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Quality of government, egalitarianism, and welfare state attitudes

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Abstract

The main objective of this study is to examine the impact of the quality of government and egalitarian values on welfare state attitudes. Using data from the European Social Survey, we estimate models in which individuals' attitudes towards the welfare state are explained by their socio-demographic characteristics, income, employment and health statuses, an indicator of egalitarian values, and country-level indicators of the quality of government. Our multilevel model estimates reveal that individual-level characteristics influence attitudes in predictable ways, but the impact of the quality of government and how it interacts with egalitarianism depends on the specific attitude being examined. While the impact of egalitarian values on the attitudes towards more taxation and social spending by the government is larger in higher-quality-of-government countries, the opposite is the case with regard to the provision of excessively redistributive policies that benefit certain groups. Our findings also point to the importance of the distinction between individuals' perceived quality of government and expert-based country-level indicators of government quality. The two measures not only refer to different aspects of good governance, but they also give rise to different empirical methods that might yield different patterns.

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1. Introduction

The examination of individuals' attitudes towards welfare state responsibilities and redistribution has been the main theme of a large body of research. Within this literature, many studies have discussed the role of cultural and political factors that lead to differences regarding the support for redistributive policies in different welfare states (Svallfors, 1997, 2003; Bean and Papadakis, 1998; Gelissen, 2000; Andreß and Heien, 2001; Arts and Gelissen, 2001; Blekesaune and Quadagno, 2003; Linos and West, 2003; Jæger; 2006; Dallinger, 2010). In view of the stronger support for equality and state intervention in 'social democratic' economic regimes in comparison to 'conservative' and 'liberal' environments, it has been argued that the substantial differences among countries in overall public support for the welfare state are associated with different welfare regimes (Esping-Andersen, 1990).

Arguing that the differences and similarities among countries are too complex to be summarized as 'worlds of welfare attitudes', Svallfors (2013) focuses on the impact of the 'quality of government' on welfare state attitudes. The quality of government is conceptualized in Rothstein and Teorell (2008) as impartiality in the exercise of public power. Having impartial and well-functioning government institutions has been linked to greater economic development (Rodrik *et al.*,2004), efficient public spending (Holmberg *et al.*, 2009), political trust (Rothstein and Stolle, 2008), individual happiness (Helliwell, 2006), and the electoral performance of incumbent parties (Burlacu, 2014). As far as welfare state attitudes are concerned, Svallfors (2013) finds that people who perceive governmental institutions as efficient and fair want higher taxes and social spending, and also that egalitarian values have a stronger impact on attitudes towards higher taxes and spending when individuals' perceptions of government quality are more positive. These findings provide corroborating evidence of the implicit argument made in an analysis of the determinants of social spending by Rothstein *et al.* (2012) that people can only be mobilized in support of institutions that they consider as fair and efficient.

The idea that people's economic decisions depend on the extent to which they conform to deeply held norms of reciprocity, fairness, and justice has received support from empirical work (Bowles & Gintis, 2000; Ullrich, 2002; Svallfors, 2007). Ideological beliefs and basic values relating to justice principles and equity have also been found to have a strong impact on individuals' attitudes towards welfare policies (Inglehart, 1990; Kumlin, 2001, 2006; Kulin, 2009; Kulin & Svallfors, 2013). While it is no surprise that egalitarianism plays a key role in the formation of welfare state attitudes, empirical work on how it interacts with the quality of government has the potential of providing valuable insights into economic, social, and political outcomes across countries with different levels of institutional efficiency.

The main purpose of the present study is to observe whether similar patterns regarding the link between welfare state attitudes and the quality of government and egalitarianism are obtained when welfare state preferences are measured (i) using the attitudes towards welfare state scope and responsibilities and (ii) the attitudes towards taxation and social spending (as in Svallfors, 2013). If it turns out that the findings are dependent on the welfare state attitude being examined, we will have uncovered the different underlying patterns with regard to the two dimensions of welfare state attitudes that might at first appear to be closely connected. To the best of our knowledge, the current study is the first to address this research question empirically.

