# Discussion Papers
## Department of Economics
## University of Copenhagen

Family Ties and Civic Virtues: Evidence on Wilson's Moral Sense

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# Family Ties and Civic Virtues: Evidence on Wilson's 'Moral Sense'

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July 25, 2012

### Abstract

I establish a positive relationship between family ties and civic virtues, as captured by disapproval of tax and benefit cheating, corruption, and a range of other dimensions of exploiting others for personal gain. I find that family ties are a complement to social capital, using within country evidence from 83 nations and data on second generation immigrants in 29 countries with ancestry in 85 nations. Strong families cultivate universalist values and produce more civic and altruistic individuals. The results provide a constructive role for families in promoting family values that support successful societies with a high state and fiscal capacity.

JEL codes: A13, H26, P16, Z13

Key words: family ties, civic, family values, cultural transmission, altruism

## 1 Introduction

The discussion of the reaches of morality dates back to Plato's 'Republic,' where Socrates asks Polemarchus about what justice (doing the morally right thing) entails. He replies that it's helping your friends and harming your enemies. Traditionally, moral behavior was the way you treated those in your "in-group" as opposed to outsiders. Modern philosophers (such as Mill and Kant) have argued that moral principles apply universally, hence including all of humanity in the "in-group."

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James Q. Wilson's (1993) book 'The Moral Sense' makes a case for families being instrumental in fostering universalist values. Wilson's book, in many ways a modern version of Adam Smith's 'The Theory of Moral Sentiments,' draws on a wide body of research in developmental psychology, anthropology, sociology, economics, and beyond. The more attached you are to your family the more likely you will develop universalist principles, as Wilson (1998) puts it.

Do strong families promote a more civic society? I present new evidence that strong families promote universalist principles such as tolerance and civic behaviors like respecting the law. The data make clear that strong families foster universalist moral behavior, not undermine it.

Wilson argues that individuals have a potential to develop certain morals through habituation of good behavior. Habituation must begin at an early age, and hence it rests upon parents to develop the child's potential. Wilson (1993) argues that families promote altruism by imparting sympathy, a sense of controlling one's destiny through teaching self-control, and trustworthiness through duty. The more attached you are to your family the more likely you will develop universalist principles and civic behaviors. Wilson (1993) argues for an intrinsic motivation in parents to have civic children, beyond what can be motivated by material payoffs.[1,2]

Wilson (1993) makes predictions on how strong families are related to trustworthiness, altruism, and how individuals believe their actions affect their outcomes. Wilson (1993) makes a causal argument, that stronger families produce more civic individuals. I present systematic evidence on these hypotheses, which fill a void in the literature. I present both correlations and estimates with a causal claim that support Wilson.

I find that family ties are strongly associated with attitudes that are im-

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[1] Also criminals want their children to lead a more civic life, as Wilson (1993) discusses. Of course, the intrinsic valuation of civic children is not always realized, for example due to circumstances in the family's environment.

[2] Wilson also acknowledges that parent's may value civic children if their civicness reflects well upon the parents. Both of these motives could be part of a cultural transmission model like Bisin and Verdier (2001). A model that explicitly differentiates between the intrinsic motivation and the image concern is Benabou and Tirole (2006).

portant for building societies with higher mutual respect and fiscal capacity, attitudes I label 'civic virtues.' One such virtue is to not take advantage of other members of society, or impose on them, for personal gain.[3] These virtues facilitate cooperation among members of a community.[4]

Individuals with strong family ties are more disapproving of tax and benefit cheating, black market activities, corruption, and lying in your own interest. Individuals with strong family ties also think it is more important that children learn tolerance and respect. These attitudes may capture different facets of trustworthiness. The findings support the hypothesis that strong family ties help build a strong civil society, where individuals don't exploit other community members for private benefits in line with Wilson (1993). Although some uncivic activities might build on strong family ties the results show that the detrimental effect of family ties does not generalize in the population. In fact, for the average person stronger family ties are associated with stronger civic virtues.

My empirical analysis proceeds in two steps. First I study correlations between attitudes that capture different facets of civic virtue and family ties. The analysis produces results that are consistent with Wilson's hypothesis. Second, to establish a direction of causality I study second generation immigrants in 29 countries who have parents born in 85 countries. I find that second generation immigrants' civic virtues are affected positively by their parent's background, where I use measures of family ties based on attitudes and behavior.

The influence of universalist versus limited morality on current outcomes is studied by Tabellini (2008 and 2010). He argues that a more widespread adoption of universalist morals lead to better functioning institutions and better economic outcomes at the regional level. My results indicate one channel at the individual level that may promote universalist morals and contribute to better functioning institutions and other desirable outcomes. Authors such as Greif (2006) have argued for an important role of family structure in earlier economic

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[3] Orderliness and civility are essential parts of successful communities on which the 'broken windows' argument by Kelling and Wilson (1982) is built.

[4] Tabellini (2008, 2010) provides evidence that societies with more universalist (and civic) values have better functioning institutions and higher income.

development but that the family now has been superseded by other social institutions. My results point to the importance of the family in fostering beliefs that are beneficial for the success of the community, indicating the relevance of the family also in the current period. Furthermore, the results provide micro evidence on the cultural transmission of civicness that is at the core of Aghion, Algan, Cahuc, and Shleifer's (2010) model of regulation.

