

Public Preferences for Social Policy: A Comparative Perspective

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The Plan of the Talk

The difficulties of measuring preferences for policy.

Absolute preferences vs. relative preferences.

The thermostatic model of public preferences.

Measuring (and modeling) preferences for social policy
over time, across countries.

The bottom line: Relative preferences for social policy have
changed (a lot) and absolute preferences have too, though
it's hard to directly observe.

Can we determine what and much social policy the public wants? What preferences can we measure? What do our measures tell us about preferences at particular points in time? What do they tell us about the change in preferences over time?

These are simple questions. There are a lot of poll data at our disposal to answer them. And there has been a lot of published research on the subject. Yet we know only a little. Here, we take some initial steps toward understanding whether and how the public's preferences have changed.

The analysis focuses mostly on the set of countries surveyed as part of the International Social Survey Program, though I may turn to other US data for illustrative purposes.

The difficulties of direct measurement

There are limits to what we can ask about policy preferences. Consider the behavior of survey organizations. They ask about support for (some) particular bills or policies. But they rarely ask about people's *absolute* preferences—their preferred policy levels. The exceptions: abortion preferences under different circumstances, selected other “social” domains. (Note that they do not ask about the preferred levels of policy even in these areas.) In the many other policy domains in which governments operate, survey organizations do not ask about absolute preferences in any form, e.g., how much spending or regulation people want. There is good reason for these practices: people do not have specific preferred levels of policy in most areas.

The difficulties of direct measurement, over time

Assessing change in preferred policies is even more difficult, as it requires repeated measures over time. Even where we do have measures of preferences for policies (or bills), these often are not asked about over long stretches of time. Even where survey organizations do ask about the same questions, it might not capture the change in preferences, as we will see.

The public's relative policy preferences

Although survey organizations do not commonly ask about the public's absolute policy preferences, they often do ask about *relative* preferences—their preferences for policy change. Typically, they ask about whether we are spending “too little” or “too much” or whether we need to “do more” or “do less” or favor “more restrictions” or “less restrictions.” In some cases, questions are regularly asked and in the same way over time, most notably, in batteries about spending in different areas, e.g., welfare, health, education, and defense. What do these measures reveal about public preferences for policy? What can we glean about preference change?

Conceptualizing public preferences for policy

The thermostatic model

In theory:

$$R_t = P_t^* - P_t$$

where R is the public's relative preference, P is policy, and P^* is the absolute preference for policy. Thus, R can change because P^* changes or P changes, i.e., one can't infer anything about the public's absolute preferences from observing R alone. One has to model R .

As noted, we often don't measure P^* ; even where we do, the metrics (for all three variables) are different.

Thus, in practice:

$$R_t = a + \beta_1 P_t + \beta_2 U_t + e_t$$

where U represents the set of P^* instruments.

Relative preferences and absolute preferences

People's preferences differ.

The differences vary across policy areas.

The differences reflect objective self interest but other factors as well.

People's preference change.

Much of the over-time variation is due to negative policy feedback—a corrective to conventional interpretations. (This feedback complicates cross-space analyses too.)

There is other variation.

An important factor seems to be "security"—economic, national, personal. The economy is a leading suspect.

There also is trend in some areas, e.g., "cultural" issues.

On measuring absolute preferences

Alternatives to direct measurement

Indirect survey-based measurement: Instruments that indicate absolute preferences. For welfare, survey organizations might ask about the government's role in an area, e.g., support for providing a job for people who want one. Responses may reveal information about public preferences, but not very specific, e.g., we can tell whether one person wants more than another person but not how much more. We also cannot tell what the public wants. We can tell whether "preferences" have gone up or down but not by how much. Note also that, while survey organizations use a variety of indirect measures, these often are not the same at different points in time.

On measuring absolute preferences, cont'd

Non-survey-based proxies: Measures of things that cause people's absolute preferences to change, e.g., for welfare or other social policy areas, economic conditions. These are useful for a number of reasons.

The lack of indirect survey-based measures.

Where survey-based measures do exist, the stability of responses.