An advantage of using objective measures of quality of government rather than individuals' perceptions is that a micro-level study involving subjective evaluations of both quality of government and welfare state attitudes may suffer from the potential endogeneity of these two variables. The multilevel estimation results – which are obtained through the simultaneous use of macro and micro variables – are less likely to suffer from such problems that may lead to biased estimates of key parameters. This is why we measure the quality of government using country-level indicators of the impartiality and efficiency of public institutions (rather than individuals' perceptions).

2. The Data and the empirical model

The European Social Survey (ESS) is a cross-country survey that aims to monitor attitudes and behaviors across countries and over time. Seven rounds of the survey have been conducted since 2002, and in addition to the core questionnaire, each round has included rotating modules that cover academic and/or policy concerns within Europe. The data used in our empirical work are drawn from the combined data set for the fourth round of the ESS the fieldwork of which took place in 2008/09. Edition 4.2 of the data set, published on 29 April 2014, contains data from 29 of the 31 countries that took part in the survey. These countries are Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Latvia, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, and the United Kingdom.

A module included in the fourth round of the survey is titled 'Welfare attitudes in a changing Europe'. The module 'concerns attitudes toward, and perceptions and evaluations of welfare policies in the broad sense' (ESS, 2009: 1). Considering that rising unemployment and an ageing population are causes of concern for many European countries from a welfare state perspective (Boeri, Börsch-Supan & Tabellini, 2002; Carone, 2005; Blekesaune, 2007), it is not surprising that this topic was selected for coverage in the ESS. The module covers several aspects of attitudes to welfare policies. Survey items relating to attitudes towards taxation and financing aim to investigate the public's views on the use of taxes to finance social welfare policies. One of these items – the one examined by Svallfors (2013) – is worded as follows:

'Many social benefits and services are paid for by taxes. If the government had to choose between increasing taxes and spending more on social benefits and services, or decreasing taxes and spending less on social benefits and services, which should they do?'

This item, which we refer to as GOV-TAX, is responded to on an 11-point scale such that larger values indicate a stronger preference for more taxing and social spending. In the empirical work, we estimate a linear model in which the numerical responses to this item make up the dependent variable. Attitudes to welfare state scope and responsibilities, on the other hand, refer to people's views about the responsibility of the government for various tasks. In the ESS, there are six survey questions aimed at measuring the respondents' views about the level of government responsibility with regard to tasks such as ensuring a job for everyone and health care for the sick. The questions relating to the six tasks are worded as follows:

'If "0" means "it should not be governments' responsibility at all" and "10" means "it should be entirely governments' responsibility", how much responsibility do you think governments should have to:

(i) ensure a job for everyone who wants one;

(ii) ensure adequate health care for the sick;

(iii) ensure a reasonable standard of living for the old;

(iv) ensure a reasonable standard of living for the unemployed;

(v) ensure sufficient child care services for working parents; and

(vi) provide paid leave from work for people who temporarily have to care for sick family members?'

The numerical responses to these questions can be utilized as dependent variables in six different empirical models. However, in view of the high correlation between the responses to the items (Cronbach's alpha = 0.84), we only work with the average of the six items, which we refer to as GOV-SCOPE, as the measure of the attitudes towards welfare state scope and responsibilities. The comparison of patterns concerning the impact of the quality of government and egalitarian values on attitudes towards welfare state scope with those relating to taxation and social spending might provide valuable insights. An indication of this possibilities are not highly associated with that for increasing taxes and social spending. In fact, the correlation coefficient of GOV-TAX and GOV-SCOPE in the combined data set from the ESS is only 0.11.

Given the presence of both country- and individual-level explanatory variables in our analysis, the "multilevel linear regression model" available in the HLM software package is an appropriate estimation tool (Raudenbush *et al.*, 2004). Both of the models to be estimated have the same set of explanatory variables. Regarding the influence of individual characteristics, empirical studies have shown that people with lower levels of income and schooling and higher risks of unemployment support extensive welfare policies more than the more-privileged groups (Iversen and Soskice, 2001; Svallfors, 2004, 2006; Cusack *et al.*, 2006). Women, public sector employees, and the elderly are also found to be more in favor of extensive welfare policies (Cook and Barrett, 1992; Borre and Scarbrough, 1995; Edlund and Svallfors, 2011). Obtaining similar findings in their examination of the attitudes towards welfare state scope and responsibilities, Başlevent and Kirmanoğlu (2011) interpret the observed patterns as evidence of self-interested behavior in welfare state attitudes (Feldman, 1982; Funk, 2000).