My measures of family ties include both attachment to the family as discussed by Wilson and living arrangements as has been studied in the literature. Both Reher (1998) and Todd (1990) distinguish family types by if adult children live with their parents. Duranton, Rodríguez-Pose, and Sandall (2009) find that the regional prevalence of historical family patterns are associated with different current outcomes at the regional level. My study adds to this literature by studying beliefs and outcomes among individuals.

The analysis contributes to the understanding of what builds state capacity, as analyzed by Besley and Persson (2011). Disapproval of tax and benefit cheating, as well as disapproval of corruption, are essential parts of building an efficient state. Furthermore, civic virtues influence the civil society through cooperation in the labor market as well as regulation in the labor market as studied in Aghion, Algan, and Cahuc (2011) and Alesina, Algan, Cahuc, and Giuliano (2010).[5]

The results have implications that go beyond state capacity to resolve puzzles in public finance related to the low levels of observed tax evasion despite low detection probabilities.[6] I find that individuals with stronger family ties are more opposed to tax evasion. As many businesses are run by families,[7] it may be part of the explanation of the limited evasion rates among the self-employed.

The paper is organized as follows. The next section presents the data on the

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[5] Algan and Cahuc (2009) analyze civicness and labor market institutions across countries.

[6] Even among the self-employed, who self-report their income and have the largest scope for evading taxes, evasion is low. Six out of seven tax payers with self-employment income do not evade taxes in Denmark, as found in the randomized experiment studied by Kleven, Knudsen, Kreiner, Pedersen, and Saez (2011).

[7] See for example Bertrand and Schoar (2006) for a discussion of the significance of family businesses.

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measures of family ties and civic virtues, as well as the empirical specification. The following section presents the results on civic virtues and family ties. The analysis of the second generation immigrants is presented in section 4. The last section concludes.

## 2    Data and Specification

I use two different data sets in the analysis. In the first part I use the integrated European and World Values Surveys (EVS/WVS). For the variables I focus on the survey covers 83 countries for up to five waves. The first wave was conducted in 1981-1984 and the last wave was in 2005-2008. The data includes information on a wide range of attitudes as well as standard demographic variables. In the final part of the analysis, where I study second generation immigrants, I use the European Social Survey (ESS).

### 2.1    Family Ties

The main variable of interest is family ties and how it is related to a range of attitudes. I use three different measures of family ties. The first measure is based on one question from the EVS/WVS. The question assesses how important family is in the person's life. The variable is closely related to the idea of family ties in Wilson (1993). Answers are recorded in four categories and range from very important to not at all important. I code the variable such that a higher value captures stronger family ties.

The second measure of family ties is based on the question above, the importance of family, and two other questions from the EVS/WVS. The second question asks the respondent to agree with one of the two statements: 1) Regardless of what the qualities and faults of one's parents are, one must always love and respect them, 2) One does not have the duty to respect and love parents who have not earned it. I code alternative 1) as expressing stronger family ties. The third question prompts respondents to agree with one of the follow-

ing statements: 1) It is the parents' duty to do their best for their children even at the expense of their own well-being; 2) Parents have a life of their own and should not be asked to sacrifice their own well-being for the sake of their children. Again, I code alternative 1) as expressing stronger family ties.

As the second measure of family ties I summarize these three expressions of family ties by extracting their first principal component.[8] Results are very similar if I instead use the (normalized) average of the three variables.

The third measure of family ties is based on physical proximity. I consider the family ties to be strong if the individual lives with his or her parents. The ties are not strong if the person does not live with the parents. Reher (1998) discusses how coresidence of adult children and parents measure strong family ties. Todd (1990) also discusses how adult children and parents living together signifies 'authoritarian' family structures, while labelling families where the grown up children move out as 'liberal.'[9]

The averages of the three measures of family ties are positively correlated. However, the correlations are far from perfect.[10] It indicates that the measures based on attitudes and behavior capture different facets of family ties. Table A1 presents the summary statistics for the EVS/WVS data.

## 2.2   Civic Virtues

I define civic virtues as disapproval of exploiting others for personal gain, as well as attitudes toward tolerance, respect, and altruism. These virtues are a component of Putnam's (1995) definition of social capital, which includes "norms [...] that enable participants to act together more effectively to pursue shared objectives." Norms against taking advantage of others for personal benefit would also be part of the more narrow civic capital, defined as "those persistent and

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[8] Also see Alesina and Giuliano (2010) for the construction of this family ties variable.

[9] Moreover, Todd (1990) also discusses how inheritance law divides family types into 'equal' and 'unequal.' Since I study individuals within country the direct effect of inheritance law is captured by the country fixed effect.

[10] The correlation between the importance of family and the principal component of family ties is quite high at 0.78. The fraction who live with their parents has a much lower correlation with the principle component of family ties, at 0.58.

shared beliefs and values that help a group overcome the free rider problem in the pursuit of socially valuable activities" by Guiso, Sapienza, and Zingales (2010).

I focus on a set of variables that capture several dimensions of civic virtues. The common denominator among these virtues is a trade-off between personal gains at the expense of members of society. I consider it a civic virtue when individuals don't think it is right to exploit strangers for private benefits. It may be akin to the 'golden rule,' which states one should treat others as one would like others to treat oneself.

