The political preferences of public employees:

Challenging the selection hypothesis*)

Jørn Rattsø, Norwegian University of Science and Technology and Rune J. Sørensen, BI Norwegian Business School (jorn.rattso@svt.ntnu.no, rune.sorensen@bi.no)

Abstract

As survey data for several countries show, the political attitudes of public employees differ quite significantly from those of workers in private sector. The former are more likely to be more left-wing oriented, vote socialist, and want bigger government. While the public choice school has emphasized the role of incentives as the explanation of this disparity, the mainstream hypothesis remains selection. ‘Hard-wired’ political preferences, it proposes, induce those who favor government solutions to seek employment in the public sector.

We suggest a new way of testing the selection hypothesis by comparing the preferences of private and public employees before and after retirement. If the occupational selection hypothesis is correct, we would not expect retirement to affect policy preferences. The results of an analysis based on data from seven Norwegian election surveys are not consistent with selection theory, however. While public and private employees do indeed differ with respect to ideological orientation, party choice, and policy preferences – their preferences converge when they stop working.

Keywords: Private/ public cleavage, ideological values, selection, incentives

Date: August, 2013

*) We appreciate the comments of participants at the December 2012 BI workshop on political economy, in particular Jon Fiva and Olle Folke. We have also benefitted from comments at a seminar in at the Departement of Political Science in May 2013, especially Oddbjørn Knutsen.
Introduction

The expansion of the public sector has raised scholarly interest in the political attitudes and voting behaviors of public versus private employees. Traditional voter alignments have disintegrated (Lipset and Rokkan 1967), and new political cleavages have emerged (for an overview see Colomer and Puglisi, 2005). The political preferences of public and private employees constitute one of these new dimensions.

There is broad agreement today that public and private sector employees differ in their political attitudes and behavior (see Jensen et al., 2009 for an overview). The public employee wants a bigger public sector, and her ideological allegiances incline toward the left. She is more likely than her private sector counterpart to vote for a party with a leftist or socialist platform. One explanation of this phenomenon is known as the selection hypothesis according to which the public sector simply attracts people with different political preferences and behaviors than the private sector does. Essentially, the selection hypothesis assumes there are differences in people’s deep-seated ideological convictions.

The public choice school has painted a less favorable picture of the ‘bureaucrats,’ whose preferences should rather be understood as self-centered responses to occupational incentives. The ‘bureau voting model’ assumes that public employees benefit from larger government, and bureaucratic incentives are therefore analyzed in the context of public sector growth and efficiency (Downs 1967; Niskanen 1971). Public employees seek to improve their employment opportunities, salaries, and possibly on-the-job consumption. They will therefore vote for parties which are more likely to expand the public sector, and resist policies encouraging privatization and competitive tendering. Bush and Denzau (1977), Bennett and Orzechowski (1983), Blais et al. (1990; 1991) and Garand et al. (1991) supplied early evidence in support of these hypotheses.

One line of empirical research addresses political preferences and behavior, commonly based on survey data. Knutsen (2001; 2005) found that public employees are more likely to vote for socialist parties than employees in the private sector. His finding is true of several countries, including the Scandinavian ones, France, and the UK. In a recent pooled analysis of national election survey data, Jensen et al. (2009) find that the self-reported ideological orientation of public employees leans more to the left, and they are more likely to vote for left-wing parties. In
Norway, this sector-wise division of party preferences was first noted in the 1977 parliamentary election, but the gap widened during the 1980s and 1990s (Bjørklund 1999:293). The voting pattern of public employees was established during the expansion of the welfare state in the 1970s. Analyses have also been done on survey data that have been broken down into sector cutting across the public/private distinction. Tepe (2012) finds different voting behaviors and attitudes among government employees working in public health, education and services. It can be argued that egalitarian motives are important in the recruitment of personnel to the public health and education sectors, while more rule-oriented people will tend to be attracted to jobs in public administration.

Another line of research focuses on motivational differences among public and private sector employees (Perry and Wise 1990). Public sector employees, it is suggested, are more dedicated to helping people and serving society than people working in the private, for-profit sector. Brewer (2003) compares civic attitudes of public servants and other citizens and found a higher preponderance of civic participation among government workers. Furthermore, it is argued, public employees put less emphasis on economic rewards, and more emphasis on ‘intrinsic motivation’ than do the employees in the private sector (Rainey and Bozeman 2000; Besley and Ghatak 2003; Perry, Hondeghem and Wise 2010; Jakobsen and Sørensen 2012; Cowley 2013;).

