

My Father Taught Me. The Intergenerational Transmission of Values

Giuseppe Albanese, Guido de Blasio, Paolo Sestito
CISEPS, University of Milano “Bicocca”, 7 February 2013

Motivation

- Nunn (2012) explains how culture might be of the mechanisms for long-term persistence. Culture is defined as decision-making heuristics (gut feelings about what is the right or wrong action in a particular situation) that help people to make decisions in complex and uncertain environment. Examples of gut feelings: the extent to which others can be trusted, the importance of respecting the law, whether women should work outside home, the importance of hard work etc.). Nunn's gut feelings are what we call in this paper values
- Bisin and Verdier (2000), Bisin, Topa and Verdier (2004), Tabellini (2008) show how values are optimally passed down from parents to children (they persist from generation to generation). They argue that an individual receives an endowment of values, update them because their experience in life, and transmit the updated package to their children. Dohmen et al (2011) provide empirical evidence on the relevance of the transmission process

What does the paper do?

- We use two questions, included in the SHIW 2010, to investigate the role of intergenerational transmission of values. Questions refer to the values received from parents (VR) and those transmitted to the descendants (VT)
- We show that the VR are key predictors of a number of attitudes (generalized and personalized trusting behavior, risk and time preferences) and economic outcomes (female LFP, fertility, entrepreneurship, productivity)
- We document that values received (VR) from parents are correlated with the values transmitted (VT) to the descendants
- By using respondent moving patterns, we highlight that the VT seem to reflect parental cultural traits they want to leave to their children and that the 'context' seems to have a little role (limited to a subset of values and to 2nd generation migrants)

Framework

- We think of an individual (a SHIW respondent) that receives an endowment of values from her parents (which might have a genetic source or a pure social origin) and then updates her values (because oblique socialization or her own life experience) and transmit them to the descendents
- We have nothing to say on whether the VR have a genetic or a social source. We try to say something on the updating mechanism To disentangle the respective roles of VR and updating we exploit the fact that values have a strong local components and check whether the intergenerational transmission differ for individuals that experienced moving patterns

The SHIW questions

- How much the education you received insist in the following values/
How much emphasis did you place (or do you plan to place) in the following values when educating children:
 - i) TOLERANCE for other's different opinions, religious faith and sexual habits;
 - ii) OBEDIENCE to parents and educators;
 - iii) RESPECT for laws
 - iv) Having a family / have children (HOME)
 - v) Being successful in WORK
- The taxonomy i) – iii) follows Tabellini (2010), generalized vs hierarchical morality. The items iv) and v) reflect Banfield (1958) "amoral familism"

Values: intensity vs types

- The data we have collected reflect two distinct aspects
- 1) they capture the degree to which the transmission of values is deemed to be important (while some parents might think that instilling values is one of their key duties, some others might have a less intrusive stance)
- 2) they capture the type of cultural traits that a parent intends to convey (say, obedience vs tolerance).
- In the answers the two aspects are interrelated. We try to distinguish between them by using, in addition to the raw measures directly deriving from the responses, a de-measured measure, which subtracts for each interviewed to the response she gave on the role of each value the individual average of the responses
- This measure captures the predominance of certain types of cultural traits over others, differencing out the amount of transmission (the individual degree of preference for cultural transmission)

Data issues

- 1) Social desirability. The interviewed might want to avoid to look bad in front of the interviewer and picks some answers that she deems are more politically correct. We deal with this issue by phrasing all the possible answers in a way that reflect “positive” values
- 2) Survey-induced correlation between VR and VT. Both, VR and VT are collected from the same SHIW respondent, who might be (for any reason) inclined to report similar answers for the two questions. We note that: - since social desirability is not an issue, survey-induced correlation is hard to imagine; when we use as dependent variables attitudes and economic outcomes we find very reasonable point estimates (the overall rationale of the responses collected seem to be ensured)

