The political preferences of public employees:

Challenging the selection hypothesis*)

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Abstract

Recent survey data for several countries show that public employees compared to people working in the private sector are more left-wing oriented, more likely to vote for socialist parties, and they want larger government. While the public choice school has emphasized incentives as the explanation of this, the dominant understanding has been occupational selection - ‘hard-wired’ political preferences induce those who favor government solutions to seek employment in the public sector. We suggest a new test of the selection hypothesis by comparing the political preferences of private and public employees before and after they have retired. In the case of selection we will expect policy preferences to remain unchanged after they have stopped working. Our analysis of survey data covering seven elections in Norway is not consistent with selection. Public and private employees differ with respect to ideological orientation, party choice and policy preferences – but preferences converge when they stop working. Our results suggest that the public/ private cleavage primarily is important during employment and indicate that those who work in the public sector cater for their self-interest.

Keywords: Private/ public cleavage, ideological positioning, voting behavior, privatization, public employees, selection, incentives

Date: May, 2013

*) We appreciate comments at the BI workshop on political economy December 2012, and in particular Jon Fiva and Olle Folke.
1. Introduction

The expansion of the public sector has raised the interest for the political attitudes and voting behavior of public versus private employees. The importance of social cleavage already is established by Lipset and Rokkan (1967). Voter alignment is shaped by sociocultural characteristics such as region, class and religion. Old social cleavages have disintegrated and new patterns of political views and voting have emerged (see overview by Colomer and Puglisi, 2005). The different political preferences of public and private employees come out as an important cleavage.

Recent research has taken benefit of large individual-level survey data. Knutsen (2001; 2005) has found that public employees compared to employees in the private sector are more likely to vote for socialist parties in several countries including the Scandinavian countries, France and the UK. In a recent pooled analysis of national election survey data Jensen et al. (2009) find that public employees are more left leaning in their self-reported ideological orientation and are more likely to vote for left-wing parties. In Norway, the sector division in party preferences first became apparent in the 1977 parliamentary election, and widened during the 1980s and 1990s (Bjorklund 1999:293). The public employee voting pattern was established during the expansion of the welfare state in the 1970s.

The public choice school innovated the understanding of public employees or ‘bureaucrats’. Their political preferences and behavior are seen as self-centered responses to occupational incentives. The ‘Bureau Voting Model’ assumes that public employees benefit from larger government, and bureaucratic incentives are analyzed in the context of public sector growth and efficiency (Downs 1967; Niskanen 1971). Public employees attempt to improve their employment opportunities, salaries and possibly on-the-job consumption. They will therefore vote for parties that contribute to expansion of the public sector, and resist use of privatization and competitive tendering. Bush and Danzau (1977), Bennett and Orzechowski (1983), Blais et al. (1990; 1991) and Garand et al. (1991) supplied early evidence in support of these hypotheses.

Today there is broad agreement that public and private sector employees differ in their political attitudes and behavior (see overview by Jensen et al., 2009). The public employee wants a large public sector and her ideological inclination is towards the left. She is more likely than her
counterpart in the private sector to vote a party with a left/socialist platform. The alternative explanation of this phenomenon is the selection hypothesis, that the public employees’ political preferences and behavior are different because different types of people are recruited to the public sector. In stark form the selection hypothesis refers to differences in deep-seated ideological convictions.

Empirical studies have investigated the differences between public and private employees. It is suggested that public sector employees are more dedicated to helping people and serving society than those who work in the private, for-profit sector. Brewer (2003) compares civic attitudes between public servants and other citizens and finds that those working for government have higher civic participation. Furthermore it is argued that public employees put less emphasis on economic rewards (Rainey and Bozeman 2000; Besley and Ghatak 2003; Jakobsen and Sørensen 2012). Support for government or market-based solutions to social problems can be influenced from childhood socialization or even genetically transmitted attitudes. Recent contributions in “genopolitics” suggest that political orientations are at least partially inheritable. Alford, Funk and Hibbing (2005) use a twin design to study the relative impact of genetic and environmental factors on a number of policy issues such as property taxation, foreign aid and capitalism. Genes appear to have a surprisingly large impact on political attitudes. According to these analyses, we should expect preferences to be quite ‘hard-wired’, and not very sensitive to changes in the institutional environment (Besley 2005:49).