It is not clear whether selection based on motivational orientation is important to people’s choice of first job. In a study of public accounting firms, Chatman (1991) studied the entry and socialization experiences of 171 recruits over a period of two and a one-half year. Based on these data, she suggests that selection and socialization are important for understanding why private sector employees have personal values that correspond to those of the employer (the person-organization fit). In a study of the occupational choices of US lawyers, Wright and Christensen (2010) find that public service motivation (an inclination 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 on the threshold of their first job and who have switched between public and private sectors. Public service motivation does not appear to predict whether the first job of these physiotherapists will
be in the public or private sector, nor the likelihood of their changing from the private to public sector or vice versa. What these studies suggest is that personal values exert little influence on job seekers’ career choices. Gregg et.al (2012) analyzes the extent of unpaid overtime based in individual-level household survey data. They find that people who work in the non-profit caring sector provide more overtime than those in the for-profit caring sector. Based on an analysis with respondent fixed-effects, the individuals appear not to change the amount of donated labor. A main reason for differences in the observed differences in pro-social behavior appears to be differential selection or sorting into employment sector. Dur and Zoutenbier (2013) employ a German individual-level survey panel to analyze employee altruism and laziness. They observe that the public sector employees are more altruistic than employees in the private sector at the start of their work careers, and that the difference persists as long as they work. Differences in laziness are small early in the careers, but public sector employees become lazier than employees in the private sector over time. These studies lend some support to the idea that work-related motivation influences whether people choose to work in the public/non-profit or in the private/for-profit sectors. Yet only a few empirical studies have actually questioned the selection hypothesis in the context of ideology, party choice and political viewpoints. A recent contribution suggests 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).

One interesting approach compares municipal employees that work outside vs. inside their home municipality. When the municipal employee works outside her home municipality, her voting decision will indicate 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 on districts in Los Angeles county, Moe (2006) found substantially higher turnout rates among people living and working in the same district. This appears to support the hypothesis of occupational self-interest. Bhatti and Hansen (2012) analyze extensive register data from Denmark. Working and voting in the same municipality, they found, induces higher rates of voter participation. The effect, though, is not particularly wide (about 4 percentage points). The higher
turnout rates of public employees might be due, the authors suggest, to selection rather than incentives, partly at least. In our understanding, their approach is likely to underestimate incentive effects. First, policy making is contagious across municipalities and levels of government (see, for example, Lee and Strang 2006). If a neighboring municipality implements policy reforms (such as lower taxes or competitive tendering), others may follow. Public employees may well take these spillover effects into account. Second, public employees who are not employed in their residential municipality may want a job in the home municipality for practical reasons. The public employee will therefore have a personal interest in maximizing employment opportunities at home, which is best served by her acting as if she were employed by the home municipality.

We propose a new identification strategy where we look at and compare the attitudes and preferences of private and public employees before and after retirement. We would not expect preferences to change when employees stop working if their policy preferences are shaped by ‘hard-wired’ ideological positions. We would expect to find similar disparities in policy preferences when we divide the retired employees into groups by occupational background. If the selection is not based on intrinsic preferences we would expect to see an alignment of interests across retirees previously employed in the different sectors. Policy preferences shift when occupational interests disappear.

We rely on several Norwegian elections surveys to identify which sector current employees are working in, and which retirees worked in before. This allows us to compare voters in private and public employment past and present, and analyze whether preferences and behaviors shift when they retire. The selection hypothesis suggests that people’s ideology, voting behaviors, and policy preferences remain unchanged when they stop working. We study respondents’ own placement on a left–right scale, their voting for socialist versus non-socialist parties, and preferences for a larger public sector and privatization.

We analyze the relationship between current and former private/public employment and political preferences and behavior by means of 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 across time and place. We handle this issue by 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 without bearing on the incentive effect.

The results suggest that citizens who work in the public sector are more likely to locate
themselves to the left on the self-placement scale. They also tend to vote for left-wing parties.
Voters with a background in the public sector also want a larger public sector and higher tax
rates, and are more inclined to oppose competitive tendering in government. When public sector
workers retire, 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, however, that the retired individuals do not change preferences on other
political issues. In other words, the selection effect can hardly explain our data. The
public/private cleavage remains important during employment and while retirement leads ex-
public sector workers to pursue their own personal interests.

In the following sections we outline the institutional details of Norwegian local government,
describe the survey data used in the analysis before specifying the empirical strategy used to test
selection effects. Finally, we present the regressions results.

Institutional background and data

We analyze political preferences and behavior in a welfare state with homogenous institutions
and make use of interview data based on both local and national elections. Norwegian public
administration is a three-tier system with a central government, 19 county governments and 434
municipal councils. Elections to the municipal and county councils are held every four years in
alternation with four-yearly parliamentary elections (to the Storting).
The Norwegian election surveys

We use data from seven election surveys providing representative samples of the voting populations. The local election surveys were conducted during the local elections of 1999, 2003, 2007, and 2011, and parliamentary election surveys during the general elections of 2001, 2005, and 2009 (Otterbeck, Rose, and Saglie 2010). NSD supplied a cumulated dataset from these surveys (see their homepage for detailed documentation of the data).

