
❖ BDD Venice 2019

Experimentation and grass-rooted innovation

The Research Question

Research Question

A community may keep its prospects of prosperity alive only if it creates an environment favorable to **experimentation** and **innovation**

How much favor the environment would grant to experimentation and innovation depends, in turn, on whether a community may **keep the soil fertile** for such experiments and favor grass-rooted innovation

Of primary interest is therefore to find ways of capturing what it means to ‘keep the soil fertile’

How do we as a society remain open to experimentation and innovation, whether it is social, economic, or political?

Research Question

A closer observation reveals that the success of experimentation and the diffusion of ingenuity and grass-rooted innovation depend on the complementary operation of two kinds of freedoms

- The freedoms from intrusive institutions necessary to preserve the integrity of a personal sphere
- The freedoms of agency, of control over the outcomes of one's life, of pursuing one's unique life project, necessary to prevent society and the economy to turn into homogeneity and isolated genius, failing to achieve the critical mass to affirm innovation

The question I've tackled in the past and that I wish to bring to the attention in this meeting is **how to measure the freedoms of agency and control over the outcomes of one's life**

Relevance

Why is this question relevant in this meeting?

1. Trivially because it gives us information about the soil's fertility
2. In fact it is relevant because information about **the freedoms of agency and control over the outcomes of one's life** is a useful and underexplored tool to maintain functional political institutions and social relationships

Operationalization

Different routes to operationalize a measure of agency and control over life outcomes, depending on goals

A strategy I've followed is to resort upon a WVS question that asks for the perceived degree of freedom of choice and control over life outcomes

The theoretical basis is **Millian**:

- Freedom of choice enlarges the chances to develop individuality
- Choices that rely on the decision maker's individuality are associated to firmer degrees of control over the outcomes

Another strategy is to exploit the relation between control and procedural fairness

Operationalization

Agency freedoms and control are associated with the degree of fairness that individuals perceive in society

In general higher degrees of agency freedoms and control reflect perception of a fairer society but the empirical relation is more intricate

Jointly with Paolo Li Donni I've worked on the **determinants of perception of inequality and fairness** and on the **features of these perceptions**

The enquiry is made more interesting by some recent empirical findings that support the view that **perception of fairness and inequality counts in the analysis and interpretation of social action**

Determinants of the Perception of Inequality

Determinants

TABLE 5
THE MARGINAL AND CONDITIONAL SURVIVAL FUNCTIONS IN THE DOMAIN "INEQUALITY OF OPPORTUNITY"

	<i>wfam</i>		<i>polconn</i>		<i>pgender</i>		<i>pedu</i>		<i>pwork</i>	
	$y_k > 1$	s.e.	$y_k > 1$	s.e.	$y_k > 1$	s.e.	$y_k > 1$	s.e.	$y_k > 1$	s.e.
<i>medqual</i>										
Marginal	0.8799***	0.0410	1.0016	0.0452	0.7672***	0.0434	1.0555*	0.0289	0.9771	0.0286
$y_j > 1$			0.9708	0.0424	0.7602***	0.0559	1.0090	0.0158	0.9727	0.0451
<i>highqual</i>										
Marginal	0.9319	0.0462	0.9080*	0.0481	0.8129***	0.0490	1.2259***	0.0340	0.9385**	0.0271
$y_j > 1$			0.8853***	0.0422	0.8219***	0.0655	1.0581***	0.0165	0.9736	0.0444
<i>employed</i>										
Marginal	0.9329**	0.0321	0.9332*	0.0365	0.9435	0.0407	0.9521**	0.0239	1.0091	0.0208
$y_j > 1$			1.0207	0.0361	1.0036	0.0539	0.9709*	0.0153	1.0034	0.0346
<i>incq3d2</i>										
Marginal	0.9935	0.0328	0.9782	0.0348	0.9437	0.0374	1.0021	0.0255	0.9878	0.0224
$y_j > 1$			0.9574	0.0353	0.9841	0.0554	0.9971	0.0123	0.9707	0.0374
<i>incq3d3</i>										
Marginal	0.9349	0.0428	0.9097**	0.0386	0.8807**	0.0483	1.0263	0.0286	0.8692***	0.0261
$y_j > 1$			0.9841	0.0425	0.9427	0.0671	1.0035	0.0161	0.8495***	0.0428
<i>toppos</i>										
Marginal	0.7217***	0.0497	0.7668***	0.0498	0.8819**	0.0569	1.1450***	0.0434	0.9531	0.0332
$y_j > 1$			0.7539***	0.0529	0.8759	0.0841	1.0521**	0.0209	1.062	0.0581
<i>centerpos</i>										
Marginal	0.7189***	0.0333	0.7342***	0.0354	0.8784***	0.0442	0.9149***	0.0290	0.9938	0.0238
$y_j > 1$			0.8399***	0.0446	0.8935*	0.0579	0.9912	0.0164	1.0247	0.0405
<i>mobdown</i>										
Marginal	1.1423***	0.0387	1.0618	0.0395	1.1356***	0.0411	1.1278***	0.0285	0.9861	0.0182
$y_j > 1$			0.9284**	0.0353	0.9857	0.0494	1.0135	0.0135	0.9828	0.0359
<i>mobup</i>										
Marginal	1.0582*	0.0343	1.0842***	0.0326	1.0431	0.0314	1.0135	0.0193	0.9557***	0.0162
$y_j > 1$			1.0236	0.0309	0.9799	0.0449	0.9955	0.0108	0.9759	0.0291
<i>leftparty</i>										
Marginal	1.1791***	0.0275	1.1626***	0.0327	1.2610***	0.0341	1.0868***	0.0194	1.1477***	0.0165
$y_j > 1$			1.0556*	0.0315	1.1768***	0.0477	0.9976	0.0110	1.1076***	0.0262
<i>religiosity</i>										
Marginal	0.9485***	0.0164	1.0172	0.0190	1.0248	0.0232	1.012	0.0124	0.9777**	0.0103
$y_j > 1$			1.0034	0.0187	0.9997	0.0307	0.9969	0.0078	0.9483***	0.0196