The empirical evidence regarding the importance of selection is not that clear when studying the choice of first job. Wright and Christensen (2010) study the occupational choices of US lawyers, and find that public service motivation (a motive to help others and contribute to society) does not predict whether an individual’s first job is in the public or in the private sector. Similarly, Jacobsen and Kjeldsen (2011) analyze the attitudes of Danish physiotherapists who are in process of entering their first job and who have switched between public and private sectors. Public service motivation appears not to predict whether the first job in the public or private sector or likelihoods of changing from private to public sector, or vice versa. These two studies suggest that personal values exert little influence on the job seekers choices of a career in the public or private sector.
The role of political attitudes and motivation also is pursued with disaggregation to different branches of government, notably by Tepe (2012). The understanding is that people choose to work in an environment that fits their values and interests, the so-called person-environment-fit approach. Different parts of the public sector will recruit people with different attitudes and behavior. Tepe (2012) in particular find different voting behavior and attitude to expanding state responsibilities among government employees in public health, education and service production. It can be argued that egalitarian motives are important for the recruitment in public health and education, while more rule oriented people are attracted to public administration.

The different political preferences of public employees also may result from socialization - learning and social adaption at the workplace. The political preferences are not necessarily very different at the outset, but they are made more similar with social interaction. Public employees dealing with social problems develop common attitudes with consequences for political behavior. The common political preferences can be formed in the employee – employer relationship and related to trade union behavior. An example is the threat of fiscal retrenchment that induce public employees to align in defence of own jobs and working conditions. Privatization policies are often described as such a threat and used to mobilize public employees for political purposes. The socialization hypothesis borrows elements from both selection and incentives.

Only a few studies have attempted to investigate the background of the public – private cleavage. An interesting approach compares municipal employees that live inside and outside their home municipality. When the municipal employee works outside the municipality, her voting decision indicates her interests as a consumer of services. When she works and votes in the same municipality, her voting reflects her preferences both as consumer and employee. Based on data for districts in the Los Angeles county, Moe (2006) found substantial higher turn-out rates of those who lived and worked in the same district. This appears to support the hypothesis of occupational self-interest. Bhatti and Hansen (2012) analyze extensive register data from Denmark. They find that working and voting in the same municipality induces higher rates of vote participation. The effect is quite modest (about 4 percentage points). The authors suggest that the higher turn-out rates of public employees are at least partly due to selection rather than incentives. In our understanding, this approach is likely to underestimate incentive effects. First,
policy making is contagious across municipalities and between levels of government (see for example, Lee and Strang 2006). If a neighboring municipality or central government implements policy reforms (for example: lower taxes, competitive tendering), the others may follow. Public employees may take these spillover effects into account. Second, public employees not working in the residential municipality may be looking for a job in the home municipality. It can be beneficial to have a job closer to home. The public employee has an interest in maximizing employment opportunities at home, which is best served by acting as if she is employed by the home municipality.

We propose a new identification strategy comparing private and public employees before and after retirement. We would not expect preferences to change as employees stop working if policy preferences are shaped by ‘hard-wired’ ideological positions. We should observe the similar disparities in policy preferences when we split the retired employees by occupational background. If the selection is not based on intrinsic preferences we would expect to see an alignment of interests across citizens who have been employed in different sectors. Policy preferences shift when occupational interests disappear.

By means of several election studies from Norway, we can identify the sector where employees are working, and which sector the retired employees used to work. This allows us to compare voters who are active as private and public employees, and analyze whether preferences and behavior shift when they retire. The selection hypothesis suggests that peoples’ ideology, voting behavior and policy preferences remain unchanged when they stop working. We study how the respondents place themselves on the left-right scale, how they vote for socialist versus non-socialist parties and their preferences for larger public sector and privatization.

