Everybody Hurts Sometimes: How Personal and Collective Insecurities Shape Policy Preferences

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Short Title: Everybody Hurts Sometimes
Abstract

Understanding when individuals support government action is central to government responsiveness and democratic policymaking. While previous research on political behavior has explored the influence of collective economic conditions, self-interested explanations have heavily swayed work on policy preferences. We bridge these two previously distinct literatures to articulate a theory of public policy preferences that highlights when both common and pocketbook factors influence preferences for social insurance. Using a cross-national sample of developed democracies from 1996 and 2006, we conclude that when personal economic conditions are dire, the pull of self interest trumps both collective and policy concerns.

Keywords: collective, pocketbook, insecurity, preferences, social policy

Supplementary materials for this article are available in the appendix in the online edition.

Replication files are available in the JOP Data Archive on Dataverse (http://thedata.harvard.edu/dvn/dv/jop).

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What affects individuals’ policy preferences remains a key question that connects fundamental aspects of democratic governance: public opinion, government responsiveness, and policymaking. An important theoretical aspect of this relationship between individuals and their government has been the connection between the public policies governments create and the public’s attitudes toward those policies. Although scholars have debated how pocketbook (personal) and sociotropic (collective) interests can shape political opinion and behavior, we consider whether these interests shape individuals’ policy preferences by defining the stakes they face within a policy environment.

Explanations of individual political behavior and opinion point to the influences of both personal and collective interests. Though arguments of self-interest as a driving influence on behavior have shaped theories in social science, the empirical evidence has been less decisive (Lynch and Myrskyla 2009; Sears and Funk 1990, 1991). In distinguishing between sources of economic concern, scholars have shown how common experiences can influence individual political attitudes and behavior more so than personal concerns (Duch and Stevenson 2008; Mutz 1998; Singer and Carlin 2013), highlighting the importance of collective circumstances.

While theories of political behavior more broadly have come to recognize the importance of collective interests, research on public policy attitudes and preferences has maintained an emphasis on the role of self-interest and individual insecurity (Baslevent and Kirmanoglu 2011; Chong, Citrin and Conley 2001; Mutz 1998). From a focus on the effect of income (Meltzer and Richard 1981), scholars have branched into theorizing about how the risk of unemployment shapes preferences for government assistance (Cusack, Iversen and Rehm 2006; Moene and Wallerstein 2001; Rehm 2009; Rehm, Hacker and Schlesinger 2012). Specifically, the insecurity of one’s position in the labor market can influence preferences for unemployment and other social insurance policies (Iversen and Soskice 2001; Margalit 2013). Unlike research on political behavior more generally, work that focuses on risk and redistribution is better able to connect individual level preferences to what is at stake in those policies (Chong, Citrin and Conley 2001;...
Sears and Funk 1991). Though individuals may only weakly link political events to their own self-interest, the connection may be clearer between the need for government assistance programs and their personal economic insecurity.¹ However, these approaches to explaining individual policy preferences may have under-theorized the role of collective circumstances. Is there room for collective concerns to influence preferences for policies related to insecurity and redistribution? And beyond this, does the broader economic environment influence how people translate their own insecurities into policy preference?

Although we are interested in both pocketbook and collective influences on preferences, we also acknowledge that individuals create preferences within existing policy environments. For a more complete picture of policy preference formation, we argue that both sources of insecurity foster support for public policies, but the translation of these two types of insecurity into preferences will be differently conditioned by the insecurity in the policy context. From a self-interested perspective, individuals relate to redistributive policies based on their relationships with these programs—as net beneficiaries or contributors. In other words, how individual-level risk feeds into support for the policy depends on what is at stake for them in that program. But whether and how collective insecurity influences preferences depends upon the inclusiveness of government assistance more generally. More expansive policies include more beneficiaries, while more restrictive policies will more narrowly focus their assistance. How shared insecurity affects preferences may depend upon how extensively the programs address collective economic distress.

We extend current research on policy preferences with two arguments. First, personal and collective economic insecurity can both affect policy preferences, but in different ways. Second, the broader policy environment affects how individuals translate their personal and collective insecurities into preferences. Understanding only the role of self-interest in shaping preferences for social insurance leaves scholars with a limited picture of preferences. Similarly, overlooking the buffering effect of the policy environment undervalues the role of government policies in

¹See Lewis-Beck and Stegmaier 2000 for a review of the literature on economic voting.
individuals’ lives and behavior. Using data from the International Social Survey Programme (ISSP) 1996 and 2006 Role of Government surveys, we analyze support for unemployment insurance and find that collective pressures and personal stakes shape policy preferences. Insecurities in the broader economic and policy environments drive support for more policy protection. However, collective insecurities have little effect on those facing the greatest insecurity, regardless of what is personally at stake; self-interest for more government protection drives policy preferences.

Self-Interest, Collective Risk, and Policy Preferences

In research that spans a range of political behaviors—voting, public opinion, and protest—scholars have discussed the respective roles of self- and collective interests in influencing political behavior. In policy domains where the links between political outcomes and individual wellbeing are less direct, social scientists have emphasized how collective (or sociotropic) interests heavily influence individuals’ behavior or opinions (Mutz 1998). However, in policy areas that touch on individual-level risk or insecurity, scholars have continued to highlight the influence of self-interest on political preferences, with far less consideration of the influence of shared economic experiences (Rehm 2016).

