

How Upward Social Mobility affects Wellbeing and Inequality Aversion

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PRELIMINARY VERSION

August 30, 2008

Abstract

The paper aims to provide a full analysis on the role of social mobility in influencing individual wellbeing and political opinion. By using the BHPS data from 1991-2005, we analyse how individual social status and upward mobility relative to own parents affect job and life satisfaction, vote decisions, preferences for redistribution and pro-public sector attitude. The paper confirms some previous results and also provides new evidences. We find that own socio-economic position but also parents' background and upward mobility matter on individual wellbeing and political preferences. We explain why improving individual social prestige compared to own parents makes people happier, more favorable to interventionist policies and closest to left-wing.

Keywords: Social Mobility, Wellbeing, Redistribution, Inequality.
JEL classification: A14, C25, D31, D63, J28, J62.

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1 Introduction

Since the Easterlin Paradox (1974), wellbeing and happiness became one of the most investigating topic both by sociologists and economists. It has been proved that subjective wellbeing in developed Countries increases with increasing income but until a certain point from which it starts to decrease. Hence, subject wellbeing is influenced by income but also by others components that in turn influence policies makers decisions. Social networking, quality of life in terms of pollution, degree of violence, confidence in Institutions, social exclusion, better public services, psychological health are only examples of some important determinants of individual wellbeing.

The policies makers play a key role in improving quality of life by improving public services as health and education, by providing services for promoting social relationships, by adopting anti-pollution policies, by adopting redistributive policies in order to fight social exclusion and so on.

This paper attempts to analyse the role of social mobility in influencing two aspects of wellbeing - i.e. job and life satisfaction -, redistributive preferences and pro-public sector attitude, vote decisions, by providing a full analysis on the matter.

The analysis is led on a set of individual features and on three levels of socio-occupational prestige: individual socio-economic status, parents' socio-economic position and upward social mobility that captures individual socio-occupational improvements relative to own parents. All social prestige variables are measured by the Hope-Goldthorpe Scale - HGS ¹.

The paper confirms some previous results and also provides new evidences. Firstly, higher social prestige makes individuals more job satisfied and happier, less favorable to redistributive and interventionist policies and closest to right-wing, compared to individuals with lower socio-occupational level.

Secondly, individuals coming from parents with higher social prestige are less job satisfied and happy, less favorable to redistribution and to the State ownership of public services and closest to right-wing parties

Finally, improving own social status relative to their parents' - i.e. upward social mobility - makes people more job satisfied and happier, more favorable to redistributive and interventionist policies hence closest to left-wing.

The paper is organized as follows. Section 2 discusses some previous literature on mobility, wellbeing and political opinion. Section 3 introduces the hypothesis. Section 4 shows empirical evidences and results. Last section concludes.

¹For further details see Goldthorpe J.H. (1980) and Goldthorpe J.H. and Hope K. (1974).

2 Background: Mobility, Wellbeing, Redistribution and Political Opinion

2.1 Intergenerational Mobility: Income and Social Mobility

Literature on the mobility is quite heterogenous and it is investigated both in sociology and in economics. However, while sociologists focus mainly on social prestige and social classes, economists study mobility in terms of income changes or educational gap. Hence, a first distinction concerns income and social mobility: income mobility generally refers to transitions between income classes or percentiles of the income distribution, while social mobility refers to the degree of changes of individual's, household's, group's social status in a social hierarchy or stratification.

Another important distinction is usually made between intergenerational and intra-generational mobility. The intergenerational mobility refers to how the distribution of some relevant measures of individual status changes between different generations in a given society, while the intragenerational component represents status changes among a group of individuals, over a given period of their lifetime.

Many studies have focused on the intergenerational mobility. For instance, Francesconi and Ermisch (2006) explore how socio-economic position of children in Britain could be affected by the socio-economic position of parents and of parents-in-law through the marriage market. Machin et al. (1997) study the extent of intergenerational mobility in Britain using data from the national Child Development Survey. They found that the extent of mobility is limited in terms of both earnings and education among the individuals born in a week of March 1958, while the upward mobility from the bottom of earnings distribution is more likely than downward mobility from the top.

Our paper focus on the intergenerational social mobility, hence we explore individual socio-occupational changes relative to own parents by using the Hope-Goldthorpe Scale².

2.2 Wellbeing and the role of the relative position

One of the most important starting point on happiness and subjective wellbeing is the "Easterlin Paradox"³, according to which happiness does not increase with wealth at a national level. Since the Easterlin Paradox, many studies focus on the determinants of wellbeing and in particular on the relationship between happiness and income. Literature is diverging still and that depends most on the role of absolute and relative income. Indeed, it

²We treat exhaustively HGS in the next paragraphs.

³Easterlain (1974).

has been proved that absolute income is positively correlated with wellbeing or happiness, while relative income generally shows a negative relation.

For instance, Clark and Oswald (1996) show how wellbeing is positively but weakly correlated with absolute income, while it depends more strongly and negatively on some measures of comparison income or reference level of income and on the level of education. They explain that the negative relation between job satisfaction and relative income depends on the relative deprivation and envy generating when people compare their status to each other of the reference group. Indeed, when an individual's income falls relative to the comparison level, that individual feels relatively deprived and hence less happy.

Also Easterlin (2001) demonstrates that wellbeing varies directly with income and inversely with material aspirations. At the start of adult life cycle material aspirations are similar throughout people, but over the cycle life aspirations increase in proportion to income.