Descriptives

<i>Basic individual characteristics</i>					
Age	58.64	15.64	19	99	3816
Female	0.46	0.50	0	1	3816
Being a parent	0.78	0.42	0	1	3816
<i>Marital status:</i>					
Never married	0.13	0.33	0	1	3816
Married	0.62	0.49	0	1	3816
Separated/divorced/widow	0.25	0.44	0	1	3816
<i>Education:</i>					
Elementary or less	0.299	0.458	0	1	3816
Junior High School	0.276	0.447	0	1	3816
High school	0.308	0.462	0	1	3816
Bachelor degree	0.117	0.321	0	1	3816
<i>Area:</i>					
North	0.44	0.50	0	1	3816
Center	0.23	0.42	0	1	3816
South	0.34	0.47	0	1	3816

Correlations across VR (raw data)

	TOLERANCE	OBEDIENCE	RESPECT	HOME	WORK
TOLERANCE	1.00				
OBEDIENCE	0.37	1.00			
RESPECT	0.38	0.78	1.00		
HOME	0.33	0.60	0.60	1.00	
WORK	0.34	0.37	0.37	0.44	1.00

TOLERANCE is (+) but weakly correlated with all remaining values

OBEDIENCE, RESPECT and HOME are more highly correlated

Correlations across VR (DM data)

	TOLERANCE	OBEDIENCE	RESPECT	HOME	WORK
TOLERANCE	1.00				
OBEDIENCE	-0.40	1.00			
RESPECT	-0.39	0.38	1.00		
HOME	-0.43	-0.07	-0.08	1.00	
WORK	-0.24	-0.43	-0.43	-0.20	1.00

OBEDIENCE is (+) correlated with RESPECT; both values are (–) correlated with TOLERANCE

HOME is (–) but weakly correlated with WORK

Both OBEDIENCE & RESPECT are (-) correlated with HOME, suggesting that familism is conceptually different than a taste for authoritarianism

De-meanned indexes

	PC1DM	PC2DM
TOLERANCE	0.63	-0.08
OBEDIENCE	-0.38	0.16
RESPECT	-0.37	0.15
HOME	-0.01	0.50
WORK	0.26	-0.55

- We extract the 1st PC from the DM values i) to iii): PC1DM. This represents an index of the prevalence of horizontal values (over hierarchical ones)
- We also extract the 1st PC from the DM values iv) and v) to get an index for the prevalence of familism (over work orientation)

VR and the other outcomes

- Trust Gen & Trust Par → AdBS(2013), SHIW indexes that reflects the trusting behavior with respect to a known person (relatives, friends) and an unknown one
- Risk and time preferences → AdBS(2013), SHIW indexes that capture the degree of risk aversion and impatience (both are derived from financial thought-experiments)
- Entrepreneurship, productivity, female LMP → dBN(2010) show that those outcomes reflect also values, such as civicness
- Fertility → AG(2011) highlight that family-oriented values impact on the family size; dBO(2013) provide evidence that homogamy increase fertility

The impact of VR on the other outcomes

	TRUSTGEN b/se	TRUSTPAR b/se	RISK AVERSION b/se	IMPATIENCE b/se	ENTREPRENEUR b/se	FEMALE LFP b/se	FERTILITY b/se	LOG(WAGES) b/se
PANEL A								
TOLERANCE	.192*** (.020)	--.002 (.011)	--.006 (.007)	--.065*** (.014)	--.002 (.003)	--.004 (.006)	--.023 (.022)	.019** (.009)
OBEDIENCE	--.073* (.040)	.201*** (.024)	.067*** (.014)	.065** (.028)	.003 (.006)	.016 (.012)	.083*** (.031)	.001 (.019)
RESPECT	--.022 (.044)	.070*** (.026)	.031** (.014)	--.027 (.029)	--.004 (.007)	--.010 (.013)	--.056 (.035)	--.018 (.019)
HOME	.036 (.031)	.026 (.018)	--.003 (.010)	.057*** (.021)	--.005 (.005)	--.005 (.009)	.065*** (.025)	--.008 (.013)
WORK	.152*** (.024)	.005 (.012)	--.034*** (.008)	--.046*** (.016)	.010*** (.003)	.026*** (.006)	--.025 (.022)	.027** (.011)
PANEL B								
PC	.193*** (.021)	.218*** (.013)	.041*** (.008)	--.005 (.015)	.001 (.003)	.016*** (.006)	.036** (.015)	.014* (.008)
PANEL C								
PC1DM	.251*** (.027)	--.100*** (.015)	--.049*** (.009)	--.076*** (.019)	--.001 (.004)	--.003 (.008)	--.028 (.026)	.027** (.011)
PC2DM	--.081** (.035)	.034* (.019)	.033*** (.011)	.074*** (.024)	--.012** (.005)	--.028*** (.009)	.066** (.030)	--.027* (.015)

