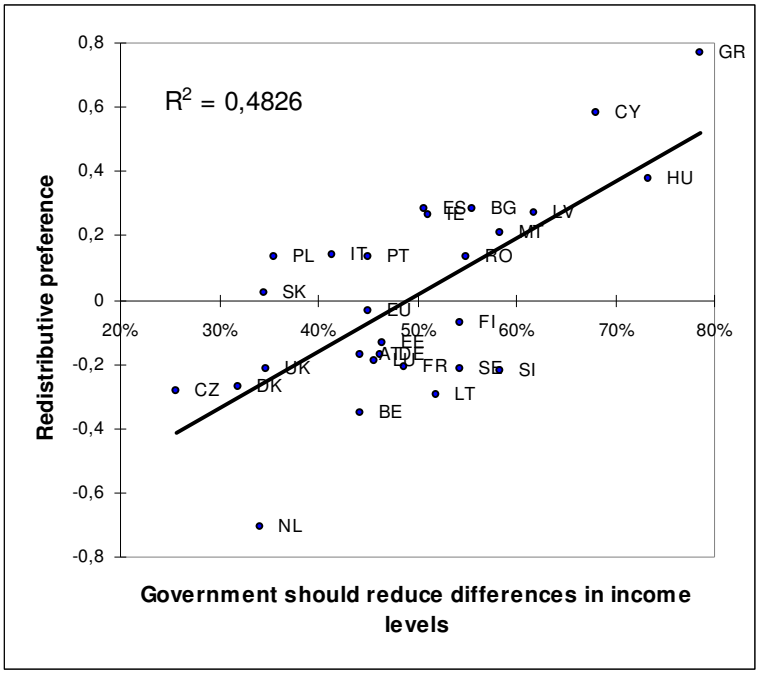
[9] When analysing relative role of its components, it turns out that this comes from the very low level of agreement of the Dutch to the statement that *„Government should take more responsibility to ensure that everyone is provided for"* (see Annex2 for the basic distributions). Taking this variable out would decresase the level of the Dutch „anti-redistributive" feelings but otherwise it would not fundamentally change the country rank orders in general. We leave it in for this analysis but make a note that next version of the paper need to deal with potential explanatory factors (technical error or a specific policy issue int he Netherlands) to this phenomenon.

Figure 2 Values of the dependent variable (RPI) for EU countries (PCA load scores)



The relationship between RPI and RP is shown in Figure 3. Not speaking about the already mentioned Dutch case, the rest of the countries are positioned within a reasonable variance around the regression line for the two variables (RPI including, as one element in the total five, RP). The Czech Republic, Denmark, UK and the Netherlands all show below average (popular) redistributive preferences both for RP and for RPI, while Greece, Hungary and Cyprus show above average values on both dimensions. Among the rest, we cannot find very much inconsistent values on the two dimensions.

Figure 3. Redistributive preference (RP: government should reduce inequalities) and redistributive preference index (RPI, factor loadings from PCA)



Based on data from LIS waves V and VI (whichever is more recent for the various European countries for which we have attitude data), we find a relatively moderate correlation between RPI and measured Gini (Figure 4) and measured – at median 60% threshold – poverty rate (Figure 5). It should be noted here that Ginis and poverty rates are calculated for post tax and post transfer incomes. That is, direct link to Meltzer and Richards type consequences are premature here. Nevertheless, it transpires that higher level of inequalities (and poverty) correspond to higher redistributive preference indices, the two extreme values being Greece (high inequality AND high RPI) and the Netherlands (low inequality and low RPI). The fit of the regression for poverty on RPI is somewhat better than that of Gini on RPI, but the difference is negligible.[10]

[10] We also prepared these plots based on EU-SILC data. The results are shown in Annex 3.

Figure 4 Inequality and redistributive preference index (RPI) in European countries (LIS Wave 5 and Wave 6, the most recent available)

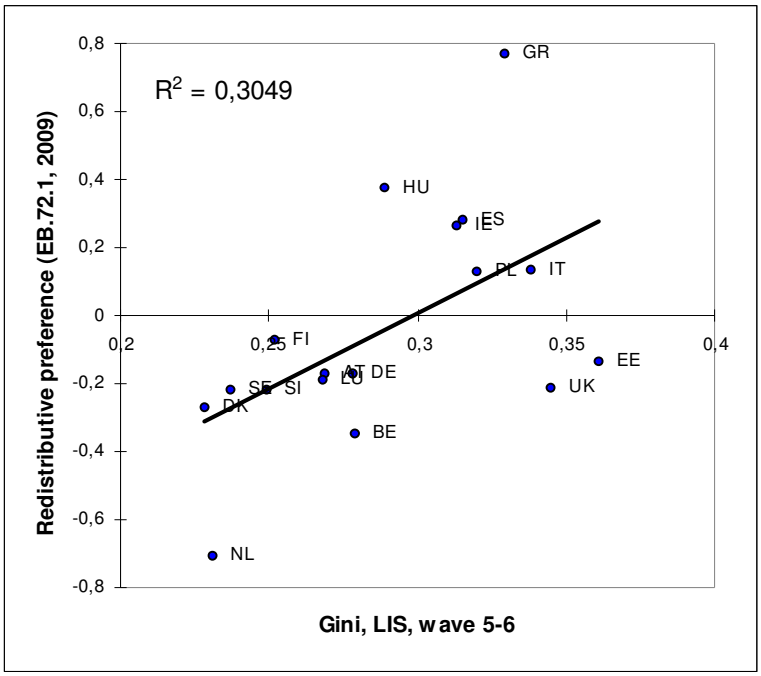
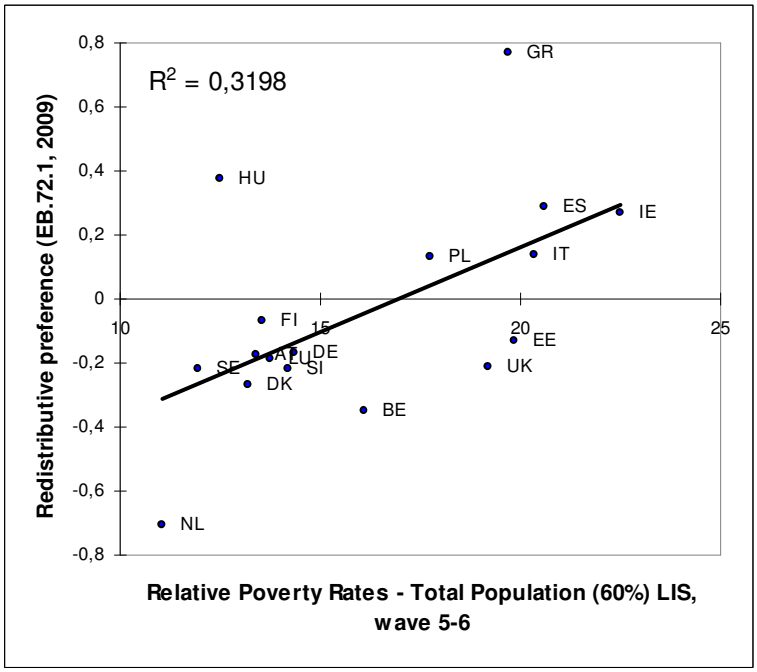


Figure 5. Poverty rate and redistributive preference in European countries (LIS Wave 5 and Wave 6, the most recent available)



V. Social cleavages in redistributive preference

To analyse the cross country differences in redistributive attitudes it is worth looking at cleavages by various socio-economic dimensions first. Figures 6 to 10. show the differences between attitudes of the most and the least pro state groups alongside various dimensions. For example, by material status, those classified as belonging to the "low" category and the well off (i.e. those belonging to the "high" category constitute the two extreme groups with respect to their redistributive attitudes (the poor showing the highest and the well-of showing the lowest redistributive preferences). The various countries are ranked by the overall country average value of RPI, in case of Figure 6 by material positions). Here, Bulgaria, Czech Republic, Estonia and the Netherlands seem to be the least consensual in terms of differentiation of redistributive attitudes by material position levels, while Italy, Finland and France seem to show the highest level of agreement in this respect (at different levels, of course. It should also be noted that a widespread consensus (in terms of the lack of large differences between social groups) does not necessarily correlate with the overall redistributive attitude in a country.