Occupational background

A major advantage of these seven surveys is that respondents are asked identical questions about sector affiliation in current and previous employment. The questionnaires start with a filter question:

Which of the following describes your current situation? Employed; student; retiree; early retiree; disabled; home worker; conscript; other; prefer not to answer; don’t know.

Other questions identified sector affiliation:

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

The research design is intended to facilitate a comparison of working people and those who have retired permanently. We have included all who work in own firm or private business (private employees) and all who work in local, county or central government (public employee). In some settings we distinguish between local government employees (including county governments) and central government employees. We have excluded those who work for voluntary organizations and foundations. We have excluded those outside the labor market - students, conscripts and people who for other reasons have never had a job or were temporarily unemployed. Retirees are defined as people who were a) employed previously, b) are at least 50 years old, c) are recipients of old-age pensions, early retirement benefits or disability pensions, or worked at home / are currently unemployed.

Table 1 describes the dataset of about 9,900 respondents. Among the employees about 56% represent the private sector and 44% the public sector. Among the retirees about 52% refer back to private sector employment and 48% report previous public sector employment. The difference in sector affiliation between employees and referees may reflect larger survival rates among public sector employees (the data includes people up to 80 years of age). More women work in the public sector and they live longer.

Table 1 about here

*Ideology, party preference, and policy preferences*

We analyze respondents’ ideological positions in terms of the left–right scale, party preferences related to the socialist and non-socialist bloc, and 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 concentrate on party preferences for reported party choice 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 earlier. We combine data from both the local and national election surveys in the analysis of national elections. The Red Electoral Alliance, the Socialists Left Party, and the Labor Party are classified as socialist parties, and the Center party, Christian People’s Party, Liberal Party, Conservative Party, Progress Party and others are categorized as non-socialist parties.

Respondents’ ideological orientation is measured by the left-right self-placement (Question):

“In political discussions people frequently talk 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 purchase services from private businesses to a larger extent 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 a negative number means they oppose privatization. A question addressing the trade-off between reducing taxes and expanding public services was therefore been included in the national election surveys. 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.”

5The 2011 local election survey deviates from this pattern. Respondents were asked to say which party they would have voted for if a parliamentary election were held tomorrow.
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 question where the differences in the opinions of public and private employees differed widely, but were not primarily designed to elucidate the role of the public sector. The question concerning Norway’s membership of the EU posed in 2001 and 2005 went as follows:

A score of zero on the scale signifies complete opposition to Norway becoming an EU member; a score of 10 signifies complete support for Norway becoming an EU member. Where would you put yourself on this scale?

The question in 2009 went:

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

The political preferences of retirees and employees – Descriptives

The survey describes the ideological position, party choice and policy preferences regarding public sector size and privatization of each type of respondent, as shown in Table 2. We present separate descriptive statistics for the national and local election surveys. The surveys yield comparable information with respect to respondents’ average age, gender, and share with higher education.

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 are much more likely to have higher education qualifications. As expected, current employees are better educated than retirees from the same sector.
The statistics in Table 2 document the political preferences of public and private sector employees at recent elections. 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 about 39% of the public employees vote for non-socialist parties in national elections, while about 53% of private employees vote for non-socialist parties. The data presented here are based on the research of Bjørklund (1999:293) and Knutsen (2001; 2005).

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 appears to swing from socialist to non-socialist political parties at national elections, the non-socialist vote increases from 38% to 50%. The private sector retirees show a tendency to support socialist parties to a greater extent, and the non-socialist vote is reduced from 53% to 49%. In other words, party polarization observed among employees narrows considerably when we get to voters whose working careers are over.

In Norwegian politics, traditional market-related class politics have tended to define the positions of the Labor Party and Conservative Party, historically speaking. The ‘center parties’ (Center Party, Christian People’s Party and Liberal Party) have traditionally grown out of and reflected the values and interests of rural communities. In parallel with the decline of these classical partisan dimensions, two relatively new political parties have emerged, each espousing the opposite position on the role of the public sector (Bjørklund 1999:293). The Socialist Left Party wants to expand the role of government, while the Progress Party started out as a movement to reduce size of public sector.

Support for the individual political parties by employment sector and status as employee/retiree is shown in the Appendix Table. In the public sector, the retirement effects are considerably larger for the Socialist Left and Progress Parties than the others. The Socialist Left Party loses support after retirement, and the Progress party gains support. In the private sector, the Labor Party gains additional support when people stop working, while support for the Conservative Party tapers off.

The ideological position of the respondents is also shown in Table 2. Public employees have scores well below the midpoint (5) on the left–right index, positioning themselves to the left.
Private sector employees are more likely to select right-wing scores, i.e. above 5. When they retire, public employees move towards the right, and private sector employees 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. Central government employees appear to become more supportive of privatization after retirement, while local government employees do not change their mind noticeably. On the other hand, private sector employees grow increasingly skeptical to privatization after retiring.

