

Kauppinen, Ilpo; Poutvaara, Panu

**Working Paper**

## Preferences for Redistribution among Emigrants from a Welfare State

ifo Working Paper, No. 120

**Provided in Cooperation with:**

Ifo Institute – Leibniz Institute for Economic Research at the University of Munich

*Suggested Citation:* Kauppinen, Ilpo; Poutvaara, Panu (2012) : Preferences for Redistribution among Emigrants from a Welfare State, ifo Working Paper, No. 120, ifo Institute - Leibniz Institute for Economic Research at the University of Munich, Munich

This Version is available at:

<https://hdl.handle.net/10419/73845>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

# **ifo** Working Papers

## Preferences for Redistribution among Emigrants from a Welfare State

Ilpo Kauppinen  
Panu Poutvaara

Ifo Working Paper No. 120

January 2012

An electronic version of the paper may be downloaded from the Ifo website  
[www.cesifo-group.de](http://www.cesifo-group.de).

## Preferences for Redistribution among Emigrants from a Welfare State\*

### Abstract

This paper studies attitudes towards income redistribution in the country of origin among those who stay in a welfare state, and those who emigrate. We find a striking gender difference among Danish emigrants. Majority of men opposes increasing income redistribution, while majority of women supports it. Women are somewhat more positive towards redistribution also in Denmark, but the gender difference is much smaller. We study to what extent differences in attitudes towards redistribution are driven by beliefs about the determinants of individual success, generalized trust, assimilation to the new home country, and self-selection of emigrants to the United States and other destinations. We do not find evidence of assimilation to political values prevalent in the new home country.

JEL Code: F22, J61, H2.

Keywords: Migration, emigration, welfare state, redistribution, political preferences.

Panu Poutvaara  
University of Munich,  
Ifo Institute – Leibniz Institute for  
Economic Research  
at the University of Munich,  
Poschingerstr. 5  
81679 Munich, Germany  
Phone: +49(0)89/9224-1372  
poutvaara@ifo.de

Ilpo Kauppinen  
Ifo Institute – Leibniz Institute for  
Economic Research  
at the University of Munich  
Poschingerstr. 5  
81679 Munich, Germany  
Phone: +49(0)89/9224-1249  
kauppinen@ifo.de

\* We are grateful for useful comments at the Alpine Population Conference in La Thuile, Italy, NORFACE and CReAM Conference in London, CESifo Conference in Munich, seminar at the Bank of Finland, Silvaplana Workshop on Political Economy in Switzerland, LACEA/LAMES Meeting in Santiago, Chile and the 2nd TEMPO Conference in Vienna. Financial support from the Danish Social Science Council (FSE) for the survey and from the NORFACE research program “Migration in Europe – Social, Economic, Cultural and Policy Dynamics” for this paper is gratefully acknowledged.

## 1. Introduction

Economists usually assume that international migration is motivated by earnings differentials across countries. Economic analysis of internal migration dates back at least to 1776. In *An Inquiry into the Nature and Causes of the Wealth of Nations*, Adam Smith notes that the wage differences in the United Kingdom were much larger than price differences, concluding that “it appears evidently from experience that a man is of all sorts of luggage the most difficult to be transported.” Subsequently, Hicks (1932) concluded that the differences in economic advantages are the main causes of migration. Sjaastad (1962) made a connection between migration and investment in human capital, arguing that the prospective migrant should choose the destination that maximizes the net present value of lifetime earnings, net of the migration costs. Tiebout (1956) argued that if there are many jurisdictions and migration is costless, migrants tend to sort into jurisdictions that provide their preferred mix of public goods. This Tiebout equilibrium is derived under a number of restrictive assumptions, including that the governments can levy lump-sum taxes to finance public goods and that there are no economies of scale or mobility costs. In a Tiebout framework, net beneficiaries from redistribution could always emigrate to jurisdictions that do not redistribute income.

In a seminal contribution, Borjas (1987) analyzed the effect of cross-country differences in income distribution on the self-selection and earnings of immigrants. His main thesis was that the immigrants to the United States tend to come from the upper end of the income distribution if there is sufficiently high correlation between individual earnings in the country of origin and expected earnings in the United States, in case of migrating there, and if the country of origin has more equal income distribution than the United States. Subsequently, Dahl (2002) has analyzed self-selected migration inside the United States and Chiquiar and Hanson (2005) migration from Mexico to the United States.

Denmark and other Scandinavian welfare states have high taxes, generous welfare services and small income differences. Borjas (1987) hypothesis predicts that Danes with high earnings capability should be more likely to migrate to rich countries with lower taxes and wider income distribution, like the United States and the United Kingdom. This suggests that emigration decisions and preferences for redistribution might also be related. High-earners have self-interest to oppose redistribution, and to choose less redistributive countries.

The causality could go also the other way. Besides wider income differences than in European welfare states, the United States also has a culture that is more oriented towards risk-taking and personal responsibility. (Alesina and Angeletos 2005; Piketty 1995). This may attract high-achievers, independently of their attitude towards redistribution. It could be that having lived in the United States results, on average, in more American attitudes towards redistribution. Or the other way round: Danes living in the United States might become more leftist if they find the income differences unfair.