As shown by Alesina et al.(2004), the effect of inequality on happiness is larger in value in Europe than USA; in addition, European poorer and leftists are unhappy because of inequality, while in Usa this correlation disappears and the richer are bother by inequality. The authors argue that depends on the more social mobility in Usa than in Europe and on more European preferences for redistribution, since they are more inequality averse.

In our paper we use the terms of happiness, subjective wellbeing, well-being, satisfaction and utility as synonymous. We explain why social status and upward mobility make people happier and closest to redistributive preferences and left-wing, by mainly recalling the relative comparison theory.

2.3 Political opinion: Preferences for Redistribution and Inequality Aversion

Literature on political opinion and on redistribution are quite heterogenous and hence we focus our attention on the role of inequality, social and income mobility and expectations for the future on the redistributive preferences and vote decisions.

One of the most important contribution comes from Persson and Tabellini (1994) that propose a theoretical model and some empirical evidences by recalling the median voter theorem. The median voter is linked to the distribution of some economic or social variables, for instance income, skills (education level), age and then vote preferences depends on the individual position along that distribution⁴.

⁴The median voter theorem is a voting model typically representative of majority election and it is based on the following assumptions: voter policy preferences can be represented as a points along a single dimension (income, age, education et cetera); all voters vote deterministically for the politician that commits to a policy position closest to their own preferences; there are only two politicians. Hence, if the politicians want to maximize

Piketty (1995) develops a theoretical model which explains why in the long run left-wing dynasties in the lower class support higher redistributive policies while right-wing dynasties who are in the middle-higher classes are less or not favorable to redistribution. Hence, the multiplicity of those steady states equilibriums explains why persistent disparities on social mobility could generate different redistribution policies across countries.

By analysing the determinants of redistribution preferences, Alesina and La Ferrara (2005) stress the negative role of individual expected future income as an objective measures of expected gains and losses derived from redistribution.

3 Hypothesis

We analyse the role of intergenerational social mobility - i.e. socio - occupational prestige - in influencing job and life satisfaction, individual redistributive preferences and individual political opinions. In particular, we test the hypothesis that upward social mobility - i.e. improving own social status relative to own parents - implies an increasing job and life satisfaction level, preferences for redistributive policies and for left-wing parties.

Our analysis is led on a set of individual features and on three levels of socio-occupational prestige: individual socio-economic position, parents' socio-economic position - distinguishing between fathers and mothers - and upward social mobility that captures the improvement in individual's social position relative to the parents's one.

The first level of our analysis is the individual socio-economic position, i.e. sons' and daughters' social prestige. We expect that individual social prestige is positively related to job and life satisfaction, it implies conservative preferences and hence people less favorable to redistributive policies. Since individual income is highly correlated with social prestige, we could say that higher social prestige makes people happier and more job satisfied but less favorable to redistribution.

These results have just been quite tested in previous literature, even if separately. By recalling the median voter theorem, voter policy preferences for redistribution could be expressed as a point along a single dimension, typically the overall income distribution and in our case the social prestige (skills) distribution. According to the model proposed by Persson and Tabellini (1994), a median voter with higher skills, who is at the top of income distribution, prefers a lower interventionist policy, hence lower

their number of votes they should both commit to the policy position preferred by the median voter. This strategy is a Nash equilibrium and it results in voters being indifferent between candidates and casting their votes for either candidate with equal probability. Hence in expectation each politician receives half of the votes. If either candidate deviates to commit to a different policy position, the deviating candidate receives less than half the vote.

taxation and redistribution. Also Alesina and La Ferrara (2005) find that wealthier individuals look less favorable to redistribution. Finally, Piketty (1995) propose a theoretical model according to which individual income is positively related to political opinion. Individuals with higher income are closest to right-wing and less favorable to redistributive policies, while lower income individuals are more prone to vote for left-wing parties and in favor of redistribution.

The second level of analysis is the effect of the parents's background (social position) on the son's wellbeing and political opinions. According to the reference group level theory, when individuals look at the level of one's social prestige the effect on own satisfaction and redistributive opinion is negative and hence individuals are more prone to vote for right-wing parties. Hence, we expect that people whose parents have high social prestige are less happy and job satisfied, they prefer less redistributive policies as well a low level of taxation and they are closest to right-wing.

By recalling the Clark and Oswald (1996) contribution, they find that job satisfaction depends more on relative income than the absolute income and this negative relationship is mainly attributable to the relative deprivation or envy who a reference group or comparison level could generate on own status. Hence, people coming from high social prestigious parents are less happy and job satisfied because of the envy mechanism and they prefer a low taxation level and less redistributive policies today because they expect an improving in own social position relative to parents' one for the future.

Moreover, according to the "prospect of upward mobility" POUM hypothesis, poorer individuals could oppose to redistribution if they expect income improvements for the future and they have a concave today's income⁵.

Our third level of analysis is based on the real key-variable - social mobility - and we test the effect of the upward social mobility on wellbeing and political opinion. We expect that improving individual social position relative to their parents implies more job and life satisfaction, preferences for redistribution and left-wing preferences. Our results differ from the results shown by Alesina and La Ferrara (2005), because they find that upward mobility shows a negative relationship with redistribution preferences, that means individuals with higher socio-occupational prestige than their father are less favorable to redistribution policies⁶.

Moreover, we hypothesize that social mobility affects political opinions, both voting and redistributive, through two main channels: intra-generational and intergenerational mobility. Intra-generational mobility - i.e. changes during own life - should be positively related to redistributive

⁵Benabou and Ok (1996) explain theoretically and empirically that the POUM hypothesis works as a limitation to the extent of redistribution in democracies.