The preferences for a larger public sector also are shown in Table 2. Public employees are more strongly in favor or expansion than those employed in the private sector. Local government employees want less expansion after retirement; central government employees express a slight preference for expansion while private sector employees prefer more expansion after having withdrawn from the labor market. While public and private employees tend to mirror traditional ideological cleavages, retirement seems to induce a major convergence in opinions.

Econometric design

The econometric model is formulated to test whether retirement affects political preferences and behaviors, and if so, how. 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. As discussed below, inasmuch as we are studying different people at different points in time we need to control for personal characteristics of importance in this context.

The baseline regression model can be written:

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

Responses: The response variables are ideology (left–right position, measured in both local and national election surveys), party choice (measured separately at elections to local councils by the
local election studies and for parliamentary elections in both surveys), and preferences for public sector expansion and privatization (based on the national and local election surveys respectively).

**Occupation:** Private sector (that is working in a private company or personally owned company), local government, or central government. People working in voluntary organizations or foundations have been excluded from the analyses.

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

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

**Gender:** 1 if female, 0 if male.

**Education:** Educational level is classified as primary/lower secondary school (6–15 years of age), upper secondary school (15-19 years of age), lower university degree (Bachelor’s degree or equivalent), and upper university degree (Master’s degree or equivalent and 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 will vary by occupation and the coefficient b is different from zero. If the cleavage represents selection based on intrinsic preferences, we would expect responses to remain essentially unchanged on retirement, and the coefficient d is equal to zero. If political preferences and behaviors change as a result of retirement, coefficient d will be different from zero and we can conclude that elements of the cleavage are related to the work status of the respondents. Such shifts in political attitudes, and in particular the tendency for convergence after retirement, are not consistent with selection based on permanent characteristics of the individuals involved.

The alternative understanding of socialization and incentives envisages a move toward 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 will lessen his support for big government and increase his support for privatization, and, possibly, the reverse among former workers in the private sector. The socialization and incentive hypotheses therefore predict a degree of convergence in ideology, voting behaviors, and policy preferences.
We introduce a set of control variables to accommodate the heterogeneity of individuals with respect to occupation and retirement. Age is relevant for preferences regarding public sector services. Higher age shifts own interests from services that benefit young people to the benefits of welfare services for the elderly. Folke, Fiva, and Sørensen (2012) show that a shift from a leftist to a rightist local council will be accompanied by a rebalancing of the budget away from child care services to services for senior citizens. Subject to this life-cycle effect, the elderly would hence be more likely to support right-wing parties. Alternatively, generational effects may cause different age-groups to display dissimilar political preferences. For example, events in the early life of the generations born before World War II may dispose them to supporting rightist or leftist parties. We control for these influences by including age-groups as independent variables.

The politics of the public sector is also affected by gender. Women in advanced industrialized countries, including Norway, are increasingly more likely to support left-wing/socialist parties than men (see, for example, Inglehart and Norris 2000: 453; Norrander and Wilcox 2008). This ‘political gender gap,’ it has been suggested, is due to higher divorce rates, leading to a reduction in women’s relative income level (Edlund and Pande 2002). An alternative explanation points to the sharp increase in women’s participation in the labor market, with a disproportionally large number of these women working in an expanding public sector. The new cohorts of women may have selected themselves into types of education and occupation that are consistent with their intrinsic preferences (selection); or, alternatively, women may simply vote for leftist parties because these parties serve their personal interests (incentives). We therefore include respondents’ sex in the regression model.

Average educational achievement is higher among public sector (particularly central government) workers than private sector workers, and education may also affect people’s political views and ideological preferences. But we can also view education as a choice variable. Some prefer to work for the public good as civil servants, and pursue higher qualifications 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 will have lower qualifications than people in the work force. When we compare current employees and retirees, this factor could explain the differences we observe in political preferences. 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 possibility of retirement inducing a general shift in political preferences and behaviors is the remaining challenge. To tackle this, we have designed a placebo analysis where we use the same regression model to study preferences for an issue not directly related to occupation – Norwegian membership of the EU. If retirement is not accompanied by a change in people’s preferences regarding EU membership, the interaction coefficient of occupation and retirement \( d \) is zero, and could be interpreted as support for the hypothesis that shifts in political preferences and behaviors related to occupation are not based on selection.

Analysis of political preferences and behaviors

We present the main estimates for left–right positioning and socialist/non-socialist party choice in Table 3 based on the surveys covering seven elections. The estimates for left–right positions (columns 1–2) 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 sex and age are not that important. Respondents employed in the private sector place themselves to the right (index value of about 5.7 on the scale from 1 to 10) and respondents in the local and central government groups to the left (index values 4.7 - 4.8)\(^6\). 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 associated with the different sectors change their ideological positions. The signs of the coefficients indicate convergence. The negative coefficients of private sector retirees show a movement away from the right, and the positive coefficients of the public sector retirees suggest movement to the right. The shifts in viewpoints are statistically significant for both groups. The size of the shifts suggests that private and public sector retirees both have about the same placement on the left–right scale. The parameter estimates are not noticeably changed by including controls for education. The F-tests reported at the bottom of the table show statistically significant shifts with retirement overall.