Notes: y_j is the base indicator for the domain "Inequality of opportunity" that corresponds to *wfam*.

Bootstrapped standard errors are based on 1,000 repetitions.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Determinants

Two results:

1. Marginal probabilities differ across indicators
2. The effect of covariates on their associations is multi faceted

Consider *leftparty* — a covariate that reveals the respondent's political views

Left-leaning respondents are

- 17% more likely than Right-leaning respondents to believe that parents' wealth is important for success
- 16 % that political connections count
- 26 % that gender is relevant
- 8 % that parents education is important
- 14 % that effort is not rewarded in society

Findings confirm that partisan and political visions are related to specific perceptions of economic conditions — or, to put it differently, that **political views are linked to the weight that a person attributes to structural circumstances**

Inconsistency in the Perception of Inequality

Inconsistency

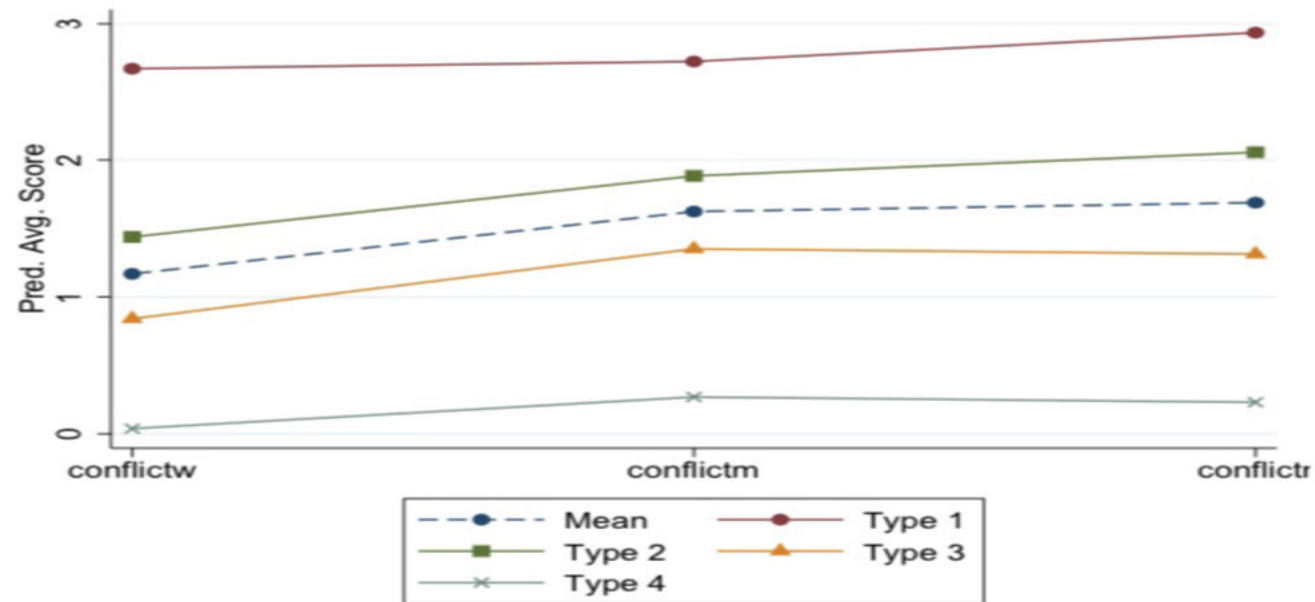


FIGURE 4. Predicted Average Scores for the Outcome Domain.