⁶The authors measure the upward mobility thorough a dummy variable who capture whether individual's job prestige is higher than the father's.

policies: if individuals observe improving own status, it means they are more confident with past redistributive policies thanks to of better public services provided. Hence, they put these beliefs in today decisions and in future expectations by preferring more redistribution and left-wing parties. The effect of the intergenerational mobility could be explained by recalling Alesina et al. (2004): British people should be strong averse to social inequality and hence more favorable to redistributive policies in order to fight inequality. Improving own lifestyle and social prestige relative to own parents means increasing social stratification among generations (sons and parents). Since individuals are inequality averse, they are more favorable to redistribution.

4 Empirical Evidence and Results

4.1 Variable Description, Data, Empirical Strategy

By using the BHPS data from 1991-2005, we estimate the effect of three specified social mobility levels and of a set of individual features on some social-behaviorial variables: wellbeing, preferences for redistribution, vote decisions and pro-public attitude. The BHPS does not report information on parent's income history, but it provides information on parent's socio-occupational position. Hence, we use these information in order to construct our social mobility index⁷.

We consider a set of individual features since they are supposed to affect the individual wellbeing as well redistributive and vote preferences. We take into account age and age squared because of the supposed non linearity effect of this variable, hours worked per week, marital status, education level, gender, household size, ethnicity.

Our social mobility measures refer to social prestige measured by the Hope-Goldthorpe Scale - HGS - that is an index measured on continue scale from the lower social prestige to the higher. The HGS scale is an occupational scale that measures the job's reputation and classifies jobs according to their social desirability. It was originally devised for men, but now it is used both for men and women⁸. The HGS scale is derived from a survey of the social standing of occupations that ranks job's according to the evaluation of a job's reputation; the occupational groups from the survey are collapsed into 36 categories and ranked in order of desirability. The categories are assumed to provide a high degree of differentiation both in terms of occupational function and employment status. It ranges from a minimum value of 0 that means unavailable occupation or employment status to 82,05 that means the highest job's reputation-desirability⁹.

⁷Data come from wave 1 to wave 15 with exceptions for some variables.

⁸See Hope, K. and Goldthorpe J.H. (1974) *The Social Grading of Occupations*. Oxford: Clarendon Press.

⁹The scores have been collapsed into the 36 categories of the Hope Goldthorpe, scale

We use the variable JBHGS as proxy of individual social status, available in all waves; we use the variables MAHGS as proxy of mother's social position and the variables PAHGS for father's social status. All variables referred to parents' social status are available in wave 1 and from wave 8 to 15.

Wellbeing is alternatively measured by job - JOB - and life - LIFE - satisfaction, derived from the following question in BHPS: "All things considered, how satisfied or dissatisfied are you with your present job overall using the 1-7 scale?" for job satisfaction and "How dissatisfied or satisfied are you with your life overall" for life satisfaction, where 1 is the lowest satisfaction and 7 the highest. Data on job satisfaction are available in all waves 1-15, while data on life satisfaction are available from wave 6 to 10 and from wave 12 to 15.

Preferences for redistribution are measured by the variable REDISTR derived from the following question in BHPS: "People have different views about the way governments work. The government should place an upper limit on the amount of money that any one person can make". It is measured on a scale 1-5, where 1 is not agree and 5 completely agree. This variable is available in wave 2, 4, 6, 8, 11, 13.

Vote decision is represented by variable VOTE coming from the question on the political party supported in BHPS and it is available in wave 1 and from wave 3 to wave 15. We recoded the variable obtaining a categorical one that values 1 for left party, 2 for center party and 3 for conservative.

Pro-public sector attitude is measured by the variable PUBLIC derived from the following question in BHPS: "People have different views about society. Major public services and industries ought to be in state ownership" and it is measured on a scale 1-5, where 1 is not agree and 5 completely agree. This variable is available in wave 1, 3, 5, 7, 10, 14.

Since all dependent variables are categorical multinomial, we used the ordered probit estimation method. We use three specifications, according to the level of social mobility analysis, as mentioned above and all the estimations are based on the pairs all individuals-mothers and all individuals-fathers¹⁰.

Our basic specification is the following:

$$Prob(Y_{i,r,t}) = \beta \cdot x_{i,r,t} + \iota \cdot z_{i,r,t} + \delta_r + \gamma_t + \epsilon_{i,r,t}$$

which is the basis for the derivation of Goldthorpe classes, of which there are 7 in 1971.

¹⁰We also try to estimate the pairs sons-fathers and daughters-mothers for HGS scale but results are not statistically significant. We controls for number of children per individual but results show that they do not matter on the wellbeing. Finally, we control also for fixed effect method but we choose to estimate our relationship as a pooled probit by assuming and checking that social mobility are time invariant in a short period of less than 15 years.

where Y is alternatively job and life satisfaction, redistribution, vote decisions and pro-public attitude of individual "i" living in region "r" and time "t"; β coefficients refer to the effect of individual features, ι to effect of socio-occupational position of individual "i", δ and γ represent region and time dummies respectively.

In our second specification we add the parents's socio-occupational position:

$$Prob(Y_{i,r,t}) = \beta \cdot x_{i,r,t} + \iota \cdot z_{i,r,t} + \eta \cdot k_{i,r,t} + \delta_r + \gamma_t + \epsilon_{i,r,t}$$

where Y , β , ι , δ and γ have the same meaning of the first specification, while η coefficient represents the socio-occupational position of parents, both mother and father separately.