In this paper, we analyze the attitudes of Danish emigrants towards income redistribution and the determinants of individual success, and compare this to the attitudes of Danes living in Denmark, measured in the European Social Survey (ESS). We use unique survey data on Danes who had emigrated in selected years between 1987 and 2002 and had not returned to Denmark by 2007. The surveys were planned by Martin D. Munk (Aalborg University’s Copenhagen campus) and Poutvaara within the project “Danes Abroad: Economic and Social Motivations for Emigration and Return Migration”, financed by the Danish Social Science Research Council. Survey was implemented by Statistics Denmark, with help of register data.

The survey asked respondents to state their attitudes towards income redistribution and the determinants of individual success. We study to what extent gender, age, education, and family situation explain attitudes towards redistribution in Denmark and among Danes abroad. We also study how attitudes towards redistribution differ among Danes who migrated to other Nordic countries, the United States, other English-speaking countries, rest of Western Europe and rest of the world, and whether such differences are robust to adding socioeconomic and demographic controls, opinions about the determinants of individual success, and generalized trust.

There is a body of both theoretical and empirical economic literature on how preferences for redistribution are formed. The standard theoretical approach is to assume that individual preferences for redistribution are determined by whether the individual would gain or lose from it, following the seminal contribution by Meltzer and Richards (1981). The static model was extended by Benabou and Ok (2001), whose dynamic model allows for social mobility. Whereas in the former model individuals only care about their current income, they take also their future income into account in the latter.

A further extension is to assume that individuals do not only care about their own consumption, but that there is some measure of income distribution as an argument in the utility function. Alesina and Giuliano (2008) distinguish between two cases. First, some measure of income distribution can be in the utility function indirectly. In this case individuals do not care about inequality per se but only about its effect on one's own consumption. Externalities in education and crime have been proposed as channels through which people in the upper end of the income distribution could be negatively affected by inequality for selfish reasons. On the other hand, it can be argued that more inequality creates incentives to exercise more effort, and this can work in favour of society as a whole. Second, a measure of income distribution can be in the utility function directly. In that case, individuals have preferences on distribution of income per se instead of caring only how it affects their own consumption.

People can for instance make a distinction between income that is acquired by luck and income acquired by own work and effort, and this distinction can be related to preferences of redistribution of income (Alesina and Angeletos 2005). Using survey data, Fong (2001) finds that preferences for redistribution are indeed strongly correlated with individual beliefs about the extent to which individuals have control over their material well-being. It has also been found that preferences for redistribution vary across countries in a systematic way. People in European countries tend to prefer more redistribution than those in the United States (Alesina et al. 2001, Alesina and Glaeser 2004), and people in former socialist countries prefer more redistribution than those in Western countries (Corneo and Grüner 2002). This finding suggests that there might be an important cultural component in preferences for redistribution (Corneo 2001, Alesina and Glaeser 2004).

Studying the determinants of preferences for redistribution among immigrants has been a way to separate the effect of culture from the economic and institutional context (Alesina and Giuliano 2008, Luttmer and Singhal 2010). Using survey evidence Luttmer and Singhal (2010) find a strong and positive relationship between immigrants' redistributive preferences and the preference in the country of origin. The effect is robust to a set of controls and persists into the second generation. Unlike this previous literature, we study to what extent emigrants with different attitudes are self-selected to different destinations.

## 2. Data

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. 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 their parents or siblings to request their contact information abroad. Subsequently, they were asked to answer a web scheme. The overall response rate among stayers who could be contacted was 62 percent.

Table A1 reports the number of respondents who stay abroad, according to the destination country group.

The five most important residence countries for men are the United States, the United Kingdom, Norway, Sweden and Germany. For Danish women, the order is slightly different: the United Kingdom, the United States, Norway, Germany, and Sweden. Together, these five countries account for 60 percent of respondents. Of these five countries, Sweden and Norway are culturally, economically and politically by far closest to Denmark. The languages are so closely related that a Dane can easily understand Swedish and Norwegian. For centuries, present-day Southern Sweden was part of Denmark. 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 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 more central in the Anglo-Saxon countries.

Based on these considerations, we classify destination countries into other Nordic countries, the United States, the United Kingdom or Ireland, Canada, Australia or New Zealand, rest of Western Europe and rest of the world. We study different English-speaking countries in most analyses separately, in order to identify whether the United States stands out as the land of opportunities, and whether migrants to the United Kingdom and Ireland differ in their attitudes from migrants to other European countries less than migrants to the United States, Canada, Australia and New Zealand. Most respondents are living in English-speaking countries that account for 38 percent of men and 40 percent of women. Other Nordic countries accommodate 21 percent of both men and women, and rest of Europe 28 percent of men and 33 percent of women. Only 6 percent of women and 13 percent of men live in the rest of the world.

To compare emigrants with Danes living in Denmark, we use data from round 4 of the European Social Survey (ESS), 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 or at most 60 years old when the survey took place, to have the same age group as respondents in the survey to emigrants. With this restriction, we end up with a sample of 939 ESS respondents.

## 3. Attitudes towards Income Redistribution

In this section, we show how attitudes of 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. Our hypothesis is that migrants would, on aver-

age, self-select themselves into different countries also according to their redistributive preferences. This would imply that those migrating to less redistributive countries would have more negative attitudes towards redistribution, even after controlling for education and socioeconomic status.