Though individuals may be influenced first and foremost by the “immediate and tangible circumstances of their private lives,” their decisions can be driven by motivations beyond these personal pocketbook concerns (Kinder and Kiewiet 1981, 130). Recognizing that people are not blind to the circumstances of those around them or to broader economic conditions, scholars have identified individuals with sociotropic preferences as those influenced by aggregate or national economic conditions (Kinder and Kiewiet 1981). Given the importance of the economy in explaining voting behavior (e.g., Duch and Stevenson 2008; Kinder and Kiewiet 1979; Lewis-Beck and Stegmaier 2000; Markus 1992), it is surprising how little scholars of policy preferences have delved into the influence of the broader economic situation. Those who have
explored this relationship have tended to look at how the macroeconomy directly shapes preferences. For example, Kam and Nam (2008) have shown that individuals’ preferences for social welfare programs in the US are responsive to macroeconomic conditions, as well as to their perceptions of their own household economic well-being. Furthermore, individuals prefer more government support when unemployment is more pervasive; therefore, when things are going poorly for those around them, individuals are more supportive of policies aimed at the unemployed (Duman 2010). This effect may be driven by the increased salience of these public programs in hard economic times as the media, friends, and family devote more attention to economic concerns like unemployment (Iyengar and Kinder 1987; Soroka 2006). More prevalent economic distress will bring these issues, and their relevant public policies, to the forefront of popular discourse, where the media can influence the salience of the economic issues and individuals’ policy preferences (Barabas and Jerit 2009). Another explanation points to sociotropic concerns, driven by societal interests, as motivation to support policy (Funk 2000). Regardless of the motivation underlying the effect of collective interests on policy preferences, macroeconomic conditions generate relevant information about insecurity in the broader environment to shape individual support for public assistance.

Theories of policy preferences that start with self-interest have tended to focus on income (Meltzer and Richard 1981), while more recent research has shifted to emphasizing risks in the labor market. At the root of these explanations is an assumption that individuals are primarily concerned with their own economic security when deciding their policy preferences (Cusack, Iversen and Rehm 2006; Iversen and Soskice 2001; Margalit 2013; Moene and Wallerstein 2001; Rehm 2009; Rehm, Hacker and Schlesinger 2012). With this perspective, both income level and labor market uncertainty shape personal economic security, so individuals are heavily swayed by their own situations and do not look much beyond their own circumstances when deciding their

\(^2\)While much research has emphasized economic interests, some scholars have noted the influence of other individual-level factors: race, ethnicity, class, etc. (see Rehm et al. 2012).
support for policies. Those with relatively less income should support social policies more, since they are more likely to rely on the assistance, while those with more income should support them less, anticipating that they will contribute more to the cost of the policies than they will receive in benefits (Alesina and Ferrara 2005; Meltzer and Richard 1981; Moene and Wallerstein 2001). Therefore, given the redistributive nature of these policies, preferences should be closely tied to how individuals expect to personally relate to a policy—as a net beneficiary or contributor.

However, this logic shifts when we consider social insurance programs and their reliance on risk pooling in order to provide assistance, rather than purely income redistribution policies. Social insurance programs pool individual risks of unemployment to provide assistance to those out of work, so regardless of their income, someone more at risk of losing her job should support government assistance more than someone less at risk of joblessness. While self-interest remains a fundamental driving force, scholars have shifted their focus away from income and towards individual-level economic insecurity. This expectation is well supported by empirical evidence; exposure to labor market insecurity or unemployment risk triggers greater support for social insurance (Barber, Beramendi and Wibbels 2013; Esarey, Salmon and Barrilleaux 2012; Iversen and Soskice 2001; Kim 2007; Margalit 2013; Rehm 2009, 2011; ?). These scholars have increasingly highlighted the ties between support for social insurance and individual-level labor market uncertainty.

Less consensus has consolidated around the question of how sociotropic or collective motivations compete with or moderate individual pocketbook concerns in policy preference formation. In attempts to differentiate the effects of the broader economy from individuals’ economic security, Kam and Nam (2008), for instance, have explored the influence of economic downturns on Americans’ perceptions of social welfare policies. Others find that individuals’ personal situations determine the impact of broader economic concerns on voting behavior, with those less economically secure being more aware of and more sensitive to economic conditions, both domestic and international (Hellwig 2001; Singer 2011). Singer (2011) finds that the
salience of macroeconomic conditions on government approval is greater among individuals out of work or facing insecurity. The economic conditions surrounding an individual can affect how personal economic situations translate into political behavior, but it remains less clear when these influences may become more important to the formation of policy preferences.