\(^6\)The presence of fixed effects for years and county/municipality means that the main effects in Table 3 are not directly comparable with the averages presented in table 2.
Table 3 (columns 3-4) shows the analysis of party choice. We report the share of respondents voting 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 at the national elections. A private sector employee is about 15 percentage points more likely to support a non-socialist party than a public sector employee.

The voting patterns of public and private sector retirees are very different from those of employees in the sectors. The non-socialist vote of private sector retirees falls by 4-6 percentage points, while local government retirees increase their non-socialist vote by 9-11 percentage points. Both retired groups converge around the national average when retiring, the traces of their sectoral affiliation almost completely wiped out. We note that central government employees are not significantly affected by retirement.

Based on cross-national data, Tepe (2013:242) found a similar public/private cleavage in employees’ party preferences, but no differences among the elderly retirees. This result is consistent with ours. Our understanding is that the cleavage in ideological orientation and voting behavior are related to employment status, rather than to permanent characteristics of the individuals.

We present estimates for policy preferences in Table 4. As we saw in Table 2, public employees want to expand the public sector more than private sector employees do. Retirement appears to cause a reduction of 7–8 percent in the number of (former) 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 in the local election surveys about local privatization are centered on zero. A positive index value implies agreement, while a negative value means disagreement. The upper panel in columns 3 and 4 shows level differences with respect to occupation. The respondents from both local and central government employees are much more negative than private sector employees.

Table 4 about here
The estimates identifying the shift in attitude of the retirees in the lower panel reveal fundamental change on this policy issue. Private sector retirees become more negative to privatization after retirement. Public employees become more positive to privatization after retirement. The shift in position of retirees is large and statistically significant. The shift in behavior is not only related to ideological positioning and socialist/non-socialist voting preferences, but is also important to a key and controversial policy issue.

These results, we want to note, follow from a general shift in political preferences after retirement. Changes in living conditions with retirement may affect all aspects of political attitudes. In this case selection may be at work during employment, but the differences disappear because all employees change their preferences after retiring. We look at a controversial issue not directly related to employment sector, whether Norway should join the EU. The survey data show that public employees are less likely to support EU membership than those in 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 columns 5 and 6 of Table 4. The regression models are the same as above. Preferences based on occupation are quite different, with local government employees particularly negative to the EU. The striking deviancy from the previous tables is due to the lack of significant results of interaction effects after retirement in the lower panel. The coefficients indicate no statistically significant shift after retirement, although the direction of change in the first column suggests that all retired individuals 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 after retirement.

The placebo test rejects the notion that it is a general phenomenon for people to revise political preferences when they retire. In our analysis only preferences bearing on the distinction between private and public employment show a marked retirement-related shift, towards convergence for the two employment groups. The left–right orientation, party voting, and preferences about public sector size and privatization change after 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 preference difference between present private and public sector employees. The selection effect can be assessed as the difference in preference between retired private sector employees (including people who own their own firm and employees of private companies) 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.

It can be argued that the shifts in political behavior with retirement reflect a life-cycle effect. People change their political attitudes gradually as they grow older. To investigate this we separate the employees into three age groups: 40 years of age or below, 41-55 years of age, and 56 years of age and above. Table 5 reports the data for our four political variables and three employment groups using the disaggregation with respect to age. In the first panel we see that left-right positioning is quite steady across age groups, about 5.7 for private sector employees and 4.7 for local government employees. In the second panel 60% of the private sector employees vote non-socialist across age groups. The deviations from this consistency across age groups do not indicate an important age effect explaining out retirement results. The age differences regarding the policy issues of privatization and size of the public sector also do not differ systematically across age groups.

Table 5 about here.

We can investigate the importance of socialization by comparing employees exposed to similar forms of occupational socialization, but with different incentives to influence political decisions. The 2011 local election survey allows us to compare local government employees who work in their home municipality (where they vote) and those who work in another municipality. They are of the same average age (42), are used to similar working environments, but have different incentives to vote for a non-socialist party. About 26 percent of those working in their home municipality vote for a non-socialist party, compared to 32 percent of those working in another municipality. Private sector employees are more likely to vote for a non-socialist party when they work in the home municipality than if they work in another municipality. Now these differences are not statistically significant at conventional levels given the limited number of observations. In the data investigated here, employee attitudes appear to be very stable across age groups.
Socialization, then, would seem to be a less important factor in explaining why public sector employees become more right-wing as they become older.