Preferences for redistribution are likely to reflect both self-interest and fairness considerations. In order to focus on fairness considerations, we asked in our survey Danes living abroad to state their opinion to a suggestion to increase income redistribution in Denmark. Another advantage from focusing on Denmark is that this guarantees 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 1 presents the distribution of answers for men and women who were at least 24 or at most 60 years old when the survey took place. This age range is chosen to correspond to the age range in our survey to migrants.

#### TABLE 1

Table 1 shows that 39 percent of men and 45 percent of women are in favor of government taking measures to reduce income differences, and 42 percent of men and 34 percent of women are against. Therefore, women are more left-wing, in line with findings by Edlund and Pande (2002), although differences are not very big.

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?” We used a 5-point scale from “Strongly in favor” to “Strongly against”. Table 2 a below reports the answers by men and table 2 b answers by women, according to the destination country group.

#### TABLE 2a

#### TABLE 2b

Tables 2a and 2b reveal that there is a big gender difference in attitudes towards income redistribution. Majority of men oppose a suggestion to increase income redistribution in Denmark, and majority of women support it. Majority of Danish men in all other destinations than other Nordic countries are against a suggestion to increase redistribution in Denmark. Majority of women in all destinations are in favor of increasing redistribution in Denmark. Among both men and women, those living in other Nordic countries are most positive towards increasing redistribution in Denmark. This is not too surprising: one would expect that those who are most in favor of redistribution to be more likely to live in a highly redistributive country.

Both men and women living abroad are more polarized in their replies than Danes living in Denmark. Although part of this may reflect subtle differences in the formulation of questions (our survey asked directly about redistributing income, ESS about “taking measures to reduce differences in income levels”), there is also a general pattern that women living abroad are

more positive towards increasing redistribution in Denmark than women who live in Denmark, while men living abroad are more negative than men living in Denmark. The share of men supporting and of women opposing increasing redistribution is quite similar among Danes in Denmark and Danes living abroad.

#### **4. Opinions about the Determinants of Success and General Trust in People**

Fong (2001) finds that individuals prefer more redistribution if they believe that poverty is exogenously determined, and Corneo and Grüner (2002) find that individuals who believe that hard work is important for getting ahead in life are less in favor of redistribution. Also trust can be expected to affect attitudes towards income redistribution. Those with a low level of generalized trust are likely to view also welfare benefit claimants more suspiciously, and have a more negative attitude towards redistribution. To account for these links, our survey asked opinions about the determinants of individual success and also an attitude question measuring generalized trust. This allows us to test later whether different attitudes towards redistribution in different destinations reflect different opinions about the determinants of individual success, or differences in generalized trust.

The measure of beliefs on the determinants of success is based on the survey question: “Which of the following describes your standpoint when it comes to the determinants of material success?” The answer alternatives were “Success is mainly determined by own work and choices”, “Success is about equally determined by own work and choices as well as luck or parental background”, “Success is mainly determined by luck”, and “Success is mainly determined by parental background.” As the last two categories had only a few respondents, they are combined in the subsequent analysis.

The measure of perceptions on general trustworthiness of people is based on the question: “Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?” The answer alternatives were “Most people can be trusted”, “Don’t know”, and “Need to be very careful”.

Tables 3a and 3b report findings concerning opinions on what determines individual success. Majority of Danes in all destinations replied that success depends about equally on own work and choices, as well as luck or parental background. 36 to 45 percent of men and 29 to 38 percent of women were of the opinion that success is determined primarily by own work and choices, and only 0-2 percent that it depends mainly on luck and parental background. Overall, men highlighted own work and choices somewhat more than women. Those who migrated to United States highlighted own work and choices most, followed by those going to other Anglo-Saxon countries and to other Nordic countries. The emphasis on own work and choices in English-speaking countries 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.

TABLE 3a

TABLE 3b

Tables 4a and 4b report generalized trust in people. Respondents living in other Nordic countries seem to be more trustful than those living in other destinations.



TABLE 4a

TABLE 4b

## 5. Explaining Attitudes

### 5.1 Preferences for redistribution

The descriptive statistics in previous sections suggest that women are more positive towards redistribution than men, and that those who migrated to other Nordic countries are more positive than others. Previous literature has shown that women and young people are more positive towards redistribution, and that more educated individuals often prefer less redistribution (Fong (2001), Alesina and Giuliano (2008)).<sup>4</sup> Being married and having children also tend to make individuals more adverse to redistribution. We next study to what extent attitudes towards redistribution can be predicted by the destination country group, when controlling for characteristics that have been shown earlier to affect attitudes towards redistribution. To do this we run regression models controlling for gender, age, family situation and education. Since the variable to be explained is discrete and ordinal, we use an ordered logit regression.

As a point of comparison, we first report as table 5 ordered logit analysis on to what extent age, family situation (measured by an indicator variable for being married or having a registered partner, and an indicator for having children) and dummies for two education categories (*short or medium higher education* and *master's degree or higher*) explain attitudes towards income equalization among Danes living in Denmark. Among men, only age has an effect that is statistically significant at the 5-percent level, with support for redistribution increasing in age (in the age group 24 to 60). The point estimate for the effect of having a master's degree or more is clearly negative, but does not reach statistical significance. Among women, being married reduced support for redistribution by more than half a point, the effect of age being almost the same as for men.

