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Preferences for Redistribution and International Migration *

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Abstract

Are migrants self-selected and sorted according to their views about what constitutes a fair level of redistribution? A major challenge in answering this question is that fairness concerns and self-interest are intertwined. We present a theoretical framework that allows us to test whether migrants self-select and sort themselves according to fairness concerns, in addition to financial self-interest. Our empirical analysis uses our own survey data on Danish emigrants to various destinations, combined with full-population administrative data and survey data on Danes living in Denmark. To exclude the role of financial self-interest, we focus on emigrants' attitudes towards redistribution in Denmark where they no longer pay taxes or receive transfers. We find strong support for the hypothesis that migrants self-select and sort themselves according to their views about what constitutes a fair level of redistribution among men, but not among women: the majority of men who emigrate are more negative towards redistribution in Denmark than non-migrants, while the opposite pattern prevails among women. The stark gender difference remains when solely looking at those who emigrated for work reasons.

Keywords: Migration; Emigration; Welfare state; Redistribution; Political preferences

JEL Codes: D64; D72; F22; J61; H2

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1. Introduction

Economists usually view international migration as being motivated by differences in disposable income across countries and tempered by costs of migration (Borjas 1987; Grogger and Hanson 2011). From this perspective, a higher level of income redistribution is a pull factor for low-income earners and a push factor for high-income earners (Pauly 1973; Epplé and Romer 1991; Wildasin 1991). Yet, preferences towards redistribution depend strongly on fairness considerations and beliefs about the determinants of success (Alesina et al. 2001; Fong 2001; Corneo and Grüner 2002). This raises an important question: are migrants self-selected and sorted also according to their views about what constitutes a fair level of redistribution? Such voting with one's feet was suggested already by Tiebout (1956), who derived conditions under which individuals sort into jurisdictions pursuing policies they prefer. This hypothesis has, to our knowledge, not been tested with respect to opinions about what constitutes a fair level of redistribution.¹ In this paper, we provide the first evidence on this question and evaluate whether people who migrate to a less redistributive country prefer less redistribution in their country of origin also when not financially affected by it. If so, this would suggest self-selection into emigration according to views about a fair level of redistribution. Identifying migrants' views about fair redistribution is important not just to researchers testing the Tiebout model, but also to policy-makers in countries worried about brain drain due to heavy redistribution. If potential migrants view generous redistribution fair, then reminding them that high taxes are needed to finance redistribution could encourage them to stay, despite their dislike for the high prevailing tax rates. If potential migrants, instead, view the prevailing level of redistribution excessive also from a fairness perspective, then making redistribution through taxes more salient could backfire and encourage emigration.

Our theoretical framework distinguishes the roles played by financial self-interest and views about the fair level of income redistribution in the migration decision and in determining the preferred level of redistribution. By fair level of redistribution, we mean what a person considers the socially optimal level of redistribution if not being himself or herself a net payer or recipient, and taking into account any efficiency costs arising from redistribution. Our model

¹ Although previous literature has found that migration decisions of some selected groups respond strongly to tax incentives (Abramitzky 2008, 2009; Kleven et al. 2013, 2014; Akcigit et al. 2016; Moretti and Wilson 2017), these findings are not enough to show that emigrants from a highly redistributive setting would consider less redistribution to be fairer since taxes have a direct effect on migration incentives through self-interest.

suggests that in the absence of self-selection according to views about the fair level of redistribution, those with high household incomes should prefer a higher tax rate for their country of origin in the case of emigrating as opposed to staying. The reason is that emigrants no longer pay taxes to finance redistribution in the country of origin. The Tiebout hypothesis suggests that people who find the prevailing level of redistribution unfairly high are more likely to emigrate to countries that redistribute less. If this effect is sufficiently strong, high-income emigrants to less redistributive countries can support less redistribution in their country of origin than high-income stayers, even though only those staying pay for it.

Our empirical analysis uses European Social Survey (ESS) data on Danes living in Denmark and our own survey data on 4,068 Danes living in other countries, collected by Statistics Denmark. Statistics Denmark reached Danish emigrants living abroad by first contacting their relatives and asking them for the migrant's contact information.² Migrants were asked about their attitudes towards redistribution in Denmark and in their country of residence. Analyzing attitudes towards redistribution in Denmark keeps the social context for redistribution and prevailing institutions same for migrants and non-migrants. Unlike the United States, Denmark and other member states of the European Union do not tax the income that their citizens earn abroad after having emigrated. This implies that emigrants neither pay taxes nor receive benefits in Denmark, and gives them a strong incentive to register their emigration.

To set the stage for analyzing migrants' preferences, we first analyzed the attitudes of working-age Danes living in Denmark. Among both men and women, the median respondent is neutral towards the government taking further steps to equalize incomes. This suggests that the prevailing level of redistribution is broadly in line with the median voter model. We find that women are somewhat more positive towards increasing redistribution, as are older respondents and those not working.

We find a striking gender difference in emigrants' redistributive preferences. Our findings provide strong support for Tiebout sorting according to fairness preferences for men, but not for women. A clear majority of male migrants living outside Nordic countries opposes the suggestion of increasing income redistribution in Denmark. Median male respondent living in other

² We focus on long-term emigration, with all respondents having been abroad more than five years and some more than 20 years at the time of the survey. To further reduce the risk that emigrants' answers would reflect their expected financial self-interest, we also carry out our main analysis among only those not planning to return.

Nordic countries would neither increase nor decrease redistribution in Denmark. Female emigrants, instead, are more positive towards increasing redistribution in Denmark than women living in Denmark, with only minor differences between female migrants living in different destinations. This is opposite to what the Tiebout hypothesis suggests, but consistent with what our model predicts in absence of Tiebout sorting with respect to fairness preferences: women who no longer pay taxes to finance redistribution are more positive towards increasing it. Our results do not prove that there would be no self-selection and Tiebout sorting according to fairness preferences among women, but if there is, then it must be relatively weak.

Our survey also asked respondents their main reason to emigrate. The majority of men emigrated for reasons related to their own work or career, while almost half of women emigrated for family reasons. Men who emigrated for work reasons outside Nordic countries are most negative towards increasing redistribution in Denmark, which is in line with Tiebout sorting. Intriguingly, women are equally positive towards redistribution in Denmark whether they emigrated for work or family reasons to other Nordic countries or to the rest of the world. We also find a strong link between pre-migration earnings and attitudes towards redistribution: among both men and women, those who are against increasing redistribution in Denmark earned more than those who are in favor. Therefore, people tend to support policies that would be good for people like themselves, even when not affected by those policies themselves.

We also tested whether differences in how migrants living in various countries view redistribution in Denmark can be explained by their opinions about the determinants of individual success and generalized trust. Already de Tocqueville (1965[1835]) suggested that Americans demand less redistribution than Europeans because they believe in higher social mobility. Subsequently, contributions by Piketty (1995), Alesina et al. (2001), Alesina and Angeletos (2005), and Benabou and Tirole (2006) suggest that the stark divide in redistributive attitudes between the United States and European welfare states may reflect multiple equilibria. Americans highlight the role of effort and own choices and, correspondingly, want less redistribution, and Europeans attach a bigger role to luck and family background, and therefore ask for more redistribution. Our results confirm the importance of beliefs about the determinants of success: those who highlight the role of own work and choices are more negative towards increasing redistribution as in Fong (2001) and Corneo and Grüner (2002). However, controlling for these beliefs does not change our other results. We did not find support for our prior hypothesis that migrants to the United States would be particularly negative towards increasing redistribution

in Denmark. Instead, the big divide among migrants is between men migrating to other Nordic countries and men migrating to the rest of the world.

Although low trust is associated with lower support for the welfare state, controlling for trust does not affect our other findings. We do find that Danes living in other Nordic countries have higher generalized trust and support higher levels of redistribution, in line with the twin peak relationship identified by Algan et al. (2015), but adding trust and beliefs about the determinants of success as additional controls leaves cross-country differences in support for redistribution in Denmark almost unchanged. We also find some support for the hypothesis that redistributive preferences reflect altruism towards family members, but the estimated effect of having a sibling in Denmark who was unemployed or on early retirement is statistically significant only for women.

Selective immigration policies do not appear to explain different preferences across destinations. Danes can migrate freely to other European countries, while immigration restrictions could play a role in the self-selection of migrants into the United States, Canada, Australia, and New Zealand. Yet, migrants to the United Kingdom and Ireland, continental Western Europe, as well as the United States, Canada, Australia, and New Zealand have quite similar average attitudes towards redistribution in Denmark.

A potential concern related to papers using survey data is that responses could be just cheap talk and not reflect genuine preferences. Importantly, Fong (2007) studied the effect of beliefs on giving to real-life welfare recipients. Donors were first surveyed about their general beliefs about the causes of poverty and had to decide one week later in a lab session whether to donate any of their money to a real-life welfare recipient. Those believing that poverty is caused by bad luck gave significantly more money than those believing that poverty is caused by a lack of effort. This suggests that survey responses are not just cheap talk, but that a significant share of respondents is willing to act according to their stated preferences also when real monetary stakes are involved.

Recent research has established that migrants tend to bring with them their culture (Antecol,

2000; Fernández and Fogli, 2006, 2009; Blau et al., 2011).³ Most related to our work, Luttmer and Singhal (2011) relate immigrants' preferences for redistribution to the average preference in their countries of origin. They find a strong positive relationship between immigrants' preferences to redistribute in their current country of residence and the preferences prevailing in their (or their parents') country of origin. At the first sight, this suggests the absence of Tiebout sorting according to redistributive preferences. However, in their analysis attitudes towards redistribution are measured always in the country of residence. This leaves it open whether there is self-selection into emigration according to views about the fair level of redistribution for two reasons. First, there are wide cross-country differences in prevailing levels of income redistribution and distribution of gross incomes. Therefore, someone migrating from a high-tax country to a low-tax country might well find the level of redistribution in the high-tax country excessive, but in the low-tax country too low. Second, as Almås et al. (forthcoming) point out, different redistributive preferences between the United States and Scandinavian countries could reflect, in addition to different fairness preferences, different beliefs about sources of income inequality and costs of redistribution. This is in line with Kuziemko et al. (2015) who conclude that low responsiveness of Americans' tax and transfer policy preferences to information in their survey experiments can be partially explained by respondents' low trust in government.

