Who Becomes a Liberal?
An Empirical Study of the Choice between Liberalism and Libertarianism

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Abstract

This paper explores the mechanism that affects the choice between liberalism and libertarianism by analyzing social survey data in Japan. Thanks to neoliberal deregulations in Japan and the increasing globalization of Japanese society, the Japanese are now more likely to support a kind of libertarianism that emphasizes free competition, even though such competition increases income inequality. However, many of the supporters of libertarianism also approve of welfare policies. They could be called liberals. The main research question of this paper is what factors affect the choice between being either a "pure" libertarian or a liberal. My analysis shows that intergenerational educational mobility has a substantive effect on this choice. That is, a person who has a level of educational attainment that is lower than that of their father will tend to be a liberal rather than a libertarian. This is because downward educational mobility makes them consider themselves the underdogs and, therefore, they feel the necessity of welfare policies for protection.

This paper shows that changes over time have an important effect on the formation of a person's social consciousness. While it is true that such factors as education, income, and class affect social consciousness, the way that these factors change over time and across generations is also a strong explanatory variable, as exemplified by this paper.

Keywords: libertarians, liberals, educational mobility

1. The Rise of Libertarianism in Japan

The labor markets of advanced industrial countries have become more flexible to cope with globalization and changes in the industrial structure; Japan is not exempt from increasing market flexibility. Although Japan enjoyed high job stability and low unemployment rates during the high economic growth period of 1955 to 1973, it is now suffering from a prolonged recession. Conservative politicians and managers of large companies claimed that Japan should recover its economic vitality by implementing "structural reforms" through deregulation (Imai 2011). Such reforms, like the implementation of a law legalizing dispatched workers, have resulted in a sharp increase in the percentages of non-regular workers, as well as higher turnover rates in Japan's labor market (see Figure 1)[1]. The percentage of non-regular workers sharply increased from 16.1% to 29.8% over the two decades; the turnover rate also increased from 4.4% to 5.6% .
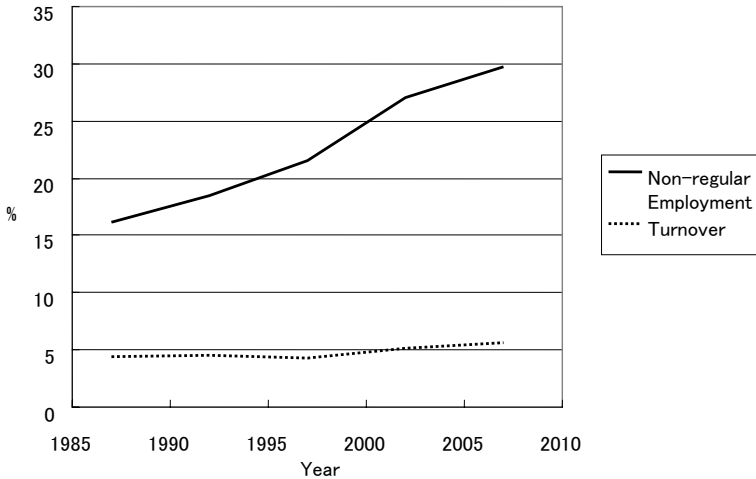

Figure 1   Percentages of Non-regular Employment and Turnover

Source: Employment Status Survey

The Japanese government, however, could not have implemented such structural reforms without support from Japanese citizens. When Junichiro

[1]   The percentage of non-regular workers is calculated by dividing the number of part-time, temporary, and dispatched workers by the total number of workers.

Koizumi, a strong promoter of neo-liberal policies in Japan, was nominated as the eighty-seventh prime minister in 2001, major newspapers reported that the approval rating of his cabinet was about 80% , which was the highest approval rating in the post-war political history of Japan. With this strong support, Koizumi persistently implemented various deregulation programs. Due to these reforms, Japan's labor market has become more flexible, widening the gap between rich and poor.

When his policies were criticized for increasing economic inequality, Koizumi replied, "I do not think the existence of inequality itself is wrong … We must realize a society where people with capability are rewarded if they work hard." This libertarian way of thinking is also supported by some Japanese. In the 2010 Stratification and Social Psychology Mail Survey (henceforth the SSP-P2010 Survey), the data of which this study analyzes, a third of respondents selected "agree" or "somewhat agree" in response to the statement that there is no problem with increasing the inequality of income to encourage people's self-help efforts (See Table 1).