To capture specific dimensions of civic virtues I turn to questions that assess how justifiable a range of activities are in the eyes of the respondent. The respondent is to say "for each of the following statements whether you think it can always be justified, never be justified, or something in between". The statements are "Cheating on taxes if you have a chance"; "Claiming government benefits to which you are not entitled"; "Avoiding a fare on public transport"; "Paying cash for services to avoid taxes"; "Someone accepting a bribe in the course of their duties"; "Lying in your own interest"; "Throwing away litter in a public place"; "Driving under the influence of alcohol"; "Speeding over the limit in built-up areas"; "Smoking in public buildings"; "Failing to report damage you've done accidentally to a parked vehicle"; "Buy stolen goods." Answers to each statement are coded from 1, never justified, to 10, always justified.

Wilson (1993) would argue that these behaviors can't be justified, either based on duty (being faithful to obligations), or sympathy. He discusses both tax cheating and lying explicitly.

The least justifiable behavior is driving under the influence, with an average of 1.5, and the most accepted behavior is smoking in a public building, with an average of 3.4. The majority of the observations are at the lower end of the range. The mode is 1, never justifiable, across all questions and in a majority of the questions the median is 1. This indicates that the norm is that none of these behaviors are justifiable.

There could be a concern that individuals report a higher disapproval in

order to "look good" to the interviewer, and such behavior could differ across countries. Since the main results are based on within country variation they are not affected by such differences. Yet, there is evidence that individuals report truthfully in surveys even if there are incentives to lie as analyzed by Abeler, Becker, Falk, and Seidmann (2011), which may alleviate such concerns.[11] Furthermore, I use several measures of civicness, presented below, that might be much less susceptible to the concern to "look good."

I also consider qualities children can be encouraged to learn at home. The two dimensions I study focus on how we get along with people in society. The two qualities which the respondent may consider especially important are "Good manners" and "Tolerance and respect for other people."

Lack of control, that outcomes are determined by external forces, may make it harder to pursue socially valuable activities. Wilson (1993, 1998) discusses how affectionate parenting with consistent applications of rewards and penalties tend to produce individuals who believe they can affect their own outcomes; they don't think their outcomes are produced by some process of luck or chance. I study one question that captures the degree of control the respondent thinks he has over his life. The question reads "Some people feel they have completely free choice and control over their lives, while other people feel that what they do has no real effect on what happens to them. Please use this scale where 1 means "none at all" and 10 means "a great deal" to indicate how much freedom of choice and control you feel you have over the way your life turns out."

## 2.3  Empirical Specification

I run a series of ordinary least squares (OLS) regressions of the following form:[12]

$$Y_{ict} = \beta_0 + \beta_1 Family\_ties_{ict} + \beta_2 X_{it} + \gamma_{ct} + \varepsilon_{ict} \tag{1}$$

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[11] They ask respondents to flip a coin four times in private (no monitoring), and respondents are paid £15 for each head reported to the interviewer (tail pays nothing). The reported distribution matches that of a large sample of independent coin flips, indicating that individuals report truthfully. When repeated in the lab, however, too many heads are reported.

[12] The results are robust to using an ordered logit or an ordered probit estimator.

where the dependent variable captures the realization of a particular variable for individual $i$ residing in country $c$ at time $t$, where time is given by the survey wave. $Family\_ties_{ict}$ is the variable of main interest, which is increasing in the strength of family ties. The controls are included in $X_{it}$. I also include a full set of country-by-wave fixed effects, represented by $\gamma_{ct}$, which accounts for aggregate levels and time trends for each country. Hence, the variation I use to identify $\beta_1$ is only due to differences in family ties within countries while also accounting for non-linear time trends within countries.[13]

## 3    Family Ties and Civic Virtues

Stronger family ties are associated with stronger civic virtues across all measures. It suggests that family ties are a complement to these virtues, which are part of what is labeled social capital. The results support the idea that families transmit civicness.

The family ties measure line up with Northern European countries having weaker ties and more conservative and developing countries displaying stronger family ties. The measure of family ties hence show the pattern one might expect across countries based on Reher (1998).

All regressions include a set of demographic controls, as the attitudes I examine may vary with individual characteristics. I control for age and its square, gender, marital status, education, employment status, income,[14] and religion. Table 1 and 2 present the findings where family ties are measured by the importance put on family.

### 3.1    Family ties measured by importance of family

The estimated coefficient on family ties is negative and strongly significant across the specifications in Table 1. Beginning with the first column, stronger family

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[13] The estimated coefficient shouldn't necessarily be interpreted as causal.

[14] All regressions include a full set of dummies for 10 income groups. The estimated coefficients are not reported.

ties are associated with less justification of tax cheating. Hence, tax cheating, which may give private benefits at the expense of the anonymous tax payer, is tolerated less among those with strong family ties. The same goes for benefit cheating as seen in the second specification. The estimated coefficients are quantitatively significant. Consider the tax cheating estimates in the first column. A one standard deviation increase in the strength of family ties corresponds to one and a half times the difference between having a college degree versus less than a high school degree.

Paying with cash to avoid taxes, a form of tax cheating, is seen as less justified among those with stronger ties. Furthermore, not paying for public transit is looked upon less keenly by those with tighter families. Getting private benefits at the tax payers' expense is less tolerated among those with stronger family ties.