Concluding remarks

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

We offer a test to determine whether these differences are due to selection – that people with intrinsically different preferences choose different sectors to work in. The test relies on a comparison of political preferences and behaviors by occupation during employment and in retirement. The analysis shows that when public employees stop working, they are more likely to vote for non-socialist parties. The reverse occurs when private sector employees retire: they switch toward the socialist parties. When people retire from work in either sector, they adopt 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


Table 1. Occupational distribution in Norway 2001-2011.

<table>
<thead>
<tr>
<th>Total private sector employment</th>
<th>Employee</th>
<th>Retiree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local government</td>
<td>29,5</td>
<td>31,0</td>
</tr>
<tr>
<td>Central government</td>
<td>14,6</td>
<td>17,4</td>
</tr>
<tr>
<td><strong>Total public sector employment</strong></td>
<td><strong>44,1</strong></td>
<td><strong>48,3</strong></td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

(N) (7779) (2155)

Employee: A person who considers himself/herself as employed.
Retiree: A person who is a) previously employed, b) more than 50 years of age, c) and considers himself/herself an old-age pensioner, early retirement pensioner or disability pensioner, or reports that he/she works at home or is unemployed.
Employees or retirees who work or have worked in voluntary organizations or foundations have been excluded from the analyses.
Table 2. Descriptive statistics.

<table>
<thead>
<tr>
<th></th>
<th>Private sector</th>
<th>Employees Local government</th>
<th>Central government</th>
<th>Private sector</th>
<th>Retirees Local government</th>
<th>Central government</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age of respondent</td>
<td>41.9</td>
<td>44.8</td>
<td>43.7</td>
<td>67.1</td>
<td>67.2</td>
<td>68.2</td>
<td>11379</td>
</tr>
<tr>
<td>Women %</td>
<td>31.9</td>
<td>72.5</td>
<td>48.5</td>
<td>41.9</td>
<td>70.9</td>
<td>39.0</td>
<td>11379</td>
</tr>
<tr>
<td>Higher education %</td>
<td>27.6</td>
<td>48.4</td>
<td>49.2</td>
<td>16.5</td>
<td>30.3</td>
<td>23.9</td>
<td>9934</td>
</tr>
<tr>
<td>Av. score LR-index</td>
<td>5.73</td>
<td>4.67</td>
<td>4.83</td>
<td>5.29</td>
<td>5.14</td>
<td>5.14</td>
<td>8087</td>
</tr>
<tr>
<td>Non-socialist voting in national elections, %</td>
<td>53.2</td>
<td>38.3</td>
<td>40.2</td>
<td>49.1</td>
<td>50.0</td>
<td>42.3</td>
<td>10102</td>
</tr>
<tr>
<td>Privatization in local government, avg. (index,LES)</td>
<td>0.127</td>
<td>-0.286</td>
<td>-0.229</td>
<td>-0.134</td>
<td>-0.273</td>
<td>-0.155</td>
<td>4926</td>
</tr>
<tr>
<td>Expanding the public sector (index, NES)</td>
<td>0.632</td>
<td>0.774</td>
<td>0.757</td>
<td>0.707</td>
<td>0.718</td>
<td>0.782</td>
<td>5568</td>
</tr>
<tr>
<td>Support for membership in the EU (index; NES)</td>
<td>5.19</td>
<td>4.27</td>
<td>5.12</td>
<td>5.00</td>
<td>4.51</td>
<td>5.05</td>
<td>4241</td>
</tr>
</tbody>
</table>

NES: National Election Studies
LES: Local Election Studies

Socialist party choice: Respondents who voted for the Red Electoral Alliance, Socialist Left Party or Others/joint lists.

When data source is not indicated, the statistics derive from both the national and the local election studies (NES+LES).
### Table 3. Regression analyses of political preferences on occupation and employment status.
The regression includes controls for gender, age cohorts, education levels, survey year and county.
Parameter estimates in bold, standard errors in parentheses below estimates.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Left-right positions</th>
<th>Non-socialist party choice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No control for education</td>
<td>With control for education</td>
</tr>
<tr>
<td>Private sector</td>
<td>5,176 (0.493)</td>
<td>5,209 (0.499)</td>
</tr>
<tr>
<td>Local government</td>
<td>4,203 (0.494)</td>
<td>4,238 (0.501)</td>
</tr>
<tr>
<td>Central government</td>
<td>4,317 (0.495)</td>
<td>4,358 (0.501)</td>
</tr>
<tr>
<td>Private sector *</td>
<td>-0,347 (0.103)</td>
<td>*** -0,460 (0.112)</td>
</tr>
<tr>
<td>Retiree</td>
<td>(0.12)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Local government *</td>
<td>0,506 (0.119)</td>
<td>*** 0,822 (0.189)</td>
</tr>
<tr>
<td>Retiree</td>
<td>(0.15)</td>
<td>(0.15)</td>
</tr>
<tr>
<td>Central government *</td>
<td>0,347 (0.150)</td>
<td>* 0,376 (0.164)</td>
</tr>
<tr>
<td>Central government Retiree</td>
<td>(0.16)</td>
<td>(0.16)</td>
</tr>
</tbody>
</table>

