

Insights Series #132

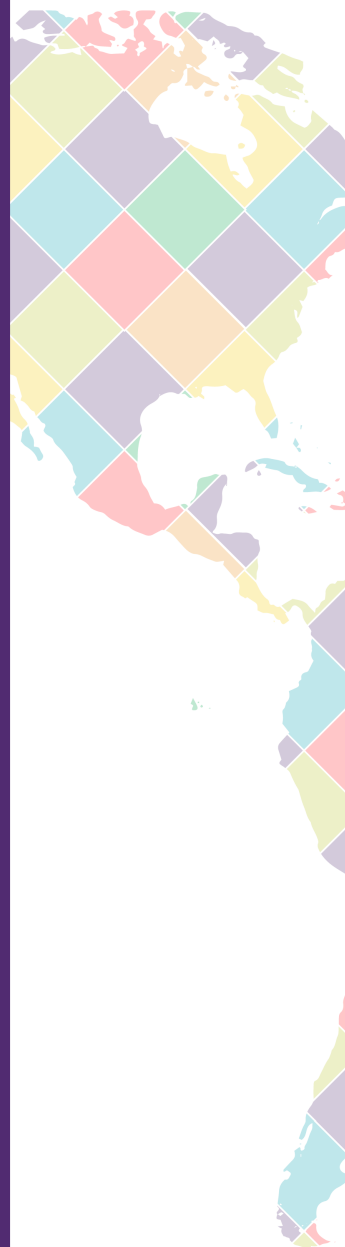
Reducing Inequality in the Americas: What Factors Predict Public Support for Redistribution?

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May 8, 2018

Key Findings:

- On average, across 18 countries, large majorities express approval of strong government policies to reduce income inequality.
- Higher levels of interpersonal trust are linked to greater support for redistribution.
- Being a recipient of government benefits is also related to higher support for redistribution.
- Higher education levels predict support for redistribution, while right-leaning political orientations are associated with lower levels of support.



For the first time in over a decade, the number of individuals living in poverty in Latin America increased (ECLAC 2017). Further, by many metrics, Latin America is one of the most unequal regions in the world (Oxfam 2017). These realities make poverty, income inequality, and the government's role in addressing these problems central issues for Latin American countries.

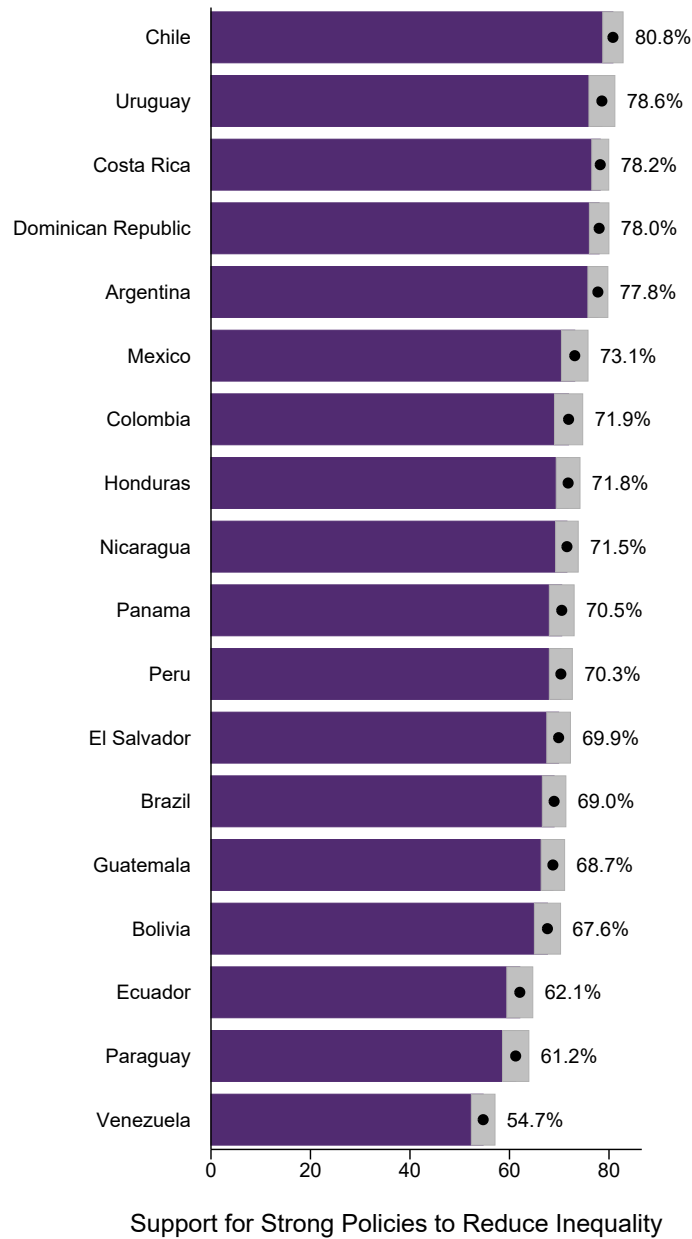
High and growing inequality can lead to or exacerbate a number of negative social, economic, and health outcomes. Governments can mitigate the negative outcomes of inequality by creating programs that tackle unequal access to education, health care, and social programs (Ferranti et al. 2004). Strong public support could facilitate the successful implementation of programs aimed to decrease inequality. Therefore, understanding what predicts support for policies to reduce inequality provides an important first step in moving toward identifying effective strategies for implementing them.

