

Does Government Ideology affect Personal Happiness? A Test

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We investigate the impact of government ideology on left-wing as compared to conservative individuals. We find that conservative people are happier, on average. In a sample excluding the richest countries left-wing people are happier under the tenure of left-wing governments.

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1. Introduction

Conservative people are happier than left ones, on average. Using a t-test, Bjørnskov et al. (2007) find that the difference in self-reported happiness between left-wing and right-wing people is significant at the ten percent level in a cross-section of about 70 countries. Bjørnskov et al. (2008) find that this result holds when controlled for a multitude of other determinants of happiness, and even becomes significant at the one percent level.

In addition to looking at ideology at the individual level, some research investigated the impact of government ideology on individual happiness. Contrary to individual ideology, however, governments' political ideologies do not appear to be influential for happiness. This might indicate that, in general, ideology and its induced policy changes are in line with the average citizen's preferences. According to Bjørnskov et al. (2008), this holds for contemporaneous government ideology, as well as for ideology over the previous ten years.

In this paper, we connect these previous strands of literature. Rather than asking whether individual or government ideology affects the well-being of people in general, we investigate whether and to what extent individual happiness is affected by the tenure of a government with a different ideology. Arguably, government's ideology will influence the extent to which the allocation of goods and resources is in line with people's preferences. Ideology affects which societal groups are favored or disfavored. Overall, left-wing individuals should thus be more likely to be happy under governments pursuing left-wing policies, while right-wing people's happiness should rise with more conservative policies.

In addition to being affected by the outcome of party policies, moreover, individuals' happiness will likely depend on the sheer presence of a particular government.¹ Independent of any actual policies we thus hypothesize that the well-being of people will decrease with parties of opposing color being in office.

The next section presents our data and method, while results are shown in Section 3.

2. Data and Method

The dependent variable is subjective well-being, available for 349,518 individuals from 98 countries, and taken from all waves of the World Values Survey (WVS) and the European Value Study (EVS), 1981-2008 (Inglehart et al. 2004). The analysis is based on the question "How satisfied are you with your life these days?" with the responses distributed on a ten-

¹ At the extreme, consider a very right-wing individual being governed by a communist party.

point scale ranging from 1 (completely dissatisfied) to 10 (completely satisfied), and a sample mean of about 6.6.²

Individual ideology is also based on the WVS/EVS, where individuals rate their political ideology on a ten-point scale, with one indicating the extreme left, and 10 being the extreme right. We dichotomize the index so that conservative individuals are defined as those with a number above six, left-wing individuals those with a number below five, and individuals with an index of five or six are the reference group.³

In choosing our control variables, we rely on the model in Bjørnskov et al. (2008). In our baseline regressions, the country-level control variables include only country fixed effects, to avoid biasing the impact of the ideology measure through the choice of macro-control variables that might also be affected by government ideology. Potentially relevant transmission channels are, however, included in additional tests further below. At the individual level, we include measures of age, gender, family type, religiosity, education, income, and occupational status.

As our measure of government ideology, we employ data from Beck et al. (2001). The measure is based on the ideology of the chief executive in presidential systems and the ideology of the largest government party for parliamentary systems. The average of these two classifications is used for countries with assembly-elected presidents. Beck et al. distinguish left-wing, right-wing, and center governments.

To test for the impact of individual ideology given different government ideologies the baseline model takes the following form:

$$SWB_i = f(IND_i, IND_m, GOV_j, IND_i * GOV_j, M, u_i), \quad (1)$$

where SWB_i is subjective well-being, IND_i represents individual ideology and GOV is government ideology, both of type j = left, right. IND_m indicates that ideology is missing for a specific individual, M includes the individual-level control variables and country fixed effects as described above as well as the macro-level variables introduced below, while u_i represents the disturbance. While we omit the time dimension from equation (1), note that the macro-level variables correspond to the year the respective individual-level survey has been conducted as closely as possible, and thus vary over time.

² The WVS/EVS includes questions on both life satisfaction and happiness, but the correlation between happiness and satisfaction is surprisingly low ($\rho = 0.490$). We use the life satisfaction question since translation problems yield cross-country comparisons of answers to the other question less comparable.