The relationship between current and previous private/public employment and their political preferences and behavior is analyzed by limited dependent variable regression models. The main methodological challenge is heterogeneity resulting from a comparison of different individuals in employment and in retirement. Differences in political preferences and behavior may reflect differences over time and place. We handle this issue using fixed effects for period and
municipality/county. We also offer a placebo analysis where we look at changes in political preferences related to issues not relevant for the incentive effect.

The results suggest that citizens who work in the public sector locate themselves to the left on the left-right self-placement scale. They also tend to vote for left-wing parties. Voters with a background in the public sector want a larger public sector and higher tax-rates, and they are more inclined to oppose competitive tendering in government. When people quit working in the public sector, they switch from leftist to rightist political parties. Retirement also leads to changes in policy preferences: the retired public employee is more inclined to support competitive tendering and less likely to prefer a large government sector and high tax-rates. The placebo analysis shows that the retired individuals do not change preferences for other political issues. We conclude that the selection effect hardly can explain our data. The public/private cleavage primarily is important during employment and the shift with retirement indicates that those who work in the public sector cater for their self-interest.

In the following sections we outline institutional details on Norwegian local government and describe the survey data used in the analysis. We subsequently outline the empirical strategy used to test selection effects, and present the regressions results.

2. Institutional background and data

We analyze political preferences and behavior in a welfare state with homogenous institutions and exploit both the local and national elections. The Norwegian public administration is a three-tier system with central government, 19 county governments and 434 municipalities. Elections to the municipal and county councils are held at fixed dates every four years in between parliamentary elections (to the Storting). Local elections take place in the context of a multi-party system with proportional representation and one electoral district for each municipality.

Norwegian counties and municipalities are responsible for implementing major welfare policies, including the provision of day-care centers for children, nursing services for the elderly, primary and lower secondary schooling, primary health care, social services and various physical planning functions. Infrastructure (water, sewage, garbage collection and disposal, local roads,
electricity distribution) funding comes mostly from user charges. Government spending by the municipalities accounts for about 14 percent of GDP (2010).

*The Norwegian election surveys*¹

We use data from seven election surveys providing representative samples for the voting populations. The Local Election Surveys were conducted during the local elections in 1999, 2003, 2007 and 2011, and the Parliamentary Elections Surveys were carried out during the elections to parliament in 2001, 2005 and 2009 (Otterbeck, Rose and Saglie 2010). NSD has supplied a cumulated dataset for these surveys and the homepage of NSD presents a detailed documentation of the data.²

*Occupational background*

A major advantage of these seven surveys is that they include identical questions about sector affiliation in current and previous employment. The questionnaires start out with a filter question³:

*Do you consider yourself an employee, a student, a retirement pensioner, early retirement pensioner or disability pensioner, working at home, conscript, or other (type of employment)?*

Follow up questions identified sector affiliation⁴:

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¹ The data applied in the analysis in this publication are based on "Norwegian Election Studies 2001-2009" and the “Norwegian Local Election Studies 1999-2011”. Data are anonym zed and made available through Norwegian Social Data Services (NSD). Bernt Aardal/Jo Sagli/Johannes Berg and the Institute of Social Research were responsible for the original study and Statistics Norway collected the data. Neither ISF, SSB nor NSD are responsible for the analyses/interpretation of the data presented here. We appreciate the generosity of Johannes Berg and Jo Sagli for early access to the 2011 dataset.


³ In Norwegian: “Betrakter du deg hovedsakelig som 1) yrkesaktiv, 2) student eller skoleele, 3) alderspensjonist, førtidspensjonist eller uforepensjonist, 4) hjemmearbeidende, 5) arbeidsledig, 6) vernepliktig, 7) annet, 8) vil ikke svare, 9) vet ikke.” This question was not included in the 1999-survey. For the 1999 data, we therefore defined employees as people who worked more than five hours per week in the preceding week. In Norwegian:” Hvor mange timer pr. uke arbeider du vanligvis i inntektsgivende arbeid?”