In view of the abovementioned patterns, the individual characteristics controlled for in our models include the age, gender, and years of education of the respondent. The models also include two dummy variables to identify employed and unemployed individuals, which means that labor force non-participants make up the base category. In order to control for the possibility of stronger welfare state attitudes among immigrants, another dummy variable indicates respondents who live in a country other than the one they were born in. Economic well-being is controlled for using the survey item pertaining to the respondents' feelings about the income of their household. This categorical variable identifies those who are 'living comfortably', 'coping', 'finding it difficult', and 'finding it very difficult' on present income. The subjective general health of the respondents is measured on a scale from 1 to 5 such that larger values indicate better health.

As discussed earlier, egalitarianism is expected to play a key role in our analysis of welfare state attitudes. Svallfors (2013) constructs an egalitarianism index by averaging the scores for the following survey items from the ESS:

"The government should take measures to reduce differences in income levels."

"For a society to be fair, differences in people's standard of living should be small."

We also use the average of the responses to these items (both of which have a 5-point answer scale), and transform the variable such that it ranges between zero and 10 and larger values represent more egalitarian views. In the empirical models to be estimated, this variable is interacted with the quality of government to observe whether its impact varies across contexts with differing degrees of institutional efficiency.

The three expert-based measures of government quality we make use of are the ones referred to in Svallfors (2013), namely the International Country Risk Guide's Quality of Government indicator (QOG), the Transparency International's Corruption Perceptions index (CPI), and the World Bank's Government Efficiency estimate (GEE). Despite some overlaps, the three measures relate to different aspects of government quality. The QOG score – ranging between zero and 1 – is an average of 'corruption', 'law and order', and 'bureaucracy quality' scores. The CPI score – ranging between zero and 10 – relates to perceptions of the degree of corruption in the public sector as seen by business people, risk analysts, and the general public, and the GEE score – ranging between -2.5 and 2.5 – is a combination of several factors including the quality of public service provision and independence of the civil service from political pressures. For all three measures, higher scores correspond to better outcomes. The values of these indicators for 2008 are taken from the Quality of Government Institute's web site (Teorell *et al.*, 2013). In our 29-country sample, the correlation coefficients between these indicators is on the order of 0.95 which is a remarkable figure given the different ways in which they have been constructed.

3. Estimation results

The multilevel linear model estimates based on GOV-TAX and GOV-SCOPE as dependent variables are presented in Tables 1 and 2, respectively. Each table comprises six model specifications which differ by the quality of government indicator used and whether that indicator is interacted with the egalitarianism variable or not. Our econometric findings reveal that most explanatory variables have statistically significant effects in one or both models and, more importantly, that there are notable differences in their impact on the two attitudes. The chi-squared test statistics derived from the variances of the 'level 2' intercepts are statistically significant at the 1 % level of significance which means that the amount of cross-country variation in welfare state attitudes is large enough to justify the use of the multilevel model (Garson, 2013). The 'between-country variance explained' figures reported at the bottom of Tables 1 and 2 are also adequately large.

Common to all six model specifications in Table 1 is the finding that age and gender do not have a significant effect on the attitudes towards taxation and social spending. However, age is related positively with favorable views of government scope and responsibilities (See Table 2). This is a reasonable finding since 'ensuring a reasonable standard of living for the old' and 'adequate health care for the sick' are tasks that are of more importance for the elderly.

Furthermore, a significant gender effect is observed such that women have more favorable opinions of the government's provision of welfare related tasks. This finding does not come as a surprise either, considering that tasks such as providing care for children and sick family members are usually undertaken by women. With regard to education, we find that people with more schooling are more likely to support more taxation and spending, but have less favorable opinions of extensive government responsibilities that benefit certain groups.