Measures of public preferences over time

Not much survey data to compare countries over time but there will be more in the future from the Comparative Study of Electoral Systems. For now, International Social Survey Program (ISSP) data from the “Role of Government I-IV” waves, which combine results from four years—1985, 1990, 1996, and 2006—that included a battery of questions on government policies, particularly spending.

There are measures of relative preferences for overall spending. Specifically, ISSP asked about “cuts” in government spending.

“Please show which actions you are in favor of and which you are against: Cuts in government spending (strongly in favor, in favor, neither in favor nor against, against, strong against).”

Measures of public preferences over time

The ISSP also asked about spending in particular domains: health, education, the environment, and defense. Specifically, they asked:

“Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area.”

We produce measures of Net Support for more spending, which represent the percentage favoring more minus the percentage favoring less in each area.

Research shows that these measures matter for policy, as they predict what governments do over time. Of course, other things also matter for policy, including the party control of government.

Measures of public preferences, cont'd

ISSP also contains indicators of the public's underlying absolute preferences (P*). The survey question: "On the whole, do you think it should be or should not be the government's responsibility to: (1) Control prices, (2) Provide health care for the sick, (3) Provide a decent standard of living for the old, (4) Provide a job for everyone who wants one, (5) Provide industry with help to grow, (6) Provide a decent standard of living for the unemployed, (7) Reduce income differences between rich and poor, (8) Give financial help to university students from low-income families, (9) Provide decent housing for those who can't afford it, (10) Impose strict laws to make industry do less damage to the environment." We produce a summary measure and focus on particular social components as well.

Long on Space, Short on Time

The data permit a panel analysis—specifically, 2-4 observations per country in up to 22 countries: Australia, Canada, Czech Republic, France, Germany, Great Britain, Hungary, Ireland, Israel, Italy, Japan, Latvia, New Zealand, Norway, Philippines, Poland, Russia, Slovenia, Spain, Switzerland, Sweden and the US.

This contrasts with our previous research using many time-serial observations in 3 countries: Canada, the UK and the US.

Figure 1. Relative preferences for total spending, by country

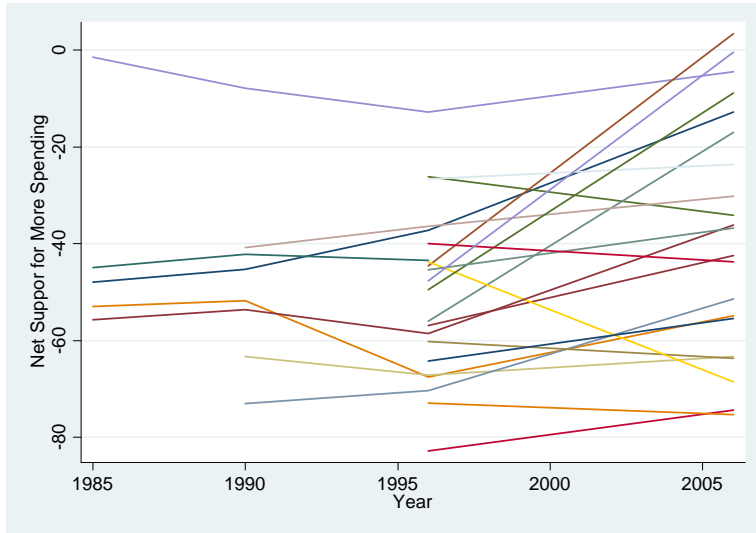


Table 1. Relative preferences for spending

Year	Total	Health	Education	Environ	Defense
1985	-40.6	43.5	37.5	29	-16.7
1990	-47.3	55.3	47.2	45.1	-26.3
1996	-50.5	52.5	47.8	33.9	-11.6
2006	-37.8	55.9	51.4	32.8	-3.3
1996-2006	12.8	3.4	3.6	-1.1	8.3
ANOVA Variance Components					
Year	0.08	0.03	0.06	0.13	0.06
Country	0.75	0.80	0.72	0.50	0.86
Other	0.17	0.17	0.22	0.37	0.08