In our third specification, we replace the parent's social prestige level with the upward social mobility:

$$Prob(Y_{i,r,t}) = \beta \cdot x_{i,r,t} + \iota \cdot z_{i,r,t} + \lambda \cdot w_{i,r,t} + \delta_r + \gamma_t + \epsilon_{i,r,t}$$

where Y , β , ι , δ , γ and η have the same meaning of the first and second specification, while λ coefficient refers to the effect of the upward mobility, measured by a dummy variable who take value 1 if individual's "i" socio-occupational position is higher than their parents "p".

4.2 Descriptive Statistics

Our estimations are based on several specifications according to the different levels of social mobility analysed - i.e. individual's social economic position, parent's social status, upward social mobility. All specifications has job and life satisfaction as proxies of subjective wellbeing.

Table 1 reports distribution of job and life satisfaction, for a sample of 76,721 observations for job satisfaction and 73,801 observations for life satisfaction, over the period 1991-2005. Looking at the distribution of job satisfaction, 15% of the sample is highest job satisfied (7), almost the half reports a satisfaction level of 6 and 21% a level of 5, while only 11% declares to be not much or not job satisfied at all. Results are similar for life satisfaction distribution . Indeed, 11% of a sample declares to be completely satisfied of overall life; a third of the sample is more satisfied, a third quite satisfied, 14% of the sample is dissatisfied and only 10% is not much or not satisfied at all of own life. Moreover, women seem to be more job satisfied than men reporting respectively a mean of 5.5 and 5.2 for job satisfaction, while this

difference disappears for life satisfaction with a mean level of happiness of 5.2 for both male and female¹¹.

Table 3 shows the quartile distribution for Holpe-Goldthorpe Index for a sample of 86,746 observations whose 42,732 are men and 44,014 are women. The overall distribution of HGS appears quite proportional while some differences exist between women and men. The female distribution of the HGS scale is unequally distributed toward the top, since most of women worker are in the first (30%), second quartile (25%) and third (27%), while for the men is the contrary, since most of them are in the third and fourth quartile. That means female are busy in occupations with lower reputation relative to the distribution of men.

The mean of social prestige is 47.46 for sons (JBHGS) whose 45.83 is the female mean social prestige and 49.04 male's one; the mean social prestige for mother's generation (MAHGS) is 39.22 and a mean of 45.66 for fathers (PAHGS). Hence, both son's and father's generations have more than a medium social prestige and a quite job's reputation, while mother's generation are meanly busy in lower prestigeful jobs. Moreover, female Holpe-Goldthorpe Index are closest to father's social prestige than mothers, even if women have lower social prestige relatively to men's jobs.

Table 4 shows the mean HGS by cohorts. Son's social position is meanly higher than fathers for individuals born in the periods 1925-1934, 1935-1944, 1945-1954 and 1955-1964 and this difference is particularly great for pairs sons-mothers. Individuals born between 1965 and 1974 show meanly no difference in job's reputation relatively to their fathers and individuals born between 1975 and 1984 show no difference with mother's social prestige. In fact, difference between son's and parent's generations increases for individuals who born in the firsts four-five cohorts in favor of sons, while people born in the last two cohorts (1975-1984 and 1985-1989) worsen their social status relatively to the parent's job reputation. That is in line with previous studies which explain how the introduction of temporary contract in the job market worsen the job quality and working conditions¹².

The paper also analyses the role of social mobility on political opinions. As for wellbeing, we show five specifications according to the social mobility levels of analysis. We use the individual opinion on redistribution and the vote decision as proxies of the political-economic opinions. As shown in Table 2, on a sample of 103,440 individuals 50% of the sample are more left-wing, 22% are in favor of center party and 29% are closest to right-wing. Moreover, 76% of a sample of 38,153 are not favorable to redistribution.

¹¹Clark (1995) explains that gender disparities in job satisfaction is mainly due to different hypothesis on the expectations between women and men: by starting from an identical situation in terms of jobs and expectations, men and women should report identical job satisfaction, but women's expectations are argued to be lower than men's.

¹²For further detail see: Segal and Sullivan (1997), Ichino and Riphahn (2001), Engelhardt and Riphahn (2005).

4.3 Results for Social Mobility and Wellbeing

Table 5 and 6 report results for the estimations of job and life satisfaction respectively for several specifications. Firstly, results are all statistically significant and they support our hypothesis. Our basic specification includes a set of individual features and socio-occupational prestige of individual "i", as measured by HGS, controlling for region and year. Being male seems negative related to both job and life satisfaction: men are less happy and job satisfied relatively to women; increasing age decreases both job and life satisfaction and in particular it is a U-shaped relationship as shown by the coefficient of age-squared, confirming some previous results¹³. Increasing the number of household members increases the job satisfaction and at the same time decreases the life satisfaction levels. Having a second job does not matter on job satisfaction, while it decreases life satisfaction because of time constraint in the leisure time; working for medium and big firms implies a lower job satisfaction. Separated people are more job satisfied than not married ones, while only married people are happier than not married or separated people. More educated individuals are less job satisfied and happy than lower educated. Finally, socio-occupational status affects positively both job and life satisfaction, with a statistical significance of 5% level. Since social status is assumed to be highly correlated with individual income, this results is not surprising: higher social prestige in the society, both as in terms of better reputation and more social stratification, implies higher job satisfaction and happiness.