VR and outcomes, findings

- VR are important predictors of our attitudes/outcomes
- Single values display signs that are in line with what could have been expected given the outcome they are related to. Examples:
 - TOLERANCE is (+) correlated with Trust Gen and Productivity; (-) with Impatience
 - OBEDIENCE is (+) with Trust Par, Impatience, Risk aversion, Family size; (-) with Trust Gen
- DM PC indexes also display meaningful correlations:
 - PC1DM (h-values) is (+) with Trust Gen, productivity; (-) with Trust Per, Impatience, Risk aversion
 - PC2DM (family values) is (+) with Trust Per, Impatience, Risk aversion, Family size; (-) with Trust Gen, Entrepreneurship, FLMP
- Economic magnitudes are substantial: for instance, one sd increase in TOLERANCE is associated with 18% increase in TRUSTGEN and 5% increase in productivity

The relation between VR and VT

	(1) b/se	(2) b/se	(3) b/se	(4) b/se	(5) b/se
TOLERANCE	.478*** (.019)	.465*** (.019)	.466*** (.019)	.362*** (.020)	.468*** (.021)
OBEDIENCE	.684*** (.020)	.671*** (.020)	.671*** (.020)	.440*** (.033)	.678*** (.023)
RESPECT	.723*** (.020)	.710*** (.021)	.709*** (.021)	.522*** (.034)	.703*** (.024)
HOME	.711*** (.021)	.690*** (.021)	.689*** (.021)	.545*** (.030)	.686*** (.025)
WORK	.596*** (.019)	.602*** (.019)	.602*** (.019)	.494*** (.021)	.576*** (.021)
PC	.815*** (.021)	.810*** (.022)	.809*** (.022)		.804*** (.025)
PC1DM	.459*** (.021)	.443*** (.021)	.443*** (.021)	.439*** (.022)	.436*** (.024)
PC2DM	.415*** (.027)	.387*** (.028)	.386*** (.027)	.404*** (.029)	.352*** (.032)