With economic insecurity as its grounding, recent work on social policy preferences acknowledges that individuals are likely sensitive to the insecurity in the policy environment surrounding them. These theories emphasize that the institutional design and generosity of existing government programs can influence people’s attitudes by alleviating the threat of risk exposure. Taking into consideration existing policy institutions thus alters expectations of how risk and insecurity affect policy preferences (Jordan 2010; Zhu and Lipsmeyer 2015). For example, where programs offer more protection to workers, the importance of individual labor market risk in explaining support for unemployment spending diminishes (Gingrich and Ansell 2012). Where social policies insure workers against negative income shocks, individuals’ perceived insecurity in the labor market will have less sway on their demand for relevant social insurance. Similarly, voters in countries with more generous welfare states are less responsive to macroeconomic conditions when making their vote choices (Pacek and Radcliff 1995; ?). This evidence combines to show how policy institutions define the experiences and expectations of those within their jurisdictions to influence their preferences (Pierson 1993; Radcliff 1992).3 Therefore, this growing literature on the conditioning effects of public policies highlights the institutional context as an important factor. Existing government programs shape individuals’ perceptions of how those policies will affect them personally, coloring how they relate their own circumstances—and possibly the collective’s—to their stakes in social insurance.

Building on these lines of research on policy preferences, economic risk, and policy

3While scholars have found support for the feedback effects of policies, others when analyzing specific policies, have raised concerns about how these direct effects work on individuals’ policy preferences (Lynch and Myrskala 2009; Soss and Schram 2007).
institutions, we argue for a theory that reflects the multi-facets of economic insecurity. How do individual and collective insecurities influence policy preferences? Do individuals translate these risks into policy preferences depending on what is at stake for them in the policy environment? By answering these questions, we advance research on political behavior and opinion with a better understanding of when self- and collective interests matter.

A Theory of Insecurity, Stakes, and Policy Preferences

Starting from the idea that personal and collective interests can affect political behavior, we link economic insecurity at both the individual and collective levels to individuals’ preferences for social insurance policies. Because social insurance programs are tied to the labor market, requiring individuals to qualify for assistance, researchers have been able to more directly relate these preferences with the risk of becoming unemployed (Cusack, Iversen and Rehm 2006; Iversen and Soskice 2001; Rehm 2009). However, previous research has overlooked first, the interplay between these two factors in affecting preferences, and second, how different policies shape what is at stake when deciding policy preferences.

While scholars including Hacker, Rehm, and Schlesinger (2013) have discussed the economic climate in relation to policy preferences, they have not considered how it may alter the relationship between individuals’ insecurity and those preferences. Given the importance of the macroeconomic context to political views and behavior (Burden and Wichowsky 2014; Hansford and Gomez 2015; Kinder and Kiewiet 1981), people are not immune to the pressures of their environment. Residing in an economically insecure context may color people’s valuations of social insurance. In the same way that the macroeconomy shapes voting behavior by conditioning the effect of individual economic circumstances, it may influence opinions on public policies (Duch and Stevenson 2008). Taking this insight into consideration, we argue that individual insecurities will differently affect preferences for social policies, depending on the degree of collective insecurity. Individuals with relatively more secure personal circumstances should have
less support for these policies, but they may be motivated to support these policies by sociotropic interests. Also, greater collective insecurity may diminish the contribution of individual insecurity to policy opinions, by providing additional or alternative information and sociotropic motivations for support. Thus, in H1, we hypothesize that in environments with greater macroeconomic insecurity, the effect of pocketbook economic insecurity on support for social insurance policies is diminished. Put another way, individual insecurity will have a larger effect on preferences where there is less collective insecurity.

\[\text{H1: The effect of individual insecurity on preferences for unemployment policy will diminish as the macroeconomy becomes more insecure.}\]

We have further argued that the influence of both personal and collective insecurities on policy opinions depend upon what individuals have at stake in insuring against unemployment. First, with respect to pocketbook insecurity, what is personally at stake depends on individuals’ own risk level, as well as the generosity of assistance provided through public policies. Where social policies buffer individuals from their risk in the labor market and reduce differences in risk across groups, not only should support for these programs be greater, but the salience of individual risk should be less (Gingrich and Ansell 2012; Jordan 2010; Zhu and Lipsmeyer 2015). In providing insurance against insecurity, policies can effectively lower the stakes and diminish the importance of individual insecurity in policy opinions, including support for social insurance. Where social insurance institutions are less comprehensive, and offer little to buffer against labor market risks, personal stakes are higher and individual circumstances become more influential in support for policies. Simply, individual insecurity is more “risky” where institutions are less

\[4\text{From the voting literature, we borrow the idea that the source of this preference may be an increase in information available in such contexts that alters individual perceptions, or it may come from altruistic motivations. Greater macro-insecurity may prompt preferences that are driven by regard for the well-being of others. We do not test for either mechanism in this analysis, so we cannot speak directly to this causal question.}\]
generous; there is more at stake. Therefore, for pocketbook insecurity, we follow the extant literature and hypothesize:

**H2:** The effect of individual insecurity on preferences for unemployment policy will increase as the policy institutions become more insecure.

Second, we consider whether insecurity in the policy institutions can shape how individuals translate the collective insecurity into policy preferences. In other words, do broader economic conditions affect support for a policy, and does this effect depend on how widely policies provide assistance? Building on previous research showing that the economy is less influential in election outcomes where welfare states buffer voters from economic downturns (Pacek and Radcliff 1995; ?), we argue that the effects of the macroeconomy on preferences depend on the policy in place. The saliency of a collective hardship may be driven by the situations of friends and family, as well as the media, but whether or not this sociotropic concern will affect policy preferences depends on the policy at hand.