This *Insights* report assesses responses to the following question from the 2016/17 round of the AmericasBarometer survey by LAPOP, in which survey participants were asked to rate, on a scale from 1 to 7, how much they agreed with the following statement:

ROS4. The (country) government should implement strong policies to reduce income inequality between the rich and the poor.

Figure 1 shows support for strong policies to reduce income inequality in 18 Latin American countries.¹ Support for reducing inequality in Latin America is high, with 71% of individuals across the region agreeing with this statement. Levels of support for decreasing inequality range from a low of 54.7% in Venezuela to a high of 80.8% in Chile. Worldwide, wealthier countries tend to exhibit lower levels of support for redistribution² (Dallinger 2010); but in Latin America in 2016/17, the countries with the most support are among the wealthiest in the region (e.g., Uruguay, Costa Rica, Argentina, Chile), while countries with the lowest support are poorer (e.g., Venezuela, Paraguay, Ecuador). Within this counter-intuitive context, this report focuses on identifying the individual-level character-

istics that predict support for policies to combat income inequality.



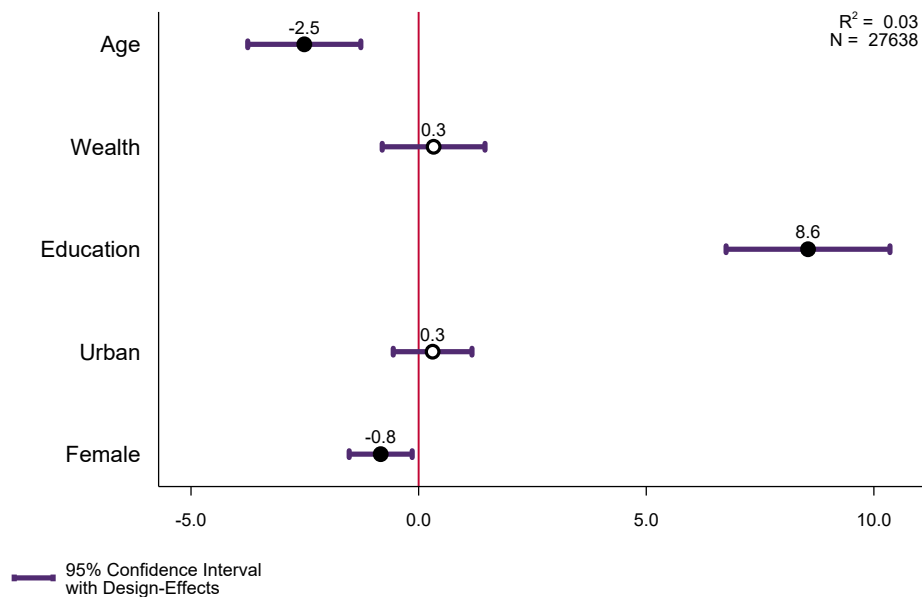
Source: © AmericasBarometer, LAPOP, 2004-2017; GM_v.07172017

Figure 1: Support for Strong Policies to Reduce Income Inequality, by Country in 2016/17