(1) No controls

(2) Age, age2,
gender,
education,
marital status,
area of
residence

(3) (2) + income &
occupation

(4) (2) + VR-i

(5) (2) sub-sample
of parents

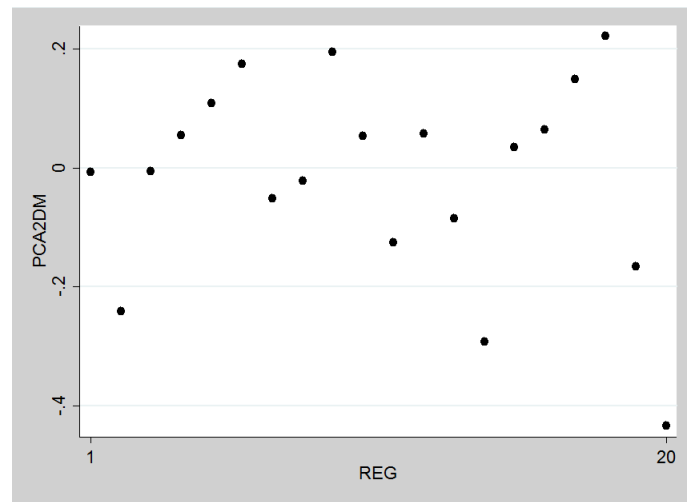
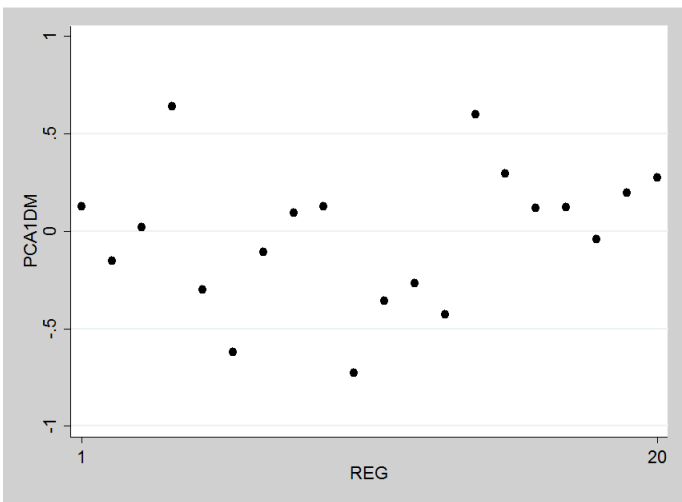
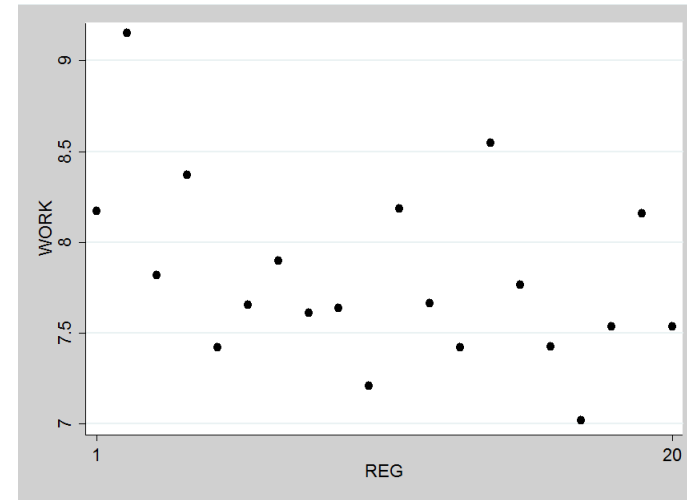
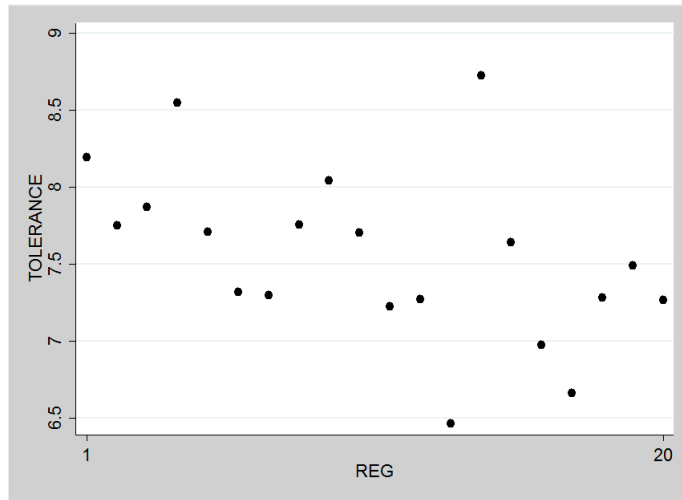
VR and VT, findings

- Each VR (or PC index) is strongly correlated with its VT counterpart
- Correlations survive adding the other VR, additional individual controls, excluding the respondents with no children
- BoE calculations (example): one standard deviation of TOLERANCE as VR is associated with 40% of a standard deviation for TOLERANCE as VT