In the face of macroeconomic hardship, people should be more likely to support public policies that directly address the collective concern, and by providing support to a larger portion of society, more inclusive social policies are better equipped to solve such problems than less expansive policies. Where social insurance policies are restrictive and offer little in the way of assistance during downturns, individuals may perceive the social policies to be less effective in buffering collective circumstances. In these contexts, we would expect individuals to be less supportive of the programs generally, and to be less likely to support increased spending as a response to collective hardships. In other words, where policies buffer large portions of society, individuals should be more likely to support them out of collective interest in response to greater collective insecurity. Therefore, we hypothesize that in contexts of greater institutional insecurity, where there is relatively less assistance provided to the unemployed, macroeconomic insecurity is less likely to motivate support for increased spending on those programs.
H3: The effect of collective insecurity on preferences for unemployment policy will diminish as the policy institutions become more insecure.

To clarify our theoretical contributions, we present our model. In order to capture the interactive relationships between personal and collective insecurity, as well as the role of social policy institutions, our model includes three interactions. We interact the two kinds of insecurity with each other and interact each one with the policy inclusiveness:

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\text{Policy Preference} = \beta_0 + \beta_{ii} \text{IndivInsec} + \beta_{ci} \text{CollectInsec} + \beta_{pi} \text{PolicyInsec} \\
+ \beta_{ii \times ci} \text{IndivInsec} \times \text{CollectInsec} \\
+ \beta_{ii \times p} \text{IndivInsec} \times \text{PolicyInsec} \\
+ \beta_{ci \times p} \text{CollectInsec} \times \text{PolicyInsec} + \epsilon
\]

**Research Design**

To test our expectations that personal and collective insecurity can matter for policy preferences, we use the 1996 and 2006 waves of the ISSP Role of Government surveys (Gingrich and Ansell 2012; Zhu and Lipsmeyer 2015; ?). This cross-national survey of developed democracies collects data on individual-level preferences on a range of policies and government actions, while enabling researchers to link these attitudes with individuals’ labor market insecurities.

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5The 1996 and 2006 surveys were fielded between 1995 and 1998, and 2006 and 2008, respectively. To account for this, we match each country’s survey responses in year \(t\) to data observed in the corresponding year, \(t\). Thus, any reference we make to the ISSP survey year refers to the survey waves, rather than the actual year of observation.

6Countries included in our analysis are Australia, Canada, Czech Republic, Germany, Hungary, Ireland, Japan, Latvia, New Zealand, Poland, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and the United States, with a sample of 8,075 respondents from the 1996 survey and 5,879 respondents from the 2006 survey wave. The full ISSP survey results are available online at http://zacat.gesis.org. Although this research design can only begin to unpack the role of economic context and social policies on individuals’ preferences, it builds on previous cross-national survey research (see, Busemeyer 2013; Gingrich and Ansell 2012; Zhu and Lipsmeyer 2015; ?). Ideally, we would use panel survey data in order to capture preference baselines, and when such data are available, a natural
Dependent Variable. We are interested in explaining individuals’ support for social insurance policies, and previous research has focused on unemployment policies. Across countries, these policies have commonalities that make them appropriate for an analysis of economic insecurity and policy institutions—their ties to the labor market, the absence of a private market alternative, government control, and public funding. Here, we focus on the support of the policy by analyzing preferences for spending support. If individuals desire more (less) spending on a policy area, then the interpretation is that they support (do not support) that policy area. Our dependent variable is a measure of policy support from this ISSP survey question: “Please show whether you would like to see more or less government spending on [unemployment benefits]. Remember that if you say much more, it might require a tax increase to pay for it.” The five possible are: (1) “Spend much more,” (2) “Spend more,” (3) “Spend the same,” (4) “Spend less,” and (5) “Spend much less.” For our analyses, we recode the variable into a dichotomous measure, where “1” indicates agreement for increasing spending (combining categories 1 and 2) and “0” represents disagreement with increasing spending (combining 3, 4, and 5).

Independent Variables. In order to test our theory about economic insecurities and policy, we have three independent variables. First, following previous research, we measure individual insecurity with an objective indicator of labor market risk, an individual’s occupational unemployment rate (e.g., Cusack, Iversen and Rehm 2006; Gingrich and Ansell 2012; Iversen and Soskice 2001; Rehm 2009; Rehm, Hacker and Schlesinger 2012; Zhu and Lipsmeyer 2015).
Using national annual average occupational level labor force statistics, we match each individual to the unemployment rate within her self-identified occupation. Following a similar strategy as Rehm (2016), we operationalize this measure as a three-year moving average of each respondent’s respective occupational unemployment rate, with the expectation that it is the cumulation of recent experiences with risk-exposure that will define policy preferences. This measure approximates the real risk individuals may expect to face in the labor market.