In the second and third specifications of table 5 and 6, we add parent's social position, respectively for mother and father. Results confirm our prediction since the mother's HGS shows negative coefficient significant at 5% level as well father's HGS significant at 1% level. Results are also consistent with some previous one, according to which individual subjective wellbeing is also a function of relative position, besides own status. Hence, we consider the parent's position as our "reference level" and that means the highest reputation and social stratification of both for mother and father the lowest is son's job satisfaction and happiness, because of the so called "status effect" - i.e. sons' envy toward the social position of parents.

Finally, our fourth and fifth specifications include individual features, individual's social prestige and the upward mobility condition. Results confirm that improving own status relative to parent's social prestige increase both job satisfaction and happiness. Indeed, upward mobility coefficients show all positive signs all statistically significant, with the exception of mother's HGS coefficient who is not statistically significant in life satisfaction estimation. Hence, the highest is son's reputation relative to their father or mother the highest is the own job and life satisfaction, that is also confident and confirms our previous result. People who experienced improvements in so-

¹³For further details see: Clark et al. (1996).

cial prestige relative to their parent's position feel more confident themselves and this in turn affects positively wellbeing.

4.4 Results for Social Mobility and Redistribution

Table 7 and 8 show results for redistributive preferences and vote decisions estimations. Individual features coefficients presents the same signs, as for wellbeing estimations. Hence, male seem less favorable to redistribution and more right-wing than women; older people tend to be more left-wing, even if the relationship is not linear; bigger household are in favor of redistributive policies and left-wing oriented; married or separated people are against redistribution and closest to right-wing; local group frequency implies to be more favorable to redistribution while people with medium level of education are more reluctant and more right-wing. Finally, Black and Asiatic people are more favorable to redistribution and left-wing ¹⁴.

People with higher social reputation and better lifestyle are less favorable to redistribution and more right-wing, as confirmed by the HGS coefficient for individual "i" which shows negative sign statistically significant at 5% level. Since income and socio-occupational prestige are highly correlated, these results are consistent with some previous one according to which richer people are contrary to redistribution and their vote decisions go mainly to right party ¹⁵.

Individuals who come from parent's with high level of social prestige and reputation are less favorable to redistributive policies and closest to right wing, compared to individuals with lower parent's social prestige, which instead prefer left government with more interventionist policies. Hence, not only the own reputation but also parent's background matter on individual political opinions, with the same negative signs.

Upward social mobility affects positively redistributive and left-wing preferences, as shown by the positive coefficients of the upward mobility relative to mothers and fathers. These results are firstly supported by the median voter theorem and by the strong relationship among income, social prestige and vote preferences. Indeed, if the median voter is situated in the lower class of social prestige distribution and presumably in the lower classes of income distribution, she prefers voting left party because its policy is supposed to be closest to redistribution in order to reduce inequalities, while individuals with higher social prestige with supposed higher income level prefer conservative party oriented to lower taxation and less redistribution.

These results are partially in contrast with Alesina and La Ferrara (2004). They find that upward mobility affects redistribution preferences negatively, even if at the same time they also find that education's gap between sons

¹⁴Black and Asiatic people are a small minority in Great Britain; most of the population are white people.

¹⁵Piketty (1995), Persson and Tabellini (1996), Alesina and La Ferrara (2005).

and fathers make sons more favorable to redistribution. Hence, we add an estimation which analyse the effect of social status and upward social mobility on pro-public attitudes. Indeed, if individuals observe improving own status (intragenerational mobility) it means they are more confident with past redistributive policies in terms of better public services - i.e. health, education - and so by putting these beliefs in today decisions and future expectations they are favorable to redistribution and left-wing ¹⁶.

Table 9 reports results for the estimation on pro-public sector attitude, as measured by the variable PUBLIC. Results for the first specification confirms that individual features matter and higher own social position lead individuals to be less favorable to the state ownership of public services. Results for the second and third specifications confirm that sons with high parents' social prestige have less attitude to public services stated owned even if coefficient for mother's social prestige is not statistically significant.

Finally, in the fourth and fifth specifications, results show how improving own social status relative to own father makes individuals confident with redistributive policies and since they are inequality averse, the increasing generational social inequalities makes people more favorable to interventionist policies.

¹⁶By recalling the Galor and Tsiddons (1997) model, if individual earning prospects increase with parental human capital, or if there is serial correlation in ability, then a large difference between the children and the parents in terms of education implies a relatively low level of parental education, which in such setting is consistent with pro-redistributive attitudes.

5 Conclusion

This paper attempts to analyse the effect of social prestige on individual wellbeing and political opinions and it is a first trial to put together two important topics - as wellbeing and political opinion - relevant for leading the policy makers' decisions.

We confirm some previous results and find new evidences. Our analysis is based on three levels: two of them are estimations based on absolute level of social status - sons' and parents' social prestige - and the third one is based on the relative position - i.e. upward mobility.

Our results confirm the hypothesis according to which both absolute value and relative position matter on wellbeing and political opinion. Moreover, individual social status matter as well as parents' position.

Hence, higher social prestige makes individuals more job satisfied, happier, less favorable to redistributive policies and to state ownership of public services and closest to right-wing, relative to individuals with lower socio-occupational level.

Secondly, individuals coming from parents with higher social prestige are less job satisfied and happy, less favorable to redistribution and public services and closest to right-wing because of the envy mechanism generated by the reference group - i.e. parents.

Finally, improving own social status relative to their parents' one - i.e. upward social mobility - makes people more job satisfied and happier, more favorable to distributive policies and to public services and hence closest to left-wing.