For employees: *Do you work in a firm you own yourself, a private corporation company, a voluntary organization or foundation, a municipal government, county government or central government?*

For previous employees: *Did you work in a firm you own yourself, a private corporation company, a voluntary organization or foundation, a municipal government, county government or central government?*

The research design is aimed at comparing people who actually work with those who have retired permanently. All employees were included in the analysis. We exclude students, conscripts and people who for other reasons never have been working from the sample. We also want to leave out those who are temporarily unemployed. Retirees are therefore defined as people were a) employed previously, b) are more than 50 years of age, c) and receive old-age pensions, early retirement benefits or disability pensions, or work at home/are current unemployed.

**Ideology, party preference and policy preferences**

We analyze respondents’ ideological positions on the left right scale, party preferences related to the socialist and non-socialist bloc and the views on two key policy issues – privatization and size of government. Both election surveys include data on party choice and left-right self-placement. We analyze party preferences separately for reported party choice in the (local) elections to the municipal councils and in the (national) elections to parliament (*Stortinget*). In each of these surveys, respondents were asked which party they voted for in these elections. In the local election surveys, they were also asked about which party they voted for in the national elections two years earlier⁵. The Red Electoral Alliance, the Socialists Left Party and the Labour Party are classified as socialist parties, and the Center Party, the Christian Peoples Party, the Liberal Party, the Conservative Party, the Progress Party and others are categorized as non-socialist parties. In the analysis of party choices in the national elections, we combine data from both the local and national election surveys.

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⁵The 2011 local election survey deviates from this pattern. Respondents were asked respondents to say which party they would have voted for had it been a parliamentary election tomorrow.
Respondents’ ideological orientation has been measured by the left-right self-placement (Question):

“In political discussions people frequently talks about ‘the left’ and ‘the right’. Below is a scale where 0 represents those who are at the far left and 10 represents those who are at the far right. Where would you position yourself on such a scale?”

Policy preferences: Privatization and government expansion

The policy questions address different issues in the two surveys, partly due to the fact that local and central government have different responsibilities. In the Local Election Surveys, we examine a policy question on privatization that is of particular relevance for the local public sector and local elections (Rattsø and Sørensen 2004). The respondents are asked to assess the following statement in the three surveys:

“My municipality should to a larger extent purchase services from private businesses rather than produce them itself”. Responses were coded as follows: Completely agree=1; Partially agree=0.5; Partially disagree=-0.5; Completely disagree=-1.

Note that a positive coding implies that respondents support privatization, and that a negative number means that they oppose privatization.

A question addressing the trade-off between taxes reductions versus public service expansion have therefore been included in the National Election Surveys. The respondents were asked to say whether they agreed or disagreed with the following statement:

“It is more important to expand public services than to reduce taxation”. Responses were coded as follows: ‘full agreement’ as 1, ‘partial agreement’ as 0.75, ‘partial disagreement’ as 0.25 and ‘full disagreement’ as 0.

In the Placebo-test we analyze a policy questions with large differences in opinion between public and private employees, but that are not primarily directed towards the role of the public sector. The question of Norwegian membership in the European Union is part of the national
In 2001 and 2005: Then to the question of Norwegian membership in the EU. The score zero on the scale means a preference for Norway absolutely not becoming an EU member, while the score ten means that Norway absolutely should join EU as member. Where would you put yourself on this scale?

In 2009: Where would you place yourself on a scale from ero to ten where zero means that Norway should absolutely not become an EU member, while ten means that Norway absolutely should join the EU as member.

The respondents are classified as employees and retirees and the frequency distributions for each occupation are displayed in Table 1. We observe that 38-39 percent of the respondents report that they are employed in the in the public sector, which is reasonable⁶. In the group of retirees, 40-47 percent state that they used to work in the public sector. This is probably due to the fact that life expectancy is higher among public sector employees. This is due to a considerably higher level of education among public sector pensioners as well as larger share of women in this group (see Table 2 for documentation). Since the samples comprise people up to 80 years of age, larger shares of private than public sector employees have passed away⁷. Table 1 indicates a high degree of correspondence between the surveys for shares working in local and central government. The Local Election Study appears to overestimate the share working in personally owned firms relative to private corporations.