(N) | (8085) | (6674) | (9880) | (8116) |
F-test: Occupation (DF) | 43,0 (2) | *** 39,04 (2) | *** 18,88 (2) | *** 25,40 (2) |
F-test: Occupation*Retiree (DF) | 17,2 (3) | ** 12,0 (3) | *** 11,36 (3) | *** 9,32 (3) |

*:p<0.05
**:p<0.01
**:p<0.001

Socialist party choice in national elections: Respondents who voted for the Red Electoral Alliance, Socialist Left Party or Labour Party.
Private sector includes personally owned firm and private corporation. Organization/foundation has been excluded from the analyses.
The main effects are estimated with reference groups: County (Østfold), Municipality (no. 2030), Age (70 years or more), Gender (men), Education (highest level).
All analyses comprise election year fixed effects.
Table 4. Regression analyses of policy preferences on occupation and employment status.
The regression includes controls for gender, age cohorts, survey year and country (parliamentary elections;NES)/municipality (local elections;LES).
Parameter estimates in bold, standard errors in parentheses.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Expand public sector (NES)</th>
<th>Local privatization (LES)</th>
<th>Support for membership in the European Union (NES)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No control for education</td>
<td>With control for education</td>
<td>No control for education</td>
</tr>
<tr>
<td>Private sector</td>
<td>0.671 (0.050)</td>
<td>0.632 (0.053)</td>
<td>-0.244 (0.215)</td>
</tr>
<tr>
<td>Local government</td>
<td>0.789 (0.050)</td>
<td>0.751 (0.053)</td>
<td>-0.652 (0.215)</td>
</tr>
<tr>
<td>Central government</td>
<td>0.772 (0.051)</td>
<td>0.750 (0.053)</td>
<td>-0.664 (0.215)</td>
</tr>
<tr>
<td>Private sector*</td>
<td>0.031 (0.024)</td>
<td>0.028 (0.024)</td>
<td>-0.092 * (0.040)</td>
</tr>
<tr>
<td>Retiree</td>
<td>0.023 (0.028)</td>
<td>0.026 (0.028)</td>
<td>0.158 *** (0.046)</td>
</tr>
<tr>
<td>Local government*</td>
<td>-0.077 ** (0.023)</td>
<td>-0.078 ** (0.028)</td>
<td>0.158 *** (0.046)</td>
</tr>
<tr>
<td>Retiree</td>
<td>0.014 (0.025)</td>
<td>0.011 (0.035)</td>
<td>0.240 *** (0.022)</td>
</tr>
<tr>
<td>Central government*</td>
<td>-0.077 ** (0.023)</td>
<td>-0.078 ** (0.028)</td>
<td>0.158 *** (0.046)</td>
</tr>
<tr>
<td>Retiree</td>
<td>0.014 (0.025)</td>
<td>0.011 (0.035)</td>
<td>0.240 *** (0.022)</td>
</tr>
<tr>
<td>(N)</td>
<td>(4014)</td>
<td>(4014)</td>
<td>(5674)</td>
</tr>
<tr>
<td>F-test: Occupation</td>
<td>17.31 (2) ***</td>
<td>18.29 (2) ***</td>
<td>58.75 (2) ***</td>
</tr>
<tr>
<td>F-test: Occupation*</td>
<td>8.61 (3) ***</td>
<td>4.57 (3) **</td>
<td>12.63 (3) ***</td>
</tr>
</tbody>
</table>

*:p<0.05  
**:p<0.01  
***:p<0.001

Private sector includes personally owned firm and private corporation. Organization/foundation has been excluded from the analyses.
The main effects are estimated with reference groups: County (Østfold), Municipality (no. 2030), Age (70 years or more), Gender (men), Education (highest level).
Analyses based on the Local Election Surveys (LES) include fixed effect for municipality, and those based on the National Election Surveys (NES) include fixed effects for county. All analyses comprise election year fixed effects.