³ Alternative coding does not change the results, i.e., when we use seven and four as cut-offs.

Given the ordinal structure of the dependent variable, estimation is with ordered probit, with standard errors being clustered at the country level. The next section reports the results.

3. Results

Column 1 of Table 1 reports the results for the baseline model (1).⁴ Note that the results for the control variables in the present sample are similar to those in Bjørnskov et al. (2008). We do not discuss them here due to space constraints.

Regarding our variables of interest, the non-linear model makes interpretation of the results far from straightforward. Interpretation is further complicated by the inclusion of interaction terms (Ai and Norton 2003). We therefore calculate conditional marginal effects.⁵ Based on the results in column 1, the differences between left-wing and right-wing individuals are significant at the one percent level. Specifically, left-wing individuals are on average four percentage points less likely to report their happiness to be in the highest category than right-wing people (not shown in the table). The results are thus in line with those in Bjørnskov et al. (2008) as reported above. However, when we calculate differential effects of government ideology on individual well-being, we do not find any differences that are significant at conventional levels. Across our entire sample, it seems that governments' policies (for which we do not control yet) do not systematically discriminate individuals of opposite ideology.

In column 2 we focus on developed countries, according to the classification of the World Bank (2009), while column 3 reports results excluding these countries. While we do again not find any significant differences in the marginal effect of government ideology on right-wing as compared to left-wing individuals in the sample comprising rich countries only, results are more in line with our expectations in the sample of poorer countries (column 3).⁶ In particular, we find that left-wing individuals' happiness is affected by the political orientation of their government, while we do not find a significant effect on conservative individuals. Given a conservative (left-wing) government, left-wing individuals are on average six (four) percentage points less likely to report their happiness to be in the highest category compared to right-wing people.

⁴ 61 countries are included in the estimation. For the other 37 countries of the WVS, government ideology is either missing or an election changing the government's ideology took place in the year of the survey.

⁵ We use the margin command of Stata 11 for these calculations.

⁶ As one explanation, governments in rich countries might try to accommodate left and right factions of society alike, while policies might be more partisan in less developed countries.

To facilitate interpretation, Table 2 shows the corresponding marginal effects of left-wing individual ideology conditional on three possible combinations of government ideology: No left-wing government (i.e., right-wing and center governments) as compared to left-wing governments, no conservative government as compared to conservative governments, and left-wing governments as compared to conservative governments. Figure 1 shows the marginal effects of left-wing individual ideology corresponding to the last set of results graphically.

As can be seen, across the three sets of results, individuals with left-wing ideology are less likely to report their happiness to be in the higher categories, and more likely in the lower categories of happiness. However, our results also show that left-wing individuals are generally happier under the tenure of left-wing governments, and less happy when conservative governments hold office. In the figure, this is indicated by the higher (absolute) values of the lighter bars, representing the tenure of conservative governments.

Table 2 also reports the p-values for the Wald test of equality between the marginal effects under different forms of governments. In the highest category, the difference is significant at the ten percent level at least when we compare left-wing to no-left-wing governments and left-wing to conservative governments. The results also show that the probability to report life satisfaction in the categories 1-5 increases with more conservative governments throughout. The difference is significant (at the ten percent level at least) for some, but not all of the categories. Quantitatively, the (absolute) marginal effect of left-wing ideology at the highest category of happiness, for example, almost tripled in size under right-wing as compared to left-wing governments. Similarly, the marginal effect of left-wing ideology on reporting happiness to be in category 4 is increased by 150 percent under conservative governments. When we calculate the equivalent marginal effects for conservative individuals, however, we do not find any differences in happiness due to the ideology of government (not shown).