Policy makers should be oriented to improve individual job satisfaction and happiness throughout redistributive policies for improving social status across generations. Good redistributive policies in terms of better health, education, infrastructures, benefits and so on, make people more confident with past redistributions, hence more favorable to interventionist policy, with obvious positive effects for both individual and overall wellbeing. Finally, this paper suggests a scheme for vote decisions, since individuals that improve own social status relative to parent's generation are closest to left-wing thanks to its redistributive orientation.

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Table 1: Job and Life Satisfaction Distribution

JOB SATISFACTION		1	2	3	4	5	6	7	TOT
Overall	Freq.	1,223	2,102	5,114	5,883	16,579	34,842	10,978	76,721
	Perc	1.59	2.74	6.67	7.67	21.61	45.41	12.31	
Female	Freq.	566	937	2,317	2,361	7,857	18,853	6,908	39,799
	Perc	1.42	2.35	5.82	5.93	19.74	47.37	17.36	
Male	Freq.	657	1,165	2,797	3,522	8,722	15,989	4,070	36,922
	Perc	1.78	3.16	7.58	9.54	23.62	43.3	11.02	
LIFE SATISFACTION									
Overall	Freq.	982	1,654	4,488	10,505	23,051	24,862	8,259	73,801
	Perc	1.33	2.24	6.08	14.23	31.23	33.69	11.19	
Female	Freq.	581	923	2,453	5,883	11,666	13,073	4,991	39,570
	Perc	1.47	2.33	6.2	14.87	29.48	33.04	12.61	
Male	Freq.	401	731	2,034	4,621	11,384	11,788	3,268	34,227
	Perc	1.17	2.14	5.94	13.5	33.26	34.44	9.55	

Note: 1=Not satisfied at all; 3=Not satisfied/dissatisfied; 7=Completely satisfied

Table 2: Political Opinion Distribution

Redistributive Preferences		1	2	3	4	5	Total
Overall	Freq.	4,991	18,555	5,484	7,384	1,739	38,153
	Perc	13.08	48.63	14.37	19.35	4.56	
Female	Freq.	1,916	9,680	3,443	4,335	858	20,232
	Perc	9.47	47.84	17.02	21.43	4.24	
Male	Freq.	3,075	8,875	2,041	3,049	881	17,921
	Perc	17.16	49.52	11.39	17.01	4.92	
Pro-Public Attitude							
Overall	Freq.	1,552	11,564	12,521	14,184	2,681	42,502
	Perc	3.65	27.21	29.46	33.37	6.31	
Female	Freq.	502	5,174	6,219	6,588	1,083	19,566
	Perc	2.57	26.44	31.78	33.67	5.54	
Male	Freq.	923	5,209	4,153	6,208	1,364	17,857
	Perc	5.17	29.17	23.26	34.77	7.64	
Vote Decision		Left	Center	Conser	Total		
Overall	Freq.	51,805	22,099	29,536	103,440		
	Perc	50.08	21.36	28.55			
Female	Freq.	27,356	11,967	14,837	54,160		
	Perc	50.51	22.10	27.39			
Male	Freq.	24,449	10,132	14,699	49,280		
	Perc	49.61	20.56	29.83			

Note: 1=Strongly Disagree; 2=Disagree; 3=Not Agree; 4=Agree; 5=Strongly Agree.

Table 3: Hope-Goldthorpe Quartile Distribution

HGS		1	2	3	4	Total
Overall	Freq.	21,871	21,972	22,146	20,757	86,746
	Perc	25.21	25.33	25.53	23.93	
Female	Freq.	12,848	11,242	11,141	7,501	42,732
	Perc	30.07	26.31	26.07	17.55	
Male	Freq.	9,023	10,730	11,005	13,256	44,014
	Perc	20.50	24.38	25.00	30.12	
Mothers' HGS	Freq.	14,337	14,566	12,671	13,851	55,425
	Perc	25.87	26.28	22.86	24.99	
Fathers' HGS	Freq.	25,457	22,271	23,631	23,595	94,954
	Perc	26.81	23.45	24.89	24.85	

Table 4: Hope-Goldthorpe Mean by Cohorts 1991-2005

Cohort	HGS Overall	HGS - Female	HGS - Male	Mothers' HGS	Fathers' HGS
1925-1934	43.11	41.63	44.20	34.11	41.00
1935-1944	46.31	43.60	48.50	34.68	42.36
1945-1954	48.52	45.80	51.31	38.00	44.51
1955-1964	49.22	47.33	51.00	39.29	46.63
1965-1974	48.15	47.74	48.57	41.26	47.80
1975-1984	42.84	42.27	43.44	42.66	50.32
1985-1989	34.54	33.97	35.17	41.85	45.26
Total	47.46	45.83	49.04	39.22	45.66