Table 2. Relative preferences for spending by country, 2006

	Total	1996-2006	Health	1996-2006	Education	1996-2006
Ireland	3.4	47.9	83.0	24.1	71.2	30.2
Russia	-0.5	47.2	67.1	-11.4	62.8	-7.5
Great Britain	-4.5	8.3	53.4	-13.5	46.4	-11.1
Switzerland	-8.9	40.7	25.1	12.2	43.4	14.8
Australia	-12.8	24.4	64.6	11.2	55.1	8.8
Spain	-17.0	39.0	60.0	8.8	59.4	12.1
Sweden	-23.6	3.0	51.8	1.2	31.1	-5.2
Norway	-30.2	6.2	56.0	1.0	37.3	9.1
Czech Rep	-34.1	-8.0	43.1	-13.9	39.9	-1.5
USA	-36.1	22.4	54.7	16.1	60.1	10.4
New Zeal'd	-36.8	8.6	56.7	-3.3	46.6	-10.9
Canada	-42.4	14.5	47.4	17.3	40.5	1.2
Italy	(-43.5)	---	(50.4)	---	(44.4)	---
Philippines	-43.8	-3.8	64.7	17.5	68.6	20.0
Israel	-51.4	18.9	73.0	10.9	79.3	9.6
Germany	-54.9	12.6	37.1	0.8	59.5	28.1
Slovenia	-55.5	8.8	54.4	-4.4	52.8	-9.1
Hungary	-63.4	3.8	74.1	6.2	49.6	-5.3
Japan	-63.7	-3.4	41.9	-8.1	32.2	1.0
Poland	-68.6	-24.8	67.5	0.0	52.3	-5.9
France	-74.4	8.4	35.8	7.1	36.2	-1.5
Latvia	-75.3	-2.4	62.7	-10.0	54.4	-15.2

What does the increase in relative preferences mean?

One possibility is negative feedback to policy—as policy has increased, relative preferences have decreased.

Another possibility is a change in the underlying preferred level of spending.

- An increase in support of a government role.
- An increase in perceived capacity, e.g., because of a growing economy.

Figure 2. Support for government action (global mean), by country

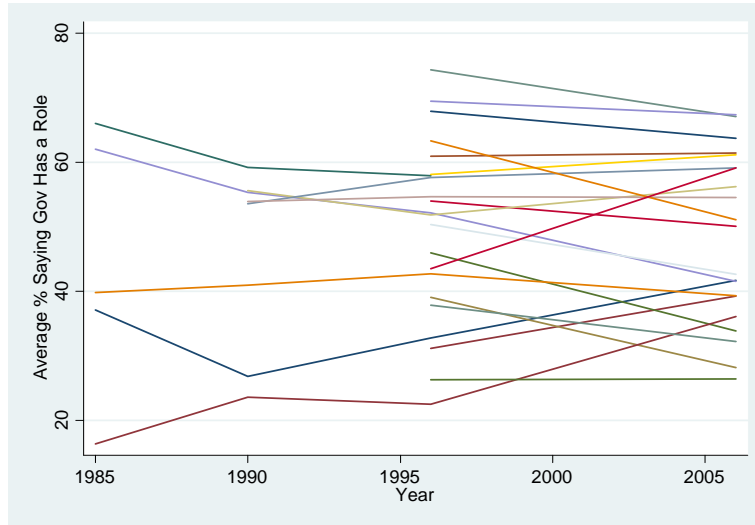


Table 3. Support for government action

Year	Global	Health for sick	Students std living	Decent housing	Income gap	Provide job	Unemp'd std living
1985	44.3	71.7	---	---	21.2	23.4	29.0
1990	46.1	74.6	50.2	41.0	26.8	32.4	26.6
1996	49.8	73.6	54.7	40.3	30.1	34.4	30.7
2006	48.2	73.7	56.4	38.8	35.8	26.9	22.6
1996-2006	-1.6	0.1	1.7	-1.5	5.7	-7.5	-8.1
ANOVA Variance Components							
Year	0.01	0	0.01	0	0.02	0.02	0.05
Country	0.89	0.88	0.9	0.91	0.91	0.94	0.84
Other	0.1	0.12	0.09	0.09	0.07	0.04	0.11