TABLE 5

Table 6 presents a corresponding analysis for Danish emigrants with the same explanatory variables. Among men who have emigrated, both short and medium degree higher education and master's degree or more clearly and statistically significantly reduce support for redistribution. The point estimate for the master's degree or more is only marginally larger than among men who stayed in Denmark, but the standard error is much smaller, reflecting both a bigger sample size and the fact that emigrants are much more likely to have a master's degree or more. Although being married reduces support for redistribution also among women living abroad, the effect is only half of that among women living in Denmark. Still, the broad gender differences are the same among Danes who have stayed in Denmark and among emigrants: being more educated reduces support for redistribution among men, and being married among women.

TABLE 6

---

<sup>4</sup> Education can serve as a proxy for income and hence as a measure of self-interest. However, the relationship between education and preferences for redistribution is more complex, and education may also make people more positive towards redistribution. See Alesina and Giuliano (2008).

Tables 7 and 8 introduce destination country group dummies with *Nordic Countries* as the omitted category and additional controls for occupational category (*medium skilled* and *high skilled*)<sup>5</sup>. Additionally, the second column of each table restricts the analysis to those who are married or in registered partnership and then adds partner's occupational category.

TABLE 7

TABLE 8

The coefficients for controls in the regression for men are in line with earlier results known from the literature. The coefficient for the occupation category *high skilled* is large and negative, and those with higher education are more negative. Being a *medium skilled* worker has a positive coefficient, but having short or medium higher education has a negative coefficient of about the same size.

Migrants to Anglo-Saxon countries, rest of Europe and rest of the world are more negative towards increasing redistribution in Denmark than migrants to other Nordic countries. Surprisingly, attitudes towards redistribution are more negative among men who migrated to other English-speaking countries (Australia, Canada, Ireland, New Zealand and the United Kingdom) than among men who migrated to the United States. If migrants self-select to countries that offer then highest after-tax income level, one would expect those most negative toward redistribution to be more likely to migrate to the United States.

In the regression for women in the first column of table 8 age of the respondent has a significant positive coefficient as was the case in the regression for men. Being married is associated with more negative attitudes towards redistribution. As in the regression for men the occupation category *high skilled* has a large and highly significant negative coefficient and being a *medium skilled* worker has a positive coefficient. In general, the estimated effects for women are much weaker than in the corresponding regression for men. The dummies for the educational level have insignificant coefficients, and more importantly, the coefficients for destination country group are all insignificant. Interestingly, the point estimates suggest that women who migrate to the United States are more negative towards redistribution than women migrating to other English-speaking countries, unlike among men. But as the estimated effects are statistically insignificant, the results are only indicative.

A possible explanation for the gender differences in destination 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. A possible interpretation could then be that their occupation does not reflect their education as well as with men. It is also possible that their migration decisions are not related to their attitudes towards redistribution for the same reason. If this is the case, then occupation of the spouse could perform better in predicting their attitudes than their individual characteristics. The second columns in tables 7 and 8 extend the set of explanatory variables to include indicator variables for the occupation of the spouse. Most of the coefficients in the regression for men are relatively robust for this extension, except that the coefficient for being a *medium skilled* worker gets bigger. The estimated effects of spous-

---

<sup>5</sup> 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).

al occupation for men's attitude towards redistribution do not differ statistically significantly from zero. In the regression for women the estimated coefficient for having a *high skilled* spouse is negative, large and highly significant, and the coefficient for *medium skilled* spouse is positive and significant. The estimated effect of spousal high-skilled occupation is for women larger than the effect of their own high-skilled occupation, which even loses its statistical significance among married women when spousal occupation is controlled for.

## 5.2. The effects of trust and opinion on the determinants of success

As beliefs on the determinants of success and trust on people can be related to preferences for redistribution, we include controls for these attitudes to the analysis presented in tables 7 and 8. This allows to test whether differences between different destinations are driven by such attitude differences, or persist even after controlling for them. For example, it could be that those who are most convinced that individual success is determined by individual effort would be most likely to migrate to the United States and other English-speaking countries, resulting in more negative attitudes towards income redistribution there even if attitudes towards redistribution would not be directly related to the destination choice.

The variables measuring these beliefs and attitudes are based on the corresponding survey questions that were discussed in section 4. To control for beliefs on the determinants of success we include a dummy variable for the option "Success is mainly determined by own work and choices", and to control for general trust on people we include a dummy variable for the option "Need to be very careful".

Table 9 presents ordered logit results estimated for men. Comparing tables 7 and 9, we see that most of the coefficients in the regression seem to be robust for the new explanatory variables. The dummy for the occupation category *medium skilled* loses significance in the first specification, and is slightly smaller in the specification including spousal occupation. Most notable change is that the destination country dummy for the United States loses size in both specifications, and significance in the one excluding spousal occupation.

In line with Fong (2001), both men and women are much more likely to be against increasing redistribution if they are of the opinion that individual success depends mainly on own work and choices. For men, the effect is of the same magnitude as differences between men going to Nordic countries and men going to other destinations, and about half of the attitude difference between high skilled workers and medium skilled workers. For women, the effect is larger than the effect of being married or differences between different destinations, and more than half of the attitude difference between high skilled workers and medium skilled workers, whether measured by own or spousal occupation. Those with high level of generalized trust are more positive towards redistribution, the difference being somewhat larger for women.