As our next step, we include a number of potential macro-level determinants of happiness that might serve as transmission channels for the impact of a government's ideology on individual happiness: The rate of inflation, inequality (as measured by the GINI coefficient), unemployment (in percent), and public education expenditures (in percent of GDP). Column 4 of Table 1 shows the results for less developed countries. While the macro-level variables are significant at the five percent level at least, our main results are unchanged. We do not report the results for the overall sample and the developed countries only, to reduce

clutter. However, all results are again qualitatively unchanged.⁷

Finally, we replicate the results for the individual waves of the WVS rather than pooling them. While we do not show the results in a table, note that the results do hold in the second and fifth wave. In wave three, the results are similar, but not significant at conventional levels. Given that we find an interesting difference for wave four, we report the results in column 5 of Table 1. While we again find that government ideology matters, we now find that individuals with conservative ideology are happier under conservative governments, while individuals with left-wing ideology are not significantly affected.⁸

In summary, government ideology matters. In the overall sample of low- and middle-income countries, left-wing individuals are happier under left-wing governments, while in the sub-sample restricted to the fourth wave of the WVS, conservative individuals are happier under conservative governments.

⁷ As a test for robustness we used an index of government ideology developed in Bjørnskov (2008), weighting government parties' ideology with their number of seats in parliament. Our main results remain unchanged. Note that we cannot use the index of Potrafke (2009) which is available for OECD countries only.

⁸ Note that there are not a sufficient number of non-rich countries in the first wave to allow a separate test.

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Table 1: Effects of individual and government ideology on happiness, Ordered Probit

VARIABLES	(1)	(2)	(3)	(4)	(5)
Left ideology	-0.072*** (0.026)	-0.052 (0.033)	-0.142*** (0.031)	-0.147*** (0.031)	-0.161 (0.109)
Conservative ideology	0.121*** (0.038)	0.054*** (0.021)	0.202*** (0.040)	0.194*** (0.036)	0.168*** (0.043)
Ideology missing	-0.010 (0.016)	0.018 (0.013)	-0.044** (0.022)	-0.044* (0.023)	-0.065** (0.033)
Left-wing government	0.145* (0.081)	0.052 (0.100)	0.317*** (0.073)	0.304*** (0.086)	
Conservative government	0.118 (0.078)	0.018 (0.095)	0.324*** (0.027)	0.342*** (0.037)	
Left-wing government * Left	0.017 (0.030)	-0.013 (0.040)	0.102*** (0.037)	0.104*** (0.038)	0.107 (0.116)
Left-wing government * Conservative	0.004 (0.047)	0.032 (0.029)	-0.055 (0.048)	-0.055 (0.045)	-0.068 (0.048)
Conservative government * Left	-0.006 (0.031)	-0.005 (0.042)	0.042 (0.035)	0.045 (0.036)	0.087 (0.114)
Conservative government * Conservative	0.021 (0.043)	0.074** (0.029)	-0.036 (0.045)	-0.024 (0.042)	0.008 (0.052)
Education expenditure / GDP				-0.065** (0.032)	
Inflation				-0.00020** (0.00009)	
GINI				-0.019*** (0.007)	
Unemployment				-0.216*** (0.045)	
Income level 2	0.086*** (0.032)	0.075*** (0.025)	0.090* (0.048)	0.077* (0.046)	0.126*** (0.045)
Income level 3	0.171*** (0.042)	0.128*** (0.024)	0.193*** (0.062)	0.187*** (0.060)	0.235*** (0.065)
Income level 4	0.268*** (0.042)	0.222*** (0.028)	0.283*** (0.060)	0.273*** (0.057)	0.350*** (0.063)
Income level 5	0.330*** (0.049)	0.244*** (0.032)	0.380*** (0.071)	0.364*** (0.070)	0.460*** (0.085)
Income level 6	0.380*** (0.049)	0.279*** (0.030)	0.449*** (0.072)	0.436*** (0.069)	0.554*** (0.084)
Income level 7	0.449*** (0.051)	0.323*** (0.035)	0.557*** (0.070)	0.542*** (0.067)	0.655*** (0.088)
Income level 8	0.454*** (0.058)	0.303*** (0.035)	0.607*** (0.076)	0.593*** (0.073)	0.718*** (0.085)
Income level 9	0.457*** (0.054)	0.318*** (0.036)	0.622*** (0.080)	0.625*** (0.081)	0.769*** (0.092)
Income level 10 (highest)	0.502*** (0.053)	0.399*** (0.047)	0.641*** (0.081)	0.630*** (0.089)	0.933*** (0.095)
No income information	0.324*** (0.040)	0.257*** (0.034)	0.380*** (0.059)	0.394*** (0.062)	0.493*** (0.088)
Age 25-34	-0.106*** (0.014)	-0.095*** (0.013)	-0.109*** (0.021)	-0.112*** (0.020)	-0.125*** (0.031)
Age 35-44	-0.194*** (0.017)	-0.210*** (0.021)	-0.171*** (0.023)	-0.179*** (0.024)	-0.194*** (0.038)
Age 45-54	-0.222*** (0.020)	-0.269*** (0.023)	-0.174*** (0.027)	-0.185*** (0.028)	-0.195*** (0.040)
Age 55-64	-0.127*** (0.029)	-0.157*** (0.035)	-0.105** (0.045)	-0.114** (0.046)	-0.157*** (0.051)
Age >64	-0.017 (0.036)	-0.037 (0.044)	-0.052 (0.049)	-0.065 (0.046)	-0.048 (0.065)
Age missing	-0.094 (0.108)	-0.029 (0.117)	-0.137* (0.079)	-0.151* (0.086)	-0.108 (0.095)
Male	-0.031** (0.013)	-0.033** (0.015)	-0.024 (0.021)	-0.012 (0.021)	-0.072*** (0.028)
Sex missing	-0.101 (0.106)	-0.162 (0.111)	-0.073** (0.033)	-0.071 (0.070)	0.127 (0.101)