2001,2005: "A score of zero on the scale signifies complete opposition to Norway becoming an EU member; a score of 10 signifies complete support for Norway becoming an EU member. Where would you put yourself on this scale?"
2009: "Where would you place yourself on a scale from zero to ten where zero means that Norway should absolutely not become an EU member, while ten means that Norway absolutely should join the EU."
<table>
<thead>
<tr>
<th></th>
<th>Private sector</th>
<th>41-55 years</th>
<th>56 - years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Left-right self-placement (index)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 40 years</td>
<td>41-55 years</td>
<td>56 - years</td>
</tr>
<tr>
<td>Private sector</td>
<td>5,77</td>
<td>5,67</td>
<td>5,72</td>
</tr>
<tr>
<td>Local government</td>
<td>4,76</td>
<td>4,55</td>
<td>4,79</td>
</tr>
<tr>
<td>Central government</td>
<td>5,04</td>
<td>4,69</td>
<td>4,66</td>
</tr>
<tr>
<td>(N)</td>
<td>(2598)</td>
<td>(2566)</td>
<td>(1144)</td>
</tr>
<tr>
<td><strong>Non-socialist voting in national elections, %</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 40 years</td>
<td>41-55 years</td>
<td>56 - years</td>
</tr>
<tr>
<td>Private sector</td>
<td>60,00</td>
<td>61,60</td>
<td>60,70</td>
</tr>
<tr>
<td>Local government</td>
<td>39,80</td>
<td>40,30</td>
<td>47,70</td>
</tr>
<tr>
<td>Central government</td>
<td>45,60</td>
<td>42,70</td>
<td>40,30</td>
</tr>
<tr>
<td>(N)</td>
<td>(2940)</td>
<td>(2806)</td>
<td>(1230)</td>
</tr>
<tr>
<td><strong>Local privatization (index)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 40 years</td>
<td>41-55 years</td>
<td>56 - years</td>
</tr>
<tr>
<td>Private sector</td>
<td>0,151</td>
<td>0,151</td>
<td>0,018</td>
</tr>
<tr>
<td>Local government</td>
<td>-0,132</td>
<td>-0,410</td>
<td>-0,402</td>
</tr>
<tr>
<td>Central government</td>
<td>-0,122</td>
<td>-0,290</td>
<td>-0,330</td>
</tr>
<tr>
<td>(N)</td>
<td>(1741)</td>
<td>(1725)</td>
<td>(782)</td>
</tr>
<tr>
<td><strong>Expand public sector (index)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 40 years</td>
<td>41-55 years</td>
<td>56 - years</td>
</tr>
<tr>
<td>Private sector</td>
<td>0,611</td>
<td>0,636</td>
<td>0,657</td>
</tr>
<tr>
<td>Local government</td>
<td>0,746</td>
<td>0,804</td>
<td>0,760</td>
</tr>
<tr>
<td>Central government</td>
<td>0,740</td>
<td>0,762</td>
<td>0,785</td>
</tr>
<tr>
<td>(N)</td>
<td>(1482)</td>
<td>(1255)</td>
<td>(527)</td>
</tr>
</tbody>
</table>
By employment sector and employee/retiree.

<table>
<thead>
<tr>
<th></th>
<th>Private sector</th>
<th>Local government</th>
<th>Central government</th>
<th>Private sector</th>
<th>Local government</th>
<th>Central government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Electoral Alliance (RV)</td>
<td>0,8</td>
<td>1,0</td>
<td>2,9</td>
<td>0,4</td>
<td>0,2</td>
<td>0,3</td>
</tr>
<tr>
<td>Socialist Left Party (SV)</td>
<td>6,8</td>
<td>18,1</td>
<td>14,3</td>
<td>4,5</td>
<td>5,6</td>
<td>6,5</td>
</tr>
<tr>
<td>Labour Party (AP)</td>
<td>26,5</td>
<td>35,3</td>
<td>36,0</td>
<td>35,9</td>
<td>34,9</td>
<td>42,7</td>
</tr>
<tr>
<td>Center Party (SP)</td>
<td>8,6</td>
<td>8,0</td>
<td>5,4</td>
<td>9,1</td>
<td>9,4</td>
<td>5,6</td>
</tr>
<tr>
<td>Christian People's Party (KrF)</td>
<td>7,3</td>
<td>10,9</td>
<td>8,4</td>
<td>7,1</td>
<td>14,0</td>
<td>7,5</td>
</tr>
<tr>
<td>Liberal Party (V)</td>
<td>4,2</td>
<td>5,5</td>
<td>8,0</td>
<td>2,8</td>
<td>5,1</td>
<td>2,5</td>
</tr>
<tr>
<td>Conservative Party (H)</td>
<td>26,7</td>
<td>13,1</td>
<td>16,4</td>
<td>16,6</td>
<td>17,5</td>
<td>17,8</td>
</tr>
<tr>
<td>Progress Party (FrP)</td>
<td>17,9</td>
<td>6,9</td>
<td>8,3</td>
<td>21,1</td>
<td>12,2</td>
<td>14,6</td>
</tr>
<tr>
<td>Others</td>
<td>1,0</td>
<td>1,1</td>
<td>0,4</td>
<td>2,5</td>
<td>1,2</td>
<td>2,5</td>
</tr>
<tr>
<td><strong>Sum</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
</tr>
<tr>
<td><em>(N)</em></td>
<td><em>(3533)</em></td>
<td><em>(1947)</em></td>
<td><em>(980)</em></td>
<td><em>(931)</em></td>
<td><em>(573)</em></td>
<td><em>(321)</em></td>
</tr>
</tbody>
</table>