Second, in order to test our expectation about the broader economic context, we include a measure of collective insecurity. Paralleling the voting behavior literature that relies on measures of the national economic condition, we use the annual average national unemployment rate. This measure represents the overall level of insecurity in the environment, and in addition, it is a statistic that receives much attention from the media and public. As with individual insecurity, we operationalize this variable as a three year moving average. Again, by measuring collective security as a three year moving average, we capture the influence of recent experiences with collective insecurity on preference formation.

Third, to take into account the security provided by social policy institutions insecurity in the institutional context, we create a measure of institutional insecurity. Since insecurity in the labor market can touch on more than just job loss (Zhu and Lipsmeyer 2015), our concept of

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9 We use occupational labor force statistics at the 10-category ISCO-88 level available from the International Labor Organization (http://laborsta.ilo.org), we include this measure scaled 0 to 100, and results from analyses using the natural log of the occupational unemployment rate are substantively unchanged. Similar to Rehm (2009), we include only those respondents identifying themselves to be active in the labor market; we do not include the unemployed, voluntarily unemployed, and retired. We also exclude those individuals in the armed services and agriculture, because unemployment rates are often not collected or reported for these occupational classifications. The results of regression models using alternative measures of individual and collective insecurity, including a one-year lag, 5-year moving average, and changes in occupational unemployment rates are included in the supplemental materials. The substantive implications from these models are unchanged from those we present here in the main text.

10 To show that our results are rigorous to other measures of the national economy, we include results from models with alternative measures of the national economy in the supplemental materials document.
“institutional insecurity” is more comprehensive than the generosity of a single policy program. We measure the degree of insurance against negative income shocks. Assuming that unemployment and illness are two of the most important sources of unanticipated income loss (Hacker, Rehm and Schlesinger 2013), we focus on social insurance programs aimed to cushion such losses. To capture the de facto generosity of such programs, we use indicators from the Comparative Welfare Entitlements Dataset (Scruggs, Jahn and Kuitto 2014). Applying equal weighting to the replacement rates for sickness and unemployment, we calculate an inverse measure to generate institutional insecurity that is bounded between 0 and 1. This measure represents the inverse of the overall level of government assistance provided for unanticipated income shocks; thus, greater values represent relatively greater insecurity. To better understand this measurement, it is useful to consider the substantive meaning of this variable. A value of .5 would mean that the average of a country’s sickness and unemployment insurance replacement rates would replace 50% of a typical individual’s lost wages in a qualifying life event. With the lowest value of institutional insecurity in our sample at .083, Switzerland provides the greatest security through social insurance programs. On the other hand, with the highest value of this variable at .7, the United States provides the least security against income shocks through social insurance policies tied to sickness and unemployment.

Interaction Terms. In order to test H2 and H3, we create three interaction terms to capture the various relationships. First, we create an interaction term to account for the conditioning effects of collective insecurity on individual insecurity: individual insecurity × collective insecurity. Next, we are interested in how the insecurity of the institutional context may alter the effect of individual insecurity, so we include a second interaction term: individual insecurity × institutional insecurity. Finally, we create an interaction term between collective insecurity and the policy environment collective insecurity × institutional insecurity.

Controls. Research on policy preferences at the individual-level commonly includes a series of control variables. For income, we calculate household income in deciles, representing the
national income distribution using the probability weights provided by the ISSP survey. Next, we include variables for each respondents’ age and years of education, a dummy variable for those identifying as female, and a dummy variable equal to “1” if she is a current member of a labor union (union member). In addition, to control for labor market influences on policy preferences that are not directly related to economic insecurity, we also add a measure for whether the individual’s spouse or live-in partner is unemployed (unemployed spouse), and a dummy variable equal to one if the respondent is self employed or a public sector employee. Because we are using both the 1996 and 2006 survey waves, we include a control variable for the 2006 Survey. Lastly, to control for potential influences on preferences associated with culture or language, we include a dummy variable, where “1” equals those countries with English as the national language.

Method. Because our dependent variable is dichotomous, we use a logit model with robust standard errors for our empirical strategy. To account for feedback effects in the relationships, we lag the institutional insecurity measure by one year and we measure macroeconomic insecurity with a moving average of the value observed in the survey year and two previous years, for the additive measures and interaction components. Note that since our collective insecurity and institutional variables are national level measures, we do not include country fixed effects in the models we present here.

11 The substantive results do not change when we include a measure of right ideology, but given that it is likely endogenous to policy preferences, we exclude it.
12 In the supplemental materials, we present results that include indicator variables for each of the seven language families represented in our sample (English, Japanese, Germanic, Romantic, Baltic, Ural, and Slavic) where the results are substantively similar.
13 Results from ordered logit models of the five category variable of policy support do not show substantively different results, so for presentational purposes, we show the dichotomous variable models. We include the results from these additional ordered logit regression models, as well as all accompanying figures in the supplemental materials.
14 We use Stata 14 for all of the analyses.
Results

While research on policy preferences has focused on how an individual’s economic situation affects his attitudes, we question whether the insecurity of the economic climate can influence these opinions. Considering collective influences on opinions, we ask whether a less secure environment alters the formation of preferences for unemployment spending. The cumulative findings from the literatures on political behavior and economic voting point to positive influences for both individual and collective insecurity on action and opinions. However, the expectations for how these difference insecurities affect preferences for social insurance are not as straightforward.