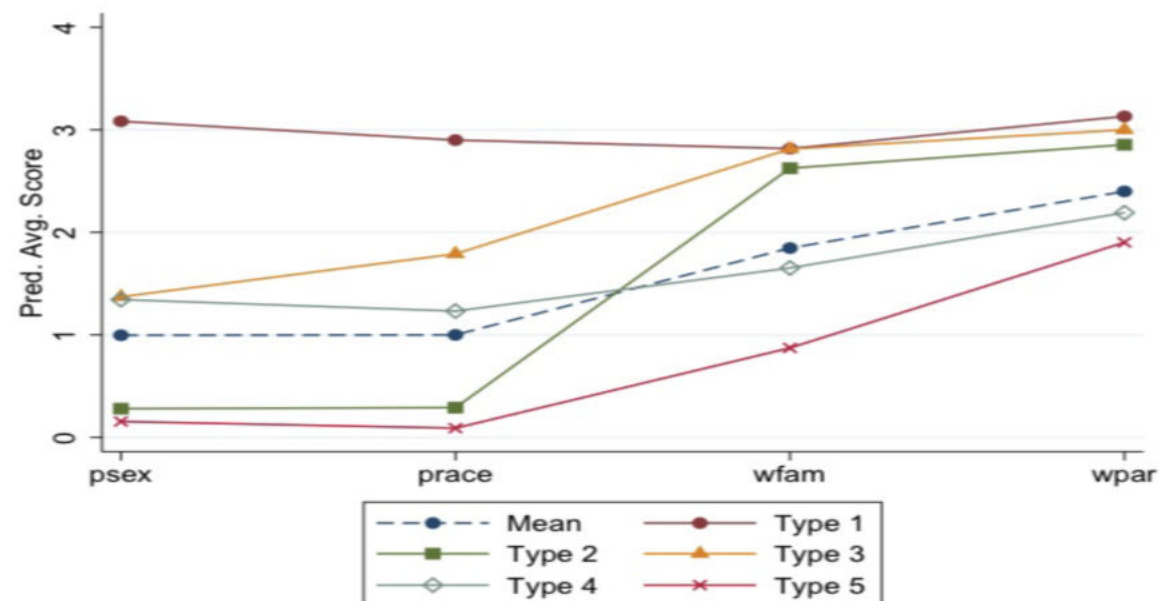


FIGURE 5. Predicted Average Scores for the Opportunity Domain.

Inconsistency

Inequality of outcome domain: the patterns that types follow are ordered — they do not intersect