This paper proceeds as follows. Section 2 introduces our theoretical framework and derives conditions under which Tiebout sorting according to views about the fair level of redistribution can be established. Section 3 describes our own data and ESS data that we use to analyze non-migrants. Section 4 presents distributions of redistributive preferences among migrants and non-migrants, separately for men and women. Section 5 presents the econometric analysis and Section 6 concludes.

³ Guiso et al. (2006) define culture broadly as “those customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation” and show that ancestral background predicts both trust and preferences for redistribution among Americans.

2. Theoretical Framework

2.1 Self-selection into emigration

There are two countries. The country of origin is denoted by 0 and the potential destination country by 1. We focus on the decision of residents in country 0 on whether to migrate to country 1, and normalize the population size of country 0 to one. In line with Borjas (1987) and most of the subsequent literature, the migration decision is assumed to be irreversible. We denote individual i 's human capital stock by h_i . Individual i 's gross wage would be

$$w_0^i = \alpha_0 + r_0 h_i$$

in country 0 and

$$w_1^i = \alpha_1 + r_1 h_i$$

in country 1, where r_0 and r_1 give rates of return for human capital in countries 0 and 1. Country k , $k \in \{0,1\}$, collects proportional wage taxes at rate t_k , $0 < t_k < 1$. Tax revenue, net of any exogenous revenue requirement g_k , $k \in \{0,1\}$ is returned as lump-sum transfers, given by

$$b_k = t_k(\alpha_k + r_k \bar{h}_k) - g_k,$$

in which \bar{h}_k denotes the average human capital stock in country k . As is common in the literature, we analyze migration responses which are sufficiently small so that they do not trigger general equilibrium responses in wage rates or in the average human capital stocks. This can be motivated by our focus being on migration responses to marginal changes in tax rates. The effects of migration associated with the initial tax rates are already included in the average human capital stocks.

Individuals derive utility from consumption of private goods and from perceived fairness of redistribution and other amenities in the country they live in. We denote the level of taxation that individual i considers fair by \hat{t}_i . If taxation in the country of residence k deviates from this, the individual suffers a utility loss $-\gamma_i(t_k - \hat{t}_i)^2$. This can be interpreted as an inequity aversion relative to the level of redistribution the respondent considers just (Fehr and Schmidt 1999; Alesina and Angeletos 2005).⁴ Other amenities related to living in country k are denoted by ε_k^i .

⁴ Abramitzky (2008) assumes that all individuals in a kibbutz derive an identical ideological benefit from staying there, but in his model this benefit does not depend on the level of redistribution. Instead, ideological benefit acts as a migration cost and allows the social planner to choose a higher level of redistribution. In our model, some

They include individual differences in the valuation of the consumption of public goods or publicly provided private goods.

We denote individual cost of migrating from 0 to 1 by c_i and define $\varepsilon_i = \varepsilon_i^0 - \varepsilon_i^1 + c_i$ as a measure of the extent to which amenities and migration costs push towards staying in the country of origin. Given that migrants typically make up a relatively small share of the population, it is reasonable to expect that for a clear majority of country 0's initial population, $\varepsilon_i > 0$.⁵ We assume that ε follows a normal distribution with mean $\mu > 0$ and variance σ_ε^2 . The welfare effect of migrating from 0 to 1, apart from the terms in ε_i , is given by

$$(1) \quad v_i^* = (1 - t_1)(\alpha_1 + r_1 h_i) + t_1(\alpha_1 + r_1 \bar{h}_1) - g_1 - \gamma_i(t_1 - \hat{t}_i)^2 - (1 - t_0)(\alpha_0 + r_0 h_i) - t_0(\alpha_0 + r_0 \bar{h}_0) + g_0 + \gamma_i(t_0 - \hat{t}_i)^2.$$

Define the index function $I_i = v_i^* - \varepsilon_i$. Individual i migrates from 0 to 1 if and only if $I_i > 0$. The probability that individual i emigrates is

$$(2) \quad p_i(v_i^* > \varepsilon_i) = \Phi(v_i^*),$$

where Φ is the standard normal distribution function. The comparative statics with respect to the probability of migration are given by:

Proposition 1. $\forall \hat{t}_i, \gamma_i$: (i) $\frac{\partial p_i}{\partial h_i} = \Phi'(v_i^*)[r_1(1 - t_1) - r_0(1 - t_0)]$; (ii) $\frac{\partial p_i}{\partial t_0} = \Phi'(v_i^*)[r_0(h_i - \bar{h}_0) + 2\gamma_i(t_0 - \hat{t}_i)]$; (iii) $\frac{\partial p_i}{\partial t_1} = \Phi'(v_i^*)[-r_1(h_i - \bar{h}_1) - 2\gamma_i(t_1 - \hat{t}_i)]$.

Proof. Insert (1) into (2) and differentiate.

Proposition 1 suggests Tiebout sorting in both self-interest and fairness preferences. The first part states that with any given individual view on fair level of taxation, the probability of migrating from country 0 to country 1 is increasing in the individual stock of human capital, if and only if the after-tax return to human capital is higher in country 1. This is in line with the

individuals prefer the level of redistribution in their country of origin and others abroad, and these different preferences help to explain who migrates. For a discussion of how the level of redistribution can affect individual utility see Alesina and Giuliano (2011).

⁵ Already Smith (1976[1776]) noted that as the wage differences in the United Kingdom were much larger than price differences, “it appears evidently from experience that a man is of all sorts of luggage the most difficult to be transported.”

Borjas (1987) analysis building on Roy (1951). The second and the third parts show that the effect of taxes on the probability of migration depends on individual's stock of human capital and fairness preferences. If individual's human capital stock is above average in the country of origin (potential destination) then an increase in the tax rate there monotonically increases (decreases) the likelihood of migration through the self-interest channel. The effects of changes in taxes on migration decisions through fairness preferences are non-monotonic. If the prevailing tax rate in the country of origin is below (above) what the individual considers fair, then an increase in it decreases (increases) the likelihood of emigration through the fairness channel. Correspondingly, if the prevailing tax rate in the potential destination country is below (above) what the individual considers fair, then an increase in it increases (decreases) the likelihood of emigration through the fairness channel. Depending on the income prospects and fairness concerns, the probability of migration can monotonically increase in the tax rate in the country of origin (for high-income earners who consider a low level of redistribution fair or attach a low weight to fairness concerns), monotonically decrease in it (for low-income earners who consider extensive redistribution fair, or attach a low weight to fairness concerns) or be U-shaped (for those who find an intermediate level of redistribution fair and attach a sufficiently high weight to fairness concerns).

2.2 Testing Tiebout hypothesis

The previous subsection analyzed how migration decisions depend on the prevailing tax rates. In this subsection, we derive empirically testable predictions for preferred tax rates that allow us to shed light on whether there is Tiebout sorting into migration with respect to views about a fair level of redistribution. In case of no migration, the preferred tax rate is given by

$$(3) \ t_i^{NM} = \underset{t_i^0}{argmax} [(1 - t_i^0)(\alpha_0 + r_0 h_i) + t_i^0(\alpha_0 + r_0 \bar{h}_1) - g_0 - \gamma_i(t_i^0 - \hat{t}_i)^2].$$

Migrants' preferred tax rate in their country of residence is given by

$$(4) \ t_i^{M1} = \underset{t_i^1}{argmax} [(1 - t_i^1)(\alpha_1 + r_1 h_i) + t_i^1(\alpha_1 + r_1 \bar{h}_1) - g_1 - \gamma_i(t_i^1 - \hat{t}_i)^2 - \varepsilon_i].$$

As taxes are paid and transfers received only in the country of residence, migrants do not face any self-interest considerations related to taxation in their country of origin. Therefore, we

assume that migrants are guided solely by their fairness considerations when it comes to their preferences in their country of origin⁶:

$$(5) \ t_i^{M0} = \underset{t_i^0}{argmax} [-\gamma_i(t_i^0 - \hat{t}_i)^2].$$

Equations (3), (4), and (5) imply:

Proposition 2. (i) $\forall \hat{t}_i, \gamma_i: \frac{\partial t_i^{NM}}{\partial h_i} < 0$, $\frac{\partial t_i^{M1}}{\partial h_i} < 0$ and $\frac{\partial t_i^{M0}}{\partial h_i} = 0$. (ii) $\forall \hat{t}_i, \gamma_i, h_i: t_i^{NM} < t_i^{M0}$ if $h_i > \bar{h}_0$, $t_i^{NM} = t_i^{M0}$ if $h_i = \bar{h}_0$ and $t_i^{NM} > t_i^{M0}$ if $h_i < \bar{h}_0$.

Proof. (i) Follows by differentiating (3), (4), and (5). (ii) Follows by differentiating (3) and (5), solving for t_i^{NM} and t_i^{M0} from the first-order conditions, and comparing these.

The first part of Proposition 2 follows directly from self-interest: with any given fairness concerns, those with higher income prefer lower taxes where they live, while own income has no effect on tax preferences in a country in which one does not live. The intuition behind part (ii) is that in case of staying, preferred redistribution balances self-interest and fairness concerns, while migrants' preference in their country of origin reflects only fairness concerns.

