

## Publication

Experiencing Booms and Busts in the Welfare State and Support for Redistribution

## **Discussion paper / Internet publication**

ID 4636296 Digital Object Identifier DOI 10.2139/ssrn.3846672 Author(s) Hansen, Kerstin F.; Stutzer, Alois Author(s) at UniBasel Stutzer, Alois ; Year 2021 Month and day 04 Title Experiencing Booms and Busts in the Welfare State and Support for Redistribution Series title IZA Discussion Paper Number 14327 Publisher / Institution IZA - Institute of Labor Economics URL https://www.iza.org/publications/dp/14327/experiencing-booms-and-busts-in-t he-welfare-state-andsupport-for-redistribution We analyze how the exposure to adverse macroeconomic conditions during the "impressionable years"

(i.e., between the age of 18 and 25), in interaction with welfare state institutions, forms political attitudes in adulthood. Based on a large panel dataset of European countries, we find that individuals who experienced high unemployment under a regime of low unemployment benefits are more in favor of redistribution later in life and state an orientation more oriented towards the left. However, negative economic shocks in an environment with a very generous unemployment insurance are related to less support of redistribution and a more rightist political attitude later on. The development of the welfare state thus seems crucial for how economic shocks affect the evolution of preferences and norms in society and thus finally feedback on institutional change.

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