Coefficients for *own work and choices* are significant and relatively large, whereas the coefficient for *low trust* is significant only in the specification without spousal occupation.

Corresponding results for women are presented in table 10. Beliefs concerning determinants of success and trustworthiness of people have large, negative and significant coefficients, and as in the regressions for men, most of the coefficients do not change considerably. The dummy for *medium skilled* loses significance in the first specification, and having a *medium skilled* spouse loses significance.

TABLE 9

TABLE 10

## 6. Selection or Assimilation?

Different attitudes towards redistribution among emigrants in different destination countries may result from migrant selection or from migrants assimilating and adapting to values that are prevalent in their new home country. To shed light on the issue of causality we study whether age at migration and time spent in the destination country are related to preferences for redistribution.

Alesina and Giuliano (2008) point out, that according to social psychologists there is a period in the lives of individuals between 18 and 25 years, during which values and attitudes become fixed and are resistant to change afterwards. If assimilation is more important than selection, and if younger migrants are more prone to assimilate, we would expect to find stronger association between preferences and destination countries for those who have migrated at a young age. Testable implication of this hypothesis is that those who migrated to the United States and to other English-speaking countries at young age should have more negative attitudes towards redistribution than those who migrated at older age. To see if this is the case we fit separate regression models for emigrant men in different destination country groups and include an indicator variable for young migration age.

Tables A2 – A5 present regression results for men who have emigrated to other Nordic countries, to United States, to UK or Ireland, or to Canada, Australia, or New Zealand.

Overall, the results do not offer support for the hypothesis that younger migrants would be assimilating to political values prevalent in the host country. The coefficients for age at migration and migration year cohort in the regression for United States are statistically insignificant, although the signs for the point estimates are negative as the hypothesis suggests. Moreover, the coefficients for young migration age are positive and significant in both specifications for migrants to UK or Ireland. Similarly the coefficient for young migration age for those who migrated to Canada, Australia, or New Zealand is positive and significant in the specification including indicators for migration year cohorts. One interpretation of the result could be that those who have emigrated at young age have less experience on actually paying taxes in Denmark and are therefore more supportive of generous redistribution.

## 7. Conclusions

In this paper, we have studied the attitudes towards income redistribution among Danes living in Denmark and Danish emigrants. We found a remarkable gender difference among emigrants: majority of men are against increasing redistribution, and majority of women are in favor. Support for redistribution is stronger among Danes who migrate to other Nordic countries. Having higher education or a spouse reduces the likelihood of supporting an increase in income redistribution. Women are somewhat more positive towards redistribution also in Denmark, but the gender difference is much smaller than among emigrants.

We also examined individual opinions on the determinants of individual success. Majority of respondents were of the opinion that both own work and choices as well as luck and family background play an important role. More than a third credited success to own work and choices, and less than two percent primarily to luck or family background. As one would expect, those who highlighted the role of individual choices and effort as determinants of individual success are more negative towards redistribution, as are those who have a lower trust in people in general. Still, even after controlling for different attitudes, we find that Danish who migrate to other Nordic countries are more positive towards increasing income redistribution than Danish men who migrate to any other destination. Among women, the association between redistributive preferences and destination choice is much weaker. Instead, spousal occupation plays a big role, with women whose spouse is high skilled being much more negative towards income redistribution.

We do not find evidence of assimilation to political values prevalent in the new home country.

## References

- Alesina, A. and Angeletos, G.-M. (2005). Fairness and Redistribution: US vs. Europe. *American Economic Review*, 95: 960–980.
- Alesina, A. and La Ferrara, E. (2005). Preferences for Redistribution in the Land of Opportunities. *Journal of Public Economics* 89: 897-931.
- Alesina, A. and Giuliano, P. (2008). Preferences for Redistribution. Forthcoming in *Handbook of Social Economics*, Elsevier.
- Alesina, A. and Glaeser, E. (2004). Fighting Poverty in the US and Europe: A World of Difference, Oxford University Press, Oxford UK, April 2004 (with Edward Glaeser).
- Benabou, R. and Ok, E. (2001). Social Mobility and the Demand for Redistribution: the POUM Hypothesis. *Quarterly Journal of Economics* 116: 447-487.
- Borjas, G.J. (1987). Self-Selection and the Earnings of Immigrants. *American Economic Review* 77: 531-553.
- Chiquiar, D. and Hanson, G.H. (2005). International Migration, Self Selection, and the Distribution of Wages: Evidence from Mexico and the United States. *Journal of Political Economy* 113: 239-281.
- Corneo, G. and Gruner, P.H. (2002). Individual Preferences for Political Redistribution. *Journal of Public Economics* 83: 83-107
- Dahl, G.B. (2002). Mobility and the Return to Education: Testing a Roy Model with Multiple Markets. *Econometrica* 70: 2367-2420.
- Edlund, L. and Pande, R. (2002). Why Have Women Become Left-Wing? The Political Gender Gap and the Decline in Marriage. *Quarterly Journal of Economics* 117: 917-961.