Sociodemographic Factors and Support for Redistribution

To begin, I assess the effect of wealth and education on support for reducing income inequality in the 2016/17 AmericasBarometer. It is essential to examine socioeconomic factors because redistributive policies generally redistribute from the wealthiest to the poorest, which can lead the wealthy to become worse off.³ As a matter of self-interest then, the wealthy should prefer policies that maintain the status quo (e.g., less redistribution), which benefits them (Corneo and Grüner 2002; Hasenfeld and Rafferty 1989), while the poor should have an incentive to push for redistribution. I also expect that those with higher levels of education will tend to express greater support for reducing inequality. I expect this relationship because scholars have found that increased education can lead people to attribute economic hardships to an individual's circumstances rather than to their personal choices, making them more likely to support redistributive policies (Fong 2001). I also control for age, gender, and urban residence.

Figure 2 shows the results of an OLS analysis that regresses support for reducing inequality on gender, urban residence, education, wealth,⁴ and age in the 18 Latin American countries.⁵ Each independent variable is listed on the vertical axis. The dots represent the coefficient associated with each variable, and the bars represent the 95% confidence interval around that estimate. The dependent variable has been rescaled to range from 0 to 100, with 0 indicating the least support for redistributive policies, and 100 signifying the most support. Independent variables range from 0 to 1, with 1 signifying “more of” the variable shown. Coefficients represent maximal effects; the coefficient for wealth, for example, indicates the change in support between the poorest and wealthiest individuals. Dots to the right of the red line signify positive relationships, and dots to the left of the line indicate a negative association. When the bar for an independent variable does not intersect the red vertical line, that variable is statistically significant ($p < 0.05$).⁶



Source: © AmericasBarometer, LAPOP, 2004-2017; GM_v.07172017

Figure 2: Socioeconomic and Demographic Predictors of Support for Redistribution

Surprisingly, wealth has no effect on support for reducing inequality when other variables are controlled for in the analysis. Wealthier individuals are no less likely to want to reduce inequality than poorer individuals. Education has the largest effect on support for redistribution: respondents with post-secondary education are 8.6 degrees more supportive than those with no formal schooling. Age, and gender are also negatively associated with preferences for redistribution: women are 0.8 degrees less supportive of policies aimed at reducing inequality than men, and the oldest cohort of respondents is about 2.5 degrees less supportive of these policies than the youngest individuals, on average.

Further Explanations of Support for Redistribution

In addition to demographic features, scholars have documented other explanations of support for redistribution. I focus on two of those ex-

planations: self-interest and interpersonal trust. A variety of definitions of self-interest exist (see e.g., Blekesaune and Quadagno 2003; Bullock, Williams, and Limbert 2003; Corneo and Grüner 2002; Hasenfeld and Rafferty 1989; Rehm 2005); for the purposes of this report, I define self-interest as a preference for policies that individuals think will benefit them (Wysieńska-Di Carlo and Di Carlo 2014). Theories of self-interest suggest that support for redistribution is contingent upon an individual's belief that she will benefit from (or at least not be hurt by) policies that promote income equality. Since relatively wealthy individuals are unlikely to personally benefit from a policy that promotes redistribution, it is not in their self-interest to support this type of policy (Meltzer and Richard 1981; Ravallion and Lokshin 2000). Figure 2, however, suggests that self-interest is not a factor in determining redistributive preferences: wealthier citizens seem no less supportive of policies that reduce inequality than poorer citizens.

To test the robustness of this finding, I also include another, more direct measure of self-interest: receiving welfare or government assistance.⁷ Individuals who receive money or other material benefits from the government may support redistributive policies because they currently benefit from them.

The second explanation I examine is interpersonal trust. In addition to individuals' personal economic situations, scholars suggest that general support for inequality reduction is contingent upon citizens' beliefs about those who stand to benefit from redistribution (Bullock, Williams, and Limbert 2003; Córdova 2009; Daniele and Geys 2015; Hasenfeld and Rafferty 1989; Larsen 2007). In particular, individuals tend to be more supportive of redistribution when they view beneficiaries as deserving (Larsen 2007). If an individual believes that redistribution efforts will be wasted or misused by undeserving recipients, then they are less likely to support redistributive policies.