Table 1　Distribution of Attitudes toward Income Inequality

	Frequency	Percentage
Agree	68	4.94
Somewhat agree	306	22.24
No opinion	455	33.07
Somewhat disagree	331	24.06
Disagree	216	15.7
Total	1,376	100

Source: SSP-P2010 Survey data

2. A Puzzle about Libertarians

People who have a positive attitude to libertarianism do not necessarily support a small government. Rather, some of them support welfare policies for the poor. One question in the SSP-P2010 Survey asked respondents how much they agree with the following statement:

The government should enhance the welfare of the disadvantaged, even if this

means increasing the taxes of the rich.

Table 2 cross-tabulates responses to this question with those of the abovementioned question on increasing the inequality of income. As shown in the table, around half of the respondents who said that they "agree" or "somewhat agree" with the statement about increasing inequality of income also said that they "agree" or "somewhat agree" with enhancing welfare (these respondents are shown by the bold solid rectangle in the table).

Why do people who support libertarianism also support the implementation of

Table 2 Distribution of Attitudes toward Income Inequality and Welfare Policy

Upper row: actual number

Lower row: percentage

		The government should enhance the welfare of the disadvantaged, even if this means increasing the taxes of the rich.					
		Agree	Somewhat agree	No opinion	Somewhat disagree	Disagree	Total
There is no problem with increasing inequality of income to encourage people's self-help efforts.	Agree	16	14	12	11	15	68
		23.53	20.59	17.65	16.18	22.06	100
	Somewhat agree	45	117	89	44	8	303
		14.85	38.61	29.37	14.52	2.64	100
	No opinion	65	183	156	39	11	454
		14.32	40.31	34.36	8.59	2.42	100
	Somewhat disagree	51	153	93	27	6	330
		15.45	46.36	28.18	8.18	1.82	100
	Disagree	91	58	44	10	10	213
		42.72	27.23	20.66	4.69	4.69	100
	Total	268	525	394	131	50	1,368
		19.59	38.38	28.8	9.58	3.65	100

Source: SSP-P2010 Survey data

welfare policy? What mechanism produces this seemingly contradictory pattern? This is the main research question of this paper. To answer it, I categorized the respondents of the SSP-P2010 Survey into four groups based on their responses to the two abovementioned questions. Respondents in the bold, dotted rectangle in Table 2 showed a positive attitude to increasing income inequality and a negative attitude to welfare policy. Thus they can be named *libertarians*. Meanwhile, respondents in the bold, solid rectangle on the table, who are the focus of this paper, have a positive attitude to both increasing income inequality and welfare policy. Without scrutinizing discourses in political philosophy on the distinction between libertarians and liberals, I call them *liberals*. They accept the importance of free competition even though it may lead to increasing income inequality. However, they simultaneously support welfare policies that provide a safety net for the losers of free competition. This differentiates them from libertarians. Respondents in the fine, solid rectangle in Table 2 can be named *egalitarians*. This is because they do not support increasing income inequality and show a positive attitude to welfare policy. Respondents in the fine, dotted rectangle in Table 2 are difficult to name; they show a negative attitude to increasing income inequality while not supporting welfare policy. Although this may violate the conventional definition of communitarianism, I provisionally call them *communitarians*.

Now that four groups have been defined based on their orientation to income inequality and the welfare policy, I can rephrase the abovementioned research question as follows. Who becomes a liberal? What factors affect the choice between libertarianism and liberalism? In the next section, I propose some hypotheses that explore these questions. In the fourth section, I explain my methods, before analyzing SSP-P2010 Survey data in the fifth section.

3. Hypotheses

I derived hypotheses to address the research questions by contrasting respondents' self-interest with their sense of solidarity. I assumed that people who were inclined to support increasing income inequality yet would have their interests damaged by welfare policy would not then support welfare policy.

However, those who felt a sense of solidarity would think that disadvantaged people should be socially included; thus they would support the welfare policy.

Among the various factors examined by the SSP-P2010 Survey, I focused on income, education, and the educational mobility of respondents. The effect of income on the choice between libertarianism and liberalism is straightforward. A welfare policy would damage the interest of people with higher income, so they would oppose it. A hypothesis concerning income would therefore be as follows:

H-1: People with higher income tend to be libertarians rather than liberals to protect their interests.

The effect of education is twofold. On the one hand, people with higher education have higher human capital that can be sold at a higher price in the labor market. Thus they may behave like high-income people:

H-2a: People with higher education tend to be libertarians rather than liberals to protect the fruits of their higher human capital.

On the other hand, higher education gives people an opportunity to broaden their perspective on society and to develop sympathy for disadvantaged people. Thus an alternative hypothesis is as follows:

H-2b: People with higher education tend to be liberals rather than libertarians because higher education gives them a sense of solidarity and promotes social inclusion.