Table 4. Support for government action by country

	Overall	Health for sick	Students std living	Decent housing	Income gap	Provide job	Unemp'd std living
Spain	70.7	84.3	80.4	74.6	58.6	56.2	64.1
Russia	68.4	83.7	71.6	63.5	54.7	73.3	35.5
Slovenia	65.8	83.5	80.3	58.4	60.3	59.4	43.7
Ireland	61.2	87	73.8	61.7	42	18.6	45.5
Italy	61.1	89.3	65.7	54.3	43.1	48.2	38.7
Poland	59.7	78.2	65.2	53.3	55.3	62.9	40
Latvia	57.2	77.7	65.6	43.1	39.3	57.6	32.2
Israel	56.8	74.4	65.6	57	49.9	49.7	21.9
Hungary	54.6	81.6	52.6	35.5	49.7	58.4	22
Norway	54.4	90.5	40.8	31.9	37.7	49.1	52.3
Great Britain	52.8	86.3	52	48.4	32.4	19.3	31.2
France	52.1	62.6	67.3	50.6	48.2	28.3	30.2
Philippines	51.3	66.1	60.2	42.2	23.4	61.6	36.2
Sweden	46.5	73.7	36.6	39.3	32.8	21.2	44.3
Germany	40.7	67.8	48.2	33.7	25.8	37.1	31.2
Czech Rep	39.3	74.3	55.4	24.8	10.6	41.2	-8.8
Canada	35.2	73.2	50.3	32	13	-19.7	14.9
New Zeal'd	35.1	78	38.8	26.6	-2	-8.1	2.7
Australia	34.6	64.7	43.7	26.9	7.9	-3.9	7.3
Japan	33.6	53.6	11.7	-5.8	21.8	7.2	16.8
Switzerland	26.4	43	41.9	10	22.3	57.6	32.2
USA	24.6	50.6	50.4	26.5	-7.6	-14.8	-0.4

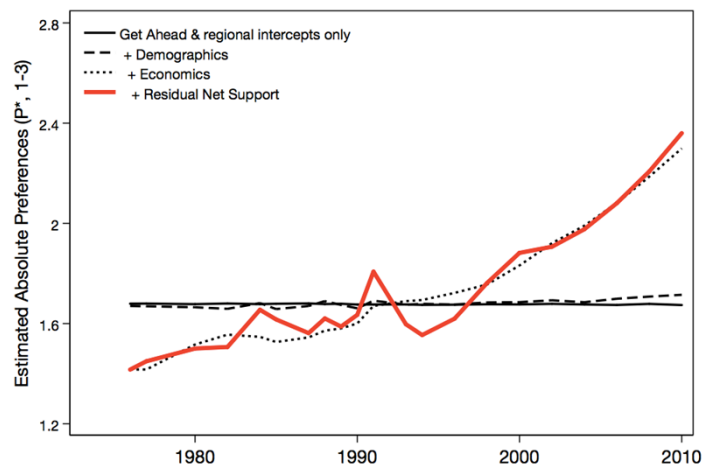
Table 5. Support for government action, 2006
selected components

	Overall	1996- 2006	Income gap	1996- 2006	Provide job	1996- 2006
Russia	67.4	-8.1	57.5	5.7	70.3	-6.0
Spain	67.1	-7.2	54.5	-8.5	45.8	-20.8
Slovenia	63.7	-4.2	62.4	4.1	55.6	-7.7
Ireland	61.5	0.5	43.3	2.6	72.3	-12.6
Poland	61.2	3.0	59.5	8.5	63.2	0.5
Philippines	59.2	15.6	34.0	21.3	68.6	14.0
Israel	59.1	1.4	60.8	8.7	46.2	2.7
Italy	(57.9)	---	(37.3)	---	(39.9)	---
Hungary	56.2	4.4	56.5	12.1	61.5	6.2
Norway	54.6	-0.1	41.5	4.3	43.5	-5.7
Latvia	51.1	-12.3	45.7	12.8	45.5	-24.1
France	50.1	-3.9	48.4	0.5	20.3	-16.0
Sweden	42.6	-7.7	30.1	-5.4	16.4	-9.6
Australia	41.7	8.9	18.9	13.5	-9.3	-6.7
Great Britain	41.5	-10.7	23.0	-4.6	5.6	-18.0
Germany	39.3	-3.4	28.3	3.6	27.2	-11.0
Canada	39.2	8.1	25.8	25.6	-16.3	6.8
USA	36.1	13.6	34.0	10.3	-13.6	3.0
Czech Rep	33.9	-12.1	4.9	-11.5	30.3	-3.8
New Zeal'd	32.3	-5.6	1.1	6.3	-19.6	-22.9
Japan	28.2	-10.8	25.3	6.9	0.3	-13.7
Switzerland	26.4	0.2	27.7	10.8	2.4	-5.8