- Fong, C. (2001). Social Preferences, Self-Interest, and the Demand for Redistribution. *Journal of Public Economics* 82: 225-246.
- Luttmer, E. and Singhal, M. (2010). Culture, Context and the Taste for Redistribution. *American Economic Journal: Economic Policy*, forthcoming.
- Massey, D.S. and García España, F. (1987). The Social Process of International Migration. *Science* 237 (4816): 733-738.
- Meltzer, A.H. and Richard, S.F. (1981). A Rational Theory of the Size of Government. *Journal of Political Economy* 89: 914-27.
- Piketty, T. (1995). Social Mobility and Redistributive Politics. *Quarterly Journal of Economics* 110: 551-584.
- Roy, A.D. (1951). Some Thoughts on the Distribution of Earnings. *Oxford Economic Papers* 3: 135-146.
- Sjaastad, L.A. (1962). The Cost and Returns of Human Migration. *Journal of Political Economy* 70(5, part 2): 80-93.
- Smith, A. (1776). *An Inquiry Into the Nature and Causes of the Wealth of Nations*. Liberty Classics, Indianapolis 1776; reprinted in 1976.
- Tiebout, C. M. (1956). A Pure Theory of Local Expenditures. *Journal of Political Economy* 64: 416-424.
- de Tocqueville, A. (1835). *Democracy in America*. Reprinted. Oxford: Oxford University Press, 1965.

Table 1: Attitudes towards increasing redistribution among men and women living in Denmark

	<b>strongly against</b> Row %	<b>somewhat against</b> Row %	<b>neutral</b> Row %	<b>somewhat in favor</b> Row %	<b>strongly in favor</b> Row %
Men	10	32	19	28	11
Women	4	30	21	32	13

*Source:* European Social Survey

Table 2a: Men's attitudes towards increasing redistribution in Denmark

	<b>strongly against</b> Row %	<b>somewhat against</b> Row %	<b>neutral</b> Row %	<b>somewhat in favor</b> Row %	<b>strongly in favor</b> Row %
Other Nordic countries	25	17	11	29	17
United States	32	23	12	22	11
UK or Ireland	40	19	10	19	12
Canada, Australia, or New Zealand	34	19	12	20	15
Rest of Western Europe	38	22	8	23	9
Rest of the world	40	26	6	15	12

*Source:* stayers survey

Table 2b: Women's attitudes towards increasing redistribution in Denmark

	<b>strongly against</b> Row %	<b>somewhat against</b> Row %	<b>neutral</b> Row %	<b>somewhat in favor</b> Row %	<b>strongly in favor</b> Row %
Other Nordic countries	15	16	11	33	25
United States	19	19	11	29	21
UK or Ireland	15	17	13	32	23
Canada, Australia, or New Zealand	12	19	11	38	20
Rest of Western Europe	15	20	13	33	19
Rest of the world	16	24	10	29	22

*Source:* stayers survey

Table 3a: Men’s opinions on the determinants of material success

	<b>own work and choices</b> Row %	<b>both</b> Row %	<b>luck or parental background</b> Row %
Other Nordic countries	39	58	2
United States	48	51	0
UK or Ireland	41	59	0
Canada, Australia, or New Zealand	47	53	0
Rest of Western Europe	37	62	1
Rest of the world	37	63	0

*Source:* stayers survey

Table 3b: Women’s opinions on the determinants of material success

	<b>own work and choices</b> Row %	<b>both</b> Row %	<b>luck or parental background</b> Row %
Other Nordic countries	36	62	2
United States	39	61	0
UK or Ireland	37	63	0
Canada, Australia, or New Zealand	44	56	0
Rest of Western Europe	29	70	2
Rest of the world	32	66	2

*Source:* stayers survey

Table 4a: General trust in people among men

	<b>need to be very careful</b> Row %	<b>don’t know</b> Row %	<b>most people can be trusted</b> Row %
Other Nordic countries	11	3	86
United States	17	6	78
UK or Ireland	17	5	78
Canada, Australia, or New Zealand	20	4	77
Rest of Western Europe	17	5	78
Rest of the world	23	3	74

*Source:* stayers survey



Table 4b: General trust in people among women

	<b>need to be very careful</b> Row %	<b>don't know</b> Row %	<b>most people can be trusted</b> Row %
Other Nordic countries	9	3	88
United States	16	7	77
UK or Ireland	14	5	81
Canada, Australia, or New Zealand	17	5	78
Rest of Western Europe	16	7	77
Rest of the world	15	8	77

Source: stayers survey

Table 5: Ordered logit results for men and women living in Denmark

taste for redistribution in Denmark	<b>Men b/se</b>	<b>Women b/se</b>
age	0.018* (0.01)	0.020* (0.01)
married	0.074 (0.20)	-0.535** (0.19)
children	-0.124 (0.19)	0.108 (0.20)
short or medium higher education	0.078 (0.19)	-0.168 (0.18)
master's degree or higher	-0.398 (0.27)	0.068 (0.27)
N	457	480

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Source: European Social Survey

Table 6: Ordered logit results for men and women living abroad

taste for redistribution in Denmark	<b>Men</b> b/se	<b>Women</b> b/se
age	0.017* (0.01)	0.026*** (0.01)
married	-0.066 (0.10)	-0.276** (0.09)
children	-0.030 (0.10)	-0.057 (0.10)
short or medium higher education	-0.336** (0.10)	0.010 (0.10)
master's degree or higher	-0.424*** (0.10)	-0.133 (0.11)
N	1915	1923