One element of deservingness is trusting others in society to use public assistance properly. Indeed, scholars have linked generalized trust for others to support for redistributive policies (Daniele and Geys 2015). To

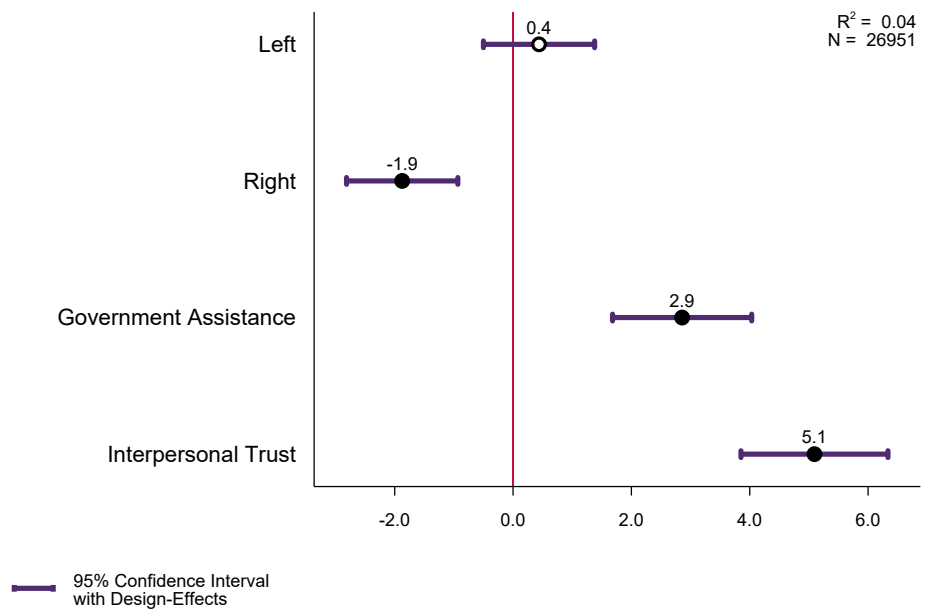


Figure 3: Other Predictors of Support for Reducing Inequality

test this relationship, I use an item from the AmericasBarometer that asks individuals about the trustworthiness of people in their communities.⁸ While this measure of interpersonal trust does not specifically capture attitudes about welfare recipients per se, it seems reasonable to think that generalized trust may be correlated with trusting welfare recipients. Thus, I expect interpersonal trust to be positively related to support for government redistribution.

Finally, since attitudes towards income inequality and subsequent policy preferences have been linked to political orientations (Blekesaune and Quadagno 2003; Gelman, Kenworthy, and Su 2010), I also control for political orientations via measures of left-right self-placement.⁹ Figure 3 shows the results of the regression analysis that includes measures of interpersonal trust, government assistance, and measures of left-right ideological identification.¹⁰ As in Figure 2, the dependent variable has been recoded to range from 0 to 100, and independent variables range from 0 to 1 to communicate maximal effects.

As expected, I find that both welfare recipients and those with high levels of interpersonal trust are positively and significantly more supportive of redistribution. Consistent with theories of self-interest, those who receive government assistance are 2.9 degrees more supportive of decreasing inequality. Interpersonal trust has a larger effect on support: those who report that their neighbors are very trustworthy express 5.1 degrees more support for redistribution than individuals who find their neighbors untrustworthy. I find that right-wing ideology negatively predicts support for redistribution: those who self-identify on the right side of the political spectrum are 2.6 degrees less supportive of government policy to reduce inequality compared to those who place themselves in the center. Left-leaning respondents do not appear to be any more supportive of redistribution than centrists.

Discussion

This Insights report examines the factors related to support for government efforts to reduce income inequality. While support for redistribution is widespread in Latin America, individual-level factors do make a difference. Individuals consider their material self-interest when determining their level of support for redistribution. Those who benefit from redistributive policies tend to support these policies, while those who do not benefit directly express lower levels of support. Interpersonal trust is also a key predictor of support for reducing inequality, suggesting that individuals are not solely materially self-interested.

These findings have several implications for policymakers. First, they challenge the expectation that those in the upper socioeconomic strata are always less supportive of redistributive policies. At the same time, they do suggest that even in context where overall support for redistribution is high, personal benefits from these policies increases support further. Moreover, these findings suggest that working to improve social trust across groups could increase support for policies aimed at addressing income inequality.