Figure 6 Social cleavages by material position: difference of redistribution attitude index in various EU countries between the low and the high material status groups

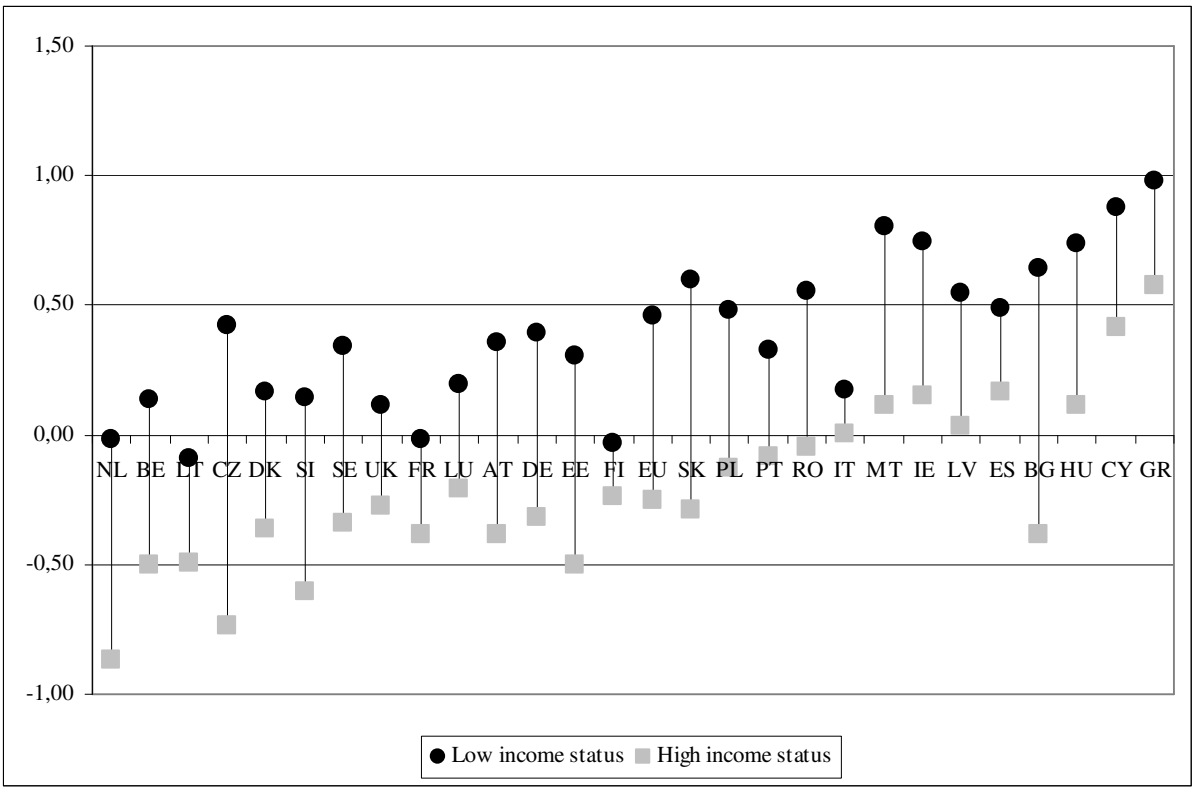
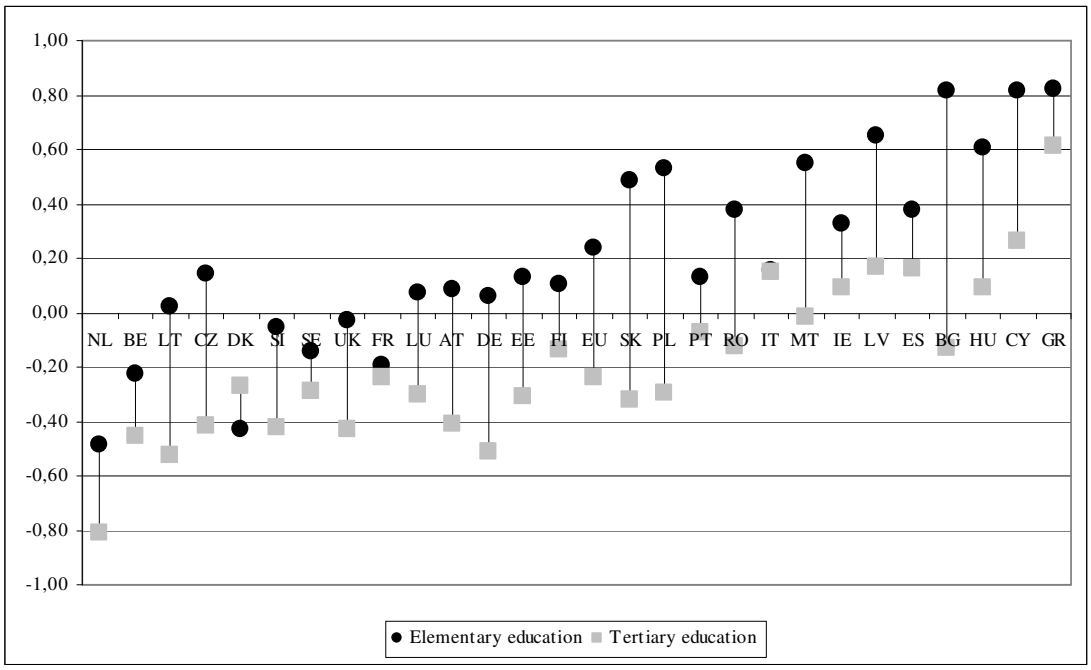
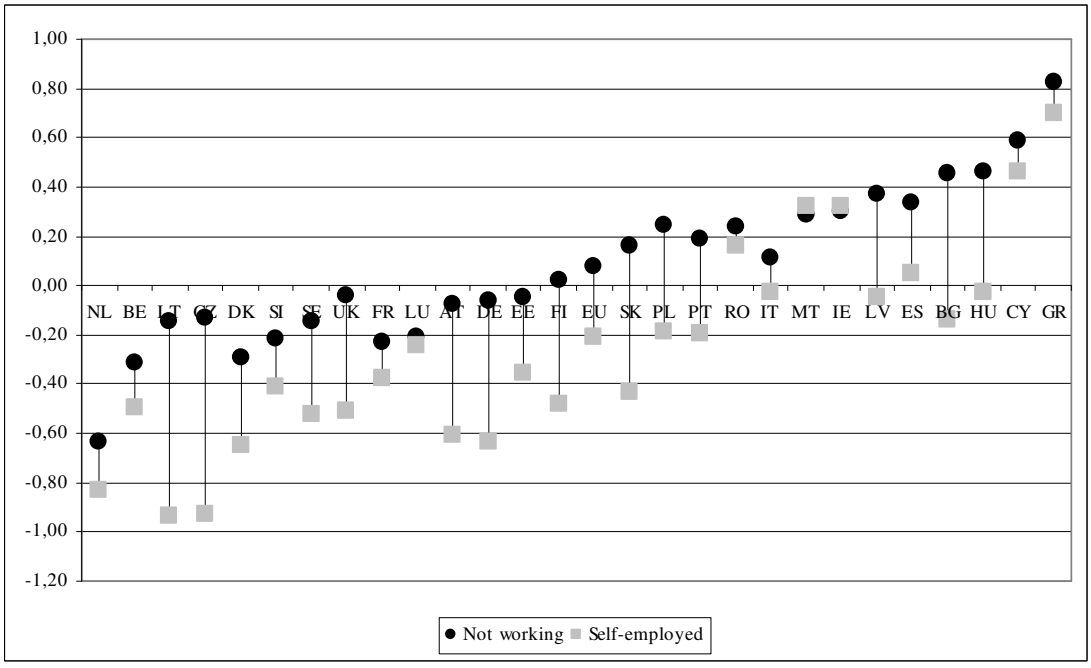


Fig 7 Social cleavages by education: difference of redistribution attitude index in various EU countries between lowest and the highest educated



Education differentials in redistributive preferences are large in some countries (Bulgaria, Poland, Slovakia) while much lower in others like in Denmark, Sweden, France or Italy, for example.

Fig 8 Social cleavages by labour market status: difference of redistribution attitude index in various EU countries between self employed and those not working



The differentials between the various labour market status groups (i.e. between the employed and the not working) seems to be the highest in Lithuania, Czech Republic, and Slovakia while the lowest level of disagreement can be found in Malta, Ireland and Luxemburg. This, to some extent, corresponds to the relative level of the redistribution index: the stronger overall preferences for redistribution are achieved with higher level of agreements across occupational groups. At the other end, the highest level of disagreement we measure the lowest the redistributive attitude will be. It is a macroeconomic and public policy question here how the widely accepted expectations about the role of the state in some of the countries can be reconciled with further moves in the direction of reforms (i.e. in the direction of narrowing and reprioritising state responsibilities in some countries.)