Building on this research by evaluating policy preferences, we present support for these extant expectations in the first column (the additive model). The coefficients for both individual and collective insecurity are positive and statistically significant, showing that there is room for both self-interest and the insecurity in the broader economic environment to shape preferences for unemployment policies. Interestingly, there is no evidence of an effect for the generosity of policy institutions on preferences in this model; the policy environment or feedback does not appear to influence preferences for spending on unemployment.15

To test our theoretical hypotheses, we now turn to the second column in Table 1 that reports the results from the interactive model of policy support. First, in our first hypothesis (H1), we expect that individual economic insecurity will foster support for unemployment insurance spending but that collective insecurity will affect this relationship. As the macroeconomy becomes more insecure, the effect of personal insecurity will diminish. The statistically significant, negative coefficient on the interaction term between personal and collective insecurity supports our expectation.16 Second, in our next hypothesis (H2), we derived the expectation that

15We also find it of interest that Age is not statistically significant in either of our models; a result that corroborates conclusions in Lynch and Myrskyla (2009).

16Note that the coefficients for the additive terms in the Interactive model are the effects for those terms when the other interactive components are zero, which would be out of sample cases (Brambor, Clark and Golder 2005; Kam
the positive influence of individual insecurity on support for unemployment insurance spending will be greater in contexts where policy institutions provide less insurance against income loss. Again, the positive and statistically significant coefficient on the interactive term aligns with our expectations. Lastly, for our third hypothesis \((H3)\), we expect collective insecurity to be positively associated with support for unemployment insurance, but this effect should diminish where policy institutions provide less protection of individuals from unexpected income loss. The negative and significant coefficient on the associated interactive term supports our expectation.

Although the results in Table 1 are significant and supportive of our three hypotheses, drawing substantive implications from the interaction of two continuous variables can be difficult. Thus, in Figures 1-3, we present our results graphically using statistical simulations with 95% confidence intervals (Brambor, Clark and Golder 2005; Kam and Franzese 2007).\(^1\) For each figure, we report the marginal effect of one variable on the vertical axis across the full in-sample range of another variable along the horizontal axis. Each figure thus represents the marginal effect of either individual or collective insecurity on support for increased spending on unemployment benefits, as another variable varies.\(^2\) These figures allow valid statistical inference of the relationship between each pair of variables in two ways. First, if the confidence interval of a marginal effect line does not overlap with zero, the estimated effect is statistically significant at that value of the variable on the horizontal axis. Second, if the confidence intervals of a marginal effect line at any two values along the horizontal axis do not overlap on the vertical axis, the estimated effect is significantly different for the horizontal axis variable.\(^3\)

In Figure 1, we evaluate how collective insecurity conditions the effect of individual

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\(^1\)We use the Margins suite of commands in Stata 14 to create the figures.

\(^2\)The estimated marginal effects across the range of each horizontal axis are accompanied by 95% confidence intervals. In each simulation, we hold all other variables at their sample means.

\(^3\)The effect of one variable in a two-way interaction is contingent on that of the other variable (Berry, Golder and Milton 2012). We have theorized about one half of the interactive relationship and therefore, show the figures that correspond with those relationships. Figures for the other half of the interactions are in the supplementary materials.
*insecurity* on support for spending on unemployment assistance (*H1*). First, the marginal effect of individual insecurity is positive and statistically different from zero when collective insecurity is in the lower range, from 0 - 16%, but it becomes insignificant once the collective environment becomes highly insecure. Second, across collective insecurity, personal insecurity only has a statistically different effect at the highly insecure point. The results here then offer support for (*H1*); as the macroeconomy worsens, the effect of self-interest diminishes.

It is worth noting, however, that we might also see this type of result if the effects of individual insecurity and other variables were such that respondents with high levels of individual insecurity were already so highly likely to support increases in spending on unemployment assistance that there is a ceiling effect in terms of how much more likely they can be to support such policies. With a binomial logit model such as ours, this type of a diminishing marginal return is particularly acute due to compression on the extreme ends of the logit s-curve. Through analyses of where our cases are located on the s-curve, we are able to rule out this rival explanation for why we might observe the patterns that we see in Figure 1. Another plausible rival explanation for the patterns in Figure 1 is that they are due to differing levels of unemployment risk elasticity across the professions in which individuals are employed. To test this, we estimated unemployment risk elasticities (the responsiveness of occupational unemployment to national unemployment) and then included this measure in our models. Although this measure has a significant effect in the expected direction (individuals with higher unemployment risk elasticity are more responsive to changes in national unemployment in terms of their support for increased spending on unemployment assistance), the inclusion of such variables did not change the results presented in this paper.

Next, we test our second hypothesis (*H2*): that the effect of individual insecurity will

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20 A further technical discussion of this issue and a figure illustrating our calculations are available in Section 5 of our supplemental materials document.