Notes

1. Each bar represents the percentage of respondents who voiced some level of support (values of 5-7 on the seven-point scale). Since key independent variables are not available for the U.S. and Canada, I exclude them from the analyses in this report.
2. While the survey question doesn't ask specifically about support for redistribution, others have used it to measure support for such a policy (Dallinger 2010). I follow this lead and consider support for reducing income inequality as support for redistribution of wealth.
3. Note that scholars have found that lower levels of inequality in fact improve a variety of societal outcomes that wealthy individuals may desire, including economic growth (see, e.g., Alesina and Rodrick 1994). The discussion here builds on the widespread notion that wealthy individuals tend to think that redistribution makes them worse off.
4. See "Methodological Note: Measuring Relative Wealth using Household Asset Indicators" for a description of how wealth quintiles were measured: <http://www.vanderbilt.edu/lapop/insights/I0806en.pdf>.
5. Country fixed effects in the model for Figure 2 are included, but not shown to conserve space.
6. In additional tests, I found no evidence that the relationships between these independent variables and the dependent variable were nonlinear.
7. **WF1**. Do you or someone in your household (regularly) receive assistance in the form of money, food, or products from the government, not including pensions/social security?
8. **IT1**. "Speaking of the people from around here, would you say that people in this community are very trustworthy, somewhat trustworthy, not very trustworthy, or untrustworthy?" In Figure 3, this variable has been recoded so that higher values indicate more trust.
9. I recoded the 10-point scale into four categories: left (values of 1-4), center (5), right (values of 6-10), and non-response. The effects of self-placement on the left or right side of the scale are measured in relation to those who place themselves in the center (the reference category). The Don't Knows and non-respondents are included in the analysis but excluded from the figure. See the appendix for complete results for Figure 3.

10. When the new explanatory variables are included, the statistical significance of the other demographic variables remains unchanged. The socio-demographic variables included in Figure 2 above are included in the analysis for Figure 3 but not shown here to conserve space.

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Appendix

Table 1: OLS Regression Results—Figure 2 & Figure 3

Variables	Support Strong Policies to Reduce Inequality (Figure 2)	Support Strong Policies to Reduce Inequality (Figure 3)
Left Ideology (center=ref.)		0.44 (0.48)
Right Ideology (center=ref.)		−1.87* (0.48)
DK/No Response (center=ref.)		1.04 (0.75)
Government Assistance		2.86* (0.60)
Interpersonal Trust		5.09* (0.63)
Age	−2.51* (0.63)	−2.39* (0.64)
Wealth	0.33 (0.58)	0.29 (0.58)
Education	8.55* (0.92)	8.23* (0.93)
Urban	0.31 (0.44)	0.56 (0.44)
Female	−0.83* (0.35)	−0.73* (0.36)
Constant	68.85* (1.12)	66.15* (1.22)
Country Fixed Effects	Yes	Yes
Observations	27,388	26,951



Pawel Durakiewicz is a Junior at Vanderbilt University and a Political Science Major. He is the Vice President of Vanderbilt College Republicans, the Treasurer for the Vanderbilt Chapter of Young America's Foundation, and has contributed to the Vanderbilt Political Review, a student magazine focused on current political events, both local and national. Pawel developed this report while participating in LAPOP's Undergraduate Research Fellow program.

This report was edited by Dr. Mollie J. Cohen, Claire Q. Evans, Dr. Noam Lupu, and Dr. Mitchell A. Seligson. Auditing for this report was done by Euiyoung Emily Noh. This report was translated by Rubí Arana and Dr. Juan Camilo Plata. Formatting, production, copy editing, graphics, and report distribution were handled by Rubí Arana, Emma Tatem, and Zach Warner. Our data and reports are available for free download on the project website. Please follow us on Twitter or Facebook to stay in touch.

As a charter member of the American Association for Public Opinion Research (AAPOR) Transparency Initiative, LAPOP is committed to routine disclosure of our data collection and reporting processes. More information about the AmericasBarometer sample designs can be found at vanderbilt.edu/lapop/core-surveys.

This *Insights* report is made possible by the support of the American People through the United States Agency for International Development (USAID) and Vanderbilt University. The contents of this *Insights* report are the sole responsibility of its author and LAPOP and do not necessarily reflect the views of USAID, the United States Government or any other supporting organization. LAPOP's AmericasBarometer surveys are supported predominantly by USAID and Vanderbilt University. The 2016/17 round also had support from the IADB, the UNDP, the Open Society Foundations, and academic partners and researchers across the Americas.

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