

Personalized exchange or universal rules: the role of historical family

Maria Kravtsova, LCSR, Moscow

Alexey Oshchepkov, HSE, Moscow

What we try to understand?

- Why in some countries people are using personal connections instead of formal procedures more often than in the others?
 - Numerous comparative quantitative studies on causes of corruption (Treisman, 2000; Mauro, 1995; Shleifer, Vishny, 1993; Sandholz and Taagepera, 2005; O'Connor and Fisher, 2011 and others)
 - Almost no comparative studies on causes of using personal connections to get preferences.
 - Bribery
 - Using connections
- } violation of impartiality rules

Motivation

- Result from my previous study “From two evils choose the lesser: network and market corruption”: no correlation at the country level between using personal connections and the most contemporary socio-economic indicators (HDI, Political stability and violence, democracy).



- Probably using personal connections has its roots in history and culture

Key question

- Does historical divide between nuclear* and extended** family has an impact on today's level of using personal connections instead of formal procedures?

* Husband, wife, their unmarried children.

** Several generations or lateral relatives

Theory: why family might matter

- **MECHANISM 1:** Extended family → reciprocity values as an integrating mechanism → feeling of obligation to help one's relatives → using personal connections instead of following formal rules
- **MECHANISM 2:** Extended family → less contacts with non kin group → lower out group trust → worse quality of formal institutions → need to use personal connections

- Several papers investigating the link between historical family type and present day institutions: Duranton et al. 2009; Galasso & Profeta, 2012; Greif, 2006; Reher, 1998; Todd, 1990.
- Main result: nuclear families are associated with higher level of social solidarity and better quality institutions leading to economic prosperity.
- **It is not clear what matters:** HH complexity, gender equality, equality between older and younger generations, using servant labor, inheritance?

Our contribution

- We test the impact of historical family complexity on the present day level of using personal connections controlling for other family features.
- We construct our own data base at the regional level.
- ✓ Data sources: census data, Mosaic project, Szoltysek, Gruber (2014).
- ✓ Time points: 18-19 century.
- ✓ N: 550 (N mergeable with Life in Transition II - 322).
- ✓ Coverage: 17 contemporary states - UK, Sweden, Italy, France, Germany, Poland, Ukraine, Belarus, Czech Republic, Slovakia, Slovenia, Albania, Croatia, Serbia, Bulgaria, Hungary, Romania.

Advantages of our data base:

- It is a first historical data base on family pattern covering Western and Eastern Europe at the regional level (Todd's regional data base covers only Western and Eastern Europe, Murdock's data are available only at the country level)
- It is based on such reliable data sources as censuses
- It refers to particular time points in the past (Todd's data cover a span of 1,000 years come close to be ahistorical).

Our indicators (6 groups, 29 indicators)

1. Family complexity
2. Domination of men over women
3. Men preference in the society
4. Domination of older generations over younger
5. Cohabitation with non kin
6. Inheritance rule (Todd's data)

Contemporary data on using connections

- Life in Transition Survey (LiTS), 2010 by EBRD (35 countries)
 - **Using connections:**
 - Some people, because of their job, position in the community or contacts, are asked by others to help influence decisions in their favour. In general, how important is it in our country to have the support of such people to influence decisions in the following situations?
 - **Out-group solidarity**
 - Trust most people
 - Out-group trust
 - Participation in voluntary organizations
 - Participation in inclusive voluntary organizations (sport, recreational, environmental, art, music, educational, charitable organizations)
 - Participations in demonstrations, strikes, signing petitions

Model

$$Y_{ijc} = a + b_1 * \text{Family}_{jc} + \text{Contemporary Country}_c + \text{Historic country} + b_3 * X_{ijc} + \text{Controls} + e_{ijc}$$

Y is using connections, different measures of out-group solidarity.