VI. Accounting for micro correlates of redistributive preference (multivariate results)

First we test the general model in a pooled sample of all the available EU member states (containing country dummies to control possible country specific differences). OLS parameter estimates (B coefficients) for the pooled sample are shown in Table 3. with an indication of how estimates change when new variables of the consecutive models step in. There are two sets of models presented here. The first (with country dummies) and the second (with the demographic variables) serve to identify cross country differences and control for various basic compositions. From Model III to Model VI, variables of material self interest, for subjective expectations, for failure attribution attitudes and general social/cultural attitudes step in, respectively. Then, in Models VII to X, various contextual variables are tested.

In general, the performance of the **basic model** (with the country dummies and no other variables in the model) is not very strong: the explained variance amounts to 7 percent only. The coefficients for the country dummies reflect how the general redistributive climate in various countries relate to the German one (which is chosen to be the reference category). Much less supportive in the Netherlands and in Belgium, but much more supportive in a number of countries like in Greece, Cyprus, Hungary and Ireland, while not significantly different in Austria, Luxembourg, UK, Sweden and Denmark from among the "old" EU member states, but also not different from Czech Republic, Slovenia and Estonia from the former "Eastern block" countries. The introduction of the subsequent variable groupings for the various models creates a "convergence" of country fixed effects: an increase of country dummy parameter estimates can be observed mostly in those cases where they smaller in the basic model (Netherlands, Belgium, Czech Republic, Denmark, Sweden and the UK) while there is a decline in some cases where the basic model parameter was higher (like in Hungary, Bulgaria or Latvia). There are, of course some exceptions (like Cyprus and Malta increasing already higher estimates) but the rule remains (Figure 9).

The explained variance significantly increases with the introduction of the subsequent models: in the "full" Model VI, the R^2 is reaches 21 percent, which is, for a model with attitude variables, is a remarkable performance.

From the observation of the subsequent introduction of the various block of variables, we may conclude the followings:

- **Demography variables** show expected signs, except for the fact that sign of the parameter estimate for the 55+ respondents is negative (when 40-55 is treated as reference), while younger seem to be pro-redistribution. In this respect it is worth mentioning that elements of RPI include jobs provisions, higher education involvement, health care and social spending, but no

mention is made to pensions. Also, while 55+ category contains – depending on retirement age provisions in the given countries – a different mix of the employed and the not working by country, the youngest age cohort is also very heterogeneous by the same categories, depending on the phase of the education expansion process the analysed countries are in. Higher educated are less in favour of redistribution, while for the lower educated the parameter estimates are positive (and significant for the primary educated). Villagers and large town citizens seem to be less pro-redistributive, taken small town inhabitants a reference. Household size cannot be treated as a significant factor in this specification.

- The introduction of **material self interest variables** brings a moderate increase of the explained variance (from 9 to 11 percent). Self employed have less, those not working have more taste for redistribution than the reference category of the employed people. The difference between people with material resources (self evaluated to be) at low levels have a significantly larger appetite for redistribution as compared to those in the middle, but people who estimate their positions more towards the higher end have much lower support for redistributive arrangements.
- The introduction of **subjective expectations** brings a slight decline in the parameter estimates of the material positions' effects and show the expected significant signs: people evaluating their one year prospects positive, will have a significantly lower redistributive preference, all other factors held constant. Those expecting a worsening position will have a significant positive evaluation of redistribution.
- The introduction of the failure **attribution arguments** brings an additional 4.7 percentage point increase in the explained variance (actually this is 40 percent larger R^2 than it was in the previous model). People believing that the poor get into poverty because of laziness have a much smaller redistributive taste (even when compared to those who evaluate poverty to be a result of bad luck!) while those who think poverty is a consequence injustice in the society have a much larger redistributive preference index.
- The variables reflecting the general evaluation of the **social context** bring another large increase in the explained variance. Those evaluating current income inequalities "too large" produce the highest of all coefficients: holding this opinion increases the chance of being pro-redistributive to a very large extent. In addition and obviously related, people evaluating poverty a problem in the country are more pro-redistributive than others.

Table 3 OLS estimates, dependent variable: demand for redistribution index (pooled regression for the complete EU)

	Model I. Basic model	Model II. Demography	Model III. Material self interest	Model IV. Expectations	Model V. Failure attribution	Model VI. Social context / value	Model VII. Without country effects	Model VIII. Welfare regime	Model IX. Measured inequalities (gini)	Model X. Measured inequalities (poverty rate
(Constant)	***-0,17***	***-0,08***	***-0,1***	***-0,11***	***-0,25***	***-0,57***	***-0,39***	***-0,62***	***-1,39***	***-1,21***
AT	0	-0,02	0,01	0	0,03	***0,16***				
BE	***-0,15***	*-0,09*	*-0,08*	-0,08	-0,04	0,01				
BG	***0,48***	***0,5***	***0,36***	***0,35***	***0,33***	***0,31***				
CY	***0,78***	***0,76***	***0,76***	***0,76***	***0,88***	***0,91***				
CZ	-0,07	-0,06	-0,08	*-0,08*	0,03	0,06				
DK	-0,09	0,02	0,03	0,04	*0,13*	***0,3***				
EE	0,04	0,09	0,05	0,06	0,13	0,08				
ES	***0,48***	***0,47***	***0,47***	***0,47***	***0,46***	***0,54***				
FI	*0,11*	***0,2***	***0,22***	***0,23***	***0,23***	***0,3***				
FR	-0,03	0,01	-0,01	0	-0,01	-0,03				
GR	***0,94***	***0,93***	***0,94***	***0,91***	***0,93***	***0,89***				
HU	***0,57***	***0,55***	***0,45***	***0,42***	***0,4***	***0,3***				
IE	***0,52***	***0,53***	***0,53***	***0,52***	***0,55***	***0,63***				
IT	***0,32***	***0,29***	***0,33***	***0,33***	***0,34***	***0,45***				
LiT	*-0,14*	-0,1	-0,13	*-0,15*	-0,1	*-0,15*				
LU	-0,01	0,03	0,05	0,06	0,09	0,13				
LV	***0,47***	***0,5***	***0,45***	***0,43***	***0,44***	***0,36***				
MT	0,42	*0,43*	*0,43*	*0,42*	*0,54*	***0,62***				
NL	***-0,51***	***-0,43***	***-0,38***	***-0,38***	***-0,31***	***-0,2***				
PL	***0,32***	***0,33***	***0,27***	***0,28***	***0,36***	***0,4***				
PT	***0,24***	***0,15***	*0,1*	*0,1*	***0,17***	***0,23***				
RO	***0,27***	***0,29***	***0,27***	***0,25***	***0,27***	***0,23***				
SE	-0,06	0,05	0,07	0,07	0,08	***0,21***				
SI	-0,03	0	-0,01	-0,01	-0,01	-0,07				
SK	***0,22***	***0,23***	***0,22***	***0,21***	***0,27***	***0,27***				
UK	-0,04	-0,04	-0,04	-0,03	***0,07***	***0,17***				

