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RESEARCH ARTICLE

Mobility rules: why New Zealanders oppose redistribution

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ABSTRACT

Observers have noted that New Zealanders are less inequality averse and less in favour of redistribution than one would expect given actual levels of income and wealth inequality in the country. Attempted explanations have been unsatisfying, partly because of a lack of an explicit comparative focus. This paper uses four waves of the World Value Survey (2000–2020) and compares New Zealand views with those of respondents in 18 other high-income OECD states. New Zealanders across the board are indeed outliers, but this is explained by the extensive experience of intergenerational educational mobility of successive NZ cohorts. New Zealanders also believe that their society is characterised by a large degree of equality of opportunity and this overrides any concern that they might have about inequality of outcomes. While there may also be other ideational and institutional factors to consider, a series of hierarchical binomial logit regressions confirm that experiences and perceptions of upward mobility must be part of any explanation of New Zealand idiosyncrasies.

Introduction

An enduring puzzle among New Zealand (NZ) watchers is why, despite its obvious saliency as an issue, wealth and income inequality continue to play a relatively small role in shaping electoral outcomes and the social spending programme of the state. In their most recent formulation of this puzzle, Vowles et al. (2017) argue that the focus on inequality in NZ public debates since the 2008/2009 financial crisis created a loud 'bark', but that this did not help the centre-left parties to emerge victorious in the 2014 national election. Nor was it followed by the 'bite' of the sharpening of redistributive policies by the elected officials. Other authors have also agonised over the question why NZ-respondents are not more committed to support income and wealth redistribution, given the evidence of relatively high (albeit stable) income inequality, and undisputed evidence of rapidly rising wealth inequality in the country (Skilling and McLay 2015).

The puzzle is indeed acute in view of the fact that NZ register relatively high-income and wealth-inequality levels compared to the averages for Organisation for Economic Cooperation and Development countries (OECD 2018). While income inequality in

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NZ is today not higher than it was in the 1930s, it did decline during the period 1950–1985 to again rise to current levels in the wake of significant macro-economic reforms in the 1980s and 1990s. It has remained fairly stable over the period 2000–2014, albeit at relatively high levels compared to other OECD states (Creedy et al. 2018). NZ wealth (asset) inequality has risen sharply over the past three decades. One study found that the ratio of the wealth of the wealthiest 0.02% to annual GDP increased from 6.7% in 1996 to 23.9% in 2015 (Hazledine and Rashbrooke 2018). So, why are New Zealanders less averse to inequality than other OECD citizens, and why is demand for redistribution not more pronounced and effectual (see also Guillaud 2013)?

To address this issue, this paper uses data from the World Value Surveys (WVS) and compares NZ explicitly with other high-income OECD countries which are NZ's peers. The debate on inequality and redistribution attitudes in NZ has been very parochial and using a comparative approach may help to broaden it. It is only when we systematically compare NZ, as I will show, that we can assess whether NZ acceptance of inequality and aversion to redistribution are indeed 'high' or 'low'. Such comparison also helps us to determine why New Zealanders believe as they do. By relying on comparative data this paper contributes to filling the gap in the quantitative understanding of NZ inequality/redistribution attitudes that Skilling rightly lamented in his 'Egalitarian Myths in New Zealand: a review of public opinion data on inequality and redistribution' (Skilling 2013).

The paper proceeds by first introducing the WVS data and how these help us to identify attitudes concerning income inequality and government responsibility in that regard. Next, I review the evidence of how the average NZ respondent thinks about redistribution, in comparison with the average respondent in other comparable OECD countries. Thirdly, the paper reviews the strength and weaknesses of the comparative literature on inequality and redistribution attitudes, formulating some hypotheses that are then tested in the subsequent section. The heavy-lifting in these tests is done by hierarchical, multi-level logit models that accommodate the fact that individual responses (level 1) are nested in country-survey waves (level 2), which in turn are nested in national units (level 3). A final section concludes.

The WVS and redistribution preferences

Comparative datasets other than the WVS confirm that New Zealanders tend to be less inequality averse, and less in favour of government-led redistribution than would be expected. Table 1 report responses from survey modules conducted by the International Social Survey Programme (ISSP) since 1996. The quality of these ISSP survey modules does not match that of the WVS (see below), and the sample of OECD states in Table 1 is not the same as the WVS OECD sample that I will be using. Nevertheless, data from the ISSP modules confirm a trend that we will explore further below: New Zealanders have consistently showed that they are more accepting of inequality and averse to government action to reduce inequality than their peers.

The release of Wave 7 survey data by the World Values Survey (WVS) in mid-2020 provides an opportunity to trace the evolution of redistribution attitudes in NZ and other OECD states over a period of two decades in more depth and with more confidence than the ISSP modules allow for. Identical survey questions on the acceptability or not of income inequality, and government responsibility to secure the (basic) well-being of all

Table 1. Inequality aversion: ISSP surveys, 1996–2009.

Survey module	Question	Non-OECD	Other OECD	NZ
ISSP: Role of Gov 1996	Govt responsibility to reduce income inequality (5 = str agree)	3.02	2.98	2.42
ISSP: Role of Gov 1996	Govt responsibility to reduce wealth inequality (5 = str agree)	3.61	3.50	2.96
ISSP: Role of Gov 2006	Govt responsibility to reduce income inequality (5 = str agree)	3.25	3.10	2.51
ISSP: Social Inequality 2009	Govt responsibility to reduce income inequality (5 = str agree)	3.96	3.84	3.10
ISSP: Social Inequality 2009	Income differences are too large (5=str agree)	4.25	4.23	3.70

its subjects, have been asked over four waves of the WVS: wave 4 (2000–2004), wave 5 (2005–2009), and wave 6 (2010–2015). NZ has been surveyed in waves 4, 6, and 7. The 7th wave of the WVS is being conducted during the period 2016–2021 and, by mid-2020, survey data were released for 48 countries, ten of which are OECD members, including NZ. Combining the various waves that included member states of the OECD produces a dataset that comprises of 19 high-income states (see Table 2) with a total of 50,999 individual-level observations over 37 country-waves. I restrict the OECD sample to exclude Chile, Colombia, Mexico, and Turkey, all OECD members who joined the organisation recently and whose high inequality profiles place them more in the category of middle-income states rather than high-income states like NZ.

The WVS is unparalleled in terms of the transparency and consistency of its sampling methodology (Inglehart et al. 2014). Response data are derived from face-to-face surveys based on balanced sampling procedures and questionnaires that are standardised across all participating countries. Questions are translated into all languages that are spoken by 15% or more of the population. I use a WVS sampling weight that equalises response

Table 2. Sample of 19 OECD high-income states.