Part (ii) cannot be tested directly as we do not observe what tax rate migrants would have preferred in case of not migrating. Nonetheless, it provides insights to testing whether there is Tiebout sorting with respect to redistributive preferences. For simplicity, assume that country 1 redistributes less than country 0. If there is no Tiebout sorting with respect to redistributive preferences, we would expect high-income migrants from country 0 to prefer higher taxes in country 0 than high-income stayers, and low-income migrants to prefer less redistribution than low-income stayers. If we find, instead, that high-income migrants from 0 to 1 prefer less redistribution in their country of origin than high-income stayers, this suggests that Tiebout sorting into emigration is sufficiently powerful to outweigh the tendency of high-income migrants to support more redistribution when not having to pay for it. We summarize these insights as

⁶ Alternatively, we could assume that fairness preferences in the country of origin and in the country of residence both enter migrants' utility function. We choose the current formulation for simplicity, as attaching a certain weight to the utility function in the country of origin even in case of emigrating would complicate the analysis of migration decisions, without adding any valuable insights.

two alternative hypotheses, to be tested against the null hypothesis that the distribution of preferences of high-skilled migrants concerning taxation in the country of origin does not differ from the distribution of preferences among high-skilled non-migrants:

Hypothesis 1 (No Tiebout sorting according to fairness preferences): *High-income emigrants from a high-tax country to a low-tax country support higher taxes in their country of origin than high-income stayers.*

Hypothesis 2 (Strong Tiebout sorting according to fairness preferences): *High-income emigrants from a high-tax country to a low-tax country support lower taxes in their country of origin than high-income stayers.*

We analyze hypotheses 1 and 2 separately for men and women. Given that a large fraction of Danish women emigrate for family reasons while men emigrate mainly for their own work (see Munk et al., 2017), our prior is that Hypothesis 1 is more likely to hold among women. For high-skilled men, Hypothesis 1 is more likely to hold if the weight of the fairness concerns in migration decisions is relatively low, and Hypothesis 2 if fairness preferences are important.

Finally, asking migrants about their preference to redistribute in their country of origin and in their country of residence provides insights about the level of redistribution they consider fair in the absence of self-interest considerations and the relative importance of self-interest and fairness concerns. Fairness considerations suggest that high-income migrants in less redistributive countries should support increasing redistribution there to a larger extent than in their country of origin. Self-interest, on the other hand, would suggest that the pattern could be opposite. If high-income migrants support increasing redistribution in their current country of residence but not in Denmark, this suggests that their preferred level of redistribution is between the levels prevailing in their current country of residence and Denmark. If high-income migrants, instead, would support increasing redistribution in Denmark to a larger extent than in their current country of residence, even though the latter would have a lower level of redistribution, this would suggest both that their fairness preferences would call for even higher taxes than in Denmark, and that the relative weight of fairness preferences is relatively low compared with self-interest.

3. Data

Our analysis uses our own survey data on Danes who have emigrated from Denmark, and European Social Survey (ESS) data on Danes living in Denmark. The main questions in our own survey concern attitudes towards redistribution in Denmark and in the respondent's country of residence, while the European Social Survey provides information on the attitudes towards redistribution in Denmark among Danes who live in Denmark. Our own survey data was collected by Statistics Denmark, and is linked in some analyses with administrative data on respondent's income and demographic controls through remote access. When analyzing self-selection of emigrants, we also use administrative data on the full population in selected years. The survey was planned by Martin D. Munk and Panu Poutvaara within the project "Danes Abroad: Economic and Social Motivations for Emigration and Return Migration", financed by the Danish Social Science Research Council.

Our own survey data was collected as follows. Statistics Denmark used full population registers from 1987 to 2007 to identify all Danish citizens who had emigrated in 1987, 1988, 1992, 1993, 1997, 1998, 2001 or 2002 and who were still abroad in 2007.⁷ Emigrants had to be aged 18 or more when they emigrated, and at most 59 in 2007. They also had to have at least one parent who was born in Denmark. Statistics Denmark contacted first emigrants' parents or siblings to request their contact information abroad. Subsequently, they were asked to answer a web scheme in a survey that took place in June 2008. In the analysis of migrants we concentrate on Danes who migrated to destinations outside Greenland and the Faroe Islands.⁸ We also drop survey respondents who report having returned to Denmark when the survey took place. With these restrictions, we ended up with a sample of 1979 male and 2089 female migrants.⁹ In the following analysis the number of observations changes slightly due to missing observations in different survey questions. Table 1 reports the number of respondents and their basic background characteristics in the ESS and in our own survey. In 2008, of the 17,309 Danes in the

⁷This effectively limits the analysis to migrants who have stayed abroad for at least five years. Having stayed abroad for five years predicts longer migration spells. For example, according to Danish population registers 72% of men and 71% of women who left Denmark in 1996 and were still abroad after five years were also abroad after ten years.

⁸ Greenland and the Faroe Islands are autonomous regions but still part of Denmark. We have excluded these destinations as many of these migrants could have originated in Greenland or the Faroe Islands, and many would actually be returning home rather than emigrating from Denmark.

⁹ It should be noted that the observations are unweighted in the following analysis, and their distributions do not reflect the distributions in the underlying target population directly. However, as the target population can be identified in the Danish population registers, it can be confirmed that the distributions of the main individual sociodemographic characteristics from the year before emigration reflect those of the target population fairly well.

target population, 9,415 had a parent or sibling living in Denmark with valid contact information. The majority replied, providing e-mail addresses of 6,984 emigrants. The survey reached 4,257 respondents, representing 24.6% of the target population, 45.2% of those with a parent or sibling with valid contact information, and 61.0% of those emigrants who could be contacted.

The five most important residence countries for Danish male emigrants are the United States, the United Kingdom, Norway, Sweden and Germany. For Danish female emigrants, the order is slightly different: the United Kingdom, the United States, Norway, Germany, and Sweden. Together, these five countries account for 60% of respondents. Of these five countries, Sweden and Norway are culturally, economically and politically by far closest to Denmark. The languages are closely related and present-day Southern Sweden was part of Denmark for centuries. All three are highly redistributive and rich welfare states. All in all, this means that migrating to Sweden or Norway is very easy even for the less educated. The societies in the United States and the United Kingdom, on the other hand, place a much higher responsibility on individuals themselves, and have lower taxes, less generous transfers, and wider income differences. One can also argue that work is culturally more central in the Anglo-Saxon countries.

Based on these considerations, we classify destination countries into other Nordic countries, the United Kingdom or Ireland, the rest of Western Europe,¹⁰ the United States, Canada, Australia or New Zealand, and the rest of the world. Furthermore, we analyze the United States separately. Alesina et al. (2001) show that Americans are much more negative towards redistribution than Europeans, and that the United States redistributes much less than Western Europe. Therefore, the United States can be expected to attract migrants who are more negative towards the welfare state. We combine Canada, Australia and New Zealand into one group as all are traditional immigration countries just as the United States, but still differ from the United States in many respects, like in having universal public healthcare. Most respondents are living in English-speaking countries that account for 38% of men and 40% of women. Other Nordic

¹⁰ Category *rest of Western Europe* includes the rest of EU15 (without Ireland, the United Kingdom, Denmark, Sweden and Finland that are included in other categories) and Andorra, Cyprus, Liechtenstein, Malta, Monaco and Switzerland.

countries accommodate 20% of men and 21% of women, and the rest of Europe 27% of men and 33% of women. Only 6% of women and 14% of men live in the rest of the world.¹¹

To compare emigrants with Danes living in Denmark, we use data from round 4 of the European Social Survey, conducted in 2008/2009. The response rate for the survey in Denmark was 53.8%. We restrict our sample to those who were at least 24 and at most 60 years old when the survey took place, to have the same age group as respondents in the survey for migrants. Further, we restrict the sample to Danish citizens who have at least one parent born in the country, and have a non-missing answer for the survey question on redistribution preferences. We also dropped respondents with an occupation code referring to work in the armed forces, as the armed forces occupation category does not allow separating between different skill levels required at work. With these restrictions, we end up with a sample of 877 ESS respondents.

In some of the analyses we restrict the attention to respondents who were aged 25 to 54 years and worked 90% or more of the full working time in the year before emigration. The age range was restricted to 25 to 54 years in order to capture earnings after studies and before early retirement sets in, and is in line with Borjas et al. (2019). In each year, earnings are standardized. The standardized income is defined as the ratio of the worker's annual gross earnings to the mean gross earnings of workers of the same age and gender during the calendar year. Selection in terms of unobservable characteristics is measured using residuals from Mincerian earnings regressions, which are calculated using same restrictions as standardized earnings separately for men and women and including as explanatory variables education, age and year dummies, as well as a dummy for being married and having children. Table B.1 presents descriptive statistics of the respondents that worked 90% or more of the full working time in the year before migration according to register data.

¹¹ The biggest destination countries for men in the destination category rest of the world are Singapore (10.7% of migrants in the category), China (8.6%) Thailand (7.9%), Brazil (5.4%), Hong Kong (5.4%), Poland (4.3%), Japan (3.9%), Malaysia (3.9%) and the United Arab Emirates (3.6%). For women, the biggest countries are Israel (8.0%), Hong Kong (7.2%), South Africa (6.4%), Czech Republic (4.0%), Singapore (4.0%) and Poland (4.0%).

4. Attitudes towards Income Redistribution

In this section, we show how Danish emigrants compare with Danes who live in Denmark in their attitudes towards income redistribution. We also study how attitudes differ between migrants to different destinations. As discussed above, preferences for redistribution are likely to reflect both self-interest and fairness considerations. In our survey, we asked Danes living abroad to state their opinion regarding the suggestion to increase income redistribution in Denmark and in their country of residence. Our main interest is in attitudes towards redistribution in Denmark. This allows us to focus on fairness considerations, provides a common point of reference to respondents living in various countries, and allows a comparison with attitudes of Danes living in Denmark.