Individuals with stronger family ties are more opposed to someone taking a bribe than those with weaker ties, as seen in column 5. It does not seem like strong family ties support an equilibrium with a high level of corruption. Telling the truth is another civic virtue that is cherished more among those with stronger family ties. Stronger family ties are associated with a lower acceptance of lying in your own interest. This attitude may make it harder to sustain an equilibrium with corrupt politicians.

Among the control variables it may noted that the self-employed are more accepting of tax cheating but less so regarding benefit cheating.[15] Part-time employees are more accepting of benefit cheating and riding public transit without paying the fare. Older individuals, women, Protestants, those married, and with higher education are associated with less accepting attitudes across the different dimensions in Table 1.

The control variable Married is of particular interest since married individuals may be considered as having stronger family ties compared to the omitted category divorced and widowed. The estimate on being married hence provides

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[15] This lines up well with Kleven et al's (2011) finding that self-employed indeed cheat more on taxes compared to employed earners.

another test of the hypothesis. The point estimates are strongly significant across the different measures and all point to stronger ties being associated with more civicness. The marriage indicator provides a validation of the results from the main measures of family ties.

I present further evidence on how stronger family ties are associated with stronger civic virtues in Table 2. I find that also in these dimensions, which may be more mundane or more personal, manifestations of mutual respect are stronger for those with stronger family ties. Littering in a public place, which may be convenient for the individual but a nuisance to those using the public place, is less tolerated by people with strong family ties. Both driving under the influence and speeding in urban areas, which may give private benefits to the driver but put others at higher risk, are less acceptable to individuals with strong family ties, as seen in the second and third columns. Failure to report damage one has done by accident to a parked vehicle is less tolerated among those with strong ties. Disapproval of smoking in public buildings is stronger among those with tighter family ties, as is the disapproval of buying stolen goods.

The following two columns of Table 2 analyze the relationship between family ties and two qualities that are singled out as especially important for children to learn at home. The first is good manners. Manners are rules of conduct that may make it easier for people to get along in society. Living by these manners may come at a private cost, holding the door open for someone takes time that could be spent differently, and the good manners provide benefits to others in society, for example the person you hold the door for. Wilson (1993) argues that manners have evolved to display self-control and that you are not hostile to strangers. Repeated display of bad manners may indicate that "you do not have the state of character to restrain you from preferring your own immediate advantage over the more rightful and more distant interests of others."[16] Individuals with stronger family ties think that it is more important that children learn good manners. Also in this dimension I find that stronger

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[16]Wilson (1993), page 85.

family ties are associated with stronger civic virtues.

I find the same result for the second child quality, tolerance and respect for other people, which may be one of the fundamental civic virtues. The stronger the family ties, the more important individuals think it is that children learn tolerance and respect for other people. This also points to a mechanism for the transmission of civic virtues. Individuals with strong family ties stress the importance of teaching children tolerance and respect for others. This inter-generational transmission mechanism may explain the presence of these civic attitudes within families with strong ties.

The last column examines the extent to which individuals think they can control their own lives. Wilson (1993) argues that strong families socialize their children to believe they can affect their outcomes. I find that individuals with stronger family ties express a higher freedom of choice and control over their lives, which support Wilson.

## 3.2 Family ties based on three attitudes

The results thus far were based on the question on how important family is. Next, I use the principal component of three questions that capture family ties as defined above. This measure is naturally highly correlated with the importance of family since the question is one component, but the correlation of 0.78 shows that the measure captures different facets of family ties. The estimates of the variable of main interest, family ties, are presented in Table 3. The results are very similar to Tables 1 and 2. Stronger family ties are associated with stronger civic virtues both with respect to disapproval of exploiting others, the child qualities, and the sense of control over one's life. The estimates on the individual control variables are similar to those reported earlier.

## 3.3 Family ties measured by living arrangements

The third measure of family ties, whether the individual lives with his or her parents, is very different since it is based on behavior. The physical proximity

to your parents would signal strong family ties. With this measure of family ties it is important to compare individuals with similar characteristics but who differ in their living arrangements, since the decision to reside with your parents may be influenced by your labor market outcomes for example. Accounting for these factors by controlling for labor market attachment, income, etc. is hence crucial. The results in Table 4 are similar to the previous tables, although not as strong. A majority of the estimates are significant, and all the significant estimates have the expected sign.[17]

There is also some evidence of a complementarity across the different measures of family ties. I find those who express strong family ties and live with their parents in several cases are even more opposed to exploiting others for personal gain, compared to those who express as strong family ties but do not live with their parents. This compounding effect is also significant for the importance of children to learn tolerance and respect.

## 3.4 Taking Stock

I find that in the dimension of civic virtues, habits of personal living that are claimed to be important for the success of the community, family ties are a complement to social capital. The estimates that stronger family ties are associated with stronger civicness, even interpreted as correlations, would challenge the generalizability to the general population of strong families breeding particularized morality. Rather, all the results are consistent with Wilson (1993).