Employed respondents – who make up 54 percent of the combined sample – are more opposed to the idea that the government should increase taxation and spending which might be because, as payroll tax payers, they do not want the government to resort to further taxation to finance the welfare state. The statistically insignificant coefficients obtained for the unemployed respondents means that their attitudes are not different than those of labor force non-participants who make up the reference group. The impact of employment status is much smaller (in fact, statistically insignificant) with respect to GOV-SCOPE, but an itemby-item examination of the attitudes for extensive government responsibilities (not reported here) reveals that employment status does matter in the case of tasks that involve job provision and the standard of living of the unemployed.

We do not find a statistically significant effect of immigrant status in either model. This means that once their other socio-demographic characteristics are controlled for, immigrants – whose sample share is almost nine percent – do not differ from the rest of the respondents in terms of welfare state attitudes. This result might have to do with the fact that not all immigrants are eligible for some welfare state services. It also turns out that healthier individuals have less favorable attitudes towards more taxation for social services, but the impact of health on attitudes towards the scope of the welfare state is statistically insignificant. The patterns relating to subjective evaluations of household income also differ between the two dimensions of welfare state attitudes. While respondents who face economic difficulties are against the idea of more taxation, respondents who come from households that make ends meet easily are more opposed to a wide-ranging welfare state. Considering that the operation of welfare state services relies mainly on revenues from progressive tax systems which place a disproportionately heavy burden on wealthier households, this finding is in line with expectations.

3.1 The impact of the quality of government and egalitarianism

Before summarizing our findings on the quality of government and egalitarianism, we would like to remind the readers of the Svallfors (2013) finding that perceived quality of government and egalitarian values both have a positive impact on the attitudes towards higher taxes and spending. In addition to the independent effects, Svallfors also finds a positive interaction effect which implies that egalitarian values have a larger impact on attitudes when individuals' perceptions of government quality are more positive. In order to make sure that our models' estimates are comparable to those presented in Svallfors (2013), we also constructed the index of perceived quality of government (made up of items measuring the perceived fairness and efficiency of tax authorities and health care services) used in that study and confirmed that our models yield the same results as those reported by Svallfors when the government quality is measured at the individual level.

The multilevel linear regression estimates presented in Table 1 paint a somewhat different picture regarding the relationships between the quality of government, egalitarianism, and the attitudes towards more taxing and social spending. Regardless of the choice of the indicator of

government quality, we do find that preferences for a larger welfare state are stronger among more egalitarian individuals and in higher quality-of-government settings (See specifications 1, 3, and 5). We also find, as expected, that the interaction between the two variables is positive (See specifications 2, 4, and 6). However, in the presence of the interaction variable, the main effects of the two variables become statistically insignificant. The interpretation of this finding is that these variables do not have a meaningful impact on the attitude in question when the other variable takes on the value of zero. Thus, the multilevel model attributes a more crucial role to the co-existence of government quality and egalitarian values in the formation of positive welfare state attitudes.

The estimates pertaining to attitudes towards government responsibilities presented in Table 2 yield further insights regarding the impact of government quality and egalitarianism on welfare state attitudes. While the influence of egalitarianism is still positive (even in the presence of the interaction variable), we find that the attitudes towards welfare scope and responsibilities are less favorable in higher quality-of-government countries. Furthermore, the interaction of the two variables is also negative, implying that the difference between the levels of support among egalitarian and not-so-egalitarian individuals for this particular set of welfare state services is smaller in contexts where public institutions are more efficient. Apparently, in the presence of a government that is already functioning fairly and efficiently, egalitarian individuals tend to view tasks such as ensuring a job for everyone as overlygenerous services that work against egalitarianism. Another interesting point is that the explanatory power of the multilevel model is considerably larger with respect to the attitudes towards government tasks that target certain groups. This might be interpreted to mean that the attitudes in this dimension are driven to a larger extent by self-interest, which in turn implies that socio-demographic characteristics do a better job of explaining the outcome of interest.