Table 1 (continued)

Completed primary education	0.119*** (0.040)	0.046 (0.040)	0.120*** (0.041)	0.107*** (0.040)	0.039 (0.033)
Incomplete secondary education, techn.	0.149*** (0.053)	0.094** (0.039)	0.131** (0.062)	0.103* (0.060)	0.064 (0.047)
Complete secondary education, techn.	0.165*** (0.054)	0.114*** (0.041)	0.143** (0.062)	0.128** (0.056)	0.073 (0.048)
Incomplete secondary education, uni prep.	0.189*** (0.049)	0.181*** (0.062)	0.149** (0.061)	0.129** (0.065)	0.080* (0.045)
Complete secondary education, uni prep.	0.213*** (0.057)	0.156*** (0.047)	0.194*** (0.063)	0.169*** (0.064)	0.068 (0.043)
Lower-level tertiary education	0.222*** (0.051)	0.172*** (0.049)	0.193*** (0.062)	0.176*** (0.067)	0.120** (0.049)
Upper-level tertiary education	0.271*** (0.059)	0.208*** (0.049)	0.247*** (0.070)	0.231*** (0.071)	0.126*** (0.044)
Education missing	0.186*** (0.057)	0.100** (0.051)	0.233*** (0.088)	0.076 (0.097)	0.181** (0.071)
Single	0.079*** (0.018)	0.086*** (0.014)	0.082** (0.033)	0.085** (0.035)	0.097** (0.047)
Married	0.268*** (0.016)	0.334*** (0.014)	0.226*** (0.017)	0.230*** (0.018)	0.234*** (0.029)
Cohabiting	0.129*** (0.026)	0.221*** (0.015)	0.066** (0.030)	0.079** (0.034)	0.147** (0.063)
Marital status missing	0.011 (0.101)	-0.026 (0.137)	0.037 (0.083)	-0.017 (0.075)	0.188 (0.150)
Has 1 or more children	-0.036*** (0.013)	-0.013 (0.017)	-0.052** (0.020)	-0.047** (0.021)	-0.073*** (0.027)
Information children missing	-0.087*** (0.031)	-0.126*** (0.022)	-0.055 (0.051)	-0.051 (0.046)	-0.054 (0.053)
Self-employed	0.016 (0.018)	0.015 (0.019)	0.029 (0.025)	0.021 (0.024)	0.009 (0.036)
Housewife	0.044 (0.031)	-0.030 (0.022)	0.106** (0.042)	0.100** (0.044)	0.150*** (0.054)
Other	-0.077*** (0.027)	-0.137*** (0.034)	-0.020 (0.033)	-0.010 (0.032)	0.021 (0.052)
Student	0.021 (0.033)	0.045* (0.024)	0.002 (0.043)	0.013 (0.033)	0.012 (0.050)
Unemployed	-0.282*** (0.032)	-0.385*** (0.046)	-0.215*** (0.040)	-0.216*** (0.045)	-0.209*** (0.049)
Occupation status missing	-0.029 (0.041)	0.005 (0.058)	-0.081 (0.055)	-0.015 (0.050)	-0.113 (0.167)
Service part.: > once a week	0.238*** (0.029)	0.267*** (0.035)	0.207*** (0.038)	0.212*** (0.040)	0.151** (0.070)
Service part.: once a week	0.123*** (0.025)	0.150*** (0.024)	0.095** (0.037)	0.093** (0.039)	0.037 (0.057)
Service part.: once a month	0.059*** (0.018)	0.083*** (0.026)	0.038 (0.025)	0.036 (0.027)	0.004 (0.033)
Service part.: on common holy day	0.050*** (0.014)	0.073*** (0.017)	0.028 (0.022)	0.031 (0.019)	0.058** (0.023)
Service part.: on specific holy day	0.089*** (0.025)	0.090*** (0.028)	0.096** (0.045)	0.067** (0.034)	0.042 (0.048)
Service part.: once a year	0.009 (0.015)	0.028* (0.015)	-0.015 (0.026)	-0.009 (0.029)	-0.019 (0.064)
Service part.: less than once a year	-0.006 (0.014)	-0.000 (0.016)	-0.011 (0.021)	-0.007 (0.023)	-0.022 (0.032)
Service part. missing	0.099*** (0.030)	0.132*** (0.032)	0.040 (0.043)	0.130** (0.056)	-0.031 (0.080)
Believes in superior being	0.038** (0.017)	0.054*** (0.017)	0.035 (0.031)	0.062** (0.028)	0.005 (0.050)
Believes in superior being missing	0.082*** (0.028)	0.001 (0.025)	0.177*** (0.042)	0.150*** (0.048)	-0.133*** (0.040)
Sample	all	rich	not rich	not rich	not rich - 4th wave
Pseudo R ²	0.050	0.035	0.053	0.055	0.037
Countries	61	31	30	28	19
Observations	215277	117223	98054	91803	28252