The measures of civic virtues are based on survey responses. Do the attitudes relate to how common these behaviors are? I examine corruption as there are several measures of corruption across countries. I regress the measure of disapproval of bribes on three different measures of corruption and in all cases I find that countries with stronger disapproval of bribes also display significantly less corruption. The first measure is the corruption perception index from Transparency International. The second measure is the quality of gov-

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[17] For the attitudes toward the degree of control over one's life there is a built in simultaneity problem, since living with your parents may impose restrictions on your freedom of choice.

ernment, where corruption is a large component, in the International Country Risk Guide from the PRS group. The third measure is the control of corruption estimate from the World Bank Governance Indicators.[18] The evidence suggests that the attitudes I study also reflect behavior.

# 4    Evidence from Second Generation Immigrants

To establish a direction of causality, that family ties affect civic virtues, I study second generation immigrants. Fernandez (2010) describes how this approach can be used to study the causal impact of beliefs on outcomes.[19] Most studies have used data from the U.S., but I contribute to an emerging literature studying immigrants in a wide range of European countries such as Luttmer and Singhal (2011). I use data from the first four rounds of the European Social Survey (ESS). I find that the results from the EVS/WVS above also hold in the analysis of second generation immigrants. By looking at many countries of residence for second generation immigrants, I consider 29 countries, I reduce the concern that the results are driven by conditions of one particular country. I also consider individuals with ancestry from a wide range of countries, up to 85 countries across the world, that reduce the concern that the results are particular to small number of ancestral backgrounds. The findings provide direct evidence of a causal effect of family ties on civic virtues, and on the cultural transmission of civic virtues within families.

## 4.1    Data

The ESS is conducted on representative samples in European countries.[20] The questions in the survey cover a range of aspects including labor market attachment, attitudes toward society, as well as standard demographic characteristics. One essential feature of the data is that the survey asks about the country

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[18] I use the data compiled by Sammanni et al (2010).

[19] Fernandez (2010) handbook chapter also provide an extensive survey of the empirical evidence.

[20] Extensive documentation of the data is found at http://ess.nsd.uib.no.

of birth of the respondent as well as the country of birth of both parents.[21] This information allows me to identify second generation immigrants and which countries their parents originate from.

I define a second generation immigrant as a respondent who is born in the country of residence but whose mother or father is born in a different country. I consider both the case where the mother is born in a different country and the case where the father is born abroad, separately. The cumulative ESS file covers 29 countries where second generation immigrants are residing. I am able to match second generations immigrants to family ties in up to 85 parental birth countries.

I compute the measure of family ties in the parent's birth country as the country average of the variable in the EVS/WVS data, either as the fraction who live with their parents or the first principal component of the three questions as discussed above. The summary statistics for the second generation immigrants on the mother's and father's side, respectively, are presented in Table A2. There are no significant differences in the characteristics of those with immigrant mothers and fathers, and they are not significantly different from the rest of the population either. The participating countries in each round of the ESS are presented in Table A3.

## 4.2  Dependent Variables

### 4.2.1  Civic Virtues

The ESS is relatively limited in the questions regarding civic virtues in comparison to the EVS/WVS. I have identified two questions that capture some facets of the civic virtues, habits of personal living that may be important for the success of the community, I examine in the EVS/WVS. The first question asks how important it is to help other people and care for their well-being. This would capture an active part of civic virtues, that you should help and

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[21]This information is available from the second wave of the ESS, hence I am not using the first wave in the analysis.

care for others. It is hence one degree stronger than civic virtues in EVS/WVS that focused on not harming or exploiting others. Helping others would be a manifestation of altruism, which is driven by a sense of sympathy fostered in strong families according to Wilson (1993). The second question relates to the importance of behaving properly. Wilson (1993) discusses duty, being faithful to obligations, as a moral sense. It incorporates not acting in ways that would be considered unacceptable. Based on the analysis of acceptable behavior using the EVS/WVS and the population means I would argue that at least part of behaving properly reflects not exploiting others for personal gain.

Preceding the question is the statement "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer." The first question is then "It's very important to her/him to help the people around her/him. She/he wants to care for their well-being." There are 6 possible answers on the card; "Very much like me"; "Like me"; "Somewhat like me"; "A little like me"; "Not like me"; "Not like me at all". I code "Very much like me" as 6 and each following answer with a lower digit down to coding "Not like me at all" as 1.

The second question is worded as "It is important to her/him always to behave properly. She/he wants to avoid doing anything people would say is wrong." The possible answers and their coding is the same as for the first question.

I also study two dimensions of uncivic action. These questions are included in one rotating module, which is only included in the second round of the ESS. Hence, the sample is much smaller. The questions are preceded by the following statement "How often, if ever, have you done each of these things in the last five years? Use this card for your answers. How often, if ever, have you..." The two questions are "made an exaggerated or false insurance claim?" and "paid cash with no receipt so as to avoid paying VAT or other taxes?" I code the variables as 1 if the person has done the action at least once, and 0 otherwise.

### 4.2.2 Control Variables

I include a similar set of demographic and economic controls as in the previous analysis. I control for age and its square, gender, being married or never married (divorced and widowed are the excluded categories), if there is child in the home, as well as three religious denominations (Catholic, Protestant, and Orthodox). For education I include indicators for completed upper secondary school as well as a completed college or university degree (tertiary degree), with lower secondary and less being the excluded category. For labor force attachment I include indicators for out of the labor force and unemployed looking for work. With respect to income I include indicators for low income (first to third income decile in the country) and middle income (fourth to seventh income decile in the country).