	Wave 4	Wave 5	Wave 6	Wave 7	Total
Australia	0	1421	1477	1813	4711
Canada	1931	2164	0	0	4095
Finland	0	1014	0	0	1014
France	0	1001	0	0	1001
Germany	0	2064	2046	1528	5638
Greece	0	0	0	1200	1200
Hungary	0	1007	0	0	1007
Italy	0	1012	0	0	1012
Japan	1362	1096	2443	1353	6254
Netherlands	0	1050	1902	0	2952
New Zealand	954	0	841	1057	2852
Norway	0	1025	0	0	1025
Poland	0	1000	966	0	1966
Slovenia	0	1037	1069	0	2106
Spain	1209	1200	1189	0	3598
Sweden	0	1003	1206	0	2209
Switzerland	0	1241	0	0	1241
United Kingdom	0	1041	0	0	1041
United States	0	1249	2232	2596	6077
N/n	19				50,999

rates to 1000 respondents per country per wave, to prevent the over-representation of respondents from large country-samples.

Two questions in the WVS are of importance here. In the first respondents are asked to specify on a 10-point scale his/her view with respect to the statement 'Incomes should be made more equal' (scale point 10), contrasted with 'We need larger income differences as incentives for individual effort' (scale point 1). Responses that cite higher values can be regarded as reflecting an attitude of inequality *aversion*. As Neher (2011) notes, the question does not elicit only preferences about the desirable income distribution in the respondent's own country but does invoke beliefs about the efficiency cost of redistribution. This question has been used by Neher (2011) Murthi and Tiongson (2008), Shayo (2009), Klor and Shayo (2010) as an indicator of preferences for state-led redistribution. However, there is no hint in the wording of the question that the state should be the agent that performs the redistribution, if lower income inequality is indeed the preferred option. Views on the material responsibilities of the state are elicited by another question: The respondent is asked to choose a value on a 10-point scale that reflects her view on the following two options: *People should take more responsibility to provide for themselves' (value 1) vs. The government should take more responsibility to ensure that everyone is provided for' (value 10).* While it is obvious that this question does not mention income as such, it clearly implies it (see Alesina and Giuliano 2009). I use information from answers to both these questions to construct a categorical variable named 'preference for redistribution' that takes on the value of one if a respondent indicates that she is both inequality averse (that is, she prefers that income inequality be reduced), *and* if she believes that the state, rather than the individual, bears responsibility for looking after the material needs of people. An answer of higher than 5- on the 10-point scale concerning both questions is taken as an indicator that the respondent favours state-led income redistribution. In robustness tests, higher cut-off values of combining the two questions were used, with no significant change to the results.

Figure 1 shows the fraction of respondents (country-mean over different waves) who favour redistribution in each of the 19 OECD states that form our sample (black bars). The black bars are sorted in order of increasing value, showing that NZ has the third lowest fraction of respondents who favour income redistribution by the state, beaten for lowest position only by Poland and Canada. The thick black line represents the grand mean across 18 of these states (that is, excluding NZ), illustrating how far NZ falls below the mean. Figure 1 also shows country-mean scores of responses to the two items that jointly constitute our dependent variable. Responses to the two questions have been normalised so that they also range from 0 to 1. The blueish-white bars reflect country-mean scores on the income inequality question. The dashed line is the grand mean of inequality aversion for 18 states, excluding NZ, and shows that NZ is again well below the mean for inequality aversion. The bars coloured grey contain country means of the scores on the question concerning government versus individual responsibility. Notably, over the period 2000–2019 NZ-respondents favoured government responsibility to provide the necessities of life the least of all OECD respondents.

In more precise terms, being an NZ respondent reduces the probability of favouring redistribution by 11%. This result and others reported in this paragraph are based on multilevel logit regressions that controls for individual characteristics, country and time fixed effects and allow intercepts to vary randomly. All reported NZ results are
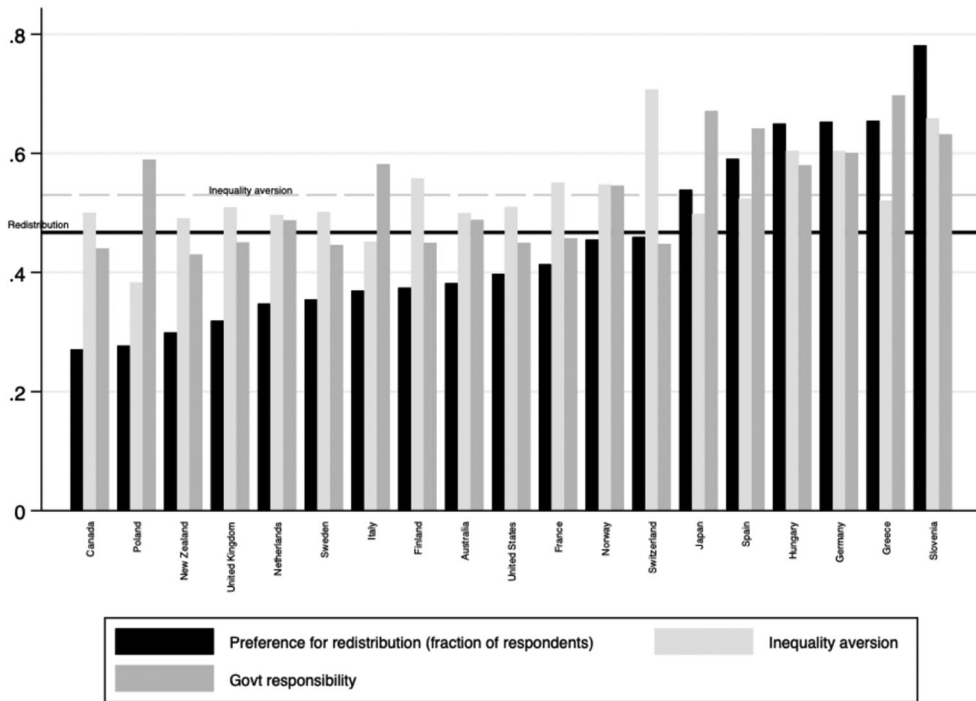
Figure 1. Inequality and redistribution attitudes: 19 OECD states, 2000–2019.

significant at least at the 0.001 level. In the case of female respondents, who are more pro redistribution and inequality averse than males in general (Neher 2011; Lierse 2019), NZ-females are also significantly less inclined to favour redistribution than female respondents elsewhere in the OECD. Figure 2 shows that this contrast extends across the three class groups in which WVS respondents can place themselves. We also note that all six ethnic groups in which NZ respondents could place themselves in wave 6 are less likely to support redistribution compared to the mean for the other OECD states. Self-identification of ethnicity is available for NZ only in wave 6 results (2010–2015). The six groups with their mean scores in terms of our indicator dependent variable are: Maori (0.354), Pakeha (0.303), European (0.260), Pacific Islander (0.286), Asian (0.07), NZ-er (0.241). The mean for the rest of the OECD sample in wave 6 is (0.423). Clearly, NZ-respondents across a range of groups are less in favour of redistribution than their counterparts elsewhere. Why?