Table 5: Job Satisfaction Estimation

	(1)	(2)	(3)	(4)	(5)
Household Size	0.030*** (0.005)	0.031*** (0.008)	0.029*** (0.006)	0.029*** (0.006)	0.032*** (0.008)
Second job	-0.018 (0.019)	-0.044 (0.027)	-0.021 (0.021)	-0.021 (0.021)	-0.042 (0.027)
Male	-0.188*** (0.015)	-0.180*** (0.022)	-0.184*** (0.018)	-0.184*** (0.018)	-0.180*** (0.022)
Medium Firm	-0.147*** (0.014)	-0.168*** (0.021)	-0.157*** (0.017)	-0.157*** (0.017)	-0.167*** (0.021)
Large Firm	-0.200*** (0.015)	-0.219*** (0.023)	-0.217*** (0.018)	-0.215*** (0.018)	-0.218*** (0.022)
Divorced	0.081** (0.027)	0.074* (0.037)	0.103*** (0.030)	0.104*** (0.030)	0.073* (0.037)
Married	0.099*** (0.020)	0.115*** (0.027)	0.103*** (0.022)	0.104*** (0.022)	0.116*** (0.027)
Med Education	-0.153*** (0.021)	-0.107** (0.032)	-0.142*** (0.025)	-0.147*** (0.025)	-0.108*** (0.032)
High Education	-0.194*** (0.022)	-0.163*** (0.034)	-0.177*** (0.026)	-0.185*** (0.026)	-0.165*** (0.033)
Hours Worked	-0.007*** (0.001)	-0.007*** (0.001)	-0.008*** (0.001)	-0.007*** (0.001)	-0.007*** (0.001)
Age	-0.039*** (0.004)	-0.038*** (0.006)	-0.041*** (0.005)	-0.041*** (0.005)	-0.038*** (0.006)
Age ²	0.535*** (0.049)	0.502*** (0.079)	0.544*** (0.060)	0.541*** (0.060)	0.501*** (0.079)
Son's HGS	0.004*** (0.000)	0.004*** (0.001)	0.004*** (0.001)	0.003*** (0.001)	0.003*** (0.001)
Mother's HGS		-0.002* (0.001)			
Father's HGS			-0.002*** (0.001)		
Father's Mobility				0.055** (0.018)	
Mother's Mobility					0.053* (0.023)
Region	Yes	Yes	Yes	Yes	Yes
Wave	Yes	Yes	Yes	Yes	Yes
Obs.	74146	36412	58716	58716	36412
Pseudo R2	0.017	0.015	0.018	0.018	0.015
Log-likelihood	-110101.4	-54036.3	-86927.1	-86937.4	-54037.8
Log-likelihood at zero	-111959.6	-54862.7	-88508.8	-88508.8	-54862.7

Note: Standard errors clustered on individuals in parentheses; significance*** = 1%, ** = 5%, * = 10%.

Table 6: Life Satisfaction Estimation

	(1)	(2)	(3)	(4)	(5)
Household size	-0.021** (0.007)	-0.043*** (0.011)	-0.029*** (0.008)	-0.029*** (0.008)	-0.042*** (0.011)
Second job	-0.057* (0.023)				
Male	-0.013 (0.018)	-0.039 (0.026)	-0.013 (0.021)	-0.013 (0.021)	-0.039 (0.026)
Hours worked	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Age	-0.069*** (0.005)	-0.060*** (0.008)	-0.072*** (0.007)	-0.072*** (0.007)	-0.060*** (0.008)
Age ²	0.815*** (0.062)	0.662*** (0.101)	0.835*** (0.079)	0.833*** (0.079)	0.661*** (0.101)
Son's HGS	0.002*** (0.001)	0.003*** (0.001)	0.002** (0.001)	0.001 (0.001)	0.002 (0.001)
Mother's HGS		-0.002* (0.001)			
Father's HGS			-0.002** (0.001)		
Father's Mobility				0.052* (0.022)	
Mother's Mobility					0.047
Region	Yes	Yes	Yes	Yes	Yes
Wave	Yes	Yes	Yes	Yes	Yes
Obs.	46072	22792	35868	35868	22792
Pseudo R2	0.010	0.011	0.011	0.011	0.010
Log-likelihood	-67156.2	-33017.6	-52127.0	-52131.2	-33020.5
Log-likelihood at zero	-67842.2	-33369.6	-52698.3	-52698.3	-33369.6

Note: Standard errors clustered on individuals in parentheses; significance*** = 1%, **= 5%, *=10%.

Table 7: Redistributive Preferences Estimation

	(1)	(2)	(3)	(4)	(5)
Male	-0.208*** (0.019)	-0.186*** (0.028)	-0.210*** (0.022)	-0.186*** (0.028)	-0.206*** (0.022)
Age	-0.004 (0.005)	-0.004 (0.009)	-0.006 (0.007)	-0.004 (0.009)	-0.006 (0.007)
Age ²	0.135* (0.064)	0.125 (0.106)	0.154 (0.079)	0.128 (0.106)	0.149 (0.079)
Houshold size	0.016* (0.007)	0.031** (0.011)	0.020* (0.009)	0.032** (0.011)	0.021* (0.009)
Divorced	-0.022 (0.037)	-0.030 (0.051)	-0.042 (0.042)	-0.030 (0.051)	-0.037 (0.042)
Married	-0.078** (0.027)	-0.102** (0.038)	-0.102*** (0.030)	-0.100** (0.037)	-0.100*** (0.030)
Black	-0.134 (0.104)	-0.209 (0.167)	-0.170 (0.132)	-0.201 (0.167)	-0.166 (0.131)
Asian	0.264** (0.087)	-0.146 (0.167)	0.322** (0.107)	-0.133 (0.164)	0.318** (0.106)
Med education	-0.123*** (0.025)	-0.161*** (0.037)	-0.080** (0.029)	-0.169*** (0.037)	-0.094** (0.029)
High education	-0.174*** (0.027)	-0.166*** (0.040)	-0.115*** (0.032)	-0.176*** (0.040)	-0.135*** (0.031)
Son's HGS	-0.009*** (0.001)	-0.008*** (0.001)	-0.008*** (0.001)	-0.010*** (0.001)	-0.011*** (0.001)
Mother's HGS		-0.004*** (0.001)			
Father's HGS			-0.005*** (0.001)		
Mother's Mobility				0.090** (0.031)	
Father's Mobility					0.131*** (0.024)
Region	Yes	Yes	Yes	Yes	Yes
Wave	Yes	Yes	Yes	Yes	Yes
Obs. Number	27037	13059	21670	13059	21670
Pseudo R2	0.021	0.020	0.024	0.020	0.023
Log-likelihood	-35719.0	-17181.0	-28432.4	-17192.4	-28453.8
Log-likelihood at zero	-36503.4	-17540.4	-29134.3	-17540.4	-29134.3

Note: Standard errors clustered on individuals in parentheses; significance*** = 1%, **= 5%, *=10%.