## 4.3 Empirical Specification

I run a number of OLS regression of the following form:[22]

$$Y_{icat} = \beta_0 + \beta_1 Family\_Ties_a + \beta_2 X_{it} + \gamma_c + \eta_t + \varepsilon_{icat} \tag{2}$$

$Y_{icat}$ captures the outcome of individual $i$, born and residing in country $c$ with a parent born in country $a$, and $a \neq c$, in time period $t$. The average family ties, $Family\_Ties_a$, in the parent's birth country, is common to all individuals with a parent born in country $a$. $X_{it}$ captures individual demographic and economic controls that may affect the outcome. The country of residence fixed effect $\gamma_c$ captures all the unobserved factors that may affect the outcome differentially across countries, time effects $\eta_t$ capture time trends, and $\varepsilon_{icat}$ is the error term.

The advantage of this empirical model, over the analysis above, is that the parental trait is not endogenous to the individual outcome. A significant estimate of $\beta_1$ would hence indicate an impact of the family ties in the country of ancestry on the individual outcome and not the other way around. Reverse

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[22] The results are robust to using the logit or the probit estimator.

causality is not a concern since the outcomes for a child residing in country $c$ can't affect the average value of family ties in the parent's birth country $a$. I am of course concerned about confounding factors so it is important to include an extensive list of individual controls in $X_i$, which I do. The inclusion of the country fixed effect $\gamma_c$ means that I account for the institutional structure and all other unobserved factors which apply to all residents in country $c$. It also means that the variation I use is to compare the outcomes of second generation immigrants relative to the family ties in their countries of ancestry within each country.[23]

The standard errors are clustered by the parent's birth country to allow all individuals with the same ancestry to face an influence that may share a common unobserved component. It is hence important to have many countries of ancestry in the data for hypothesis testing. I have family ties measures from 73 to 85 countries (all from the EVS/WVS). Such number of countries is sufficient for obtaining consistently estimated standard errors.[24]

Moreover, the empirical approach produces a conservative estimate of $\beta_1$. The underlying model would be that the parent's family ties would affect the child's outcome, but I use the average family ties in the parent's birth country as shifter that does not suffer from the reverse causality concern.[25] Since there is substantial variation in parents' family ties in a population the average level of family ties in the parent's birth country, the variable $Family\_Ties_a$ in the analysis, is not perfectly related to the parent's family ties. This produces an attenuation bias in the method, biasing the estimate of $\beta_1$ toward zero. The estimate of $\beta_1$ is hence conservative, and finding a significant effect in spite of this bias would be strong evidence that the effect is present.

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[23] For example, I am comparing if individuals with French ancestry residing in Germany have systematically higher outcomes compared to those with Italian ancestry residing in Germany.

[24] As a comparison, Luttmer and Singhal (2011) study immigrants from 32 countries.

[25] The parent's individual value is not observed. I am hence estimating the 'reduced form.'

## 4.4 Results

The first results show a positive effect of family ties on civic virtues. Family ties are measured in the parent's birth country and captures the cultural transmission of this trait on the outcomes of the second generation immigrants, who have been born into a different country with a separate institutional and cultural environment. The measure of family ties in the parent's birth country hence captures the impact of this cultural trait on the respondent. All the following regressions condition on the respondent being born in the country of the interview and that the mother/father is born in a different country.

### 4.4.1 Civic Attitudes

In the first specification of Table 5 I examine the effect of family ties in the mother's birth country on the respondent's expressed importance of helping others, the first measure of civic virtues in the ESS. In Table 5 I measure family ties by the fraction of individuals who live with their parents. A higher fraction measures stronger family ties. The estimated coefficient is positive and strongly significant. It means that respondents with a mother from a strong family ties country think it is more important to help others, compared to an individual living in the same country but with weak family ties ancestry. This is similar to the findings in the EVS/WVS that stronger family ties are associated with stronger civic virtues. However, by using the sample of second generation immigrants I can establish the direction of causality from family ties to civicness, as the family ties in the parent's country of birth is not endogenous to the respondent's outcome. In the second specification I consider the other measure of civicness, the importance of behaving properly. The point estimate is positive as expected and highly significant.

In the third and fourth specifications I regress the same measures of civic virtues on family ties, again measured as the fraction living with their parents, in the father's country of birth (for the sample of second generation immigrants with an immigrant father). For both measures the point estimates are positive

and significant.[26] There is hence evidence of a causal impact of family ties from both parents.[27, 28]

The demographic variables display estimates similar to the earlier analysis, indicating that the measures of civic virtues as well as the sample of second generation immigrants are similar to the previous analysis. As marriage may be a marker stronger of family ties it is particularly interesting. The point estimates on Marriage in Table 5 are all positive, and in all but one case strongly significant, which further corroborates the finding that stronger families are more civic.

Next, I examine the same questions with a different measure of family ties. Instead of the fraction living with parents I use the average value of the principal component of the three family question, which I used in Table 3 above. The first two columns of Table 6 present the results for those with an immigrant mother. The estimates are positive and strongly significant both for the importance of helping others and to behave properly as in the previous table. For those with a father who immigrated the point estimate in the case of helping others is positive as before but not statistically significant. The effect of family ties on the importance of behaving properly remains positive and strongly significant.[29]

### 4.4.2 Robustness

Could selection of immigrants affect the analysis? First, second generation immigrants have not chosen to move themselves, which mitigates such concerns. Moreover, the second generation immigrants are highly integrated (96% are citizens of their country of birth), look similar to natives on observables, and display similar coefficients on the demographic controls in Table 5. Anyway, there may be concerns that the parents are drawn from a particular part of the

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[26] The results are also robust to controlling for trust.