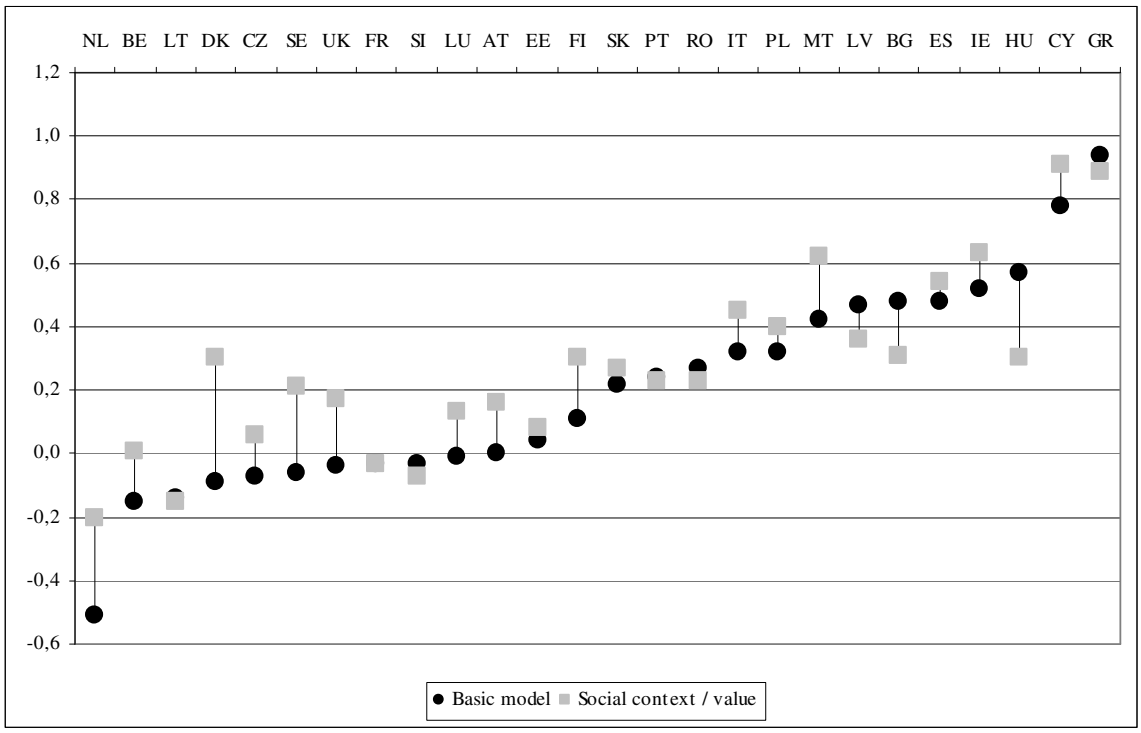
Notations: ***P<0.01***, *0.01<P<0.05*, *0.05<P<0.1*,

Table 3 OLS estimates, dependent variable: demand for redistribution index (continued)

	Model I.	Model II.	Model III.	Model IV.	Model V.	Model VI.	Model VII.	Model VIII.	Model IX.	Model X.
Gender: male		-0,11	-0,09	-0,09	-0,08	-0,06	-0,06	-0,06	-0,06	-0,06
Age:15-24		0,1	0,08	0,09	0,11	0,13	0,12	0,13	0,11	0,12
Age:25-39		0,02	0	0,01	0,02	0,01	0,05	0,01	0,04	0,03
Age:55+		-0,06	-0,1	-0,1	-0,1	-0,09	-0,11	-0,1	-0,09	-0,09
Educ: Noeduc		0,2	0,13	0,12	0,17	0,16	0,37	0,18	0,36	0,27
educ: primary		0,14	0,09	0,09	0,1	0,09	0,18	0,09	0,13	0,11
educ: higher		-0,21	-0,15	-0,15	-0,16	-0,12	-0,14	-0,12	-0,11	-0,12
Loc: village		-0,05	-0,04	-0,04	-0,03	-0,03	-0,07	-0,02	-0,04	-0,04
Loc: lg town		-0,04	-0,03	-0,02	-0,02	-0,02	0,03	0	0,02	0
Hsize		0,01	0,01	0,01	0,01	0,01	0,02	0,01	0,02	0,01
Labmark: selfemp			-0,18	-0,17	-0,17	-0,16	-0,06	-0,14	-0,08	-0,11
Labmark: notwork			0,07	0,07	0,07	0,05	0,07	0,07	0,07	0,06
Mat. pos: low			0,32	0,3	0,24	0,17	0,19	0,18	0,2	0,21
Mat. pos: high			-0,18	-0,16	-0,13	-0,09	-0,1	-0,09	-0,09	-0,09
Exp: gets better				-0,06	-0,04	-0,05	-0,04	-0,05	-0,06	-0,06
Exp: gets worse				0,11	0,08	0,04	0,08	0,05	0,07	0,07
Why poor: Lazy					-0,26	-0,26	-0,28	-0,25	-0,29	-0,28
Whypoor: injust					0,31	0,23	0,22	0,23	0,22	0,22
Whypoor: progress					-0,06	-0,08	-0,11	-0,08	-0,1	-0,09
Around: lrg povty						0,18	0,18	0,19	0,17	0,17
Tension: richpoor						0,1	0,09	0,11	0,09	0,1
Tension: aged						0,03	0,04	0,03	0,03	0,02
Tension: man/work						0,07	0,05	0,07	0,06	0,07
Tension: ethnic						0	-0,02	-0,02	0	0,01
Ineq: too large						0,38	0,36	0,39	0,38	0,38
Region: Anglo								0,22		
Baltic								0,04		
East-EU								0,29		
Medditer								0,53		
Nordic								0,29		
Country gini									3,26	
Country pov. rate										0,05
R2	0,07	0,089	0,11	0,112	0,159	0,21	0,159	0,198	0,173	0,184
N	19925	19925	19925	19925	19925	19925	19925	19925	19925	19925

Reference categories: Germany, female, age 40-54, middle material status, employed, future expectation: same, poverty attribution: unluck, continental

Figure 9 The change of fix country effects (reference: Germany) between Model I. and Model IV.



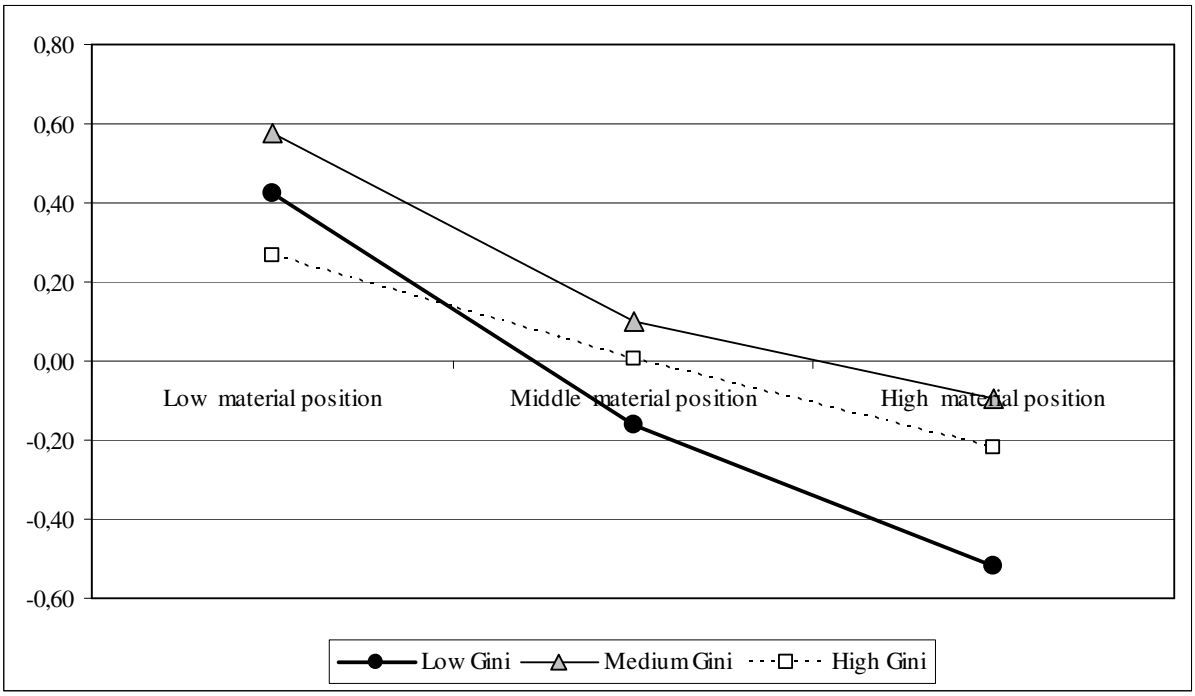
To find out the effects of some contextual factors, we also experimented with some country level variables. To start these experiments, we depart from a new basic model not having country dummies in the first regressions. In this model (numbered VII), the size and direction of parameters for demography variables remains largely the same, with the exception of the one for those having no education at all. Elements of other factor groupings behave similarly as analysed above, with the exception of material resources variables for which in general the estimates are lower (though they still remain significant). Taking continental countries as reference categories, all other country groupings have a positive sign effects, the largest being that of the Mediterranean.

Allowing the country level inequality (Gini) variable to enter the model, we find a significant (and positive) effect. That is: the largest the inequality is in a country, the higher the taste for redistribution will be (see Model IX in Table 3). Poverty level also seem to have affect redistributive preference into the same direction (though to a somewhat lower extent).