4. Concluding remarks

The aim of this study was to examine individuals' attitudes towards welfare state policies by building on the work of Svallfors (2013) who concludes that government quality is an important and neglected factor in explaining attitudes to welfare policies. Data from the fourth round of the European Social Survey was used in a multilevel analysis to demonstrate that individual characteristics were associated with welfare state attitudes in predictable ways. The empirical work also yielded interesting findings regarding the interplay of government quality and egalitarian values in shaping the attitudes towards taxation and social spending and those relating to the scope of the welfare state. Our key finding was that while the interaction of government quality and egalitarian values contributes positively to the attitudes towards more taxation and social spending, the opposite is the case with regard to certain welfare state related tasks. Thus, our findings confirmed that welfare state attitudes should be included in the growing list of contexts in which the quality of government plays a central role, but they also pointed to some subtleties which policy makers and researchers should be aware of.

One question that needs further elaboration is why the multilevel analysis conducted here produced somewhat different patterns regarding the attitudes towards taxation than those in the Svallfors (2013) article. Several factors may have contributed to this outcome. One of these must be that country-level indicators of the quality of government measure the efficiency of different aspects of governance which may not be assessed properly by individuals. Another factor might be that, when utilized as explanatory variables, country-level indicators of the quality of government factors.

which are not explicitly accounted for. In light of the empirical findings that point to the importance of the unit of analysis, we claim to have demonstrated that individuals' perceived quality of government and the quality of government (measured at the country level) are indeed distinct concepts that should not be used interchangeably.

The disparity between the observed patterns relating to attitudes towards the scope of the welfare state and those relating to taxation and social spending has revealed that the team of researchers who developed the welfare attitudes module in the ESS was correct in their prediction that different dimensions of welfare state preferences may not be closely connected (ESS, 2009). The present study has shown not only that the responses to survey items belonging in two different dimensions are (almost) uncorrelated, but also that the underlying patterns with regard to the effect of country- and individual-level variables on these attitudes show little resemblance (at least in the European context). Apparently, people with stronger egalitarian values are more meticulous in drawing the line between public and private responsibilities to the extent that they may refrain from supporting certain redistributive welfare state services when governments are already fair and efficient. One implication of this finding is that authorities in higher-quality-of-government countries need good communication strategies to garner wide-ranging support for some redistributive policies that target certain groups. In low-quality-of-government environments, on the other hand, the lack of belief in the fairness and efficiency of public institutions leads to the unpopularity of taxation, even among those with stronger egalitarian values. In this respect, enhancing the quality of government appears to be a precondition for achieving better compliance with tax laws, which in turn is the key to a sustainable welfare system.

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	(1)	(2)	(3)	(4)	(5)	(6)
Quality of government indicator:	International Country Risk Guide's QOG		Transparency International's CPI		World Bank's GEE	
Intercept	2.838	4.354	3.233	4.253	3.699	4.232
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Quality of government	1.799	-0.229	0.146	-0.012	0.420	-0.043
	(0.003)	(0.677)	(0.006)	(0.799)	(0.005)	(0.701)
Egalitarianism	0.119	-0.098	0.119	-0.027	0.119	0.046
	(0.000)	(0.166)	(0.000)	(0.658)	(0.000)	(0.152)
Quality of government		0.295		0.023		0.067
× Egalitarianism		(0.001)		(0.009)		0.003)
Age	0.003	0.003	0.003	0.003	0.003	0.003
	(0.578)	(0.547)	(0.578)	(0.546)	(0.578)	(0.547)
Age squared / 100	0.002	0.002	0.002	0.002	0.002	0.002
	(0.626)	(0.654)	(0.626)	(0.661)	(0.626)	(0.651)
Female	0.036	0.033	0.036	0.033	0.036	0.034
	(0.232)	(0.263)	(0.233)	(0.261)	(0.233)	(0.257)
Years of education	0.021	0.021	0.021	0.021	0.021	0.021
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Employed	-0.180	-0.177	-0.180	-0.178	-0.180	-0.177
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Unemployed	0.070	0.065	0.070	0.064	0.070	0.065
	(0.267)	(0.311)	(0.267)	(0.313)	(0.268)	(0.306)
Immigrant	0.041	0.042	0.041	0.038	0.041	0.039
	(0.294)	(0.286)	(0.295)	(0.338)	(0.297)	(0.328)
Household income	-0.084	-0.097	-0.084	-0.097	-0.084	-0.098
(=2, coping)	(0.006)	(0.002)	(0.006)	(0.002)	(0.006)	(0.002)
Household income	-0.136	-0.142	-0.136	-0.142	-0.136	-0.144
(=3, difficult)	(0.024)	(0.020)	(0.024)	(0.020)	(0.024)	(0.018)
Household income	-0.160	-0.144	-0.160	-0.147	-0.159	-0.146
(=4, very difficult)	(0.163)	(0.212)	(0.162)	(0.200)	(0.163)	(0.206)
Health	-0.048	-0.050	-0.048	-0.049	-0.048	-0.049
	(0.025)	(0.020)	(0.025)	(0.021)	(0.025)	(0.021)
Between-country variance explained (%)	17.6	16.4	12.8	11.3	18.8	16.4
Within-country variance explained (%)	1.9	2.2	1.9	2.1	1.9	2.2