Country dummies included. Robust standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1

Table 2: Average marginal effects of left-wing individual ideology conditional on government ideology (based on Table 1, column 3)

Government	Life satisfaction									
	1	2	3	4	5	6	7	8	9	10
No left-wing government	0.014	0.004	0.007	0.005	0.007	0.001	-0.002	-0.007	-0.007	-0.022
Left-wing government	0.005	0.002	0.003	0.002	0.003	0.000	-0.001	-0.003	-0.003	-0.008
Difference - significance (p-value)	0.057	0.065	0.044	0.089	0.146	0.671	0.437	0.101	0.067	0.028
No conservative government	0.009	0.003	0.004	0.002	0.003	0.000	-0.002	-0.004	-0.004	-0.011
Conservative government	0.010	0.004	0.007	0.005	0.008	0.002	-0.001	-0.007	-0.007	-0.021
Difference - significance (p-value)	0.813	0.291	0.136	0.104	0.044	0.147	0.8124	0.262	0.143	0.131
Left-wing government	0.005	0.002	0.003	0.002	0.003	0.000	-0.001	-0.003	-0.003	-0.008
Conservative government	0.010	0.004	0.007	0.005	0.008	0.002	-0.001	-0.007	-0.007	-0.021
Difference - significance (p-value)	0.190	0.134	0.076	0.087	0.037	0.136	0.716	0.139	0.097	0.052

Notes: shows the average marginal effects of left-wing individual ideology, conditional on three alternative government types. The p-values are for tests in equality of the respective marginal effects.

Figure 1: Average marginal effects of left-wing individual ideology conditional on government ideology (corresponding to lower panel of Table 2)