Table 6. Predictors of relative preferences selected components

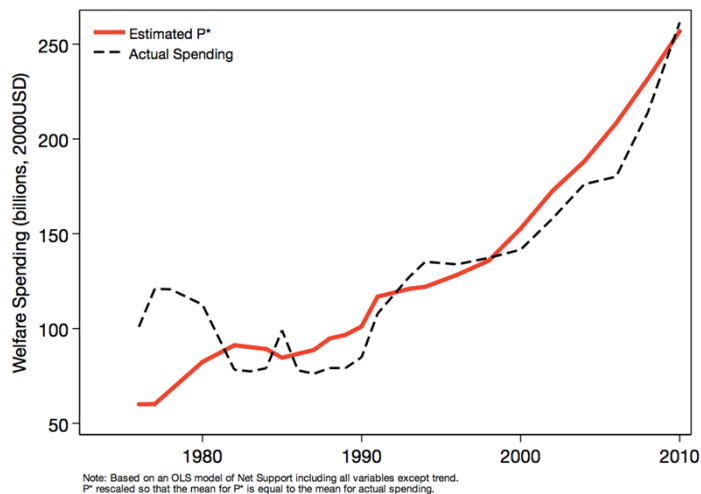
Year	Govt Action	Spend/ GDP %	Unemp
1985	44.3	15.3	9.0
1990	46.1	13.1	7.6
1996	49.8	12.2	9.0
2006	48.2	11.6	6.8
1996-2006	-1.6	-0.6	-2.2

Predicted absolute preferences for welfare spending in the US



Note: Based on an OLS model of Net Support including all variables except trend. In all cases, excluded variables are held at their mean values.

Predicted absolute preferences and welfare spending over time



Conclusions

To begin with, measuring absolute public preferences is difficult, and particularly over time.

Direct measures are hard to imagine in many areas.

Indirect (survey-based) measures also can prove elusive and difficult to sustain over time. Even when we think we have good instruments, they may be incomplete indicators, e.g., telling us something about cross-country (or cross-individual) differences but not change over time.

Proxies may work—indicators of perceived capacity (and also need). These effects need to be directly estimated in models of relative preferences, i.e., using a thermostatic framework.

Doing this strongly suggests that the public's underlying preferred levels of social policy are largely been driven by economic conditions, and in a procyclical way. Preferences thus tend to increase over time, though moreso at some times than others.

Thank you.

Table T. Support for government action (Global),
by country

	1985	1990	1996	2006	1996-2006
Australia	37.1	26.8	32.8	41.7	8.9
Canada			31.2	39.2	8
Czech Rep			45.9	33.9	-12
France			54	50.1	-3.9
Germany	39.8	41	42.7	39.3	-3.4
Great Britain	62	55.4	52.2	41.5	-10.7
Hungary		55.6	51.8	56.2	4.4
Ireland		64.4	61	61.5	0.5
Israel		53.6	57.7	59.1	1.4
Italy	66	59.2	57.9		---
Japan			39	28.2	-10.8
Latvia			63.3	51.1	-12.2
New Zeal'd			37.8	32.3	-4.5
Norway		54	54.7	54.6	-0.1
Philippines			43.5	59.2	15.7
Poland			58.2	61.2	3
Russia			49.5	67.4	17.9
Slovenia			67.9	63.7	-4.2
Spain			74.3	67.1	-7.2
Sweden			50.4	42.6	-7.8
Switzerland			26.3	26.4	0.1
USA	16.4	23.6	22.5	36.1	13.6