In the European Social Survey, attitudes towards income redistribution were measured by asking respondents to state whether they agree strongly, agree, neither agree nor disagree, disagree or disagree strongly with the statement “*The government should take measures to reduce differences in income levels.*” Table 2 presents the distribution of answers separately for men and women living in Denmark. Women are somewhat more positive towards increasing redistribution, in line with findings by Edlund and Pande (2002) and Alesina and La Ferrara (2005), although differences are not very big. There is no majority in favor or against increasing redistribution. This is in line with what we would expect from median voter models of redistribution, following Romer (1975) and Meltzer and Richard (1981). If the median voter would not be neutral towards increasing or decreasing redistribution, then the prevailing level would not be a political equilibrium. Table B.2 shows that the distributions among respondents in high-skilled occupations and respondents in low- or medium-skilled occupations do not differ much.

In our survey for Danes living abroad, preferences for redistribution in Denmark were measured with the following question: “*What is your opinion of a suggestion to increase taxes on those with high incomes in Denmark, and distribute the money to those with low incomes?*” Correspondingly, the preferences for redistribution in the country of residence were measured with the question “*What is your opinion of a suggestion to increase taxes on those with high incomes in the country you live in, and distribute the money to those with low incomes?*” For both questions, we used a 5-point scale from “Strongly in favor” to “Strongly against”. Table 3 reports the answers concerning redistribution in Denmark separately for men and women, according to the residence country group.

Comparing Tables 2 and 3 reveals that there is a much bigger gender difference in attitudes towards income redistribution among emigrants than among non-migrants. The majority of emigrant men oppose a suggestion to increase income redistribution in Denmark, and the majority of emigrant women support it. The majority of Danish men in all destinations other than Nordic countries are against a suggestion to increase redistribution in Denmark. The majority of women in all destinations are in favor of increasing redistribution in Denmark.

Analyzing separately migrants and non-migrants in high-skilled and low- or medium-skilled occupations shows that the difference between migrants and non-migrants is mainly driven by men in high-skilled occupations (Tables B.2 and B.3). The results for men in high-skilled occupations are in line with Hypothesis 2, and contrary to what Hypothesis 1 predicts. Among men emigrating outside Nordic countries, 67% of those in high-skilled occupations are against increasing redistribution in Denmark and 26% in favor, while 50% of those in low- or medium-skilled occupations are in favor and 37% against. Among women, support for increasing redistribution is larger than opposition among both high-skilled and low- or medium-skilled. Furthermore, the results for women in high-skilled occupations are in line with Hypothesis 1, and contrary to what competing Hypothesis 2 on self-selection into emigration according to fairness preferences predicts. Analyzing migrants separately according to their self-reported purpose of migration shows that especially men who migrated for work related reasons are opposed to increasing redistribution in Denmark, whereas men who migrated for reasons related to partner or family are more positive (Table B.4). For women there are no clear differences between those migrating for different reasons.

Comparing the attitudes of men living in Denmark, other Nordic countries and the rest of the world suggests Tiebout sorting into different destinations according to fairness preferences. For men working in high-skilled occupations, those living outside Nordic countries are more negative towards redistribution in Denmark than those who live in Denmark. Their fairness preferences differ sufficiently to overrule the effect of self-interest that would push migrants to prefer more redistribution as they no longer have to pay for it. We do not find Tiebout sorting across different English-speaking countries: men who migrated to the United Kingdom or Ireland are more negative towards increasing redistribution in Denmark than men who migrated to the United States, even though the United States redistributes less. For women, the differences in attitudes towards redistribution in Denmark differ much less between those living in

different countries of residence, suggesting much weaker or even non-existent Tiebout sorting according to redistributive preferences, in line with what comparing migrants and non-migrants also suggested.

Tables 4 shows preferences concerning redistribution in the country of residence. A clear majority of women support more redistribution in their current country of residence. The majority of men support more redistribution in the United States. Comparing Tables 3 and 4 shows that both Tiebout sorting and common norms related to fairness are important in explaining cross-country differences in support for increasing redistribution in the current country of residence. Among men, relatively high support for more redistribution in already highly redistributive other Nordic countries, compared with somewhat less redistributive other Western European countries, can be best explained by Tiebout sorting. One possible interpretation of our results is that although the majority of Danish emigrant men in the United States and non-Western countries view redistribution in Denmark excessive, they find the level prevailing in the United States and most non-Western countries unfairly low.

Borjas et al. (2019) already showed that emigrants from Denmark are strongly positively self-selected in terms of education, earnings (whether standardized or not) and unobservable abilities, measured by residuals from a Mincerian wage regression. Figures 1a and 1b present cumulative distribution functions of log standardized annual income from the year before emigration according to support for redistribution in Denmark. Those who were against increasing redistribution in Denmark are classified as having low support and those who were in favor are classified as having high support. The analysis is restricted to those working 90% or more of the full working time; annual earnings of a student or a recent graduate who started working in, say, October are misleading about their real earnings potential. Strikingly, the pre-migration earnings distribution of those who are against increasing redistribution first-order stochastically dominates that of those who are in favor of increasing redistribution. This holds among both men and women. As migrants neither gain nor lose from redistribution in their country of origin, this is strong evidence that fairness concerns are strongly correlated with what would be the material interest of similar people, even in the absence of self-interest. One explanation for this could be self-serving beliefs for which Babcock and Loewenstein (1997) and Di Tella

et al. (2015) provide evidence in several other settings, although a difference is that migrants neither gain nor lose from redistribution personally.¹²

Figures 2a and 2b present cumulative distribution functions of earnings regression residuals for full-time workers, based on the Mincerian wage regressions in Table B.5. Those who are against increasing redistribution have higher earnings residuals than those supporting increasing redistribution. Again, the relationship holds among both men and women and illustrates that support for redistribution is negatively correlated with both observable and unobservable drivers of earnings, even in absence of self-interest related to redistributive policies.¹³ Table B.6 shows that Danes who worked full time or close to full time in the year before emigration are more negative towards increasing redistribution in Denmark than migrants on average (Table 3). The difference is especially pronounced for women; almost half of women who worked full time or close to full time are against increasing redistribution in Denmark. Their preferences appear more in line with Hypothesis 2 than with Hypothesis 1, just as among men.

5. Explaining Attitudes

5.1 Fairness considerations, self-interest and Tiebout sorting

The descriptive statistics in the previous section suggest that women are more positive towards redistribution than men, and that men who migrated to other Nordic countries are more positive towards redistribution than other men. This still leaves open to what extent the differences are driven by socio-economic differences between migrants to different destinations, or by mi-

¹² Previous work on redistributive preferences at national level has been limited to redistribution in one's country of residence. Kuziemko et al. (2015) analyze how elastic preferences for redistribution are and find that providing American respondents customized information about US income inequality changes their concerns about inequality, but has relatively weak effects on policy preferences concerning top income tax rates and support for income transfers. Additional evidence comes from survey experiments in which respondents are asked their perception of their relative position in the income distribution in their country, and a random sample is then provided information on their true position, leading to changes in redistributive preferences in line with self-interest (Cruces et al. 2013; Karadja et al. 2017; Engelhardt and Wagener 2018). An intriguing exception to these patterns is the finding by Dahl and Ransom (1999) who surveyed members of the Mormon Church about tithing. They concluded that there is "surprisingly little evidence that an individual's financial situation influences beliefs about what counts as income for the tithe."

¹³ We performed corresponding analyses for residuals from a regression where the dependent variable is a natural logarithm of standardized annual earnings. Figures B.1.a. and B.1.b. in the Appendix B present the cumulative distribution functions for these alternative residuals.

grants sorting themselves according to their view about fair levels of redistribution, after controlling for other characteristics. In this section, we make three main contributions to understanding migrants' redistributive preferences.

First, we shed light on Tiebout sorting in terms of redistributive preferences, by controlling for various socio-economic characteristics. Second, we explore what type of role self-interest and fairness considerations play in attitudes towards redistribution among emigrants. Third, we use preferences towards redistribution in the country of origin and in the country of residence to evaluate to what extent fairness preferences are in line with what would be beneficial for people like oneself, even in the country one no longer lives in.

To answer the first question, we analyze what role dummies for different country of residence groups play in explaining attitudes towards redistribution in Denmark, when controlling for characteristics that have been shown earlier to affect attitudes towards redistribution. To do this we run linear probability regression models¹⁴ controlling for gender, age, family situation (measured by an indicator variable for being married or having a registered partner, and an indicator for having children) and occupational status (*not working*, *low- or medium-skilled self-employed* and *high-skilled*), first without country of residence group dummies and then with those.

To answer the second and the third question, we compare emigrants' preferences towards redistribution in Denmark and in the country of residence. Preferences towards redistribution in the country of residence depend on both self-interest and fairness considerations, making it difficult to distinguish what is the level of redistribution that a respondent considers fair from the level of redistribution he or she prefers when taking into account also self-interest. Asking about preferences towards redistribution in the country in which one does not live helps to distinguish the role of fairness and altruistic considerations. As self-interest should not affect preferred taxes in one's home country if one does not plan to return, testing the effects of age, occupational status and own income abroad on preferred taxes in one's country of origin allows testing to what extent fairness considerations are in line with what would be good for people like oneself.

¹⁴ Heteroskedasticity robust standard errors are used in all the regressions in the paper. Our results are robust to using ordered logit. Appendix C presents ordered logit results.