To understand more about contextual effects, we regrouped Gini levels into three categories (below 27%, 27-33% and 34+%) and observed the values of the RPI for the three different material status groups (Figure 10). The gradient is clear for each of the three inequality regimes: higher material status corresponds to lower redistributive preference in each three country groupings. However, the gradient is steeper for the low Gini countries, which might represent a certain type of relative deprivation effect: the

difference in redistributive taste between the poor and the rich in more equal societies seems to be larger than in more unequal societies. To put it differently: the rich of the egalitarian seem to be less in favour of (further) redistribution than the rich of the less egalitarian societies.[11]

Figure 10. Average redistributive preference index (RPI) of the three material status groups in high-inequality, middle inequality and loq inequality countries

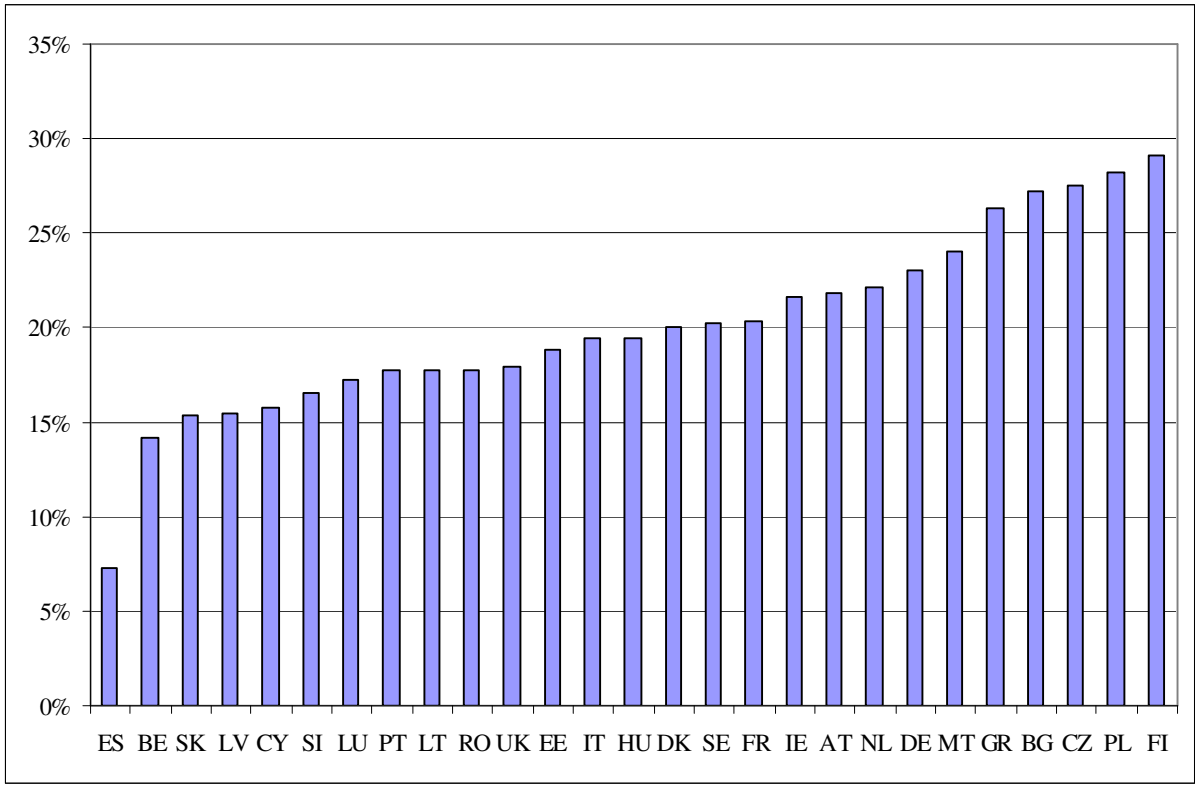


In addition to the pooled regressions, we ran the same type of OLS regressions with the same model structure as above, separately for each and every EU member states. Note, that in the country regression the dependent variable was constructed separately in each country, e.g the principal component analysis was done in each country and not the sores from the pooled sample were used (the correlation coefficient between the scores from the pooled sample and the country specific principal component is higher than 0.9 in case of every country. Results are listed in Table 4, where countries are presented in decreasing order of explained variance (from the left to the right). Regressions were run in one step, variables from the demography block are, however, taken as controls and not analysed separately here.

Explained variance (measured by model R^2) varies to a great extent between countries (Figure 11. The full model performs the best in Finland while it reduces uncertainty the least in Spain (the extremely low R^2 for this country remains to be further investigated in the future).

[11] Medium Gini county is the biggest group and therefore very homogenious.

Figure 9 The explained variance of redistributive preference index by the same (VI., full) model in various countries (R^2, percent)



The significance of parameter estimates and the direction of relationships are in general in accordance with our expectations and with the results of the pooled regressions, though with some remarkable country differences.

- There is a significant and strong positive relationship between **the dissatisfaction with the current level of inequalities** on the one hand and the demand for redistribution on the other. This is reflected by the large and significant coefficients for each and every country in the dataset, with the exception of Luxemburg, for which country the whole model does not perform well (low explained variance in general and very few explanatory variables having a significant effect).
- Attributing **laziness** to the poor decreases redistributive preferences in a large number of countries like Slovakia, Romania, Italy, Denmark Ireland, Austria, Netherlands, Malta, Greece, Czech Republic, Finland. Also, holding the assumption that poverty comes about as a result of widespread **social injustice**, increases redistributive demand significantly in many countries, most notably in Belgium, Latvia, UK, Sweden, France, Czech Republic, Poland and Finland.
- The **material self interest** variables (material position and labour market status) are significant only in a small number of cases (though they point to the expected directions). Low material position brings more intense

redistributive preference (higher RPI) in Romania, Hungary, Sweden, Germany and the Czech Republic, while higher material position produces significantly larger RPI in Slovenia, Germany and the Czech Republic and (at a smaller level of significance) in Belgium, Lithuania, Estonia, Italy, Germany, Bulgaria and Finland.

- Allowing for **expectations**, negative prospects largely increase redistributive preference in Ireland, Germany, and Hungary while anticipated positive prospects have a negative effect on redistributive claims in Spain, Greece, Czech Republic (and, at a smaller level of significance) in Hungary, Latvia, Denmark, Germany and Austria).
- The opinion that **tensions of some sort** (between old/young, managers/workers, rich/poor, various ethnicities, etc) are very much prevalent the society increases the chance of becoming pro-redistributive in Estonia, Denmark, Germany and Bulgaria (rich-poor tensions), Slovenia, Denmark and Greece (various age groups) Italy Luxemburg, Czech Republic.

Table 4 OLS estimates, dependent variable: demand for redistribution index (separate regressions for the individual countries)