Explaining redistribution attitudes

There is a large comparative literature that we can trawl for potential explanations of the distinct patterns of NZ attitudes to redistribution, but two strands stand out. The first relates explicitly to the relative material interests of respondents, as defined both by their personal circumstances and how these may reflect or interact with aggregate national-level attributes. A second strand emphasises that while people care about their relative material well-being, this is not the only thing that they care about. In
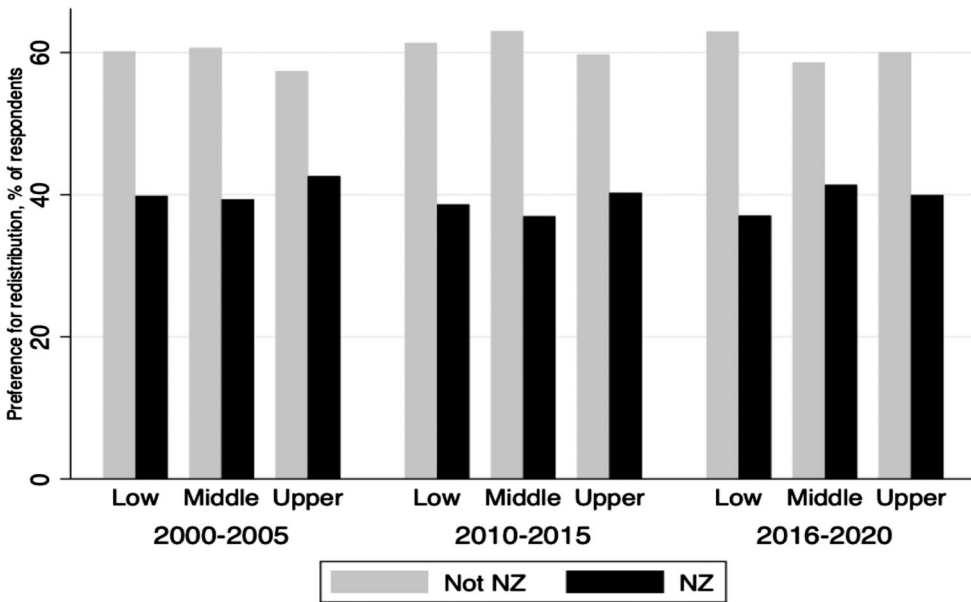
Figure 2. Preference for redistribution across three social classes: NZ compared to other OECD states, 2000–2020.

particular, beliefs about the scope that a society provides for upward mobility, and how fair the processes of competition in that society is, could outbid the effect of concerns about relative deprivation when it comes to favouring *post-hoc* income redistribution or not. It is this second strand of the literature that I wish to explore here.

There are also other belief-based approaches to studying preferences for redistribution. Religion has been found to be an important predictor of attitudes to inequality in countries with weak welfare institutions but seems to play a less important role in OECD societies (Scheve and Stasavage 2006). Societal norms/standards of what constitutes just distributions have also been found to be important when people assess the income distribution in their own country (Lierse 2019). The latter is less helpful, though, when it comes to explaining differences between populations who share similar conceptions of justice, but who still have different attitudes to redistribution. It might also be that New Zealanders have been taken in tow by the ideology of neoliberalism, thus explaining their tolerance of relatively high inequality. This hypothesis remains to be investigated fully, but it is unlikely that this factor could have an effect if it were not also for changes in the material circumstances or expectations of New Zealanders.

A very prominent version of the relative material interests approach is the redistribution hypothesis (RH). The RH assumes that citizens whose income fall below the mean (here referred to as the 'notrich') will in principle be opposed to inequality and will favour pro-poor redistribution. Secondly, it argues that this effect will be stronger the larger the income inequality is. The RH is derived from the median-voter model (MVM) of the size of government spending (Meltzer and Richard 1981). In the simplified Persson and Tabellini (1994) version, the lower the pre-tax income of an individual,

compared to the mean income in society, the higher the level of taxation and redistribution preferred by that individual, mediated by some voting mechanism (see also Milanovic 2000, 2010).

Empirically, the RH has not fared very well across all types of societies, but there is evidence of a significant relationship between the level of household income and tolerance of inequality, at least in high-income societies such as OECD states (Corneo and Grüner 2002; Finseraas 2009; Corneo and Neher 2015). However, the evidence is more mixed when it comes to the assumption that the notrich, that is, voters with income below the mean, will favour more redistribution in societies with higher levels of inequality (Schmidt-Catran 2014; Haggard et al. 2013). As Trump points out in her review, most of the literature has actually been an exercise in identifying the confounding factors that can explain why the inequality-expectation of the RH does not hold systematically (Trump 2013). In our case, in which we want to explain why NZ-respondents, living in a country with relatively high levels of inequality compared to other OECD states, prefer less and not more redistribution, it is obvious that the RH is of little relevance. There is also the problem that it is difficult to see how aggregate levels of a complex phenomenon such as income inequality could be accurately enough perceived by lay respondents to have an effect on their attitudes (Kenworthy and McCall 2008). There is mounting evidence that voters are not accurately informed about the true distribution of income in their society, and their exact place within that distribution (Gimpelson and Treisman 2015; Choi 2019).

Outcomes are not the only thing that can be unequally distributed. Outcomes are determined by allocation processes and institutions, of which market activities are the most prominent in modern capitalist economies. Of as much importance to how processes and institutions allocate outcomes is how opportunities for participation in those very processes and institutions are distributed *ex ante*, before the competition begins (Roemer and Trannoy 2016). It might well be that respondents are less concerned about how the spoils are eventually distributed, as long as the conditions that determine who can participate and in what way are perceived to be *fair*. Concerns about fairness and justice have been found to be one influential set of beliefs in this regard (Fehr and Schmidt 1999, 2006; Alesina and Angeletos 2005; Corneo and Grüner 2002; Fong 2001; Lierse 2019; García-Sánchez et al. 2020). Experimentally, concerns about fairness have been shown to outbid inequality aversion, and the evidence is strong across cultures and age groups (Fehr and Schmidt 2006; Starmans et al. 2017). Fairness particularly applies to the widespread availability of opportunities (Roemer 2000) and people tend to accept an unequal outcome if its antecedents such as ability and effort prove to be decisive (García-Sánchez et al. 2020).