Table 8: Pro-Public Attitude Estimation

	(1)	(2)	(3)	(4)	(5)
Male	-0.036*	-0.028	-0.046*	-0.027	-0.043*
	(0.018)	(0.027)	(0.021)	(0.027)	(0.021)
Age	-0.000	-0.005	-0.008	-0.005	-0.008
	(0.005)	(0.008)	(0.006)	(0.008)	(0.006)
Age ²	-0.018	0.038	0.068	0.039	0.065
	(0.063)	(0.103)	(0.076)	(0.103)	(0.076)
Household Size	0.005	0.003	0.005	0.003	0.005
	(0.007)	(0.011)	(0.009)	(0.011)	(0.008)
Divorced Separated	-0.052	-0.048	-0.049	-0.048	-0.047
	(0.035)	(0.050)	(0.040)	(0.050)	(0.040)
Married	-0.046	-0.074*	-0.057*	-0.073*	-0.056
	(0.025)	(0.036)	(0.029)	(0.036)	(0.029)
Black	0.274**	0.040	0.319**	0.044	0.320**
	(0.095)	(0.165)	(0.122)	(0.164)	(0.121)
Asian	0.174*	0.231	0.182	0.235	0.182
	(0.076)	(0.171)	(0.101)	(0.171)	(0.101)
med Education	0.029	0.001	0.045	-0.001	0.036
	(0.024)	(0.036)	(0.027)	(0.036)	(0.027)
High Education	0.071**	0.083*	0.094**	0.079*	0.079**
	(0.026)	(0.040)	(0.030)	(0.040)	(0.030)
Son's HGS	-0.003***	-0.002**	-0.003***	-0.002*	-0.004***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Mother's HGS		-0.001			
		(0.001)			
Father's HGS			-0.003***		
			(0.001)		
Mother's Mobility				-0.009	
				(0.031)	
Father's Mobility					0.059*
					(0.023)
Region	Yes	Yes	Yes	Yes	Yes
Wave	Yes	Yes	Yes	Yes	Yes
Obs. Nr	26676	12222	20815	12222	20815
Pseudo R2	0.006	0.007	0.007	0.007	0.007
Log-likelihood	-36654.1	-16743.4	-28636.0	-16744.1	-28647.7
Log-likelihood at zero	-36860.6	-16857.0	-28847.0	-16857.0	-28847.0

Note: Standard errors clustered on individuals in parentheses; significance*** = 1%, ** = 5%, * = 10%.

Table 9: Vote Decisions Estimation

	(1)	(2)	(3)	(4)	(5)
Male	0.039 (0.023)	0.019 (0.033)	0.029 (0.026)	0.019 (0.033)	0.022 (0.026)
Age	-0.024*** (0.006)	-0.034*** (0.009)	-0.025*** (0.007)	-0.035*** (0.009)	-0.026*** (0.007)
Age ²	0.367*** (0.068)	0.506*** (0.111)	0.390*** (0.082)	0.506*** (0.111)	0.402*** (0.082)
Household Size	-0.028*** (0.008)	-0.013 (0.012)	-0.024* (0.009)	-0.014 (0.012)	-0.025** (0.009)
Divorced	0.094* (0.040)	0.153** (0.056)	0.114* (0.044)	0.152** (0.056)	0.108* (0.044)
Married	0.146*** (0.029)	0.183*** (0.041)	0.157*** (0.033)	0.182*** (0.041)	0.151*** (0.033)
Black	-1.054*** (0.134)	-1.249*** (0.250)	-1.217*** (0.140)	-1.256*** (0.247)	-1.211*** (0.143)
Asian	-0.632*** (0.107)	-0.425 (0.242)	-0.562*** (0.137)	-0.443 (0.244)	-0.557*** (0.137)
Med Education	0.227*** (0.033)	0.189*** (0.048)	0.185*** (0.037)	0.198*** (0.048)	0.207*** (0.037)
High Education	0.140*** (0.033)	0.073 (0.049)	0.054 (0.038)	0.085 (0.049)	0.092* (0.037)
Son's HGS	0.006*** (0.001)	0.004*** (0.001)	0.004*** (0.001)	0.007*** (0.001)	0.009*** (0.001)
Mother's HGS		0.006*** (0.001)			
Father's HGS			0.008*** (0.001)		
Mother's Mobility				-0.141*** (0.035)	
Father's Mobility					-0.174*** (0.028)
Region	Yes	Yes	Yes	Yes	Yes
Wave	Yes	Yes	Yes	Yes	Yes
Obs.	73063	35949	58983	35949	58983
Pseudo R2	0.048	0.047	0.051	0.046	0.048
Log-likelihood	-72688.3	-35651.5	-58706.7	-35703.7	-58873.0
Log-likelihood at zero	-76318.3	-37426.9	-61873.9	-37426.9	-61873.9

Note: Standard errors clustered on individuals in parentheses; significance*** = 1%, ** = 5%, * = 10%.