	ES	BE	SK	LV	CY	SI	LU	PT	LT	RO	UK	EE	IT	HU
(Constant)	-0,03	***-0,44***	-0,23	***-0,53***	-0,1	***-0,53***	-0,03	***-0,74***	-0,03	-0,12	***-0,58***	*-0,39*	*-0,31*	***-0,76***
Labmark: selfemp	*-0,22*	-0,04	-0,2	*-0,24*	-0,14	-0,07	0,04	*-0,34*	*-0,36*	0,01	-0,18	-0,2	-0,02	-0,16
Labmark: notwork	-0,05	0,01	0,14	0,13	-0,02	-0,02	0,16	0,07	*0,17*	0	*0,18*	0,05	-0,08	-0,03
Mat. pos: low	0,05	0,12	*0,26*	0,09	0,27	0,18	0,34	0,11	-0,05	***0,31***	0,03	0,15	-0,04	***0,25***
Mat. pos: high	-0,08	*-0,13*	-0,12	-0,11	-0,07	***-0,32***	0,07	-0,04	*-0,16*	-0,04	0,03	*-0,22*	*-0,17*	-0,02
Exp: gets better	***-0,24***	0,06	-0,13	*-0,19*	-0,23	0,11	0,34	0,12	-0,15	-0,01	-0,04	-0,06	0,02	*-0,28*
Exp: gets worse	-0,16	0,09	*0,21*	0,11	-0,12	0,01	0,08	0	0,02	-0,1	0	-0,05	*-0,23*	***0,26***
Why poor: Lazy	-0,14	-0,02	***-0,36***	-0,04	*0,34*	0,01	*-0,41*	-0,06	-0,21	***-0,42***	-0,13	-0,19	***-0,72***	*-0,19*
Why poor: injust	*0,24*	***0,36***	-0,06	***0,33***	0,25	*0,28*	-0,11	*0,18*	0,08	-0,1	***0,32***	*0,19*	0,08	*0,2*
Whypoor: progress	0,01	0,1	-0,03	-0,05	0,11	0,14	-0,28	0,07	-0,25	*-0,31*	0,14	-0,17	-0,1	-0,18
Around: lrg povty	***0,33***	***0,24***	-0,01	0,08	-0,23	0,15	0,03	*0,15*	*0,21*	0,08	***0,28***	*0,22*	-0,01	***0,22***
Tension: richpoor	0,02	-0,01	0,07	0,04	-0,08	0,01	0,18	0,09	*0,16*	-0,02	0,07	***0,28***	-0,04	0,06
Tension: aged	-0,16	0,03	-0,05	-0,08	0,03	***0,29***	-0,22	0,23	0,12	0,02	0,09	-0,11	-0,01	-0,11
Tension: man/work	0,06	0,13	0,06	*0,2*	-0,2	*0,2*	***0,34***	0,12	*0,22*	0,13	*0,14*	0,11	***0,25***	-0,03
Tension: ethnic	-0,11	-0,08	*0,14*	0,02	0,16	-0,08	0	-0,07	-0,18	-0,08	0,06	-0,12	***0,22***	0,09
Ineq: too large	*0,16*	***0,41***	*0,17*	***0,28***	***0,35***	***0,32***	0,13	***0,57***	*-0,01*	***0,53***	***0,4***	***0,3***	***0,4***	***0,33***
R2	0,072	0,142	0,154	0,155	0,158	0,165	0,172	0,177	*0,177*	0,178	0,180	0,188	0,194	0,195
N	769	803	826	737	372	769	363	659	717	677	961	786	712	832

Notations: ***P<0.01***, *0.01<P<0.05*, *0.05<P<0.1*,

Table 4 OLS estimates, dependent variable: demand for redistribution index (separate regressions for the individual countries, continued)

	DK	SE	FR	IE	AT	NL	DE	MT	GR	BG	CZ	PL	FI
(Constant)	-0,06	*-0,42*	*-0,39*	***-0,55***	-0,05	-0,09	*-0,34*	-0,25	-0,22	-0,27	0	***-0,47***	-0,11
Labmark: selfemp	*-0,34*	-0,22	-0,06	0,08	*-0,26*	0,08	***-0,36***	0,15	-0,04	-0,12	***-0,39***	*-0,27*	-0,11
Labmark: notwork	-0,03	-0,07	0,04	0,02	0,12	0,04	0	0,1	0,12	0,12	0	*0,2*	0,12
Mat. pos: low	0,1	***0,47***	-0,04	0,08	0,17	0,29	***0,36***	*0,46*	0,07	*0,16*	***0,28***	0,08	-0,18
Mat. pos: high	-0,06	-0,04	-0,11	0,07	-0,11	-0,09	*-0,12*	-0,09	***-0,21***	*-0,26*	***-0,29***	-0,1	*-0,14*
Exp: gets better	*-0,21*	-0,11	0,03	0	*-0,19*	-0,05	*-0,13*	-0,05	***-0,36***	0,1	***-0,25***	-0,12	0,01
Exp: gets worse	0,11	0	0,08	***0,32***	-0,08	*0,18*	***0,25***	0,07	0,03	0,08	0,09	0,03	-0,05
Why poor: Lazy	***-0,41***	-0,01	-0,19	***-0,44***	***-0,49***	***-0,39***	*-0,23*	***-0,72***	***-0,58***	*-0,35*	***-0,35***	-0,19	***-0,41***
Why poor: injust	*0,15*	***0,47***	***0,44***	0,08	*0,17*	*0,24*	0,15	*-0,3*	0,03	-0,02	***0,26***	***0,3***	***0,29***
Whypoor:progress	***-0,32***	0,12	-0,07	-0,08	-0,04	-0,1	-0,06	-0,15	-0,14	***-0,46***	-0,16	-0,06	*-0,25*
Around: lrg povty	0,17	0,04	***0,21***	-0,05	*0,26*	*0,28*	***0,17***	0,12	0,07	0	*0,24*	*0,19*	***0,43***
Tension: richpoor	***0,41***	*0,2*	0,11	0,05	-0,11	*0,23*	***0,26***	0,03	0	***0,26***	0,03	0,1	*0,21*
Tension: aged	-0,06	*-0,32*	0,06	*0,25**	*-0,21*	-0,16	***0,23***	*0,33*	***-0,29***	*0,25*	*0,2*	-0,07	-0,08
Tension: man/work	-0,25	0,12	*0,13*	-0,12	0,02	*0,19*	-0,07	0,05	0,12	-0,03	*0,18*	0,13	-0,1
Tension: ethnic	0,07	0,09	0,01	0,13	0,08	-0,01	-0,06	0	-0,05	-0,1	***-0,21***		0
Ineq: too large	***0,52***	***0,53***	***0,43***	***0,6***	***0,49***	***0,5***	***0,4***	***0,49***	***0,66***	***0,43***	***0,22***	***0,43***	***0,62***
R2	0,200	0,202	0,204	0,217	0,218	0,221	0,230	0,240	0,264	0,272	0,275	0,282	0,291
N	793	768	848	656	749	738	1233	330	799	738	818	661	829

Notations: ***P<0.01***, *0.01<P<0.05*, *0.05<P<0.1*,

Reference categories: female, age 40-54, middle material status, employed, future expectation: same, poverty attribution: unluck

VII. Summary and conclusions

(to be completed later)

We attempted to explain attitudes towards redistribution in cross-national context. To perform this, the Eurobarometer 72.1 survey results on poverty and social exclusions were analysed.

In addition to conventional class differentials, we attempted to show differences by various subjective evaluations of inequalities and of expectations about changing relative level and the actual level of personal positions, together with a number of other factors like beliefs on reasons to poverty, opinions about the macro social-policy context, etc.

The demand for redistribution, while mostly derived from rational self interest (material position, labour market status, expected mobility expectations), is also driven by general attitudes about the role of personal responsibility in one's own fate.

Opinion surveys do show a continued and very high support of state redistribution in many European countries, but the overall level of support and the within country consensus varies widely.

A fuller explanation of cross country differences should involve linking inequality perceptions to actual levels of inequalities and redistributive preferences to actual public expenditure patterns. We joined those in this paper, who started this process earlier and found significant contextual effects.

(interpretation: relate the results to empirical results of Finseraas, 2009, Ardanaz, 2009, Kenworthy et al, 2007, Lübker, 2007. Evaluate the results from the perspective of Meltzer and Richards 1981, Bénabou and OK, 2001

directions for future research: explore opportunities in LIS more fully via analysing pre-tax/transfer inequalities on the one hand and the quasi panel aspects of LIS on the other hand)

VIII. Literature

(not cleaned yet!!)

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Annex 1. Data bases used in the analysis

The **EUROBAROMETER (EB)** initially was the name of the harmonized opinion polls commissioned by the European Commission, conducted from the beginning of the 1970s in the member states of the European Community, with the aim of analysing social and political changes. Later, the surveys came to cover the member states of the European Union; they are conducted twice a year – in the spring and the autumn. From the 1990s, these surveys, known as "Standard Eurobarometer" surveys were complemented by polls that specifically targeted candidate countries ("Candidate Countries Eurobarometer"), and by surveys that analysed specific or special topics ("Special Eurobarometer", "Flash Eurobarometer"). The actual data for Standard and Special Eurobarometer surveys are accessible (upon registration) on the GESIS website at: http://zacat.gesis.org/webview/index.jsp.

In our analysis we used **Eurobarometer Survey On Poverty And Social Exclusion** (Special Eurobarometer 321 / Wave 72.1). The survey was carried out in September 2009 for preparing the European Year Against Poverty (2010). The research's aim is to shed some light on poverty and social exclusion. The survey examined, among other things, people's awareness of the extent of poverty within the European Union, the perceived personal and societal reasons behind poverty. People's perception about the urgency of governmental action to combat poverty is also examined, together with the level of administration felt to be mostly responsible for it. The full report, which analyse the data of main issues of the survey, is available at:
http://ec.europa.eu/public_opinion/archives/ebs/ebs_321_en.pdf.