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

*Source:* stayers survey

Table 7: Ordered logit results for men

taste for redistribution in Denmark	<b>1</b> b/se	<b>2</b> b/se
age from the register	0.018* (0.01)	0.026** (0.01)
married	0.064 (0.10)	
children	-0.062 (0.10)	-0.185 (0.12)
short or medium higher education	-0.218* (0.10)	-0.174 (0.13)
master's degree or higher	-0.060 (0.11)	0.024 (0.13)
medium skilled	0.268* (0.13)	0.489** (0.17)
high skilled	-0.757*** (0.10)	-0.720*** (0.12)
US	-0.331* (0.13)	-0.326* (0.16)
UK or Ireland	-0.573*** (0.14)	-0.513** (0.18)
CA, AU or NZ	-0.468* (0.20)	-0.488* (0.22)
Rest of Western Europe	-0.548*** (0.12)	-0.566*** (0.15)
Rest of the World	-0.607*** (0.15)	-0.415* (0.18)
spouse medium skilled		0.305* (0.14)
spouse high skilled		-0.045 (0.13)
N	1915	1285

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Source: stayers survey

Table 8: Ordered logit results for women

taste for redistribution in Denmark	<b>1</b> b/se	<b>2</b> b/se
age from the register	0.030*** (0.01)	0.031** (0.01)
married	-0.251** (0.10)	
children	-0.083 (0.10)	-0.103 (0.14)
short or medium higher education	-0.023 (0.10)	-0.033 (0.13)
master's degree or higher	0.019 (0.12)	0.179 (0.15)
medium skilled	0.236* (0.11)	0.342* (0.15)
high skilled	-0.425*** (0.12)	-0.264 (0.15)
US	-0.198 (0.15)	-0.142 (0.18)
UK or Ireland	0.007 (0.13)	-0.033 (0.16)
CA, AU or NZ	0.018 (0.18)	0.195 (0.23)
Rest of Western Europe	-0.146 (0.12)	-0.030 (0.14)
Rest of the World	-0.174 (0.21)	-0.046 (0.23)
spouse medium skilled		0.306* (0.15)
spouse high skilled		-0.434*** (0.12)
N	1923	1300

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Source: stayers survey

Table 9: Ordered logit results for men with opinion variables

age from the register	0.015*	0.024**
	(0.01)	(0.01)
married	0.052	
	(0.10)	
children	-0.048	-0.175
	(0.10)	(0.12)
short or medium higher education	-0.254*	-0.200
	(0.11)	(0.13)
master's degree or higher	-0.135	-0.057
	(0.11)	(0.13)
medium skilled	0.215	0.429*
	(0.13)	(0.17)
high skilled	-0.749***	-0.706***
	(0.10)	(0.12)
own work and choices	-0.480***	-0.532***
	(0.09)	(0.11)
low trust	-0.217	-0.228
	(0.11)	(0.14)
US	-0.269*	-0.237
	(0.13)	(0.16)
UK or Ireland	-0.566***	-0.493**
	(0.15)	(0.18)
CA, AU or NZ	-0.419*	-0.409
	(0.20)	(0.22)
Rest of Western Europe	-0.554***	-0.587***
	(0.12)	(0.15)
Rest of the World	-0.604***	-0.412*
	(0.15)	(0.18)
spouse medium skilled		0.278*
		(0.14)
spouse high skilled		-0.039
		(0.13)
N	1915	1285

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Source: stayers survey

Table 10: Ordered logit results for women with opinion variables

taste for redistribution in Denmark	<b>3</b> b/se	<b>4</b> b/se
age from the register	0.027*** (0.01)	0.028** (0.01)
married	-0.256** (0.10)	
children	-0.082 (0.10)	-0.116 (0.15)
short or medium higher education	-0.100 (0.11)	-0.093 (0.13)
master's degree or higher	-0.112 (0.12)	0.049 (0.15)
medium skilled	0.200 (0.12)	0.317* (0.15)
high skilled	-0.406*** (0.12)	-0.223 (0.15)
own work and choices	-0.498*** (0.09)	-0.499*** (0.10)
low trust	-0.433*** (0.12)	-0.379* (0.15)
US	-0.182 (0.15)	-0.115 (0.18)
UK or Ireland	0.010 (0.13)	-0.025 (0.16)
CA, AU or NZ	0.052 (0.18)	0.256 (0.23)
Rest of Western Europe	-0.170 (0.12)	-0.035 (0.15)
Rest of the World	-0.154 (0.20)	0.010 (0.23)
spouse medium skilled		0.277 (0.15)
spouse high skilled		-0.448*** (0.12)
N	1923	1300

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Source: stayers survey

Table A1: Number of respondents according to destination country group

destination country group	men	women
	No.	No.
Other Nordic countries	411	451
United States	342	293
UK or Ireland	292	423
Canada, Australia, or New Zealand	128	128
Rest of Western Europe	569	709
Rest of the world	262	118
<b>total</b>	2004	2122

*Source:* stayers survey

Table A2: Men emigrating to other Nordic countries

taste for redistribution in Denmark	<b>1</b> <b>b/se</b>
age from the register	0.018 (0.01)
married	-0.131 (0.22)
children	0.298 (0.24)
short or medium higher education	-0.133 (0.24)
master's degree or higher	0.374 (0.25)
medium skilled	0.011 (0.30)
high skilled	-1.172*** (0.23)
migration at a young age	-0.178 (0.28)
N	394