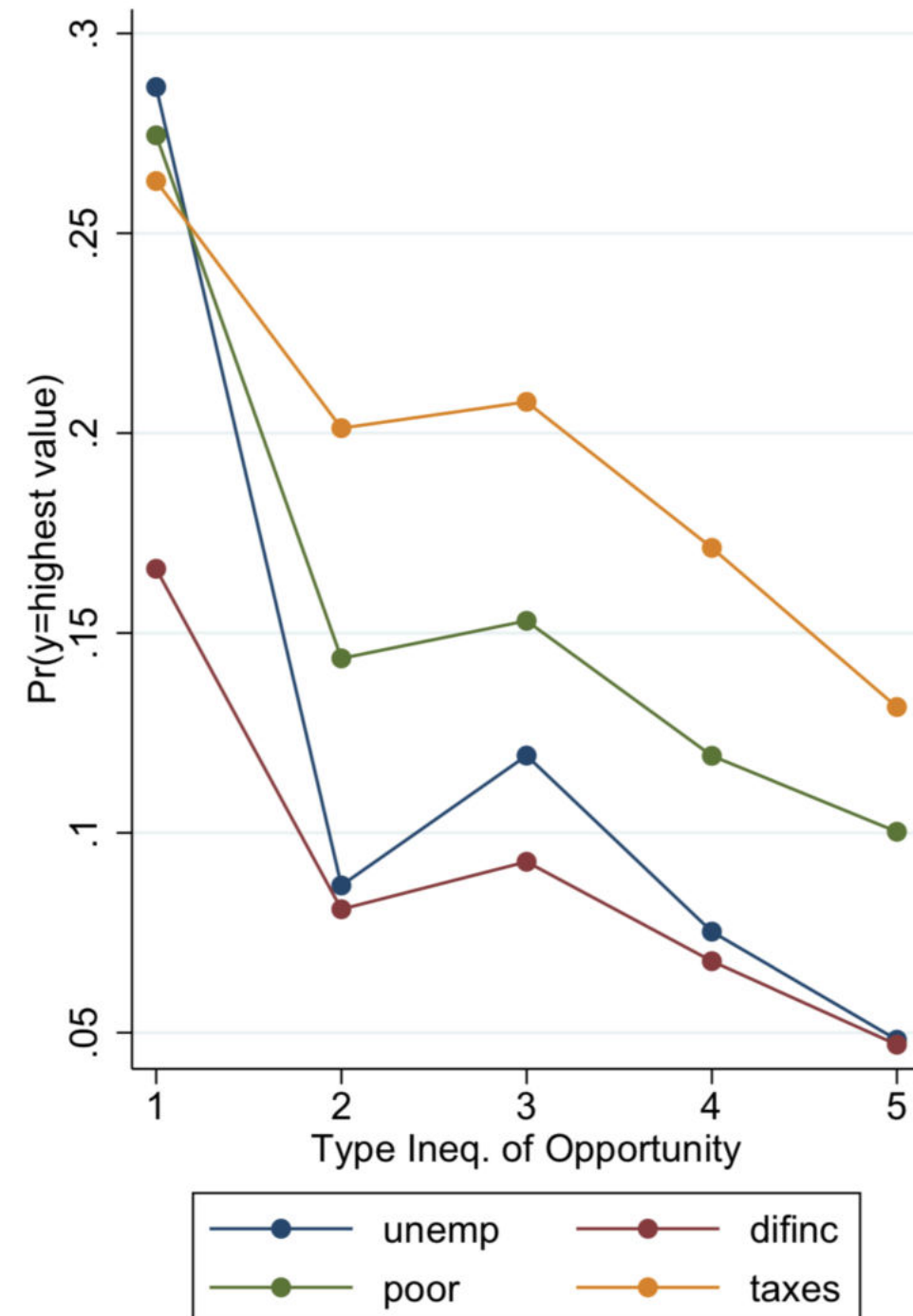
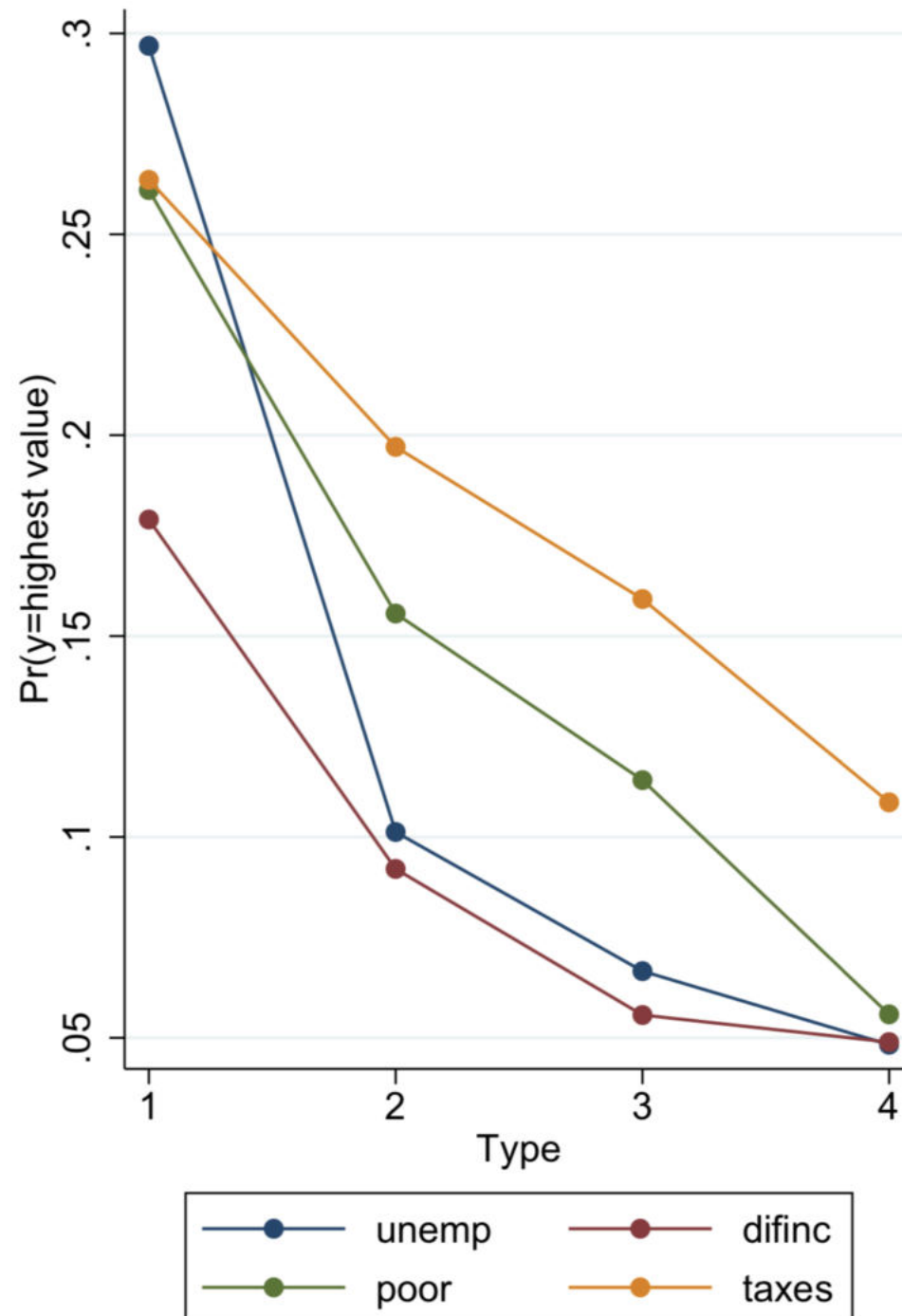
Type 1 are individuals with the highest perceived inequality in each reported variable, while type 4 with the lowest, through Type 2 and 3