Educational mobility refers to the difference between respondents' educational level and that of their fathers. I focus on the effect of this mobility on the choice between libertarianism and liberalism because the experience of educational mobility may have effects that are different from those of education itself. Sudo (2009) shows how intergenerational class mobility substantively

affects the formation of class consciousness. Following his research, I assumed that different types of educational mobility create different attitudes to free competition and welfare policies. People who have experienced upward educational mobility might attribute their success in educational attainment to their own efforts and so would want to protect their interests from welfare policies. A hypothesis about them is as follows:

> H-3a: People who have experienced upward educational mobility tend to be libertarians rather than liberals in order to protect their interests.

In contrast to people who have experienced upward educational mobility, those who have experienced downward educational mobility might see themselves underdogs and feel the necessity of the protection given by welfare policies. A hypothesis about them is as follows:

> H-3b: People who have experienced downward educational mobility tend to be liberals rather than libertarians because they expect support from the government.

4. Data and Methods

I used the SSP-P2010 Survey data set to test the abovementioned hypotheses[2]. The survey targeted respondents aged from 20 to 59 and was conducted nationwide in January and February, 2010. The designed sample size was 2,500 and the number of successful cases was 1,385, making the response rate 55.4% .

The statistical model used in this paper is a multinomial logit model with dependent variable comprised of four groups of respondents: libertarians, liberals, egalitarians, and communitarians[3]. The model fits with the purpose of

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[2] I received permission to use the SSP-P2010 Survey data set from the SSP Project Committee.

[3] In another model, a fifth group of respondents—those who have no opinions—was added to the dependent variable list. The results, however, are not substantively

this paper because it shows the extent to which various factors affect the choice between libertarianism and liberalism.

The independent variables were as follows: (1) gender and age were used as control variables; (2) log income was used to test H-1; (3) three categories of education—low, middle, and high—were used to test H-2a and H-2b; and (4) three categories of educational mobility—upward mobility, no mobility, and downward mobility—were used to test H-3a and H-3b.

The survey asked respondents about their father's educational attainment as well as their own. Fathers' educational levels were categorized into low (junior high school), middle (high school), and high (junior college and over) levels. Likewise, respondents' educational levels were categorized into low (junior high school and high school), middle (junior college), and high (four years of college and over) levels[4]. Upward (downward) educational mobility means that a respondent's educational level is higher (lower) than that of his/her father, while no educational mobility means that a respondent's educational level is the same as that of his/her father.

The interaction between educational level and educational mobility is an interesting topic to explore. For example, highly educated people who have experienced upward mobility might prefer libertarianism because they attribute their high human capital to their own efforts. Alternatively, they may tend to be liberals because education can have the effect of broadening perspectives in a way that exceeds self-interest.

However, this kind of analysis is not possible with the abovementioned model. This is because there are logical associations between educational level and educational mobility. That is, respondents who have experienced upward educational mobility are not at the low educational level, and vice versa. Because of this problem, I conducted two separate analyses using educational level and educational mobility, respectively.

different from the results reported in the text.

[4] Respondents' educational levels are slightly different to those of their fathers. This reflects the tendency of the younger generation to spend more time in education than their fathers.

5. Results

Table 3 summarizes the descriptive statistics of the variables used in the multinomial logit models. 11.5% of respondents were "pure" libertarians, while egalitarians comprised 52.2% . Even though the Japanese have experienced neo-liberal deregulations and increasing exposure to globalization, they still approve of welfare policy and do not support increasing income inequality.

Table 3   Descriptive Statistics

	Frequency	Percentage
Attitudes toward Income Inequality and Welfare Policy		
Liberals	192	28.4
Libertarians	78	11.54
Egalitarians	353	52.22
Communitarians	53	7.84
Gender		
Men	672	48.52
Women	713	51.48
Age		
20–29	198	14.3
30–39	365	26.35
40–49	356	25.7
50+	466	33.65
Education		
Low	658	47.89
Middle	249	18.12
High	467	33.99
Educational Mobility		
Upward	277	23.59
No	523	44.55
Downward	374	31.86
	Mean	S.D.
Income	342.34	283.78
(in 10,000 yen)	(*N*=1,224)	

Source: SSP–P2010 Survey data

Tables 4 and 5 summarize the results of the multinomial logit models. The category of libertarians is the reference category in the two tables. Table 4 shows the results when educational level is considered as the independent variable. It shows that a person's educational level does not tend to affect their choice between libertarianism and liberalism. Thus hypotheses H-2a and H-2b are not supported. A person's level of income did not affect the choice between the two categories, either. This means that H-1 is also not supported. However, a person's income did affect their choice between libertarianism and egalitarianism.