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

*Source:* stayers survey

Table A3: Men emigrating to the United States

taste for redistribution in Denmark	<b>1</b> <b>b/se</b>
age from the register	0.034 (0.02)
married	-0.012 (0.25)
children	-0.015 (0.23)
short or medium higher education	-0.526 (0.29)
master's degree or higher	-0.168 (0.30)
medium skilled	0.399 (0.29)
high skilled	-0.711** (0.24)
migration at a young age	-0.126 (0.31)
N	324

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

*Source:* stayers survey



Table A4: Men emigrating to UK or Ireland

taste for redistribution in Denmark	<b>1</b> <b>b/se</b>
age from the register	0.018 (0.02)
married	0.255 (0.25)
children	-0.148 (0.25)
short or medium higher education	0.039 (0.29)
master's degree or higher	-0.289 (0.26)
medium skilled	0.814* (0.35)
high skilled	-0.805** (0.25)
migration at a young age	0.764** (0.29)
N	278

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

*Source:* stayers survey

Table A5: Men emigrating to Canada, Australia, or New Zealand

taste for redistribution in Denmark	<b>1</b> <b>b/se</b>
age from the register	0.024 (0.03)
married	-0.077 (0.46)
children	0.008 (0.38)
short or medium higher education	-0.465 (0.43)
master's degree or higher	-0.292 (0.46)
medium skilled	1.019 (0.56)
high skilled	0.082 (0.40)
migration at a young age	0.749 (0.62)
N	123
* p<0.05, ** p<0.01, *** p<0.001	

*Source:* stayers survey

## Ifo Working Papers

- No. 119 Aichele, R. and G.J. Felbermayr, Estimating the Effects of Kyoto on Bilateral Trade Flows Using Matching Econometrics, December 2011.
- No. 118 Heid, B., J. Langer and M. Larch, Income and Democracy: Evidence from System GMM Estimates, December 2011.
- No. 117 Felbermayr, G.J. and J. Gröschl, Within US Trade and Long Shadow of the American Secession, December 2011.
- No. 116 Felbermayr, G.J. and E. Yalcin, Export Credit Guarantees and Export Performance: An Empirical Analysis for Germany, December 2011.
- No. 115 Heid, B. and M. Larch, Migration, Trade and Unemployment, November 2011.
- No. 114 Hornung, E., Immigration and the Diffusion of Technology: The Huguenot Diaspora in Prussia, November 2011.
- No. 113 Riener, G. and S. Wiederhold, Costs of Control in Groups, November 2011.
- No. 112 Schlotter, M., Age at Preschool Entrance and Noncognitive Skills before School – An Instrumental Variable Approach, November 2011.
- No. 111 Grimme, C., S. Henzel and E. Wieland, Inflation Uncertainty Revisited: Do Different Measures Disagree?, October 2011.
- No. 110 Friedrich, S., Policy Persistence and Rent Extraction, October 2011.
- No. 109 Kipar, S., The Effect of Restrictive Bank Lending on Innovation: Evidence from a Financial Crisis, August 2011.
- No. 108 Felbermayr, G.J., M. Larch and W. Lechthaler, Endogenous Labor Market Institutions in an Open Economy, August 2011.
- No. 107 Piopiunik, M., Intergenerational Transmission of Education and Mediating Channels: Evidence from Compulsory Schooling Reforms in Germany, August 2011.

- No. 106 Schlotter, M., The Effect of Preschool Attendance on Secondary School Track Choice in Germany, July 2011.
- No. 105 Sinn, H.-W. und T. Wollmershäuser, Target-Kredite, Leistungsbilanzsalden und Kapitalverkehr: Der Rettungsschirm der EZB, Juni 2011.
- No. 104 Czernich, N., Broadband Internet and Political Participation: Evidence for Germany, June 2011.
- No. 103 Aichele, R. and G.J. Felbermayr, Kyoto and the Carbon Footprint of Nations, June 2011.
- No. 102 Aichele, R. and G.J. Felbermayr, What a Difference Kyoto Made: Evidence from Instrumental Variables Estimation, June 2011.
- No. 101 Arent, S. and W. Nagl, Unemployment Benefit and Wages: The Impact of the Labor Market Reform in Germany on (Reservation) Wages, June 2011.
- No. 100 Arent, S. and W. Nagl, The Price of Security: On the Causality and Impact of Lay-off Risks on Wages, May 2011.
- No. 99 Rave, T. and F. Goetzke, Climate-friendly Technologies in the Mobile Air-conditioning Sector: A Patent Citation Analysis, April 2011.
- No. 98 Jeßberger, C., Multilateral Environmental Agreements up to 2050: Are They Sustainable Enough?, February 2011.
- No. 97 Rave, T., F. Goetzke and M. Larch, The Determinants of Environmental Innovations and Patenting: Germany Reconsidered, February 2011.
- No. 96 Seiler, C. and K. Wohlrabe, Ranking Economists and Economic Institutions Using RePEc: Some Remarks, January 2011.
- No. 95 Itkonen, J.V.A., Internal Validity of Estimating the Carbon Kuznets Curve by Controlling for Energy Use, December 2010.
- No. 94 Jeßberger, C., M. Sindram and M. Zimmer, Global Warming Induced Water-Cycle Changes and Industrial Production – A Scenario Analysis for the Upper Danube River Basin, November 2010.