The **EUROPEAN SOCIAL SURVEY (ESS)** was launched with the support of the European Commission and aims to monitor the changing attitudes of 30 (mostly European) countries. There are four completed "rounds" of this survey (2002, 2004, 2006 and 2008). Each round contains certain permanent parts, as well as some that change. In 2002, the changing modules were the attitudes towards immigrants and refugees, and the position of individuals in social and non-governmental organizations (Citizenship, Involvement and Democracy); in 2004, the changing modules were on family and work, healthcare and economic ethics; in 2006, there were changing modules on the timing of events in people's personal careers, and on personal and social well-being, while in 2008 welfare attitudes in a changing Europe and experiences and expressions of ageism were included in the changing model. The last (fourth) wave of the survey was published after charring out analysis.
All the data and supplementary information about the survey (including questionnaires, fieldwork-reports) are accessible on the research website, at: www.europeansocialsurvey.org/.

From the **LUXEMBURG INCOME STUDY (LIS)** is a non-profit project headquartered in Luxembourg which produces a cross-national micro database including income microdata from large number of countries at multiple points in time from 1980 to 2004. The micro data of the

countries are harmonised (lissificated) and are suitable for cross-sectional analysis. http://www.lisproject.org/ The data we use come from the Vth and VIth wave.

The **EU-SILC: THE EU STATISTICS ON INCOME AND LIVING CONDITIONS**, an annual survey to collect comparable data in EU Member States on these and related aspects. The survey project was launched in 2003 and covered six Member States (Belgium, Denmark, Greece, Ireland, Luxembourg and Austria) plus Norway; it was extended in 2004 to a further seven (to the EU15 — with the exceptions of Germany, the Netherlands and the UK — plus Estonia). In 2005, the survey covered all EU25 countries, and from 2007 it will cover Bulgaria and Romania as well (together with Turkey and Switzerland). Additional information can be found at: http://forum.europa.eu.int/Public/irc/dsis/eusilc/library
The data quoted here is of secondary use of the Social Situation Observatory Exercise (for details see www.socialsituation.eu), taken from the summary publication of the project (Ward et al, 2009)

Annex 2. Questions to measure redistributive preference and their distributions in the European countries (descriptions)

Table A2.1.

	The (NATIONALITY) Government should ensure that the wealth of the country is redistributed in a fair way to all citizens / QA14 For each of the following statements, please tell me whether you ...					
	Totally agree	Tend to agree	Tend to disagree	Totally disagree	DK	Total
AT	44,2%	44,8%	7,9%	1,8%	1,3%	1007
BE	44,3%	36,3%	14,1%	4,5%	0,8%	1005
BG	55,5%	27,7%	8,4%	2,8%	5,6%	1014
CY	68,2%	22,1%	5,5%	2,4%	1,8%	507
CZ	25,6%	40,1%	21,1%	9,8%	3,4%	1007
DE	47,7%	34,7%	11,0%	4,5%	2,1%	1548
DK	31,9%	40,2%	18,5%	8,0%	1,4%	1020
EE	46,4%	27,1%	16,3%	8,1%	2,2%	1001
ES	50,7%	39,2%	6,2%	1,0%	2,9%	1026
FI	54,4%	34,7%	7,7%	2,4%	0,8%	1008
FR	48,8%	36,6%	8,9%	3,0%	2,7%	1027
GR	78,6%	18,4%	2,1%	0,7%	0,2%	999
HU	73,3%	20,4%	4,2%	1,4%	0,7%	1001
IE	51,1%	36,3%	4,0%	1,4%	7,2%	1001
IT	41,3%	44,1%	10,0%	2,3%	2,3%	1039
LT	52,0%	29,2%	9,3%	4,6%	4,9%	1023
LU	45,6%	36,0%	13,0%	3,8%	1,6%	500
LV	61,8%	23,3%	8,7%	3,6%	2,6%	1011
MT	58,4%	32,6%	5,6%	1,4%	2,0%	500
NL	34,2%	34,9%	20,4%	9,6%	0,9%	997
PL	35,6%	41,7%	12,4%	4,3%	6,0%	1000
PT	45,1%	46,5%	4,9%	0,5%	2,9%	1051
RO	55,0%	31,2%	6,3%	1,0%	6,5%	1013
SE	54,3%	30,1%	11,7%	2,9%	1,0%	1007
SI	58,4%	27,1%	10,4%	2,9%	1,2%	1026
SK	34,6%	42,7%	15,2%	4,9%	2,7%	1050
UK	36,0%	38,4%	16,4%	5,6%	3,6%	1331
Total	48,7%	34,3%	10,6%	3,8%	2,7%	26719

Table A2.2.

	QA25a People think differently on what steps should be taken to help solving social and economic problems in (OUR COUNTRY). I'm going to read you two contradictory statements on this topic. Please tell me which one comes closest to your view.				
	It is primarily up to the (NATIONALITY) Government to provide jobs for the unemployed	Providing jobs should rest primarily on private companies and markets in general	It depends (SPONTANEOUS)	DK	Total
AT	51,8%	29,1%	16,8%	2,3%	1006
BE	47,1%	40,4%	11,4%	1,1%	1005
BG	67,5%	20,5%	8,9%	3,1%	1016
CY	84,6%	9,7%	5,3%	0,4%	507
CZ	60,3%	36,4%	2,2%	1,1%	1006
DE	44,5%	46,3%	7,4%	1,9%	1549
DK	57,2%	36,6%	4,7%	1,6%	1020
EE	49,9%	28,2%	18,7%	3,2%	1000
ES	60,5%	20,6%	16,8%	2,1%	1026
FI	50,7%	42,6%	5,3%	1,4%	1009
FR	30,2%	61,2%	5,2%	3,4%	1027
GR	86,9%	7,1%	5,6%	0,4%	1000
HU	69,1%	25,0%	4,3%	1,6%	1000
IE	54,9%	19,0%	17,2%	9,0%	1002
IT	56,7%	24,3%	15,5%	3,6%	1039
LT	51,8%	35,6%	8,8%	3,8%	1023
LU	45,1%	41,9%	10,0%	3,0%	501
LV	73,3%	18,6%	6,4%	1,7%	1011
MT	64,9%	20,2%	12,0%	3,0%	501
NL	48,3%	43,9%	6,4%	1,3%	997
PL	70,4%	19,7%	5,1%	4,8%	1000
PT	55,4%	22,9%	15,7%	6,0%	1051
RO	56,6%	25,8%	8,9%	8,7%	1014
SE	49,6%	40,8%	7,7%	2,0%	1006
SI	39,2%	45,9%	13,2%	1,8%	1025
SK	68,5%	30,2%	0,9%	0,5%	1050
UK	58,8%	29,8%	8,3%	3,1%	1330
Total	56,9%	31,1%	9,2%	2,8%	26721

Table A2.3.

	QA25b And which of these two statements comes closest to your view?				
	Education should be totally free, even if this means that the quality might be lower	Tuition fees are necessary for providing high quality education, even if this means that some people won't be able to afford it	It depends (SPONTANEOUS)	DK	Total
AT	38,2%	40,9%	18,3%	2,6%	1007
BE	47,9%	35,3%	13,8%	3,0%	1005
BG	59,3%	24,3%	12,0%	4,4%	1014
CY	70,3%	20,3%	8,7%	0,8%	508
CZ	59,2%	34,6%	5,0%	1,2%	1008
DE	66,6%	23,8%	6,8%	2,8%	1550
DK	65,0%	26,6%	6,9%	1,6%	1020
EE	52,9%	27,3%	16,7%	3,1%	1000
ES	56,6%	16,5%	19,2%	7,7%	1026
FI	65,0%	30,8%	3,2%	1,1%	1008
FR	61,3%	21,6%	8,9%	8,3%	1028
GR	61,5%	9,9%	20,4%	8,2%	1001
HU	61,0%	25,1%	8,8%	5,1%	1000
IE	57,7%	13,8%	19,8%	8,7%	1001
IT	50,0%	19,2%	24,1%	6,7%	1038
LT	59,6%	25,6%	10,7%	4,1%	1023
LU	61,2%	19,2%	12,6%	7,0%	500
LV	61,2%	23,6%	11,0%	4,2%	1012
MT	61,0%	19,4%	16,4%	3,2%	500
NL	35,5%	47,3%	13,3%	3,9%	996
PL	69,3%	16,7%	8,2%	5,8%	1001
PT	53,6%	22,2%	17,0%	7,2%	1051
RO	56,2%	18,9%	14,7%	10,2%	1014
SE	59,7%	29,8%	7,5%	3,0%	1008
SI	68,0%	21,3%	8,7%	2,0%	1025
SK	68,6%	28,5%	2,1%	0,9%	1050
UK	69,1%	21,0%	6,8%	3,0%	1331
Total	59,1%	24,8%	11,7%	4,4%	26725

Table A2.4.