In Table 5, we analyze to what extent age, family situation and dummies for three occupational categories explain attitudes towards redistribution among Danes living in Denmark. The reference category are those working as low- or medium skilled employees.¹⁵ The first column shows that support for redistribution is higher among women and those who are not working and increases in age. Among men, only age has an effect that is statistically significant at the 5-percent level, with support for redistribution increasing in age (this refers to the age group 24 to 60, which corresponds to the age group of survey respondents living abroad). Those who are low- or medium-skilled self-employed are also more negative towards redistribution than low- or medium-skilled employees. Surprisingly, the effect of being in a high-skilled occupation is weak and not statistically significant. Among women, being married reduces support for redistribution.

Table 6 presents a corresponding analysis for Danish emigrants with the same explanatory variables. The key difference with previous literature on attitudes towards redistribution is that these preferences are measured among people not living in the country in question. This helps to minimize the effect of self-interest. The first column shows the results for men and women together, and the following two columns separately. As in Table 5, women are more positive towards increasing redistribution, and the support increases in age. Furthermore, those who are high-skilled or self-employed are clearly more negative towards increasing redistribution. This suggests that even though respondents would not be directly affected by taxes and transfers in Denmark, they are still more likely to adopt views that would be in line with the interests of people like themselves. Being married or in a registered partnership reduces support for redistribution among emigrant women, just as among Danish women living in Denmark. The effect of not working is positive although statistically insignificant for men, but negative and statistically significant for women. This can reflect the possibility that many women who are not working are spouses whose partner has such high income that they can afford staying at home. Indeed, Munk et al. (2017) show that female labor force participation among Danish couples that emigrate outside Nordic countries is significantly lower abroad than in Denmark.

¹⁵ The category *high skilled* includes those who are self-employed in a profession (e.g. doctor, dentist, lawyer), working in top management and high skilled workers (e.g. physicists, engineers, doctors and architects). A detailed description of the occupation categories is provided in the Appendix A.3.

Columns 4 and 5 introduce migration-related variables by including residence country group dummies with *Nordic countries* as the omitted category, and dummies *work related* and *family related* for the purpose of migration. Men migrating for work-related reasons are more negative towards redistribution and male migrants to English-speaking countries, the rest of Western Europe and the rest of the world are more negative towards increasing redistribution in Denmark than migrants to other Nordic countries. Surprisingly, the negative coefficients for other English-speaking countries (Australia, Canada, Ireland, New Zealand and the United Kingdom) are bigger than the coefficient for the United States, running against the Tiebout sorting intuition that those men who are most negative towards redistribution would be most likely to self-select to the least redistributive country, which is in this case the United States. Column 5 shows that the main motivation to emigrate and the country of residence group have no statistically significant effect on the preferences towards redistribution among women. If income is added as a control, support for redistribution is decreasing in it among both men and women (see Table B.7 in the Appendix B, in which the analysis is restricted to respondents who provide income information).¹⁶

A possible explanation for the gender differences in residence country dummies is that many of the women in the data are so called tied migrants who have migrated because their spouse obtained a job abroad. When respondents were asked their main motivations to emigrate, 51% of men referred to their own work and 18% to partner and family, with most important motivations among the rest being studying and search for adventure. Among women, 42% replied that considerations related to partner and family were the main reason to emigrate, and only 21% own work. To establish the effect of spousal occupation and how it interacts with the main motivation to emigrate, we separately analyzed men and women who emigrated for work-related reasons and those who emigrated for family-related reasons and added a dummy for having a spouse interacted with eventual spouse's occupational status. The analysis, included as Table B.9 in the Appendix B, shows that spousal occupation plays an important role for the

¹⁶It is plausible that emigrants' preferences towards redistribution in the country of origin should depend on whether they plan to return there. Among men who have emigrated outside Nordic countries and plan (do not plan) to return, 69% (58%) are against increasing redistribution in Denmark and 26% (32%) in favor. That those men who plan to return to Denmark are more negative towards increasing redistribution there is in line with self-interest as most of them could expect to be net payers towards income redistribution. Table B.8 presents the analysis corresponding to that in columns 4 and 5 of Table 6 separately for those with no plans to return to Denmark, and those planning to return, as well as when a dummy is added to control for plans to return. The results among men and women not planning to return are very close to the results in columns 4 and 5, while the group of those planning to return is so small that no clear differences emerge when compared with those not planning to return.

preferences of those who emigrated for family reasons. Having a spouse who is high-skilled is related to lower support for redistribution among both men and women who emigrated mainly for family reasons, but has no statistically significant effect on support for redistribution among those who emigrated mainly for reasons related to their own work.

Previous research has shown that individuals who believe that hard work is important for getting ahead in life are less in favor of redistribution (Fong 2001; Corneo and Grüner 2002) and that individuals who believe that others are trustworthy, support more redistribution (Bergh and Bjørnskov 2011; Algan et al. 2015).¹⁷ Controlling for beliefs about the determinants of success and trust has only relatively small effects on the estimated effects of other variables (see columns 6 and 7). In line with results in Fong (2001) and Corneo and Grüner (2002), those who highlight the role of own work and choices as the determinants of success are more negative towards increasing redistribution. Those with low trust are also more negative towards redistribution, although the point estimate is statistically insignificant for men.

Table 7 presents a corresponding analysis concerning redistribution in the current country of residence. The effects of gender, age, occupational status if working, main motivation to emigrate and beliefs about the determinants of success are largely similar as when explaining preferences towards redistribution in Denmark in Table 6. The biggest differences concern country of residence dummies. For men, living in the United States and in the residual group rest of the world, consisting mainly of non-Western countries, is associated with stronger support for increasing redistribution in the country of residence than living in the reference category of other Nordic countries. This suggests that fairness considerations play a significant role, especially as men living in the United States and in non-Western countries were more negative towards increasing redistribution in Denmark than men living in other Nordic countries. Women living in the United States, the United Kingdom and Ireland, and the rest of the world more strongly support increasing redistribution in their country of residence than women living in other Nor-

¹⁷ Survey questions are presented in Appendix A.3. Tables B.9 and B.10 present the answer distributions by the country of residence. Overall, men highlighted own work and choices somewhat more than women. Those who migrated to the United States highlighted own work and choices most, followed by those going to Canada, Australia, New Zealand, the United Kingdom and Ireland. Among women, those who migrated to Canada, Australia and New Zealand highlighted own work and choices most. The emphasis on own work and choices in the United States among men is in line with Alesina and Angeletos (2005) who studied differences between the United States and Europe, finding that the United States is also perceived as a land of opportunities. Trust is highest among migrants to other Nordic countries. This is not surprising, as Nordic countries have exceptionally high levels of trust in international comparison.

dic countries. The different views about redistribution in Denmark and in the country of residence strongly suggest that respondents can differentiate between the two. If earnings are added as a control, support for redistribution is decreasing in it among both men and women, just as when it comes to explaining preferences towards redistribution in Denmark in Table B.7 (see Table B.12 in the Appendix B, in which the analysis is restricted to respondents who provide earnings information). Also the effects of spousal occupation and its interaction with the main motivation to emigrate for support for redistribution in the country of residence (see Table B.13 in the Appendix B) are quite similar as in table B.9 for attitudes towards redistribution in Denmark.

To sum up, we find that men who emigrate to non-Nordic destinations are much more negative towards redistribution in Denmark than men who stay in Denmark or migrate to other Nordic countries. This is in line with Tiebout sorting among men between Denmark (and other Nordic countries) and non-Nordic destinations. Surprisingly, we do not find any evidence on Tiebout sorting for women. Women who emigrate are much more positive towards redistribution than women who stay in Denmark (and are directly affected by taxes or transfers). Interestingly, though, views about fair level of redistribution appear to be rather correlated with what would be one's self-interest if still living in Denmark: those in high-skilled jobs and with higher income abroad support less redistribution in Denmark than those in low- or medium-skilled jobs or out of employment.

5.2 The effect altruism towards siblings in Denmark

Since the respondents are themselves living abroad, the level of redistribution in Denmark does not affect their own economic situation directly. However, the respondents could care more deeply about the economic situation of their relatives than about non-relatives. We expect persons whose close ones benefit from income redistribution to be more positive towards it.¹⁸ To test this, we study whether those who have a sibling who clearly benefits from redistribution prefer more redistribution in Denmark. We searched respondents' siblings from the Danish population register, and ran regressions using an indicator variable for having a sibling who resided in Denmark and was unemployed or on early retirement in 2007. Unemployment and

¹⁸ One possible explanation for this is evolutionary biological. Hamilton (1964a, b) argues that individuals compare benefits of their actions to their kin with the private cost, weighting the benefit by genetic closeness.

retirement status are measured at the end of November each year, so the last calendar year before the survey took place was used. As reported in first four columns in Table 8, the coefficient for the indicator variable *sibling benefits from redistribution* is statistically insignificant for men, but large, positive and significant for women. Among women, having a sibling who benefits from redistribution is associated with higher support for redistribution in Denmark in both the regression with and without migration-related variables. In both regressions, the coefficient is of roughly the same size as the negative coefficient for *not working*, and a little over twice as big as the coefficient of having a spouse or a registered partner. The findings suggest that women's support for redistribution is to a greater extent driven by the interest of their kin than men's support. Columns 5 and 6 in Table 8 report regressions explaining preferences for redistribution in the country of residence. For both men and women, the coefficient for the indicator variable *sibling benefits from redistribution* is statistically insignificant.

6. Conclusions

A major challenge in estimating the effects of views about fair level of redistribution on migration decisions is that fairness concerns and self-interest are intertwined. In this paper, we presented a theoretical framework that distinguishes the roles played by financial self-interest and views about the fair level of income redistribution in the migration decision and in determining the preferred level of redistribution. The key to our analysis is comparing emigrants' views on redistribution in their country of origin with non-migrants' views. Non-migrants can be expected to balance their self-interest and fairness concerns in their redistributive preferences. As developed countries do not tax the income that their citizens earn abroad after having emigrated, apart from the United States, emigrants' views about redistribution in their country of origin should reflect primarily fairness concerns.