21 A detailed discussion of these analyses, as well as figures are available in Section 6 of our supplemental materials document.
increase as the policy institutions become less secure and offer less assistance against economic risk. Figure 2 shows the estimated marginal effect of *individual insecurity*, but in this case the variable conditioning the effect is *institutional insecurity*. First, the results show a positive effect of individual insecurity on support for more spending on unemployment policies when institutional insecurity is less secure. The effect crosses zero when policies are particularly generous and inclusive, highlighting how self-interest plays no role when policies pool the risks of the labor market. Second, the effect is significant and positive across the range of institutional insecurity, showing how self-interest influences preferences more when policy institutions offer less buffering of insecurities. Therefore, the results in Figure 2 offer strong support for *H2*. While this result corresponds with previous findings, we find it interesting that it holds even when taking into account collective insecurity.

Finally, in Figure 3, we test our hypothesized relationship in *H3*: that the effect of collective insecurity on preferences diminishes as institutions become more insecure. First, the effect of collective insecurity is positive, except where policy institutions are most insecure, where the effect crosses zero. Second, collective hardships have significant positive effects on individuals’ policy preferences when these policies offer inclusive, societal protections; however, this effect diminishes when policies’ assistance is more restrictive. The magnitude of macroeconomic insecurity’s effect on policy preferences is greatest where policy institutions provide the most expansive protection against income loss and is least where policy institutions are less generous. In other words, the effect of collective hardship depends on how much the policies buffer society, offering strong support for our third hypothesis (*H3*).

**Discussion**

When explaining preferences for social policies, emphasis has been on how individuals support policies that benefit them personally, and this focus left little room for collective interests to gain a foothold. Here, we argue and find that individuals are not guided solely by their self-interest.
Both the collective and policy environments around them affect how they translate their own situations into support for public policies. To better illustrate how these insecurities and social policies work together to influence preferences, we created scenarios to illustrate when these components shape policy preferences.

In Figure 4, we present predicted support for unemployment spending in four different scenarios identified by our theory. We sorted countries into cases representing “high” and “low” institutional insecurity, where policies are more and less generous and inclusive. Within these, we identified countries that were representative cases of “high” and “low” collective insecurity. From the 2006 ISSP survey, we then predicted support across the range of individual insecurity using observed values of the two contexts in four countries: Slovenia (Low Collective/Low Institutions), Germany (High Collective/Low Institutions), Canada (Low Collective/High Institutions), Japan (High Collective/High Institutions). The two graphs in this figure show the predicted probabilities of positive support for an increase in spending on unemployment benefits with the horizontal axes representing the range of observed individual insecurity, and the two sets of 95% confidence intervals in each figure representing predicted support.

Several notable findings emerge from these illustrative examples. First, personal insecurity does not always drive policy support. Macroeconomic context can matter, and in some cases, it may matter more than individual insecurity. In comparing within each graph in Figure 4, we see where higher macroeconomic insecurity significantly increases support for unemployment spending, since the confidence intervals for the pairs (Germany and Slovenia) and (Japan and Canada) do not overlap until high levels of individual insecurity (roughly 15% and 10%, respectively). In both institutional cases, we see a similar relationship in that the broader

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22 We used the Margins suite of commands in Stata to create these scenarios.
23 These are observed country-specific values of the policy and macroeconomic variables in 2006. Institutional insecurity is held at .20, .16, .50, and .42 for Germany, Slovenia, Canada, and Japan, respectively. Macroeconomic insecurity is held constant at 10.4, 6.1, 7, and 3, for Germany, Slovenia, Canada, and Japan, respectively. Predictions obtained using 25% and 75% values from the observed sample lead to no substantive differences in the results.
economic context affects support when personal insecurity is relatively low.

However, at high individual insecurity, individuals appear to be immune to the economic and policy environments around them. Personal economic anxieties appear to overshadow collective insecurity concerns, and the differences in security offered by the social policy do not appear to sway people’s preferences. In both the left and right graphs of Figure 4, the confidence intervals overlap for highly insecure individuals within each graph, and across the graphs, the confidence intervals for all but Japan overlap. Only in the most extreme of the four cases—high individual and collective insecurity in a less generous institution—are there significant differences. Therefore, in most situations, the most personally insecure individuals prefer more spending on unemployment policies, regardless of the collective or policy environment.

Alternatively, where policies are better at buffering against labor market insecurities, the level of individual insecurity has no significant effect on support for unemployment spending. The left graph in Figure 4 shows this through the overlap of the confidence intervals for both levels of collective insecurity across the range of individual insecurity. Where policies provide more support to those out of work, preferences become less tied to personal circumstances in the labor market, such as job insecurity. The right graph, however, illustrates how a more insecure policy environment can change this relationship. Here, for both levels of macroeconomic insecurity, the probability of supporting unemployment spending increases as individual insecurity rises. Without generous institutions to buffer against economic shocks, we find that individual and macroeconomic insecurities together lead to a higher probability of support.

Not surprisingly, the likelihood of supporting unemployment spending tends to be higher where policies offer more protection from the labor market, suggesting a policy feedback mechanism. However, at particularly high levels of individual insecurity, the policy environment plays only a minor role. This can be seen by comparing the confidence intervals for the high and low macroeconomic pairs (Slovenia/Canada) and (Germany/Japan). Except where insecurity concerns are very great, people tend to support spending on policies in contexts that are already
more generous. We find a statistically significant higher probability of support in Germany than in
Poland, and we see a similar significant pattern for Slovenia and Australia. Once individual
insecurity becomes very high, however, there remain few differences between the patterns.
Therefore, unlike previous research, we find that collective insecurity and policy institutions have
little influence in shaping preferences for individuals at high risk of unemployment. At that point,
individual insecurity—and self-interest—trumps context.