One earlier version of this way of thinking, before Roemer (2000) popularised the notion of equality of opportunity (contrasted with the equality of outcomes), is to be found in the literature on 'prospects for upward mobility' (POUM). Albert O. Hirschman was the first to formalise the argument, applying it to explaining why poor voters in developing countries during early phases of economic modernisation are more tolerant of inequality than their objective positions in highly unequal contexts prescribe (Hirschman 1973). In what has become known as 'the tunnel effect', Hirschman describes the conditions under which the occupiers of one stuck motor lane take heart from movement in the other lane leading into a tunnel in the same direction.

The stuck motorists do not resent or envy signs of progress around them but interpret them as signals that *our time will also come*. Similarly, Hirschman suggests, when people observe the rising fortunes of their neighbours – even if this means that outcomes continue to be unequal, they do not oppose/resent it. Rather, they take heart and believe that their own conditions may also improve over time (see also Ravallion and Lokshin 2000). The net effect is to suppress preferences for redistribution, at least for an initial period of time. Hirschman points out that this tolerance of inequality will be undermined – and may turn into resentment – if the fortunes of the stuck group stays stagnant, and if it is only one group in society that consistently gain from developments.

Piketty (1995) and Benabou and Ok (2001) have broaden the applicability of Hirschman's insights (see also Steele 2015). Piketty, in particular, argues that the POUM effect is stimulated by personal experiences of intergenerational mobility, and beliefs about the efficiency costs of tampering with the (market) mechanisms that produce the promising prospects. Following Hirschman, it is possible that individuals will be enthusiastic about their prospects not only when they personally have had experiences of upward mobility, but also when they perceive that such opportunities are prevalent in the society around them. In the next section, I put this intuition to the test using available sources of data on experiences of upward mobility, based on intergenerational comparisons of educational achievement, and perceptions of the (within-generation) prospects for upward mobility. Both these measures reflect expectations concerning opportunities for the advancement of the society in which the survey respondent finds herself (Alesina et al. 2018; Cojocaru 2014; Fischer 2009). These beliefs, it is possible to argue, also provide us with an empirical handle on individual perceptions of inequality of opportunity in a society, which are probably more reliable predictors of redistribution preferences than abstract aggregate measures of income or wealth distribution.

Explaining NZ attitudes

In this section, I show that both the experience of upward mobility, and the perception that opportunities for upward mobility are widely and fairly distributed in a society explain a considerable degree of variation across our 19 OECD states. It also accounts for variation within NZ, and it helps us to account for the obvious differences in redistribution attitudes between NZ and other OECD states. Where possible, I illustrate the findings visually. The heavy-lifting in this section is done by a series of multilevel binomial logit regressions in which the log odds of the outcome is modelled as a linear combination of predictor and control variables. The odds ratios rather than the log odds are reported to aid interpretation. The dependent variable is dichotomous-categorical (preference for redistribution = 1; no preference = 0), and individual-level data (level 1) are nested in country-waves (level 2) and then in national units (level 3). The logit-transformed equation used here as a basis can be written as:

$$Y_{ijk} = \ln\left(\frac{\pi_{ijk}}{1 - \pi_{ijk}}\right) = \beta_0 + \beta_1' X_{ijk} + \beta_2' X_{CW(jk)} + \beta_3' X_{C(k)} + \varepsilon_j(k)^2 + \varepsilon_k^{(3)}$$

where π_{ijk} denotes the probability that the ith subject in the jth (country-wave level) and the kth (country level) prefers redistribution $\pi_{ijk} = P(Y_{ijk}=1)$. X_{ijk} denotes the vector of the

individual respondent level variables, $X_{CW(jk)}$ denotes the vector of the second level variables, and $X_{C(k)}$ denotes the vector of country-level predictor variables. $\varepsilon 2$ denotes the random effect for the country-wave level (j) in the country-level cluster (k), and $\varepsilon(3)$ denotes the random effect for country level (k). The regressions results are reported in Tables A2 and A3 in the Appendix. The Appendix also provides summary statistics on the measures of the variables employed (Table A1).

There is a large number of individual-level control variables used in the empirical literature on redistribution preferences but it is prudent not to sacrifice too many degrees of freedom (Neher 2011; Lierse 2019). I focus on three categories of potential vulnerable individuals who may prefer the insurance that redistribution brings: Females; the unemployed, and the notrich. Age and its squared term are often used in similar studies (see e.g. García-Sánchez et al. 2020) as it is expected that both the young and the old may demand more redistribution than people of middle age. To control for the potential effect of ideology (Alesina et al. 2018; Lameris et al. 2020), I include an indicator variable called 'Left', which is based on the self-classification of the respondent on an ideological spectrum. Jordan (2018) has found that the degree of political awareness a respondent has helps us to distinguish between views on redistribution that are pure guesswork, and views that reflect respondent's concerns accurately. The regression models below hence include a measure called 'interest in politics' which takes on a value of one if a respondent indicates that she is very or moderately interested in politics. As I am interested in explaining the peculiarities that pertain to NZ respondents, as identified above, an indicator variable for NZ is included in all models. The expectation is that if a specific model captures the idiosyncrasies of NZ adequately, the distinctive effect of the NZ dummy will be smaller/less significant. Time-indicators for each of the four WVS waves are included to minimise potential time-specific omitted variable bias.

The first column in Table A2 is a model that includes the NZ dummy plus the individual controls as covariates, to set a baseline. As could be expected from our descriptive comparison in Section "The WVS and redistribution preferences", the indicator for NZ is highly significant and indicates that the odds that a typical NZ respondents will favour redistribution are about 44% lower than is the case of other OECD respondents. Note that the numbers cited in Table A2 are not 'coefficients' but odds ratios. An odds ratio of 1 would mean that the odds that a NZ respondent and a non-NZ respondent would favour redistribution are equal. A figure below 1 means the odds are stacked against the typical NZ respondent to support redistribution.