We tested our theory using our own survey data on Danish emigrants and European Social Survey data on Danes living in Denmark. We found a remarkable gender difference among emigrants: the majority of men who have emigrated outside other Nordic countries are against increasing redistribution in Denmark, and the majority of women are in favor, independently of where they live. Women are somewhat more positive towards redistribution also among non-migrants, but the gender difference is much smaller than among emigrants. Furthermore, emigrant men are more negative towards redistribution than men staying in Denmark and emigrant women are more positive than women staying in Denmark. This difference persists if

restricting the attention to high-skilled migrants and non-migrants, but becomes weaker if the attention is restricted to those who worked full or close to full time in Denmark in the year before migration.

The results for men are in line with Tiebout sorting according to redistributive preferences. In the absence of Tiebout sorting, we would expect that high-skilled emigrant men would support a higher level of redistribution in their country of origin than high-skilled men still living and paying taxes there. Yet, in all other destinations besides other Nordic countries the majority of men are more negative towards increasing redistribution in Denmark than men living in Denmark, also if attention is restricted to those working in high-skilled occupations. The attitudes of men living in other Nordic countries are quite similar to the attitudes of men living in Denmark, again in line with Tiebout sorting as other Nordic countries are similar to Denmark in the level of redistribution. Although the majority of emigrant men outside other Nordic countries is against increasing redistribution in Denmark, support for increasing redistribution in their current country of residence is somewhat higher and the majority of men living in the United States are in favor of increasing redistribution there, suggesting that while the Danish level of redistribution is viewed excessive by most emigrant men, a similar majority finds the redistribution prevailing in the United States too low.

The results among women are opposite to what Tiebout sorting predicts, but in line with economic self-interest: women who no longer pay taxes in Denmark are more positive towards increasing redistribution there, as theory predicts in the absence of Tiebout sorting in redistributive preferences if these women (or their spouses) are high-income earners. Another possible explanation for higher support for redistribution among women is that many welfare services, like childcare, are more salient for women and that women value the Danish welfare state even more after no longer living there. Furthermore, women are somewhat more likely to support increasing redistribution in Denmark if they have a sibling in Denmark who received unemployment or early retirement benefits. For men, having a sibling receiving welfare benefits in Denmark had no statistically significant effect on their views about redistribution.

We also analyzed support for redistribution over whole income distributions. When restricting the attention to migrants who worked full time or close to full time in the year before emigration, we find that the pre-migration earnings distribution of those who are against increasing

redistribution almost first-order stochastically dominates that of those who are in favor of increasing redistribution among both men and women. This is not explained by educational composition only: when repeating the analysis with unobservable abilities proxied by residuals from Mincerian earnings regressions, the cumulative distribution function of those against increasing redistribution stochastically dominates that of those supporting more redistribution. As migrants neither gain nor lose from redistribution in their country of origin, the findings provide strong evidence that migrants' fairness concerns are strongly correlated with what would be the material interest of similar people, even in the absence of self-interest.

Given that the possibility of migration restricts the scope of governments to redistribute and that the emigrants are so strongly self-selected from upper parts of the earnings distribution, an important question arises: how is it possible that Denmark has maintained such a generous redistribution even with free mobility of labor in the European Union? Previously, Abramitzky (2008) found that the Israeli Kibbutzim, communities that historically fully equalized incomes, were more likely to maintain high level of income equality if they had high wealth. Wealth served as a lock-in device that increases value of staying. Similar mechanisms can help to explain why high-skilled emigration from Denmark has remained at a manageable level. Denmark is among the richest countries in the world in terms of GDP per capita, and ranks very highly in terms of safety, lack of corruption and various other quality of life measures.

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TABLE 1.

DESCRIPTIVE STATISTICS

A. European Social Survey: Number of Observations

	Men	Women
	432	445

B. European Social Survey: Descriptive Statistics

	Men		Women	
Variable	Mean	Std. dev.	Mean	Std. dev.
Age	44.35	10.21	43.78	9.66
Married	0.64	0.48	0.66	0.47
With children	0.51	0.50	0.60	0.49
Not working	0.12	0.33	0.19	0.40
Low- or medium-skilled self-employed	0.06	0.23	0.03	0.16
High-skilled	0.28	0.45	0.23	0.42

C. Own Survey of Danish Emigrants: Number of Observations by Country of Residence

	Men	Women
Other Nordic countries	396	443
UK or Ireland	267	409
Rest of Western Europe	542	688
United States	360	294
Canada, Australia, or New Zealand	134	130
Rest of the world	280	125
Total	1979	2089

D. Own Survey of Danish Emigrants: Descriptive Statistics

	Men		Women	
Variable	Mean	Std. dev.	Mean	Std. dev.
Age	41.10	6.22	39.78	6.18
Married	0.67	0.47	0.68	0.47
With children	0.65	0.48	0.71	0.45
Not working	0.03	0.17	0.21	0.41
Low- or medium-skilled self-employed	0.14	0.35	0.12	0.32
High-skilled	0.61	0.49	0.27	0.44

Notes: *With children* is a dummy equal to one if the respondent has children living at home in the European Social Survey and it is a dummy equal to one if the respondent has children, regardless of whether they live with the respondent in the survey of Danish emigrants. *Married* is a dummy for being married or in a civil partnership in the European Social Survey and for having a spouse or a registered partner in the survey for Danish emigrants. *Not working*, *low- or medium-skilled self-employed* and *high-skilled* are dummies for occupation categories. The reference category is *low- or medium-skilled worker*. The destination country groups are based on the country of residence at the time of the survey. Detailed information on the construction of variables can be found in the Appendix A.3.

TABLE 2.

ATTITUDES OF NON-MIGRANT DANES TOWARDS INCREASING REDISTRIBUTION IN DENMARK					
	Strongly against	Somewhat against	Neutral	Somewhat in favor	Strongly in favor
Men	11	32	20	28	10
Women	4	29	21	32	13

Notes: Subjective support for increasing income redistribution in Denmark. The numbers are row percentages. Data source: European Social Survey. Detailed information on the construction of variables is found in the Appendix A.3.

TABLE 3.

ATTITUDES OF EMIGRANTS TOWARDS INCREASING REDISTRIBUTION IN DENMARK

A. Men					
	Strongly against	Somewhat against	Neutral	Somewhat in favor	Strongly in favor
Other Nordic countries	23	17	12	30	18
UK or Ireland	38	23	10	20	9
Rest of Western Europe	39	20	8	24	9
United States	31	25	10	21	13
Canada, Australia, or New Zealand	35	17	12	20	16
Rest of the world	44	24	7	14	11
Total	35	21	10	22	12

B. Women					
	Strongly against	Somewhat against	Neutral	Somewhat in favor	Strongly in favor
Other Nordic countries	15	17	12	32	25
UK or Ireland	16	16	12	32	24
Rest of Western Europe	14	20	13	33	19
United States	17	20	10	30	23
Canada, Australia, or New Zealand	13	21	12	36	18
Rest of the world	15	19	12	34	20
Total	15	18	12	33	22

Notes: Subjective support for increasing income redistribution in Denmark. The numbers are row percentages. Data source: survey on Danish emigrants. The country groups refer to the country the migrant resides in at the time of the survey. Detailed information on the construction of variables is found in the Appendix A.3.

TABLE 4.

ATTITUDES OF EMIGRANTS TOWARDS INCREASING REDISTRIBUTION IN THE COUNTRY OF RESIDENCE

A. Men					
	Strongly against	Somewhat against	Neutral	Somewhat in favor	Strongly in favor
Other Nordic countries	21	18	11	31	18
UK or Ireland	26	19	9	31	15
Rest of Western Europe	28	21	9	30	11
United States	16	20	6	32	27
Canada, Australia, or New Zealand	24	18	12	25	20
Rest of the world	22	17	13	25	24
Total	23	19	10	30	18

B. Women					
	Strongly against	Somewhat against	Neutral	Somewhat in favor	Strongly in favor
Other Nordic countries	13	16	10	36	25
UK or Ireland	11	14	8	34	32
Rest of Western Europe	10	17	10	40	23
United States	10	19	5	33	33
Canada, Australia, or New Zealand	6	19	8	45	22
Rest of the world	7	10	5	33	45
Total	10	16	8	37	28

Notes: Subjective support for increasing income redistribution in the country of residence. The numbers are row percentages. Data source: survey on Danish emigrants. The country groups refer to the country the migrant resides in at the time of the survey. Detailed information on the construction of variables is found in the Appendix A.3.

TABLE 5.

PREFERENCES OF NON-MIGRANT DANES TOWARDS REDISTRIBUTION IN DENMARK

	(1) All	(2) Men	(3) Women
Female	0.215*** (0.08)		
Age	0.014*** (0.00)	0.013** (0.01)	0.013** (0.01)
Married	-0.121 (0.09)	0.069 (0.14)	-0.299** (0.12)
With children	0.042 (0.09)	-0.060 (0.13)	0.115 (0.12)
Not working	0.273** (0.11)	0.304 (0.19)	0.216 (0.14)
Low- or medium- skilled self-employed	-0.525** (0.22)	-0.525* (0.27)	-0.469 (0.40)
High-skilled	-0.092 (0.10)	-0.052 (0.14)	-0.173 (0.14)
Constant	2.425*** (0.20)	2.371*** (0.28)	2.777*** (0.29)
Observations	877	432	445
R-squared	0.0424	0.0370	0.0377

Notes: The table presents OLS results. The dependent variable is subjective support for increasing income redistribution in Denmark on a five-point scale from 1 “Strongly against” to 5 “Strongly in favor”. Data source: European Social Survey round 4. *With children* is a dummy for having children, regardless of whether they live with the respondent. *Married* is a dummy for being married or in a civil partnership. *Not working*, *low- or medium-skilled self-employed* and *high-skilled* are dummies for occupation categories. The reference category is *low- or medium-skilled worker*. Detailed information on the construction of variables is found in the Appendix A.3. Robust standard errors are in parentheses. ***Significant at 1%; **significant at 5%; *significant at 10%.