Table 1 here

⁶ Of the 3.8 million citizens, about 913.000 persons (24 percent of the electorate; 35 percent of the work force) are employed in the public sector (2011). About 85 percent of public employees work in the tax-financed public agencies, and the rest in government owned companies. Central government employed 275.000 persons (7.2 percent of electorate), the counties 45.000 persons (1.2 percent of electorate) and the municipalities 457.000 persons (12.0 percent of electorate).

⁷ In our sample of retirees (aged 50-80 years of age), 39 percent of the public sector employees were in the age group 71-80 years. Only 34 percent of the private sector employees were aged 71-80 years.
3. The political preferences of retirees and employees - descriptives

The survey describes the ideological position, party choice and policy preferences regarding size of the public sector and privatization of each respondent as shown in Table 2. We present separate descriptive statistics for the National Election Surveys (NES) and the Local Election Surveys (LES). The surveys yield comparable information with respect to respondents’ average age, gender and share with higher education. We observe modest deviations between the two surveys for retirees in the personally owned firms and in organizations/foundations.

The table shows that public sector employees and retirees are marginally older than those in the private sector, the share of women is much higher in local government, and public employees and retirees have much higher shares of people with higher education. As to be expected, current employees are better educated than those who have retired from the same sector.

Table 2 here

The statistics in Table 2 document the political preferences of public and private sector employees for recent elections. The presentation follows the studies of Bjørklund (1999:293) and Knutsen (2001; 2005) using the same type of data. We display the party choices of public and private sector employees in the four municipal elections 1999-2011 and the three parliamentary elections 2001-2009. We observe that 40-43 percent of the public employees vote for non-socialist parties in local elections, while about 45 percent vote for non-socialist parties in national elections. The share voting for non-socialist parties are generally higher in personally owned firms and private corporations, particularly in national elections.

Our extension of the data in Table 2 concerns the political behavior of the retirees. The public sector employees appear to shift to the non-socialist party block after retirement. A particularly large fraction of the local public employees appear to swing from socialist to non-socialist political parties in national elections. The private sector retirees show a tendency of greater support of the socialist parties. This means that the party polarization observed among employees is considerably smaller among the voters who have finished their working careers.

In Norwegian politics, the positions of the Labour Party and the Conservative Party have historically been attached to traditional market-related class politics. The ‘center parties’ (the
Center Party, the Christian Peoples’ Party and the Liberal Party) have traditionally grown out of values and interests of people living in rural communities. In parallel with the decline of these classical partisan dimensions, two relatively new political parties take opposite positions on the role of the public sector (Bjørklund 1999:293): The Socialist Left Party prefers to expand the role of government, while the Progress Party started out as a movement to reduce size of public sector.

The support for the individual political parties by employment sector and employee/retiree is shown in the Appendix Table. In the public sector, we observe that the retirement effects are considerably larger for the Socialist Left Party and the Progress Party than the other parties. The Socialist Left Party loses support after retirement, and the Progress party gains support. In the private sector, the Labour Party gains additional support when people stop working, while the support of the Conservative Party is reduced.

The ideological position if the respondents also is shown in Table 2. The public employees take values well below the midpoint five on the left-right index, which implies that they position themselves to the left. Private sector employees take more right-wing values above five. When they retire, public employees move towards the right, and private sector employees move towards the left. Retirement appears to bring about ideological convergence.

Table 2 displays descriptive statistics on respondents’ policy preferences. The index scores suggest that the private sector employees are more likely to support privatization than the public employees. The index values are about 0.13 in the private sector, and -0.23 to -0.29 in the public sector. The central government employees appear to become more supportive to privatization after retirement, while the local government employees do not change their mind noticeably. On the other hand, both groups of private sector employees become more skeptical to privatization after retirement.

Finally, the bottom line of Table 2 displays preferences for increasing the public sector. The public employees have stronger preferences for expansion than those employed in the private sector. Local government employees want less expansion after retirement; central government employees express a slight preference in favor of more expansion; and, the private sector employees prefer more expansion after they have withdrawn from the labor market. This means
that public and private employees disagree along traditional ideological lines, and that retirement seems to induce a major convergence in opinions.