VR vs context

- Our SHIW respondent receives an endowment of values from her parents and then updates her values - because oblique socialization or her own life experience - and transmit them to the descendents
- If the updating process is what really matters, then there seems to be little scope for the family transmission as mechanism of persistence (it is the context, stupid!)
- We try to say something in this regard. We exploit the fact that values have a strong local components and check whether the transmission differ for individuals that experienced moving patterns (compared to those that did not)
- The idea is that of “same environment/different background” followed by Fisman and Miguel (2007) and Fernandez and Fogli (2009)

VR, the local component



Moving patterns

- We identify two types of movers: 1st generation migrants (who dwell in a place different from that where she was born) and 2nd generation migrants (who dwell in the same place of birth but have parents that were born somewhere else)
- We identify different range of migrations (NUTS3, NUTS2, South to Centre-North)
- For the 2nd gen migrant we use both the origin of the father and that of the mother
- Examples:
 - I was born in Napoli and I am residing in Rome → 1st gen migrant (according the 3 geo criteria); if I moved to Avellino (instead of Rome) I would be a 1st gen migrant only according to the NUTS3 criterion
 - My daughter (born in Rome, residing in Rome) → 2nd gen migrant (according to the 3 geo criteria) when the status of 2nd gen migrant is defined according to the origin of father; however, she is a 2nd gen migrant only according to the NUTS2 and NUTS3 definitions when the status is defined according to the origin of the mother (she is from Tuscany)
- To save space I only present the results with the NUTS2 range (the others are however very similar) by using for the 2nd gen migrant the origin of the mother (again, results with the origin of the father are similar)

Moving patterns

	n.a.	Stayer	Migrant
1st generation		2,991	825
2nd generation	624	2,880	312

Do 1st generation migrants transmit different values?

	Migrant b/se	VR b/se	Migrant*VR b/se
TOLERANCE	.396 (.365)	.470*** (.022)	--.033 (.043)
OBEDIENCE	.166 (.491)	.673*** (.022)	--.010 (.053)
RESPECT	.437 (.542)	.717*** (.023)	--.043 (.059)
HOME	.289 (.495)	.694*** (.023)	--.021 (.055)
WORK	.015 (.375)	.600*** (.022)	.012 (.045)
PC	.120** (.050)	.814*** (.022)	--.029 (.068)
PC1DM	.069* (.038)	.434*** (.024)	.044 (.047)
PC2DM	--.003 (.040)	.397*** (.027)	--.049 (.081)

Compared to a stayer, is a 1st gen migrant transmitting to her children values different from those received from her parents?

The answer is no

Do 2nd generation migrants transmit different values?

	Migrant b/se	VR b/se	Migrant*VR b/se
TOLERANCE	1.020** (.511)	.454*** (.022)	-.114* (.060)
OBEDIENCE	.130 (.757)	.666*** (.024)	-.017 (.081)
RESPECT	-.489 (.871)	.696*** (.026)	.046 (.092)
HOME	-.187 (.689)	.687*** (.025)	.012 (.076)
WORK	-1.571*** (.478)	.591*** (.022)	.191*** (.056)
PC	-.086 (.093)	.798*** (.027)	.061 (.089)
PC1DM	.067 (.056)	.434*** (.023)	-.088 (.071)
PC2DM	.031 (.051)	.412*** (.033)	.118 (.120)

Compared to a stayer (and a 1st gen migrant), is a 2nd gen migrant transmitting to his children values different from those received from his parents?

The answer is mostly no, some exceptions

The transmission for 2nd generation migrants is lower for TOLERANCE and higher for WORK

Conclusions

- Family transmission is relevant, it impacts on a number of attitudes and outcomes
- As for the origins of values, genetics might have a role, critical junctures too
- The updating mechanism seems to be quite slow: our estimates suggest that updating occurs only for 2nd gen migrant and only for a subset of values
- The differences in results for migrant of different generations could also be related to the fact that 2nd gen migrants enroll in the schools of the destination area (while 1st gen migrants might have completed their education in the source area). However, we do not push too far this interpretation as the estimated impact for WORK is positive while the one for TOLERANCE is negative