The rest of the columns of TableA2 report on tests for the impact of experiences and perceptions of upward mobility. Upward mobility has received very little attention in general in the NZ literature (exceptions are Davis 1979; Gibbons 2010; Cotterrel 2017) with a resultant lack of country-specific finely-grained data as far as NZ is concerned. I begin by looking at actual experiences of intergenerational upward mobility. Mobility implies vertical changes in the fortunes and/or social status of individuals while upward mobility in particular refers to positive changes. These changes can take place within the individual's lifetime (intra-generational mobility) or can be intergenerational, that is, a change takes place in the fortunes and/or social status of children compared to their parents. Data on actual (or experienced) intergenerational mobility in the OECD are more readily available than within-generation data, and the former are treated as proximate indicators of the equality or inequality of opportunities (OECD 2018). Here, I rely

on OECD data of what is known as relative intergenerational mobility. This refers to the extent to which an individual's position on a scale of material well-being is independent of her parents' position, and is measured as the degree to which her schooling achievement does not depend on those of her parents. Higher mobility across generations is associated with a more equal distribution of opportunities. The specific measure used is the beta coefficient attained by regressing the child's years of schooling on the highest years of schooling of his/her parents. The result is a measure of intergenerational *persistence*, so that a higher level reflects more persistence and less mobility. The data used are from the Global Database on Intergenerational Mobility (GDIM) produced by the World Bank's Development Research Group, and released in 2018 to coincide with the publication of the World Bank report *Fair Progress? Economic Mobility Across Generations Around the World* (Narayan et al. 2018). The dataset covers 96% of the world's population and contains data for the years 1991–2016, pertaining to 10-year cohorts who were born in 1940, 1950, 1960, 1970, and 1980, respectively. I rely on country-mean data. To ease interpretation, I reverse this measure so that a higher level indicates more mobility (and standardise it for ease of interpretation so that it has a mean of zero and a standard deviation of one).

Column A2.2 in Table A2 report the results of multilevel logit regression in which information on experienced POUM – in the form of relative intergenerational educational mobility – is exploited, while controlling for the range of individual-level attributes mentioned above and continuing to include an indicator variable for NZ. Experiences of POUM have a significant effect on the preference for redistribution. Across the OECD sample, an increase of one standard deviation in this measure decreases the odds that redistribution will be preferred by 44%, significant at the 0.001 level. This means that if a country has low intergenerational persistence, and thus more actual opportunities for upward mobility, redistribution significantly becomes a less attractive option for respondents. Note also that in this model the NZ-indicator variable completely loses its significance, indicative that the model is effective in capturing the idiosyncrasies of NZ attitudes. The score of the Akaike Information Criterion in this model also outperforms that of the model in column A2.1. To illustrate how this applies to NZ, Figure 3 plots the country scores of the measure of relative intergenerational mobility against the country values of the fraction of the respondents who prefer income redistribution. NZ has the highest score on the measure of relative intergenerational mobility, and one of the lowest fractions of respondents who favour redistribution.

As mentioned, data on the measure of relative intergenerational educational mobility have been made available on a number of birth cohorts. As Figure 4 shows, intergenerational mobility in NZ, across the various cohorts for whom we have data, is noticeably higher than the mean for the rest of our OECD sample. The largest differences between the NZ numbers and the rest of the OECD sample are in the 1940 and 1950 cohorts, the two 'baby boomer' cohorts who have experienced the most mobility in the OECD. As in the rest of the OECD, later cohorts in NZ also experienced a decline in their relative mobility, but the rate of decline is clearly slower in NZ than elsewhere.

To move beyond these country-mean values, I turn to an individual-level measure of relative intergenerational (educational) mobility. Wave 7 of the WVS contains a question that allows us to generate a version of the relative intergenerational mobility measure,
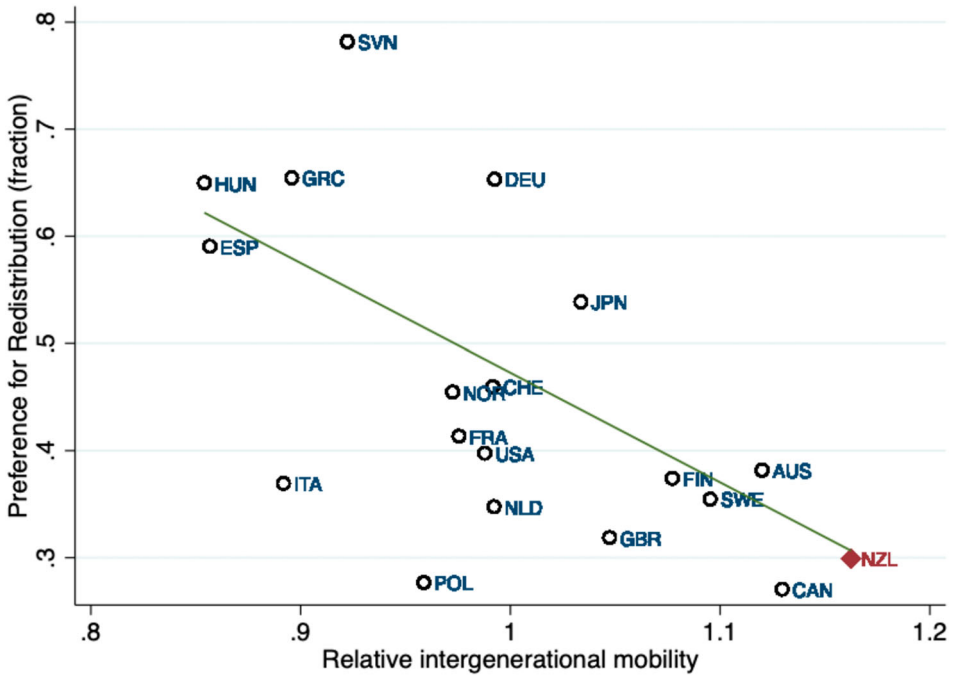
Figure 3. Relative intergenerational mobility and preferences for redistribution across the OECD, 2000–2020.
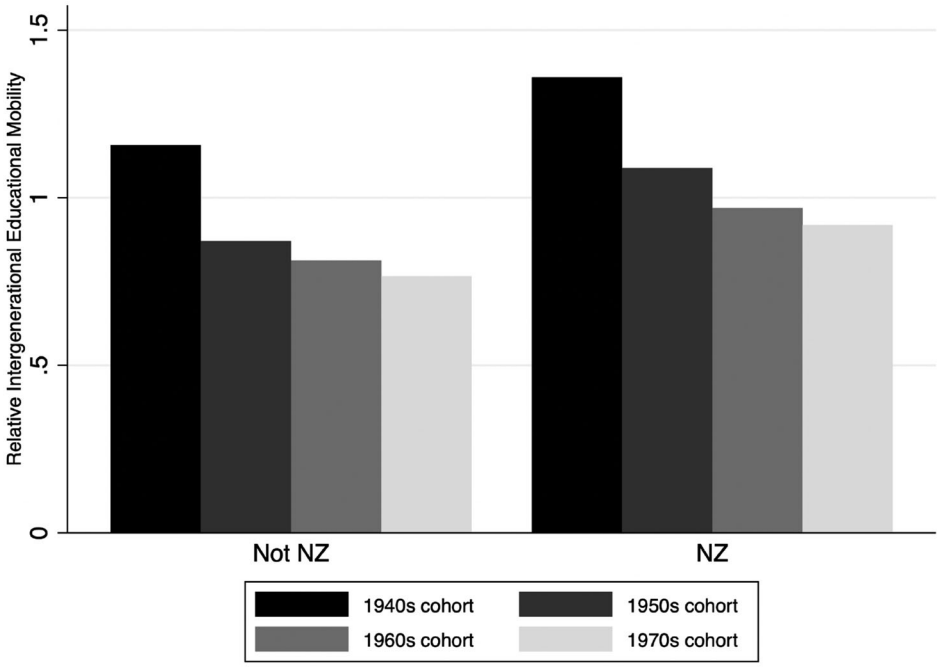