Table 4 Multinomial Logit Model with Education as An Independent Variable

	Liberals		Egalitarians		Communitarians
Gender (ref. Men)	−0.36		−0.07		0.16
Age					
30−39	−0.63		−0.39		−0.22
40−49	0.19		0.04		0.06
50+	0.10		0.37		−0.10
Log income	−0.28		−0.54	**	−0.33
Education (ref. Low)					
Middle	−0.23		0.06		−0.37
High	−0.54		−0.53		−0.57
Constant	2.99	*	4.71	**	1.81
N=523					
Log likelihood=−582.94472					
Pseudo *R*²=0.0309					

* $p < .05$; ** $p < .01$.

Note: The reference category of the dependent variable is libertarians.

Source: SSP−P2010 Survey data

Table 5 shows the results of the model when educational mobility was considered as an independent variable. It shows that downward educational mobility had a strong effect, with respondents who had experienced downward mobility tending to choose liberalism over libertarianism. Likewise, respondents who had experienced upward mobility tended to choose libertarianism over liberalism. Thus both hypotheses H-3a and H-3b are supported. Furthermore, people who had experienced downward mobility tended to be egalitarians rather

than libertarians. These patterns support my argument about what makes a person expect welfare provisions from the government. A person's income does not affect their choice between libertarianism and liberalism, but it does affect their choice between libertarianism and egalitarianism, as shown by Tables 4 and 5.

Table5　Multinomial Logit Model with Educational Mobility as An Independent Variable

	Liberals		Egalitarians		Communitarians
Gender (ref. Men)	−0.50		−0.11		0.10
Age					
30–39	−0.54		−0.30		−0.14
40–49	0.37		0.22		0.25
50+	0.32		0.58		0.08
Log income	−0.29		−0.54	**	−0.33
Educational mobility (ref. Upward)					
No	0.62	+	0.52		0.72
Downward	1.26	**	0.99	*	0.74
Constant	2.07		3.90	**	0.88
N=523					
Log likelihood=−579.65103					
Pseudo R^2=0.0364					

＊ $p <$ .05; ＊＊ $p <$ .01.

Note: The reference category of the dependent variable is libertarians.

Source: SSP–P2010 Survey data

6. Conclusions and Discussion

To recapitulate the findings of this study, only educational mobility affects the choice between libertarianism and liberalism. Downward educational mobility must be a serious event in a person's life; it results in negative attitudes and pessimism about one's life chances. People who experience downward educational mobility might feel the necessity of government protections that are derived from welfare policies. Thus they tend to support egalitarianism rather than libertarianism.

The effect of income is also understandable. Although a person's income does not affect their choice between libertarianism and liberalism, people with a lower

level of income tend to choose egalitarianism over libertarianism. Traditionally, there has been a great division between these two groups. Libertarians support free competition and a small government, while egalitarians do not approve of the inequality caused by free competition; thus egalitarians support welfare policies to reduce such inequality.

It was surprising to find that education did not have an effect. One possible explanation for this finding is that income absorbs the effect of education because education has a strong effect on income. However, the result of a model that excludes income as an independent variable does not show substantive effects of education on the choice between libertarianism and liberalism, thus showing that this explanation is not correct. Future research therefore needs to explain why education does not appear to have an effect on the choice.

This paper contributes to the study of social consciousness by focusing on educational mobility. It has used the current status of several factors that are assumed to affect social consciousness. Education, social class, income, and social backgrounds are often used in this way as independent variables. It is true that they are important factors affecting social consciousness, but temporal change in such factors should also be considered as an important independent variable. This is because the experience of change has a deep impact on a person's mindset. Let us conduct a thought experiment to understand this statement[5]. Suppose there are two high school graduates, John and Tom, under equal conditions with only one difference in their fathers' educational level. John's father is a high school graduate, while Tom's father is a college graduate. John would be satisfied with his education and life because his educational attainment is the same as that of his father[6]. Tom, in contrast, would feel dissatisfied because he was unable to catch up with his father in terms of educational attainment. Their educational level does not explain the difference between John and Tom, because both of them are high school graduates.

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[5] I apply the relative risk aversion hypothesis (Breen and Goldthorpe 1997) to this thought experiment.

[6] I assume here that the instrumental and emotive functions of high school education of the sons' generation are the same as those of their fathers.

Rather, it is the difference in educational mobility between them that produces the difference in their level of satisfaction. Based on this thought experiment, I argue that focusing on temporal change in the state of people is a fruitful direction in the study of social consciousness.

References

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