TABLE 6.

PREFERENCES OF EMIGRANTS FOR REDISTRIBUTION IN DENMARK

	(1) All	(2) Men	(3) Women	(4) Men	(5) Women	(6) Men	(7) Women
Female	0.560*** (0.050)						
Age	0.019*** (0.004)	0.015** (0.006)	0.021*** (0.005)	0.016** (0.006)	0.023*** (0.005)	0.014** (0.006)	0.021*** (0.005)
Married	-0.126* (0.053)	-0.012 (0.077)	-0.209** (0.072)	0.024 (0.076)	-0.190** (0.073)	0.014 (0.075)	-0.190** (0.073)
With children	-0.009 (0.054)	0.032 (0.077)	-0.011 (0.076)	-0.027 (0.076)	0.008 (0.078)	-0.012 (0.076)	0.017 (0.077)
Not working	-0.360*** (0.080)	0.253 (0.204)	-0.410*** (0.087)	0.252 (0.196)	-0.415*** (0.089)	0.211 (0.191)	-0.433*** (0.088)
Low- or medium- skilled self-employed	-0.620*** (0.076)	-0.655*** (0.112)	-0.617*** (0.106)	-0.510*** (0.112)	-0.630*** (0.107)	-0.467*** (0.112)	-0.579*** (0.106)
High-skilled	-0.683*** (0.054)	-0.826*** (0.078)	-0.511*** (0.077)	-0.633*** (0.082)	-0.520*** (0.078)	-0.628*** (0.083)	-0.535*** (0.077)
UK or Ireland				-0.404*** (0.115)	0.055 (0.101)	-0.400*** (0.114)	0.052 (0.100)
Rest of Western Europe				-0.384*** (0.097)	-0.038 (0.087)	-0.398*** (0.096)	-0.055 (0.087)
United States				-0.264* (0.106)	0.002 (0.111)	-0.220* (0.105)	0.024 (0.109)
Canada, Australia, or New Zealand				-0.401** (0.153)	-0.021 (0.138)	-0.363* (0.149)	0.027 (0.137)
Rest of the world				-0.479*** (0.115)	0.089 (0.147)	-0.492*** (0.115)	0.102 (0.145)
Work related migration				-0.330*** (0.080)	-0.098 (0.089)	-0.325*** (0.078)	-0.097 (0.088)
Partner or family related migration				0.156 (0.099)	-0.136 (0.075)	0.140 (0.098)	-0.156* (0.074)
Own work and choices						-0.390*** (0.065)	-0.372*** (0.066)
Low trust						-0.132 (0.084)	-0.302*** (0.090)
Constant	2.388*** (0.160)	2.538*** (0.229)	2.874*** (0.210)	2.791*** (0.237)	2.863*** (0.229)	3.046*** (0.236)	3.134*** (0.230)
Observations	3782	1891	1891	1891	1891	1891	1891
R-squared	0.1036	0.0646	0.0444	0.0985	0.0470	0.1167	0.0695

Notes: The table presents OLS results. The dependent variable is subjective support for increasing income redistribution in Denmark on a five-point scale from 1 “Strongly against” to 5 “Strongly in favor”. Data source: survey on Danish emigrants. *With children* is a dummy for having children, regardless of whether they live with the respondent. *Married* is a dummy for being married or in a civil partnership. *Not working*, *low- or medium-skilled self-employed* and *high-skilled* are dummies for occupation categories. The reference category is *low- or medium-skilled worker*. The country group dummies refer to the group of countries the migrant resides in at the time of the survey. *Work related migration* and *partner or family related migration* are dummies for self-reported purposes of migration. *Own work and choices* is a dummy for the survey answer that material success is mainly determined by own work and choices. *Low trust* is a dummy for low trust towards people in general. Detailed information on the construction of variables is found in the Appendix A.3. Robust standard errors are in parentheses. ***Significant at 1%; **significant at 5%; *significant at 10%.

TABLE 7.

PREFERENCES OF EMIGRANTS FOR REDISTRIBUTION IN THE COUNTRY OF RESIDENCE

	(1) All	(2) Men	(3) Women	(4) Men	(5) Women	(6) Men	(7) Women
Female	0.447*** (0.048)						
Age	0.017*** (0.004)	0.011 (0.006)	0.021*** (0.005)	0.013* (0.006)	0.023*** (0.005)	0.010 (0.005)	0.021*** (0.005)
Married	-0.094 (0.052)	0.023 (0.078)	-0.185** (0.068)	-0.023 (0.079)	-0.188** (0.069)	-0.034 (0.078)	-0.196** (0.068)
With children	-0.067 (0.054)	-0.025 (0.079)	-0.080 (0.072)	-0.023 (0.079)	-0.040 (0.073)	-0.006 (0.078)	-0.030 (0.072)
Not working	-0.127 (0.075)	0.410* (0.185)	-0.171* (0.082)	0.379* (0.183)	-0.240** (0.083)	0.331 (0.177)	-0.259** (0.083)
Low- or medium- skilled self-employed	-0.412*** (0.076)	-0.403*** (0.115)	-0.437*** (0.103)	-0.375** (0.114)	-0.494*** (0.104)	-0.315** (0.114)	-0.436*** (0.101)
High-skilled	-0.423*** (0.053)	-0.510*** (0.077)	-0.314*** (0.074)	-0.446*** (0.081)	-0.339*** (0.074)	-0.443*** (0.081)	-0.356*** (0.073)
UK or Ireland				0.013 (0.117)	0.206* (0.096)	0.029 (0.115)	0.202* (0.095)
Rest of Western Europe				-0.135 (0.095)	0.085 (0.083)	-0.149 (0.094)	0.075 (0.083)
United States				0.423*** (0.106)	0.243* (0.106)	0.479*** (0.104)	0.266* (0.103)
Canada, Australia, or New Zealand				-0.105 (0.148)	0.176 (0.125)	-0.055 (0.145)	0.231 (0.124)
Rest of the world				0.314** (0.118)	0.653*** (0.136)	0.310** (0.117)	0.663*** (0.134)
Work related migration				-0.272*** (0.080)	-0.083 (0.084)	-0.267*** (0.079)	-0.087 (0.083)
Partner or family related migration				0.188 (0.098)	-0.113 (0.071)	0.164 (0.097)	-0.136 (0.070)
Own work and choices						-0.479*** (0.065)	-0.371*** (0.063)
Low trust						-0.215* (0.087)	-0.357*** (0.089)
Constant	2.733*** (0.157)	2.908*** (0.229)	3.060*** (0.203)	2.856*** (0.236)	2.909*** (0.220)	3.171*** (0.233)	3.196*** (0.221)
Observations	3894	1933	1961	1933	1961	1933	1961
R-squared	0.0580	0.0295	0.0259	0.0636	0.0393	0.0922	0.0662

Notes: The table presents OLS results. The dependent variable is subjective support for increasing income redistribution in the country of residence on a five-point scale from 1 “Strongly against” to 5 “Strongly in favor”. Data source: survey on Danish emigrants. *With children* is a dummy for having children, regardless of whether they live with the respondent. *Married* is a dummy for being married or in a civil partnership. *Not working*, *low- or medium-skilled self-employed* and *high-skilled* are dummies for occupation categories. The reference category is *low- or medium-skilled worker*. The country group dummies refer to the group of countries the migrant resides in at the time of the survey. *Work related migration* and *partner or family related migration* are dummies for self-reported purposes of migration. *Own work and choices* is a dummy for the survey answer that material success in mainly determined by own work and choices. *Low trust* is a dummy for low trust towards people in general. Detailed information on the construction of variables is found in the Appendix A.3. Robust standard errors are in parentheses. ***Significant at 1%; **significant at 5%; *significant at 10%.

TABLE 8.

EFFECTS OF ALTRUISM TOWARDS A SIBLING ON PREFERENCES OF EMIGRANTS FOR REDISTRIBUTION
IN DENMARK AND IN THE COUNTRY OF RESIDENCE