[27] The results don't rule out a causal relationship from civic virtues to family ties. It is, however, not possible to estimate such a relationship since the ESS does not measure the strength of family ties.

[28] I don't find a compounding effect of family ties on the child's civicness if both parents are born in the same country. The lack of compounding could be due to the nature of the 'production function' of civicness or due to the smaller sample size.

[29] Also the results in Table 6 are robust to controlling for trust.

distribution. Such selection would not be a problem as long as it is uniform across countries since the identifying variation does not come from levels but differences across ancestral countries. Yet, it could be the case that individuals with weak family ties are more likely to migrate as argued by Algan, Alesina, Cahuc, and Giuliano (2010). Under the main hypothesis in this paper, that there is cultural transmission from family ties to civicness, selection based on weak family ties would tend to reduce the variation in the dependent variable civicness. Such selection would hence attenuate my estimate and bias it toward zero.

Yet, there may be a concern that ancestry from a strong family ties country captures a less developed country ancestry, and that the level of development may confound the effect of family ties. There is a significant negative relationship between stronger family ties and income across countries. To separate the potential effect of family ties from economic development I control for ancestral country gross domestic product (GDP) per capita in logarithms.

To address potential parental sorting into migration I include controls for the mother's and the father's education. I create dummies for upper secondary and tertiary education. This shuts down any effect of family ties on civicness that would operate through parental education.

The models corresponding to Table 5 are estimated with these added controls: log ancestral GDP and four dummies for parental education. The results are presented in Table 7. The estimate on family ties in the ancestral country is similar in magnitude and remain significant indicating that the main results are not influenced by these added controls. Ancestral GDP is insignificant throughout, indicating the level of development in the parent's country of birth does not drive the result. The parental education dummies are in most cases insignificant, indicating that it does not have an important impact on the child's civicness conditional on the other variables. I have also estimated the model corresponding to Table 6 with these added controls. Again, the results are very similar.

In the results presented I use all the available data. There may be a concern

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that the results are influenced by ancestries with few second generation immigrants in the data. The results are similar when including ancestral countries with at least 5, 10, 20, or 50 observations. The results are not driven by small immigrant groups.

### 4.4.3  Civic Behavior

Do the stronger family ties also affect civic behavior? I present evidence on two dimensions of uncivic behavior. Individuals with ancestry in countries with stronger family ties are less likely to report exaggerated or false insurance claims in the past 5 years, as seen in the first column of Table 8. The estimated coefficient is strongly significant. Individuals are also less likely to have paid cash to avoid taxes, as the point estimate in column 2 is negative. The estimate is, however, not significant. The lack of significance may be due to that the question was only asked in one round of the survey, so the sample is much smaller.

When turning to the sample with immigrant fathers, the point estimate indicates that stronger family ties lead to less false or exaggerated insurance claims, although the estimate is not significant, as seen in column 3. The estimate on paying cash to avoid taxes is negative and strongly significant in the last column of Table 8. The results provide some evidence that mothers and fathers may transmit values that affect different kinds of behavior. Evidence of differences in cultural transmission by mothers and fathers is also presented in Ljunge (2012). The asymmetric estimates for mothers and fathers also indicate that the effects are driven by socialization rather than some genetic transmission, which would have the same impact through both parents.

Tables 5 through 8 provide evidence on a constructive role for families. Individuals with parents from countries with stronger family ties transmit a more civic attitude to their children. It implies that parents from countries with stronger family ties socialize their children to be more civic, lending support to Wilson's (1993) predictions. Table 8 provides evidence on that family ties also

promote more civic behavior.[30]

# 5    Conclusion

Are family ties a complement to or a substitute for social capital? The main result is that family ties are a complement to social capital, in the domain of civic virtues. I find that individuals in strong family networks are substantially more disapproving of tax and benefit cheating, corruption, and a range of other activities which involve a personal benefit at the expense of other individuals. The findings support Wilson's (1993) hypothesis that stronger families tend to produce individuals with universalist values and challenge the idea that modern strong families promote a morality limited to the family or clan.

I argued that the dominant norms are to not accept tax cheating and other ways of exploiting or imposing on others based on the averages in Table A1. It could of course be that in some families with strong ties the norm is that one takes advantage of others by for example cheating on taxes and benefits. From a perspective of limited morality it may be expected that strong families organize themselves to exploit others for their own gain. The data clearly speaks against this as the dominant norm across families, as stronger family ties are associated with less acceptance of exploiting others for personal gain. I also find that individuals with stronger family ties think it is more important that children learn to respect others. It provides an intergenerational transmission mechanism for civic virtues, which may explain the presence of civic virtues in tighter family networks.

The results from the analysis of second generation immigrants provide a causal link in these relationships. Stronger family ties make for stronger civic virtues both in terms of attitudes and actions. This provides evidence of education, or cultural transmission, of civicness within the family; an important component of Aghion et al's (2010) model.[31]

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[30] Bisin and Verdier (2001) provides a model of vertical cultural transmission.