Family are historical family indicators

Contemporary Country are contemporary country dummies or some country-level variables

Historic Country are historic country dummies

X is the set of individual socio-demographic characteristics

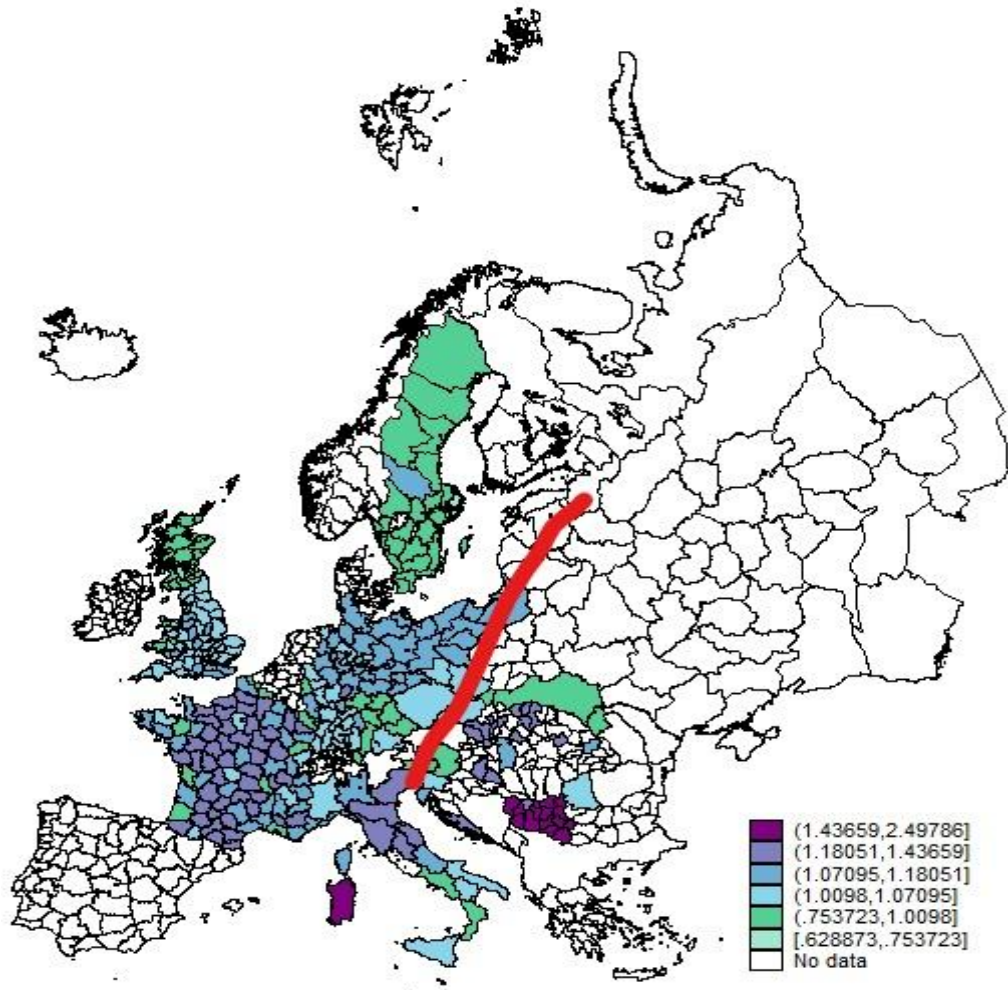
Controls:

- Proxy for historical level of economic development at the regional level: population density (Acemoglu, Johnson, Robinson, 2001), % of employed in service sector: trade, insurance, transport (Becker, Woessmann,)
- Literacy: percent of literate persons excluding the age group 0-6
- Estimation method:

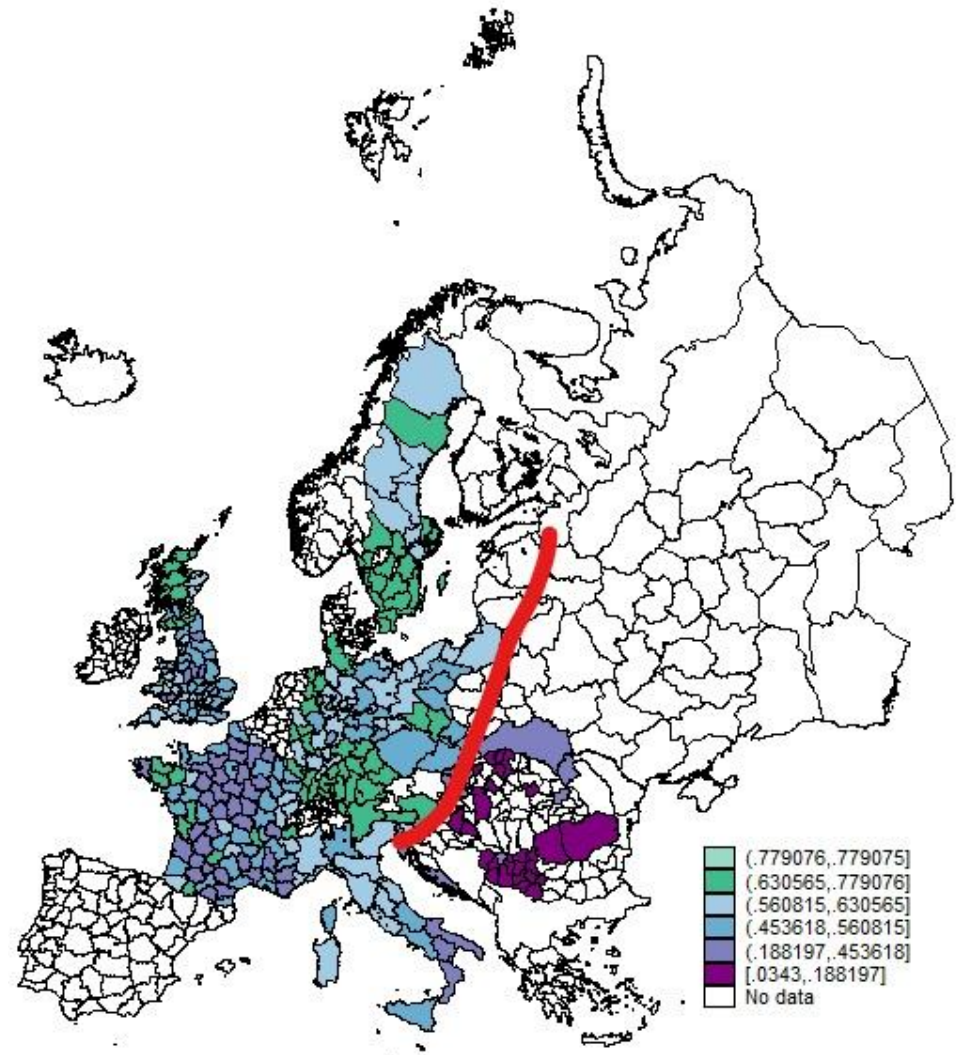
OLS with cluster-corrected st.errors

Does Hajnal line exist?

MUH



Single women 20-29



HH complexity indicators separately

	Connections important	Volunt any	Volunt inc	Civic Total	Trust out-group	Trust most
mean family HH size	0,428	-0,014	0,005	-0,130	0,128	0,067
muh	1,767***	0,113**	0,153***	0,437	-0,097	-0,059
famsize_no_children	3,806***	0,238	-0,001	0,339	0,265	0,202
famsize	0,812**	0,001	-0,026	0,088	0,078	0,109**
neolocal	-0,063	0,006	0,001	0,010	0,012	-0,043
lateral	0,206	-0,010	-0,011	0,014	-0,029	0,045*

HH complexity controlling by patrilocality

	Connections important	Volunt any	Volunt inc	Civic Total	Trust out-group	Trust most
mean fam. HH size	0,710	-0,018	-0,019	0,194	0,443	0,262**
share_hh_marm	36,657***	0,928	-0,260	-2,826	-6,393	-0,646
muh	-0,610	0,049	-0,012	-0,005	0,215	0,560**
share_hh_marm	41,638***	0,726	-0,320	-1,897	-4,637	-0,762
famsize_no_children	-1,525	0,352	0,090	1,323**	1,742*	0,336
share_hh_marm	48,389***	-1,043	-0,832	-9,007*	-13,385**	-1,208
famsize	0,385	-0,009	-0,023	0,117	0,134	0,110*
share_hh_marm	37,881***	0,893	-0,217	-2,581	-4,940	-0,033

HH complexity controlling by women's age at marriage

	Connections important	Volunt any	Volunt inc	Civic Total	Trust out-group	Trust most
mean fam. HH size	0,451	-0,007	0,012	-0,127	0,141	0,070*
women20_29	0,883	0,258*	0,256**	0,114	0,472	0,128
muh	1,875***	0,143***	0,183***	0,479	-0,075	-0,061
women20_29	1,219	0,329**	0,332***	0,479	0,241	-0,023
famsize_no_chi ldren	3,761***	0,274	0,036	0,446	0,330	0,236
women20_29	-0,634	0,488*	0,496**	1,447	0,961	0,479
famsize	0,930*	0,042	0,014	0,254**	0,198	0,194***
women20_29	1,590	0,546*	0,536*	2,241**	1,603	1,132*