Table 1: Determinants of the attitudes towards taxation and social spending

Notes: The number of observations is 46,695. The dependent variable is GOV-TAX. The figures in parentheses are the *p*-values of the two-sided tests of significance. The design weights available in the data set have been used to obtain nationally representative figures, but not the population weights, so that the results would not be dominated by the patterns in large-population countries. The reference category for household income dummies is "Living comfortably on present income (=1)".

	(1)	(2)	(3)	(4)	(5)	(6)
Quality of government	International Country		Transparency		World Bank's GEE	
indicator:	Risk Guide's QOG		International's CPI			
Intercept	6.684	5.846	6.692	6.121	6.363	6.095
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Quality of government	-0.749	0.371	-0.089	-0.001	-0.211	0.022
	(0.112)	(0.624)	(0.043)	(0.993)	(0.070)	(0.916)
Egalitarianism	0.210	0.330	0.210	0.292	0.210	0.247
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Quality of government		-0.163		-0.013		-0.034
× Egalitarianism		(0.015)		(0.024)		(0.057)
Age	0.010	0.010	0.010	0.010	0.010	0.010
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Age squared / 100	-0.011	-0.011	-0.011	-0.011	-0.011	-0.011
	(0.001)	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)
Female	0.103	0.104	0.103	0.104	0.103	0.104
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Years of education	-0.010	-0.010	-0.010	-0.010	-0.010	-0.010
	(0.006)	(0.005)	(0.006)	(0.005)	(0.006)	(0.005)
Employed	-0.032	-0.033	-0.032	-0.033	-0.032	-0.033
	(0.132)	(0.119)	(0.133)	(0.121)	(0.133)	(0.119)
Unemployed	-0.002	0.001	-0.002	0.001	-0.002	0.000
	(0.968)	(0.990)	(0.969)	(0.982)	(0.969)	(0.998)
Immigrant	0.033	0.033	0.033	0.035	0.033	0.034
	(0.606)	(0.607)	(0.605)	(0.586)	(0.605)	(0.595)
Household income	0.045	0.052	0.044	0.051	0.044	0.051
(=2, coping)	(0.237)	(0.165)	(0.239)	(0.166)	(0.237)	(0.170)
Household income	0.164	0.167	0.164	0.167	0.164	0.168
(=3, difficult)	(0.003)	(0.002)	(0.003)	(0.002)	(0.003)	(0.002)
Household income	0.342	0.334	0.342	0.335	0.342	0.335
(=4, very difficult)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Health	-0.013	-0.012	-0.013	-0.012	-0.013	-0.013
	(0.289)	(0.316)	(0.291)	(0.313)	(0.291)	(0.306)
Between-country variance explained (%)	35.6	36.0	40.1	40.9	38.4	38.8
Within-country variance explained (%)	9.4	9.5	9.4	9.5	9.4	9.5

Table 2: Determinants of the attitudes towards welfare state scope and responsibilities

Notes: The number of observations is 46,695. The dependent variable is GOV-SCOPE. The figures in parentheses are the *p*-values of the two-sided tests of significance. The design weights available in the data set have been used to obtain nationally representative figures, but not the population weights, so that the results would not be dominated by the patterns in large-population countries. The reference category for household income dummies is "Living comfortably on present income (=1)".