**Conclusion**

Because of the links between economic interests and social insurance, previous research on policy
preferences has focused on self-interested explanations that highlight personal economic
circumstances. By considering theoretical insights from broader research on political behavior,
we present an argument that incorporates a collective perspective and illustrates how different
types of insecurity work together to shape policy preferences.

Individual insecurity plays an important role in driving policy preferences with an
emphasis on the individual-level risk of unemployment, and previous research has expanded on
this by showing how the generosity of public policies can affect this relationship. However, we
know less about how common economic environments can influence policy preferences.
Interestingly, while research on other types of political behavior have discussed in detail the
importance of collective economic pressures, scholars of policy preferences have continued to
focus on the individual. Using these intuitions into how, when, and where the larger economic
environment can influence individual choices, these insights have provided leverage for us to
theorize about how these same factors may influence a different aspect of political
decision-making: policy preferences.

In this paper, we have shown that collective insecurity can affect how personal insecurity
influences policy support. While individual hardship has a significant effect on preferences, we
find that where the collective environment is oppressive, the self-interest effect becomes
insignificant. The assumption that personal insecurity always will matter does not hold. Once we consider how the policy environment affects these relationships between insecurity and preferences, the picture comes more into focus. However, while our results allow us to differentiate between individual and collective effects, we cannot speak to the specific motivations behind the influence of the economy and policies, as this would be a next step in research on preferences and insecurity.

To return to our contributions in this paper, first, we distinguish between the effects of individual and collective insecurity on political preferences. Yes, pocketbook concerns trump other economic factors but only where harsh macroeconomic circumstances diminish these factors. This highlights how more secure individuals are the most susceptible to the influences of the broader economic climate. Second, we combine these new insights with those from the policy context or institutions literature to illustrate how self-interest and those of the collective play out in different policy environments, and the picture becomes one of personal interest, collective insecurity, and policy inclusiveness. Within generous, inclusive policies, collective economic pressures increase support for unemployment spending, regardless of individual insecurity. Support for policies that buffer more of society appear to move collectively with the economy. However, individual security is a force to be reckoned with for less generous (less insecure) policies. Without the expectation of an inclusive policy cushion, the preference divide between low and highly insecure individuals is significantly wider. Individuals most at economic risk want more government assistance, regardless of the circumstances of those around them or of the generosity of the policies themselves. When individual insecurity is high, they turn to the government.

While these two stories across policy institutions seem starkly different, the endings for both are quite similar. When either personal insecurity or collective hardship put pressure on individuals’ lives, the inclusiveness or generosity of the policy plays almost no role in preference formation. In other words, economic hardship—whether pocketbook or collective—pushes
individuals to support policies, even when they may offer little assistance to buffer them.

We began this paper by talking about the links between public opinion, government responsibility, and policymaking. Our argument and results offer insights into how individuals relate to government policies. While the relationship between economic insecurity and government policy support appears to be a complicated one, this paper reveals a fundamental take-away point: In the face of economic hardship, people turn to the government for support.
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References


URL: http://cwed2.org


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Table 1: Models of Individual Support for Increased Spending on Unemployment Benefits

<table>
<thead>
<tr>
<th>Variables</th>
<th>Additive</th>
<th>Interactive</th>
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<td>Individual Insecurity</td>
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<td>0.015</td>
</tr>
<tr>
<td>Collective Insecurity&lt;sub&gt;3yrma&lt;/sub&gt;</td>
<td>0.107***</td>
<td>0.218***</td>
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<td>Institutional Insecurity&lt;sub&gt;t−1&lt;/sub&gt;</td>
<td>−1.475***</td>
<td>−1.670***</td>
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<tr>
<td>Individual × Institutional&lt;sub&gt;t−1&lt;/sub&gt;</td>
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<td>Household Income, decile</td>
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<td>Age, years</td>
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<tr>
<td>Female</td>
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<td>0.127**</td>
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<td>Spouse is Unemployed</td>
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<td>Union Member</td>
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<td>Self Employed</td>
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<td>Public Employee</td>
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<td>Constant</td>
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<td>−1.006***</td>
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Note: Dependent variable is individual support for increased spending on unemployment insurance benefits. Logistic estimation with robust standard errors in parentheses. * p < 0.05, ** p < 0.01, *** p < 0.001 for a two-tailed hypothesis test. Collective insecurity and individual insecurity are both measured as 3 year moving averages.
Figure 1: Interactive Effects of Individual and Collective Insecurities on Preferences for Unemployment Spending
Figure 2: Interactive Effects of Individual and Institutional Insecurities on Preferences for Unemployment Spending
Figure 3: Interactive Effects of Collective and Institutional Insecurities on Preferences for Unemployment Spending
Figure 4: Predicted Support in Four Scenarios, with 95% Confidence Intervals