For a given type, respondents perceive inequality similarly across the board, offering evidence of consistency

Inequality of opportunity domain: the patterns that types follow are not ordered — they intersect

Type 1, 3, 4, and 5 show an ordered pattern but **Type 2 cuts across Type 4 in the variables *wfam* and *wpar***

Inconsistency: Policy Value



Inconsistency: Policy Value

Figure 6 depicts the Average Marginal Effect (AME) for both the inequality of outcome and opportunity domains

AMEs measure the relative change of the latent perceived inequality on the probability that a respondent reports “much larger share” in *Taxes*, “strongly agree” in *Difinc* and *Unemp* and *Poor*

Taxes: preferences on whether people with high incomes should pay a larger share of income taxes - 5 level scale from “much smaller share” to “much larger share”

Difinc: whether it is the responsibility of the government to reduce income differences

Poor: whether the government should not spend less on benefits for the poor

Unemp: whether the government should provide a decent standard of living for the unemployed

Answers for these three questions are framed on ordered categories, ranging from “strongly disagree” to “strongly agree”.

Inconsistency: Policy Value

Consistency among types in outcome is reflected by the monotonically decreasing effect of perceived inequality types on *Taxes*, *Difinc*, *Unemp* and *Poor*

On the contrary, in the **inequality of opportunity domain differences across types emerge** as the AME first decreases from Type 1 to Type 2, then increases from Type 2 to Type 3 and eventually it falls back monotonically

Absence of monotonicity in the AMEs' trends is related to the role played by **Type 2 who attributes equal consideration to the social determinants of inequality**

Inconsistency: Political Value

It is the answer that Type 2 respondents give to the question “Inequality of what?” that generate the inconsistency

Since they attribute equal consideration to a specific and more restricted set of determinants of inequality, the extent to which they are ready to provide political support to equalizing social policies is lower than the support displayed by other types

Through their preferences, Type 2 respondents lead then to a conflicting view of equal political treatment that confirms the importance of consistency in the analysis of the perception of inequality and its impact on political outcomes

Opportunity for the BDD H-2020 Call

Freedoms & Perceptions in BDD

Research dimension

Inequality acceptance

Procedural fairness

Quality of institutions and democratic decisions

Application

Item 1: Building effective deliberative practices, which could complement and improve on representative democracy

How ‘technocratic’ vs ‘populist’ polarisation might be overcome to foster reasoned argumentation and mutual understanding

Item 4: Developing comparative perspectives, which entails creating a fruitful interaction among geographically different forms of experimentation

The aim is to provide a relevant and reliable empirical basis for issuing recommendations for concrete action: how can the outcomes of our project’s framework be relevant for and applicable at different levels of government