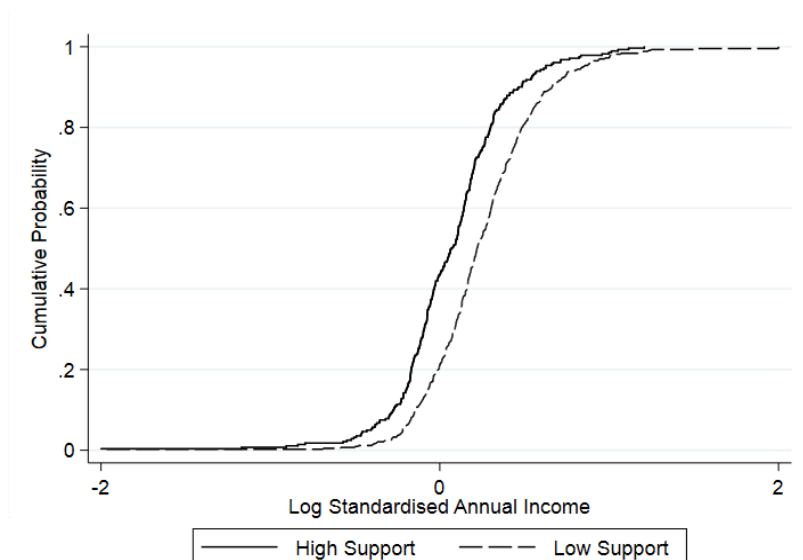
	In Denmark				In country of residence	
	(1) Men	(2) Men	(3) Women	(4) Women	(5) Men	(6) Women
Age	0.015** (0.006)	0.016** (0.006)	0.021*** (0.005)	0.023*** (0.005)	0.013* (0.006)	0.023*** (0.005)
Married	-0.013 (0.077)	0.022 (0.076)	-0.209** (0.072)	-0.190** (0.073)	-0.023 (0.079)	-0.187** (0.069)
With children	0.032 (0.077)	-0.026 (0.076)	-0.009 (0.076)	0.010 (0.078)	-0.023 (0.079)	-0.039 (0.073)
Not working	0.251 (0.205)	0.250 (0.196)	-0.407*** (0.087)	-0.412*** (0.089)	0.378* (0.183)	-0.240** (0.084)
Low- or medium- skilled self-employed	-0.654*** (0.112)	-0.509*** (0.112)	-0.619*** (0.106)	-0.631*** (0.107)	-0.375** (0.114)	-0.495*** (0.104)
High-skilled	-0.824*** (0.078)	-0.632*** (0.082)	-0.513*** (0.077)	-0.522*** (0.078)	-0.446*** (0.081)	-0.340*** (0.074)
Sibling benefits from redistribution	0.125 (0.181)	0.097 (0.178)	0.378* (0.166)	0.382* (0.166)	0.050 (0.191)	0.203 (0.161)
UK or Ireland		-0.402*** (0.115)		0.059 (0.101)	0.014 (0.117)	0.208* (0.096)
Rest of Western Europe		-0.384*** (0.097)		-0.038 (0.087)	-0.135 (0.095)	0.085 (0.083)
United States		-0.263* (0.106)		-0.004 (0.112)	0.424*** (0.106)	0.239* (0.106)
Canada, Australia, or New Zealand		-0.400** (0.153)		-0.015 (0.139)	-0.104 (0.148)	0.177 (0.126)
Rest of the world		-0.478*** (0.116)		0.091 (0.147)	0.315** (0.118)	0.654*** (0.136)
Work related		-0.331*** (0.080)		-0.097 (0.089)	-0.272*** (0.080)	-0.082 (0.084)
Partner or family related		0.156 (0.099)		-0.136 (0.075)	0.188 (0.098)	-0.112 (0.071)
Constant	2.536*** (0.229)	2.788*** (0.237)	2.876*** (0.210)	2.862*** (0.228)	2.855*** (0.236)	2.909*** (0.220)
Observations	1891	1891	1891	1891	1933	1961
R-squared	0.0648	0.0986	0.0467	0.0494	0.0636	0.0400

Notes: The table presents OLS results. In columns 1-4 the dependent variable is subjective support for increasing income redistribution in Denmark on a five-point scale from 1 "Strongly against" to 5 "Strongly in favor". In columns 5 and 6 the dependent variable is the subjective support for income redistribution in the country of residence. Data source: survey on Danish emigrants. *With children* is a dummy for having children, regardless of whether they live with the respondent. *Married* is a dummy for being married or in a civil partnership. *Not working*, *low- or medium-skilled self-employed* and *high-skilled* are dummies for occupation categories. The reference category is *low- or medium-skilled worker*. The country group dummies refer to the group of countries the migrant resides in at the time of the survey. *Work related migration* and *partner or family related migration* are dummies for self-reported purposes of migration. *Own work and choices* is a dummy for the survey answer that material success is mainly determined by own work and choices. *Low trust* is a dummy for low trust towards people in general. *Sibling benefits* is an indicator variable that takes the value 1 if the respondent had a sibling who resided in Denmark and was unemployed or in early retirement in November 2007. Detailed information on the construction of variables is found in the Appendix A.3. Robust standard errors are in parentheses. ***Significant at 1%; **significant at 5%; *significant at 10%.

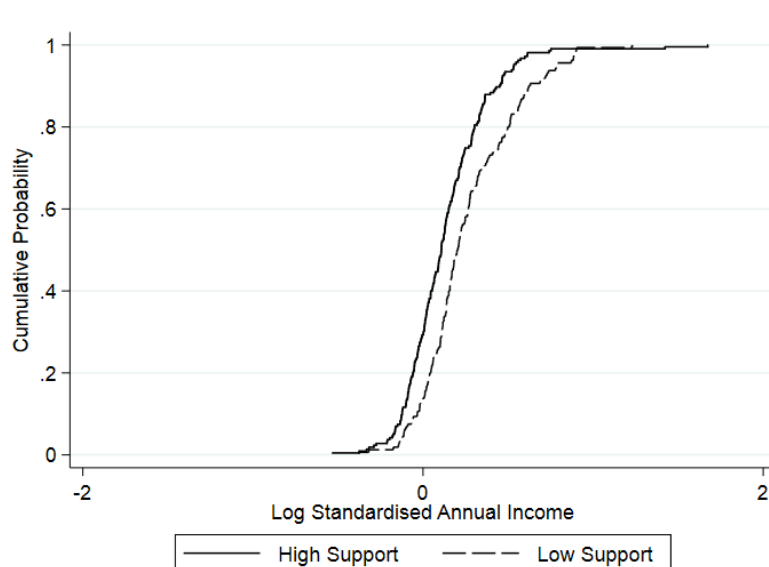
FIGURE 1

LOG STANDARDIZED ANNUAL INCOME ACCORDING TO PREFERENCES FOR INCREASING REDISTRIBUTION IN THE YEAR BEFORE EMIGRATION

A. Men



B. Women

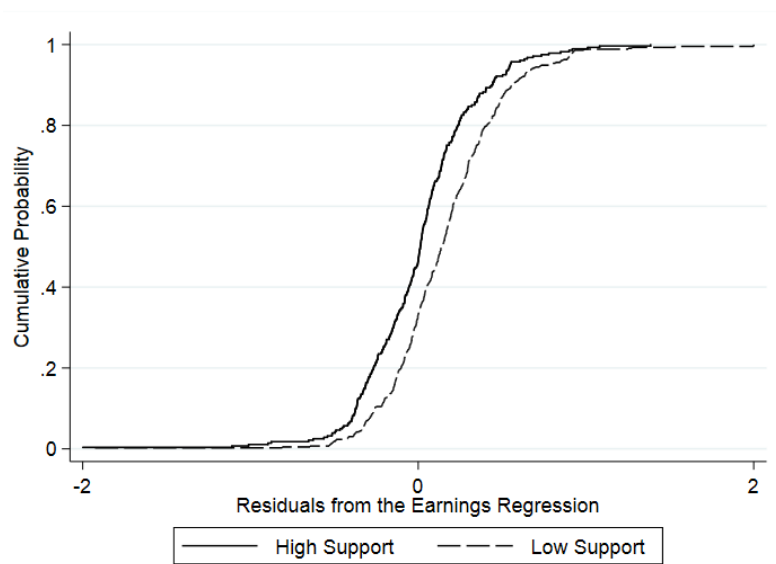


Notes: Cumulative distribution functions of log standardized annual income from the year before emigration according to support for increasing redistribution in Denmark. The standardized income is defined by the ratio of the worker's annual gross earnings to the mean gross earnings of workers of the same age and gender during the calendar year. Those who chose options 1-2 in the question about the support for redistribution in Denmark are classified as having low support and those who chose 3-5 are classified as having high support. The analysis is restricted to respondents who worked full time at least 90% of the year before emigration.

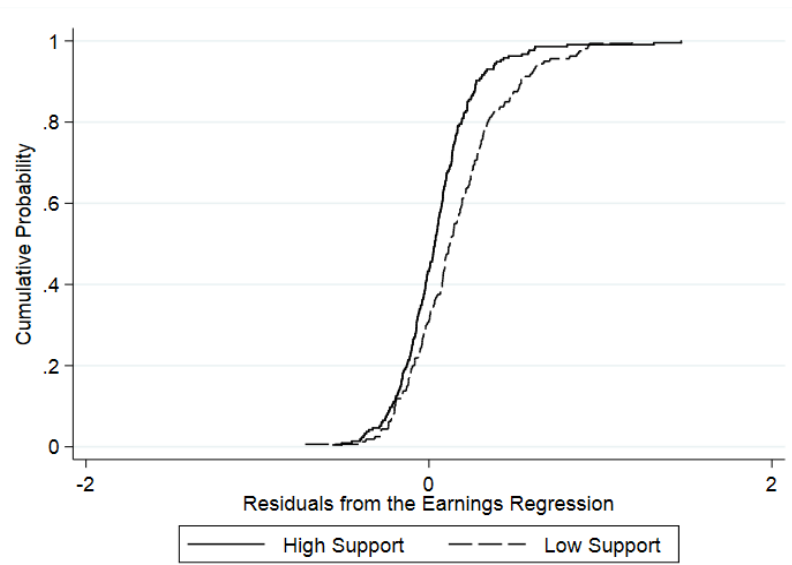
FIGURE 2.

EARNINGS REGRESSION RESIDUALS ACCORDING TO PREFERENCES FOR REDISTRIBUTION IN THE YEAR BEFORE EMIGRATION

A. Men



B. Women



Notes: Cumulative distribution functions of earnings regression residuals from the year before emigration according to support for increasing redistribution in Denmark. The dependent variable in the regression model is the natural logarithm of annual earnings, in the regression models 1 and 2 of Table B.5. Those who chose options 1-2 in the question about the support for redistribution in Denmark are classified as having low support and those who chose 3-5 are classified as having high support. The analysis is restricted to respondents who worked full time at least 90% of the year before emigration.