HH complexity controlling by number of servants

	Connections important	Volunt any	Volunt inc	Civic Total	Trust out-group	Trust most
mean fam. HH size	0,362	0,014	0,022	0,049	0,106	0,028
servants_per_HH	-2,679*	0,032	0,201*	0,905**	0,672	0,283
muh	1,959	0,147	0,129*	0,514	0,524	0,087
servants_per_HH	-1,880	0,101	0,254**	1,148**	0,877	0,309
famsize_no_children	3,119**	0,299	0,106	0,621	0,711	0,377
servants_per_HH	-2,182	0,194	0,338*	0,890	1,435**	0,558
famsize	0,380	0,008	0,029	0,297**	0,431*	0,286***

Main findings

- HH complexity has a positive effect on using connections which turns insignificant when we insert patrilocality. It means that power hierarchy between older and younger generations associated with patrilocality is more important than family complexity per se.
- HH complexity doesn't have a negative effect on social solidarity and civic activity. The effect is rather positive. Possible explanations:
 - Complex HH are located in the better off regions where social solidarity and civic activity is higher.
 - Out-group trust to a large extent grows out of the in-group trust (Delhey, Welzel, 2012). Extended families are such institutions where people have to cooperate with people of different age and interests and learn to trust them.
- High age at first marriage for women (women's emancipation), cohabitation with servants (contacts with non kin) and % of multigenerational HH headed by son and not his father (lack of seniority principle) are positively associated with social solidarity and civic activity. These results are not very stable.

Thank you for attention!

How we merged historical data with Lits 2010

Poland



- Several papers investigating the link between historical family type and present day institutions: Durantón et al. 2009; Galasso & Profeta, 2012; Greif, 2006; Reher, 1998; Todd, 1990.
- Main result: nuclear families are associated with higher level of social solidarity and better quality institutions leading to economic prosperity.
- WHY? What matters: **HH complexity, gender equality, inheritance?**
 - nuclear family is not self-sufficient and fosters cooperation with not kin who can provide additional labor force, child and elderly care (Hartman, 2004; Greif 2006)
 - nuclear family doesn't impede the emergence of large non kin associations and corporations (Greif, 2006)
 - nuclear family → **more gender equality** → democracy → growth (Hartman, 2004)
 - nuclear family correlates with **impartible inheritance** → human capital → growth (Todd, 1990; Durantón et al. 2009)

		Obs.
Family complexity		
Mean family HH size	Mean size of households with min. 2 family members including servants	343
Share of single persons HH	Single persons HH / total number of private HH	343
Mean family size	Mean size of HH excluding not kin members	162
Mean family size without children	Mean size of HH excluding not kin members and children	162
Share of HH with adult children	Share of HH with children 20+	162
Lateral	Proportion of elderly people (aged 65+ years) living with at least one lateral relative (siblings, aunts, uncles, nephews)	328
Neolocal	Proportion of household heads living without any relatives except spouse and children among ever-married men in the age group 20-29 years	328
MUH	Marital units per household: married men + widowed/divorced men + widowed/ divorced women / number of private households	342
Share HH with married sons		162
Share HH with married		162

Indicators

Domination of men over women, men preference		Obs.
Share of female HH heads	Proportion of all female household heads among all adult (20+ years) household heads of family households	328
Share of wives older than their husband	Proportion of all of the wives who are older than their husbands among all of the couples for whom the ages of both partners are known	328
Young women living as non kin	Proportion of women aged 20-34 years who live as non-kin, usually as lodgers or servants	328
Patrilocality	Proportion of elderly people (aged 65+ years) living with at least one married daughter in the same household among those elderly people who live with at least one married child in the same household	328
Young brides	Proportion of ever-married women in the age group 15-19 years	328
Single women 20-29	Proportion of never married women 20-29	454
Boy as a last child	Proportion of boys (10-14) among the last children	328
Sex ratio	Sex ratio (boys to 100 girls) in the youngest age group (0-4 years old).	328

Indicators

Domination of older people over younger		Obs.
Parents living in HH headed by their son	Proportion of elderly men (aged 65+ years) living in a household headed by a male household head of a younger generation	328
Share HH with parents	Proportion of multigenerational households headed by the son instead of his father	162
Cohabitation with non-kin		
Share of HH having servants		162
Mean number of servants per private household		258
Inheritance rule	Proportions of -absolute nuclear families (impartible) -egalitarian nuclear families (partible) -stem families (impartible) -incomplete stem families	41