Figure 4. Cohort data for intergenerational educational mobility, NZ and OECD.

albeit only for the six OECD states in which this specific question was asked (Australia, Germany, Greece, Japan, New Zealand, and USA). Respondents are asked to provide information on the standardised educational achievements of his/her father compared to their own. Regressing respondents' achievements on those of their fathers generates a standardised beta coefficient that can again act as a relative measure of intergenerational (educational) persistence. By reversing the score – as I did above with our country-mean measure of relative intergenerational mobility – and standardising it so that it has a mean of zero and a standard deviation of one, we derive an individual-level measure of upward mobility. We are now also in a position to interact the indicator for NZ with this individual-level measure of mobility in our multilevel logit regressions. Column A2.3 in Table A2 shows how increases in this measure of intergenerational educational mobility significantly decreases the likelihood that an NZ-respondent will prefer redistribution. A one standard deviation of experienced mobility in the case of NZ decreases the probability of a respondent favouring redistribution by 5% (see Figure 5 for a visual illustration of this effect as applied to NZ-respondents). There is no corresponding decrease noticeable among non-NZ respondents. One explanation could be that educational mobility is more widespread and deeper in NZ than in the other five OECD states covered by the model in A2.3.

In column A2.4 in Table A2 I turn to our measure of *perceived* (in contrast to experienced) POUM. Data are gleaned from the WVS that contains a question that approximates perceptions of opportunities for upward mobility. The respondent is asked to choose a value on a scale of 1–10 that reflects the degree to which she believes that the
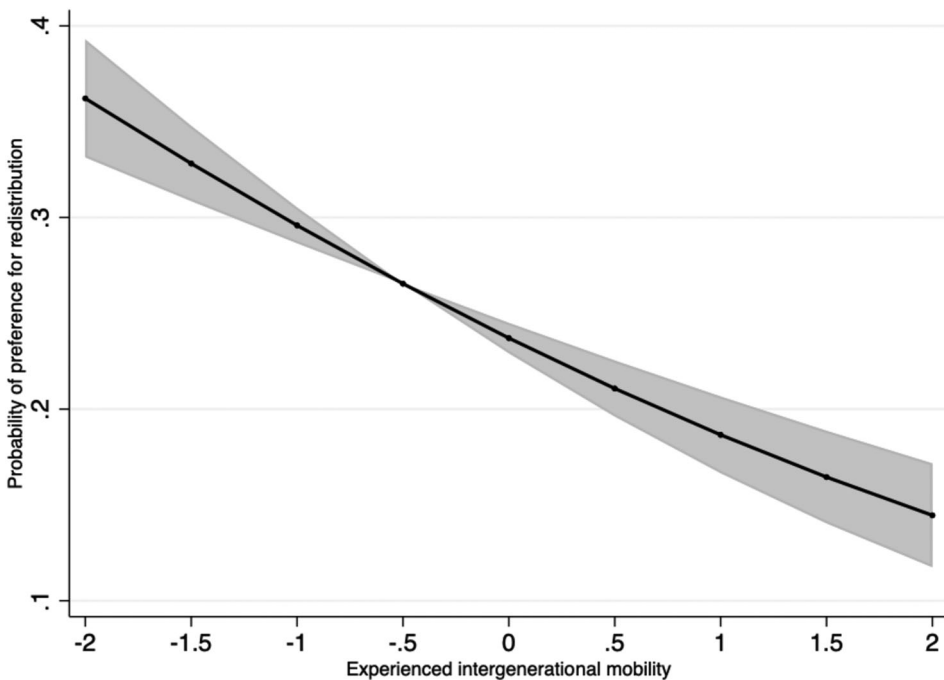

Figure 5. Effects of increased experienced mobility in NZ on probability of favouring redistribution, 2016–2020.

application of hard work normally leads to success in her society. This question measures the extent of a respondent's belief in the availability of opportunities in her society. Answer at the top end of this spectrum (values above 6) are taken to reflect the perception that the respondent's society provides opportunities for upward mobility, and that success depends on own effort rather than extraneous factors such as luck, nepotism and family connections. This measure performs as expected. Someone who believes that her society provides opportunities for advancement through hard work is much less inclined to favour redistribution, and this applies to NZ and non-NZ respondents. However, the probability attached to favouring redistribution is decidedly lower in the case of NZ-respondents.

Interactions in non-linear models are notoriously difficult to interpret, but it helps to consider the different marginal effects of NZ and non-NZ interactions. The probability of favouring redistribution by the NZ respondent who does not perceive her society to provide opportunities for advancement is 0.465, while the odds for the NZ respondent who does believe so, is 0.279, a difference (or marginal effect) in the case of NZ of 0.186. The corresponding probability for the non-NZ respondent is 0.669 and 0.562 respectively, thus a marginal effect of only 0.107. Having faith in the mobility opportunities of your society thus has a larger marginal effect in NZ than in other OECD states. These results are calculated using the margins command in STATA version 16, and I rely on suggestions on how to interpret interactions in logit regressions made by Buis (2010).

To illustrate how NZ and other OECD respondents differ in terms of how perceptions of opportunities for advancement affect their favouring of redistribution, the two panels in Figure 6 use results from the model reported in column A2.5. This model relies on the original 10-point continuous scale on which the indicator variable of perceived POUM (that we used in column A2.4) is based. While the probability that a respondent will favour redistribution declines as perceptions of opportunities increase across the 19 OECD states, the rate of decline in the case of NZ is decidedly faster, just over three times the rate applicable among non-NZ respondents. Note also that the loss of significance on the part of the NZ indicator suggests that this model, as did model A2.2, accounts well for NZ idiosyncrasies.