	QA25c And still about the different steps that should be taken to help solving social and economic problems in (OUR COUNTRY), which of these two statements comes closest to your view?				
	Higher level of health care, education and social spending must be guaranteed, even if it means that taxes might increase	Taxes should be decreased even if it means a general lower level of health care, education and social spending	It depends (SPONTANEOUS)	DK	Total
AT	43,5%	27,4%	24,4%	4,7%	1007
BE	60,3%	25,7%	11,1%	3,0%	1004
BG	73,7%	11,9%	10,0%	4,3%	1016
CY	77,7%	12,8%	8,3%	1,2%	507
CZ	62,1%	29,3%	4,7%	4,0%	1007
DE	60,9%	23,0%	11,3%	4,8%	1549
DK	80,2%	12,7%	6,0%	1,1%	1020
EE	64,0%	18,0%	14,4%	3,6%	999
ES	61,3%	14,2%	17,3%	7,2%	1025
FI	84,0%	12,4%	3,2%	0,4%	1009
FR	68,8%	15,7%	7,4%	8,1%	1027
GR	59,3%	12,2%	21,9%	6,6%	1001
HU	55,8%	28,2%	8,2%	7,8%	1000
IE	64,8%	10,4%	15,4%	9,4%	1000
IT	54,1%	16,7%	22,3%	6,8%	1039
LT	42,9%	40,5%	11,0%	5,6%	1023
LU	75,8%	11,8%	6,8%	5,6%	499
LV	44,0%	34,7%	14,7%	6,5%	1011
MT	56,0%	17,2%	17,0%	9,8%	500
NL	78,1%	10,6%	7,9%	3,3%	996
PL	57,4%	22,3%	9,5%	10,8%	1000
PT	61,5%	13,5%	17,9%	7,0%	1050
RO	50,4%	26,3%	12,4%	10,9%	1013
SE	83,4%	10,0%	4,3%	2,3%	1008
SI	43,3%	37,1%	16,4%	3,2%	1025
SK	59,9%	35,0%	2,9%	2,3%	1050
UK	76,4%	14,4%	6,2%	2,9%	1331
Total	62,7%	20,5%	11,6%	5,3%	26716

Table A2.5.

	QA25d And which of these two statements comes closest to your view?				
	The (NATIONALITY) Government should take more responsibility to ensure that everyone is provided for	People should take more responsibility to provide for themselves	It depends (SPONTANEOUS)	DK	Total
AT	54,4%	31,5%	13,1%	1,0%	1007
BE	43,0%	47,5%	9,2%	0,4%	1005
BG	66,5%	24,5%	6,9%	2,1%	1015
CY	73,6%	22,3%	3,6%	0,6%	507
CZ	55,5%	40,5%	3,5%	0,5%	1007
DE	54,9%	38,0%	6,5%	0,6%	1549
DK	43,8%	50,0%	5,0%	1,2%	1020
EE	49,9%	33,3%	14,7%	2,1%	1000
ES	66,7%	17,3%	13,1%	2,9%	1026
FI	51,6%	42,9%	5,0%	0,6%	1008
FR	54,3%	35,1%	7,1%	3,5%	1027
GR	82,2%	9,8%	7,3%	0,7%	1000
HU	70,7%	23,5%	4,0%	1,8%	1000
IE	59,6%	22,1%	12,3%	6,0%	1001
IT	68,5%	16,2%	12,3%	3,0%	1039
LT	30,1%	57,7%	8,8%	3,3%	1022
LU	44,2%	47,8%	6,8%	1,2%	500
LV	63,3%	26,7%	8,6%	1,4%	1012
MT	55,1%	31,1%	11,4%	2,4%	499
NL	25,4%	65,6%	7,2%	1,7%	995
PL	57,7%	31,2%	6,9%	4,2%	1001
PT	58,6%	23,1%	12,9%	5,3%	1051
RO	57,0%	28,7%	8,3%	6,0%	1012
SE	37,2%	53,0%	8,1%	1,6%	1007
SI	39,5%	47,1%	12,6%	0,8%	1025
SK	65,0%	33,0%	1,4%	0,7%	1050
UK	40,9%	49,5%	7,7%	1,8%	1331
Total	54,1%	35,4%	8,3%	2,1%	26716

Table A2.6. The macro data on poverty and inequality used in the analysis

	Gini	Relative Poverty Rates – Total Population (60%)	Redistributive preference (EB.72.1, 2009)	Government should reduce differences in income levels
AT	0,27*	13*	−0,17	44,18%
BE	0,28**	16**	−0,35	44,28%
BG	0,24***	14***	0,28	55,46%
CY	0,29***	16***	0,58	68,02%
CZ	0,25***	10***	−0,29	25,64%
DE	0,28*	14*	−0,17	46,34%
DK	0,23*	13*	−0,27	31,87%
EE	0,36**	20**	−0,13	46,37%
ES	0,32*	21*	0,28	50,72%
FI	0,25*	14*	−0,07	54,35%
FR	0,27***	13***	−0,21	48,79%
GR	0,33*	20*	0,77	78,51%
HU	0,29*	12*	0,37	73,39%
IE	0,31**	22**	0,27	51,17%
IT	0,34*	20*	0,14	41,32%
LT	0,35***	20***	−0,30	52,00%
LU	0,27*	14*	−0,19	45,64%
LV	0,39***	23***	0,27	61,80%
MT	0,28***	14***	0,21	58,47%
NL	0,23**	11**	−0,71	34,22%
PL	0,32*	18*	0,13	35,60%
PT	0,38***	18***	0,13	45,07%
RO	0,33***	19***	0,14	55,03%
SE	0,24*	12*	−0,22	54,35%
SI	0,25**	14**	−0,22	58,43%
SK	0,28***	12***	0,02	34,55%
UK	0,35*	19*	−0,21	34,66%

* Source: LIS wave 6.
** Source: LIS wave 5.
*** Source: EU-SILC, 2006.

Annex 3. Measured inequalities (EU-SILC) and redistributive preference

Figure A3.1. Inequality and redistributive preference index (RPI) in European countries (EU-SILC based macro data for 2006)

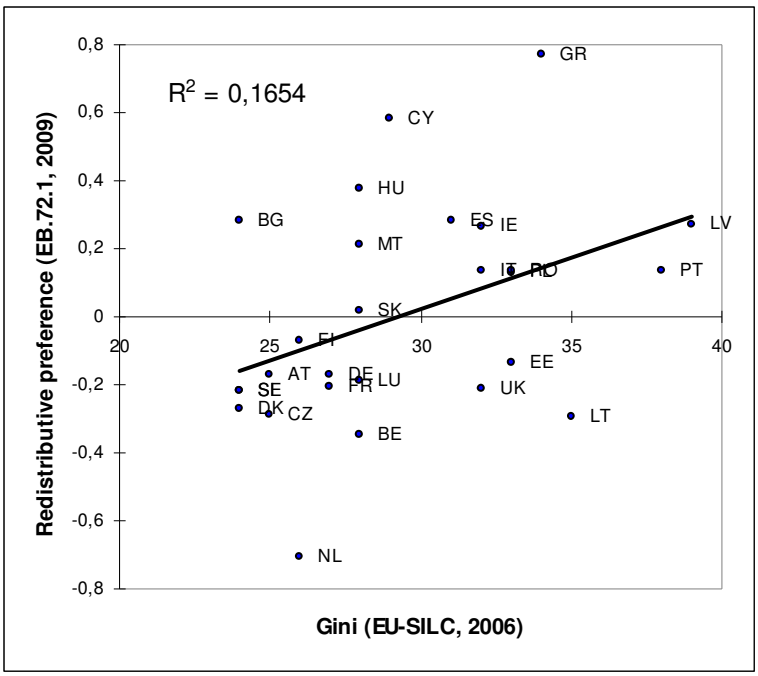

Figure A3.2. Poverty and redistributive preference index (RPI) in European countries (EU-SILC based macro data for 2006)