4. Econometric design

The econometric model is formulated to test shifts in the political preferences and behavior with retirement. We include separate effects of occupation sector, retirement, and interaction of occupation sector and retirement. The parameter of the interaction term reflects differences in responses after retirement by sector. To be discussed below, since we study different people at different points in time we need to control for personal characteristics important in this context.

The baseline regression model can be written:

\[ \text{Response} = a + b \times \text{Occupation} + c \times \text{Retired} + d \times \text{Occupation} \times \text{Retired} \]
\[ + \text{Controls for age, gender, survey year and municipality/county} \]

*Responses:* The response variables are ideology (left-right position, measured in both Local Election Surveys and National Election Surveys), party choice (measured separately for elections to the local councils in the Local Election Studies and for parliamentary elections in both surveys), and preferences for expansion of the public sector and privatization (based on the National and Local Election Surveys respectively).

*Occupation:* Private corporation, own company, organization.foundation, local government, central government.

*Retired:* 1 if retiree, 0 if employee.

*Age:* Respondents are classified into ten-year age groups.

*Gender:* 1 if women, 0 if man.

*Education:* Education level has been classified as primary/upper secondary schooling (6-15 years of age), secondary schooling (15-19 years of age), lower level university degree (equivalent to bachelor degree), and higher level university degree (equivalent to masters degree or above).

*Survey year:* The year the election survey was conducted.

*Municipality/county:* Regressions based on data for the Local Election Surveys include fixed effect for municipality, and regressions based on data for the National Election Surveys include fixed effect for county.
The public/private cleavage implies that ideology, party choice, and policy preferences regarding size of public sector and privatization vary by occupation and the coefficient $b$ is different from zero. If the cleavage is represents selection based on intrinsic preferences we expect that the responses remain essentially unchanged after retirement and the coefficient $d$ is equal to zero. If political preferences and behavior changes as a result of retirement, coefficient $d$ is different from zero, we conclude that elements of the cleavage are related to the working situation of the respondents. Such shifts in the political attitudes, and in particular convergence after retirement, are not consistent with selection based on permanent characteristics of the individuals involved.

The alternative understanding of socialization and incentive envisage a move towards the right by the public sector employee, and a shift to the left by the private sector worker. We would expect to see similar changes in policy preferences: the public sector retiree displays less support for big government and more support for privatization, and possibly the reverse for those who have worked in private sector. The socialization and incentive stories therefore predict a degree of convergence in ideology, voting behavior and policy preferences.

We introduce a set of control variables to take into account the heterogeneity of individuals with respect to occupation and retirement. Age is a relevant for the preferences regarding public sector services. Higher age shifts own interests from services that benefit young people to the advantage of welfare services for the elderly. Folke, Fiva and Sørensen (2012) show that a shift from a leftist to a rightist local council will lead to a reallocation from child care services to old-age care. A life-cycle effect therefore could lead the elderly to support right-wing parties. Alternatively, different age-groups may display dissimilar political preferences due to generational effects. For example, the generations born before the World War II may have experiences in their early life that disposers them to support rightist or leftist parties. We control for these influences by including age-groups as independent variables.

The politics of the public sector also is affected by gender. Women in advanced industrialized countries including Norway have become more supportive of the left-wing/socialist parties than men (see for example Inglehart and Norris 2000: 453; Norrander and Wilcox 2008). It has been suggested that the ‘political gender gap’ is due to a higher prevalence of divorces, which have led to a reduction of women’s relative income level (Edlund and Pande 2002). An alternative explanation is that female work participation has increased considerably, and a disproportional
large share of women has started working in the expanding public sector. The new cohorts of women may have selected themselves into types of education and occupations that are consistent with their intrinsic preferences (selection); or alternatively, women may simply vote for leftist parties because these parties serve their private interests (incentives). We therefore include respondents’ gender in the regression model.