How big a role does the perception of upward mobility play within NZ? Here the evidence is a bit more ambiguous, but the general trend is that redistribution preferences among New Zealanders are also affected by whether respondents perceive their society to provide opportunities for advancement or not. The models reported in A3.2 of Table A3 uses the indicator version of our variable of perceptions of POUM and confirms that the odds that an NZ who believes that her society readily provides opportunities will favour redistribution is about 38% less than an NZ-respondent who does. With every one-point increase in the continuous version of this variable (10-point scale), the odds of favouring redistribution decrease by 9% on average (see column A3.1). The measure of experienced intergenerational mobility (which is the same measure used in column A2.3) just falls outside our significance levels but shows that an increase in intergenerational educational mobility also reduces the probability that a respondent will favour redistribution.

Finally, note must be taken of the performance of the control variables in the various models used. As expected, females both in the cross-sectional (Table A2) and the within-NZ (Table A3) models consistently prefer redistribution significantly more than men.
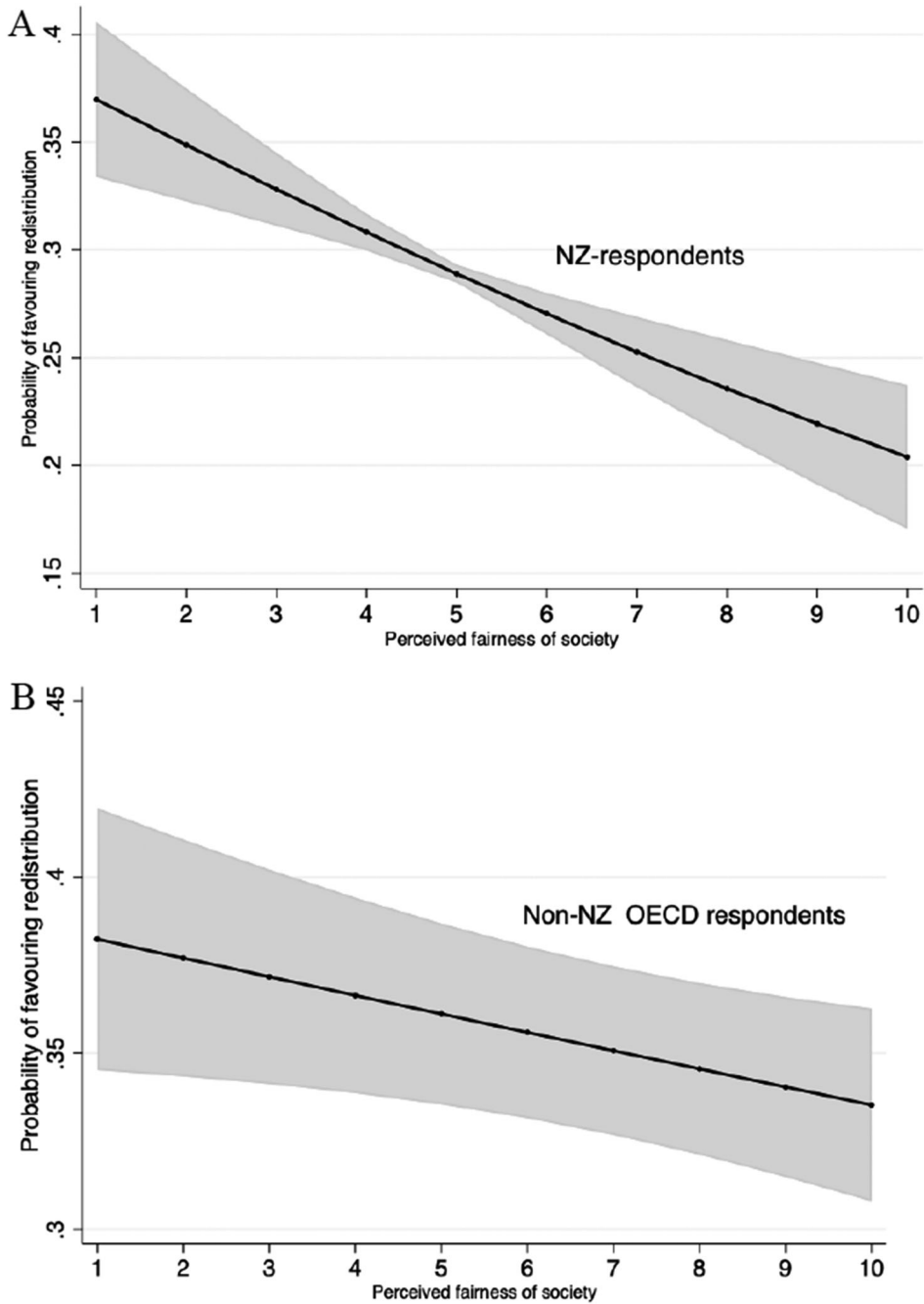
Figure 6. The contrasting marginal effects of perceived mobility on redistribution preferences: NZ versus 18 other OECD states.

This may reflect their more vulnerable income position in society. Being female and unemployed in NZ predicts a preference for redistribution better than does just being 'notrich'. Being politically left-wing, as one would expect, determines a pro-

redistribution attitude in NZ and across all the OECD states. Only in the within-NZ regressions, though, is political interest significantly associated with a preference for redistribution. Surprisingly, age is not significant in any of the models, implying that the other indicators of being vulnerable are adequate in accounting for relevant variation.

Conclusions

John Steinbeck suggested that there is not much support for redistribution among the poor in the USA because they regard themselves as 'temporarily embarrassed million-aires' (John Steinbeck, *America and the Americans*, 1966; cited in Alesina et al. 2018, p. 521). It is unlikely that this also fully explains why New Zealanders across the board are unenthusiastic about redistribution. It is worth noting, though, that generations of New Zealanders, similarly to their US counterparts, have had significant experiences of intergenerational mobility. In one of the very few studies of social mobility in NZ, Peter Davis in 1979 concluded that 'the data presented in [his] article is not consistent with any image of New Zealand as a 'closed' or rigidly stratified society' (1979, pp. 54–55). He pointed out that there was a large and widespread degree of intergenerational mobility in NZ. Based on the data reported in the current paper we have to conclude that upward mobility in NZ is still appreciated and influential as far as redistribution atti-tudes are concerned, despite the ravages perpetrated by macro-economic reforms over the past four decades, and the increased precariousness faced by some population groups (Cotterrel 2017). This paper has shown that both experiences and perceptions of mobility go a long way towards explaining why NZ-respondents are so disinclined to favour income redistribution. It also suggests an explanation of why inequality aver-sion in NZ is lower than one would expect given the relatively high levels of income and wealth inequality in the country. In comparative perspective, and in terms formulated by Alan Krueger (2012), NZ lies at the lower end of the 'Great Gatsby curve' (which traces the persistence of privilege between generations). Partly as a result of this, but probably also influenced by a range of other institutional features not reviewed here, New Zealan-ders perceive their society to provide opportunities for upward mobility and self-advancement. Whether that means that they perceive their society as 'fair' in the full sense of the word is another question. As Max Rashbrooke puts it:

> The word 'fairness' has many inflections, and it is telling that a key phrase in New Zealand's history has not been 'a fair society', which might imply something about equality of incomes, but a 'fair go', which hints at being given a chance – and then being left to get on with it. (2013, p. 33)

Some important questions remain, though, although I did not have the space to explore them here. It would be fruitful to determine how changes in redistribution attitudes are related to the intergenerational mobility experiences that different generation cohorts in NZ and across the OECD have had. Figure 4 showed that these experiences are on a downward track, which are to be expected given the very high intergenerational mobility experiences of the first post-World War II cohorts. Nevertheless, there is growing concern about the degree to which post-1980s generations are being excluded from asset-ownership and exposed to more precarious income trajectories. Are these experi-ences challenging their inequality-tolerance levels, or is the tunnel effect that Hirschman

(1973) identified still strong enough to affect redistribution preferences? It is worth noting that Hirschman pointed out that the tunnel effect cannot be expected to last for ever. When people observe that only some in society consistently gain from economic processes, while they remain stuck (and even regress), their willingness to tolerate inequality may eventually run out. We need more fine-grained data on actual and perceived mobility in NZ to determine whether post-1980 generations of New Zealanders are as sanguine about their prospects for upward mobility as their parents and grandparents were/are.

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Appendix

Table A1. Summary statistics.

Variable	Obs	Mean	Std. dev.	Min	Max
Dep Var					
Preference for redistribution	48,937	0.367	0.482	0	1
Covariates					
NZ	50,998	0.056	0.230	0	1
Female	50,998	0.533	0.499	0	1
Unemployed	50,357	0.061	0.239	0	1
Notrich	46,004	0.515	0.500	0	1
Left	43,461	0.186	0.389	0	1
Interested in Politics	50,564	0.552	0.497	0	1
Age	50,771	48.985	17.5	18	99
Rel IG mobility	50,998	0	1	−1.88	1.72
IG Educ Mob	8003	0	1	−2.47	2.02
Perceived POUM (indicator)	50,998	0.581	0.493	0	1
Perceived POUM (cont10-point)	45,233	6.470	2.515	1	10

Table A2. Mobility and redistribution preferences in the OECD.

	A2.1	A2.2	A2.3	A2.4	A2.5
NZ	0.565	0.893	0.477	0.696	0.892
	(0.068)***	(0.106)	(0.076)***	(0.075)***	(0.133)
Female	1.166	1.166	1.154	1.158	1.146
	(0.039)***	(0.039)***	(0.068)*	(0.040)***	(0.035)***
Unemployed	1.217	1.216	1.122	1.205	1.219
	(0.073)**	(0.073)**	(0.146)	(0.071)**	(0.076)**
Notrich	1.700	1.699	1.553	1.673	1.726
	(0.079)***	(0.079)***	(0.157)***	(0.073)***	(0.067)***
Left	2.572	2.570	2.610	2.536	2.554
	(0.384)***	(0.384)***	(0.671)***	(0.367)***	(0.383)***
Interest in Politics	0.918	0.919	0.939	0.920	0.911
	(0.044)	(0.045)	(0.124)	(0.045)	(0.042)*
Age	1.002	1.002	0.991	1.001	1.000
	(0.006)	(0.006)	(0.010)	(0.006)	(0.006)
Age squared	0.99	0.98	1.001	0.99	0.99
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Rel IG mobility		0.790			
		(0.053)***			
IG Educ Mobility			1.060		
			(0.064)		
NZ*IG Educ Mobility			0.687		
			(0.048)***		
Perceived POUM (indicator)				0.840	
				(0.050)**	
NZ*Perceived POUM (indicator)				0.713	
				(0.050)***	
Perceived POUM (cont 10 point)					0.970
					(0.012)*
NZ*Perceived POUM (cont 10 point)					0.934
					(0.015)***
Time indicators (per wave)	Y	Y	N	Y	Y
_cons	0.327	0.312	0.531	0.392	0.459
	(0.066)***	(0.05)***	(0.165)*	(0.072)***	(0.095)***
var(_cons[Country])	1.122	1.074	1.008	1.122	1.117
	(0.059)*	(0.043)	(0.012)	(0.061)*	(0.063)*
var(_cons[Country > C-wave])	1.094	1.092	1.071	1.096	1.105
	(0.033)**	(0.031)**	(0.019)***	(0.034)**	(0.038)**
AIC	*33184.52*	*33180.4*	*5219.32*	*33131.18*	*30694.17*
n	*38,814*	*38,814*	*6753*	*38,814*	*35,553*
N	*19*	*19*	*6*	*19*	*19*

Notes: Multilevel logit regressions, with random intercepts. Odds ratios are reported. Clustered standard errors in parentheses. Statistical significance levels: *$p < .05$; **$p < .01$; ***$p < .001$. AIC = Aikake Information Criterion: A measure of how well a model fits the data, given the degrees of freedom being used up. Lower values (of similar models) indicate better fit.

Table A3. Mobility and Redistribution Preferences within New Zealand.

	A3.1	A3.2	A3.3
Female	1.494	1.504	1.518
	(0.181)***	(0.182)***	(0.323)*
Unemployed	1.903	2.042	1.287
	(0.529)*	(0.565)**	(0.701)
Notrich	1.288	1.275	1.374
	(0.172)	(0.170)	(0.323)
Left	5.204	5.291	6.444
	(0.700)***	(0.709)***	(1.415)***
Interested in Politics	1.355	1.352	2.173
	(0.189)*	(0.188)*	(0.625)**
Age	1.037	1.036	0.981
	(0.024)	(0.024)	(0.041)
Age squared	0.99	0.99	0.98
	(0.000)	(0.000)	(0.000)
Perceived POUM (continuous 10 point)	0.915		
	(0.024)***		
Perceived POUM (indicator)		0.615	
		(0.076)***	
IG Educ Mob (WVS wave 7)			0.829
			(0.101)
Time indicators (per wave)	Y	Y	N
_cons	0.123	0.091	0.196
	(0. 078)***	(0.055)***	(0.216)
n	1748	1755	589

Notes: Logit regressions. Odds ratios are reported. Standard errors in parentheses. Statistical significance levels: *$p < .05$; **$p < .01$; ***$p < .001$.