**Is Social Policy ‘Popularly Demanded’?**
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**Summary**
- What explains variation in the generosity of social benefits? Individual-level preferences or interest groups?
- Result 1: Individuals exposed to a higher risk of unemployment are less likely to participate in the political process.
- Result 2: Labor union density and distribution of risk across occupations not correlated with over-time variation within states; preliminary evidence points to positive correlation between skill profile of state and benefit generosity.

**Motivation**
- As much variation between American states in the generosity of unemployment insurance as there is between OECD countries.
- By studying variation over time and across American states we can control for many of the national-level confounding institutions and outcomes that might also shape the differences between unemployment insurance generosity between different countries.

**Alternate Theory**
- Risk 
- Preference for Redistribution
- Policy Change
- Cross-Class Alliances

**Our Theory**
- Labor
- Support UI Benefits
- Political Mobilization
- Institutions
- Policy Change

**Individual-Level Analysis**
- Do individuals who are exposed to higher levels of unemployment risk support higher levels of unemployment insurance spending?
- Do these risk exposed individuals then go on to participate in the political process?
- Test theories using data from the International Social Survey Program’s 2006 “Role of Government” module.
- Replicate Rehm’s original finding that individuals exposed to higher levels of risk are more likely to support higher unemployment spending.
- Our outcome variables: whether or not the individual voted in the last national election and whether the respondent reported an interest in politics.
- Main explanatory variable: unemployment risk (unemployment rate in an individual’s occupation)
- Model: bivariate probit.

**Results**

**Future Directions**
We aim to extend our analysis of the effects of risk on political participation cross-nationally:
- How does this relationship vary across different countries?
- What sorts of institutions mediate this relationship?
- What are the implications of different risk-representation relationships for individual economic well-being?

**State-Level Analysis**
- What explains over-time variation in unemployment insurance generosity in the American states?
- Use new dataset of state-level economic outcomes, social policies, and political institutions from 1991 to 2007.
- Main outcome: UI replacement rate (average weekly UI benefit divided by the average weekly wage for a particular state and year).
- Main explanatory variables: distribution of unemployment risk (the Gini coefficient of occupational unemployment rates across nine major occupational groups); union density; skill profile (share of high-skilled occupations).
- Model: ADL(2,1) using both panel-corrected standard errors and panel-bootstrapped standard errors

\[
\gamma_{i,t} \sim N(\mu_{i,t}, \sigma^2)
\]

\[
\mu_{i,t} = \alpha + \theta \gamma_{i,t-1} + \sum_{k=0}^{n} \gamma_k \xi_{i,k-4}
\]

**Future Directions**
In future research, we aim to improve the measurement of our variables as well as test intermediary mechanisms:
- Measure replacement rates more accurately using panel data on actual wage replacement for recipients of unemployment benefits.
- Better measures of the industry and skill profile of each state.
- Better measures of business political mobilization and strength by sector in each state.