Average education levels are higher in the public sector (particularly central government) than in the private sector, and education may also affect peoples’ views on policies and their ideological preferences. Education may, however, be considered a choice variable. Some prefer to work for the population as civil servants, and take higher education to achieve this goal. Others want to make money, and finish schooling at an earlier age. Young people have more education than elderly people in all sectors, and as a consequence current retirees have less education than those who are in the work force. When we compare current employees and retirees, differences in political preferences could be explained by lower education levels in the latter group. The controls for survey years and age groups take out most of this effect. In a robustness test, we enter education level as an additional control.

The remaining challenge is the possibility of a general shift in political preferences and behavior with retirement. Consequently we have designed a placebo analysis where we apply the same regression model to study preferences for an issue not directly related to occupation – the question of Norwegian membership in the EU. If there is no change in the preferences regarding EU membership with retirement, the interaction coefficient of occupation and retirement d is zero, it could be interpreted as support for the understanding that shifts in political preferences and behavior related to occupation is not based on selection.

5. Analysis of political preferences and behavior

We present the main estimates for left-right positioning and socialist/ non-socialist party choice in Table 3 using both national (NES) and local (LES) elections. The estimates for left-right positions (columns 1-4) for occupation in the upper panel are consistent with the raw data presented in Table 2. It follows that the controls we have used for gender and age are not that important. Respondents from personally owned firms and private corporations place themselves
to the right (index values of 5.4 to 6.0 on the scale from 1 to 10) and respondents from local and
central governments to the left (index values 4.7 to 4.9). The difference between private and
public employees is consistent with the literature on private public cleavage reviewed in the
introduction.

The lower panel investigates whether retirees from the sectors change their ideological positions.
The signs of the coefficients indicate convergence. The negative coefficients of the retirees from
the private sectors show that they move away from the right, and the positive coefficients of the
public sector retirees mean that they move towards the right. The shifts for retirees from private
corporations and local governments are statistically significant. The size of the shifts implies that
the retirees from the private and the public sectors have about the same positioning on the left
right scale. Including controls for education do not change parameter estimates noticeably. The F-
tests reported at the bottom of the table show statistically significant shifts with retirement
overall. Both F-tests and parameter estimates show that the ideological positions change more
when the question is asked in proximity to a national election.

Table 3 (columns 5-8) also shows the analysis of party choice. We report the share of respondents
that have voted for the non-socialist party bloc (according to their survey responses). The
estimates of the differences according to occupation are consistent with the raw data in Table 2.
The results indicate substantial sector differences in voting, particularly in the national elections.
A private sector employee is about 15 percent more likely to support a non-socialist party than a
public sector employee.

The retirees from the two sectors have very different voting patterns from those employed in the
sectors. The non-socialist voting for private corporation retirees is reduced by 7-9 % points, while
the local government retirees increase their non-socialist vote by 8-9 % points. Both retired
groups are back to the national average when retiring, the traces of their sectoral affiliation are
almost completely wiped out. The estimates of the local elections reported in column 4 have a
similar pattern. The interaction effects appear to be significantly lower than in national elections.

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8The presence of fixed effects for years and county/municipality means that the main effects in table 3 are not
directly comparable to the averages presented in table 2.
9The weaker interaction effects in local elections are not due to sample problems. Since respondents were asked
about their party choice in the preceding national election, we have estimated the model for national party preference
Based on cross-national data, Tepe (2013:242) shows a similar public/private cleavage in employees’ party preferences, but finds no differences among the elderly retirees. This result is consistent with ours. Our understanding is that the cleavage in ideological orientation and voting behavior is related to the working situation and not permanent characteristics of the individuals.

Table 4 about here

We present estimates for policy preferences in Table 4. Similar to Table 2, we observe that public employees want to expand the public sector to a greater degree than the private sector employees. Retirement appears to cause a reduction of 7-8 percent in the share of (previous) local government employees who prefer expansion. Changes are quite small for the other occupational groups. These results remain unchanged after controlling for education level.

The responses to the question about local privatization in the local election surveys are centered on zero. A positive index value implies agreement, while a negative value means disagreement. The upper panel in column 5 shows level differences with respect to occupation. The respondents from the private sector are positive, while both local and central government employees are negative. The respondents from organizations are fairly neutral on this issue.

The estimates identifying the shift of the retirees in the lower panel shows serious change in view on this policy issue. The retirees from the private sector, in particular those with background from private corporations, are more negative to privatization after retirement. The public employees are more positive to privatization after retirement. The shift in position for retirees from private corporations and local and central governments are large and statistically significant. The size of the shifts implies that both private and public retirees end up about neutral to the privatization issue. The shift in behavior is not only related to ideological positioning and socialist/non-socialist vote, but is also important for a key and controversial policy issue.

We are concerned that the results follow from a general shift in political preferences with retirement. The change in living conditions may affect all aspects of political attitudes. In this case selection may be at work during employment, but the differences disappear because all change their preferences with retirement. We look at a controversial issue not directly related to

on basis of the Local Election Survey only. These results are very similar to those obtained by means of the National Election Survey.
employment sector, the support of Norwegian membership of the EU. The survey data show that public employees are more negative to the EU than those from the private sector. Pettersen et al. (1996) show that the major arguments were related to democracy and the evaluation of the EU system. Concern about the role of the welfare state was not a major factor. The placebo regressions are reported in Table 5. The regression models are the same as above. The preferences based on occupation are quite different, and in particular local government employees are negative to the EU. The striking difference from the previous tables is the lack of significant results of interaction effects with retirement in the lower panel. The coefficients indicate no statistically significant shift with retirement, although the direction of change in the first column is that all retired individuals (except for those from personally owned firm) have a more negative assessment of EU membership. The F-tests at the bottom confirm the differences with respect to occupation and the lack of shift in preferences with retirement.

The placebo test rejects the notion that it is a general phenomenon that people shift political preferences with retirement. In our analysis only the preferences important for the distinction between private and public employment show a marked shift with retirement and towards convergence for the two employment groups. The left-right orientation, party voting, and preferences about public sector size and privatization shift with retirement and cannot be understood as intrinsic preferences independent of employment sector.

The results in Tables 3 and 4 can be used to calculate the importance of the selection effect. The total effect can be estimated as the difference in preferences between employed private and public sector employees. The selection effect can be assessed as the difference in preference between retired private sector employees (both personally owned firms and private corporations) and retired public sector employees (local and central government). Since most of the sector divergences disappear after retirement, it is hard to conclude that selection effects are strong.

To investigate the importance of socialization we would like to compare employees that have been exposed to similar forms of occupational socialization, but have different incentives to influence political decisions. By means of the 2011 local election survey, we can compare local government employees who work in the home municipality (where she votes) and those who work in another municipality. They are of the same average age (42 years of age), they have been subjected to similar work environments, and face different incentives to vote for a non-socialist
party. About 26 percent of those who work in the home municipality vote for a non-socialist party as compared to 32 percent of those who work in another municipality. Private sector employees are more likely to vote for a non-socialist party when they work in the home municipality as compared to those who work outside the home municipality. Due to limited number of observations, these differences are not statistically significant at conventional levels. In the data investigated here, employee attitudes appear to be very stable across age groups. This suggests that socialization is less important to explain that public sector employees become more right-wing as they become older.

6. Concluding remarks

Using Norwegian election survey data we have shown that private and public employees have dissimilar political preferences. Public employees take left-wing ideological positions, while the private sector employees position themselves more to the right. The public employees are also more likely to vote for left-wing/socialist political parties, whereas those who works in the private sector tend to vote for right-wing/non-socialist parties. Finally, public sector employees want to expand public sector and dislike privatization to a greater extent than employees in the private sector.

We offer a test whether these differences are due to selection – that people with intrinsically different preferences choose different sectors. The test is based on a comparison of political preferences and behavior by occupation during employment and retirement. The analysis shows that when the public employees stop working, they are more likely to vote for non-socialist parties. We see a reverse change when the private employees retire: they switch towards the socialist parties. When people retire from work in either sector, they take new policy positions and abandon previous ideological and partisan preferences. Sector-induced polarization disappears after retirement. The result is a serious challenge for the selection hypothesis. This shift in ideological positions is hardly consistent with the view that occupational preferences are ‘hard wired’.
References