[31] Furthermore, parents from countries with stronger civic virtues have children with stronger civic virtues, although the children are born and reside in a different country, as analyzed in

The analysis points to an instrumental role for families in socializing children to adapt beliefs that promote the good of society. It indicates an important role for policy in supporting strong families, perhaps by restricting public policy in some areas. The welfare state has taken over some duties traditionally handled by families, which has benefits such as emancipating individuals. At the same time, loosening the influence of the family may have unintended consequences. Weaker families could result in less socialization of pro social beliefs such as only claiming benefits one is entitled to. Weakening such beliefs could drive an increase in individual demands for welfare state benefits. The increasing demand for social insurance across generations studied in Ljunge (2012b) is consistent with such a mechanism.

The results support the idea that tightly knit groups, such as families, can promote habits that may be important for the success of the community, as suggested by Wilson (1993). The findings provide a constructive role for families, as they may support communities with high levels of civic virtues and universalist values, in contrast the idea of limited morality in tightly knit families. Strong families benefit both family members as well as society as a whole.

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## Table 1. Family ties and civic virtues.

| | **Is it justifiable to:** | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| | Cheat on taxes if you have a chance | Claim benefits you are not entitled to | Pay cash to avoid taxes | Ride public transit with no ticket | Someone accepting a bribe | Lie in your own interest |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Family important | **-0.315** | **-0.258** | **-0.273** | **-0.317** | **-0.231** | **-0.269** |
| | (0.013)*** | (0.013)*** | (0.033)*** | (0.014)*** | (0.010)*** | (0.019)*** |
| Female | -0.244 | -0.105 | -0.335 | -0.112 | -0.134 | -0.256 |
| | (0.009)*** | (0.010)*** | (0.030)*** | (0.010)*** | (0.007)*** | (0.017)*** |
| College or | -0.127 | -0.210 | 0.049 | -0.111 | -0.181 | -0.067 |
| university | (0.016)*** | (0.016)*** | (0.049) | (0.017)*** | (0.012)*** | (0.036) |
| High-school | -0.078 | -0.117 | 0.041 | -0.092 | -0.090 | -0.050 |
| | (0.011)*** | (0.012)*** | (0.033) | (0.013)*** | (0.009)*** | (0.026) |
| Age | -0.016 | -0.022 | -0.032 | -0.033 | -0.019 | -0.030 |
| | (0.002)*** | (0.002)*** | (0.006)*** | (0.002)*** | (0.001)*** | (0.003)*** |
| Age squared | -0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | (0.000) | (0.000)*** | (0.000) | (0.000)*** | (0.000)*** | (0.000)* |
| Married | -0.171 | -0.149 | -0.186 | -0.179 | -0.101 | -0.241 |
| | (0.013)*** | (0.013)*** | (0.040)*** | (0.014)*** | (0.010)*** | (0.023)*** |
| Single | -0.066 | -0.020 | -0.105 | 0.084 | -0.023 | -0.033 |
| | (0.018)*** | (0.018) | (0.057) | (0.019)*** | (0.014) | (0.033) |
| Children | 0.021 | 0.024 | -0.006 | 0.025 | 0.013 | -0.011 |
| | (0.003)*** | (0.004)*** | (0.011) | (0.004)*** | (0.003)*** | (0.007) |
| Employed | -0.017 | -0.038 | 0.043 | -0.059 | -0.017 | -0.064 |
| (full-time) | (0.012) | (0.012)** | (0.037) | (0.012)*** | (0.009) | (0.021)** |
| Employed | 0.045 | 0.096 | 0.175 | 0.086 | 0.027 | 0.004 |
| (part-time) | (0.019)* | (0.020)*** | (0.062)** | (0.020)*** | (0.014) | (0.034) |
| Self-employed | 0.149 | -0.060 | 0.172 | -0.038 | 0.021 | 0.073 |
| | (0.017)*** | (0.018)*** | (0.069)* | (0.018)* | (0.013) | (0.038) |
| Catholic | -0.066 | -0.001 | -0.147 | -0.143 | -0.036 | -0.162 |
| | (0.015)*** | (0.015) | (0.044)*** | (0.016)*** | (0.012)** | (0.024)*** |
| Protestant | -0.133 | -0.082 | -0.047 | -0.162 | -0.108 | -0.171 |
| | (0.017)*** | (0.017)*** | (0.060) | (0.018)*** | (0.013)*** | (0.031)*** |
| Orthodox | 0.015 | 0.073 | -0.049 | 0.097 | -0.073 | -0.014 |
| | (0.026) | (0.024)** | (0.062) | (0.028)*** | (0.018)*** | (0.043) |
| | | | | | | |
| R-squared | 0.111 | 0.109 | 0.128 | 0.129 | 0.103 | 0.119 |
| Observations | 245324 | 243099 | 30939 | 231681 | 253705 | 76556 |

Notes: The following model is estimated: $Y_{ict}=b0+b1Family\_Ties_{ict}+b2\,X_{it}+g_{ct}+e_{ict}$
where i is individual, c is country of residence, and t is time period. Country of residence-by-year fixed effects are captured by $g_{ct}$. The dependent variable Y is coded from 1, never acceptable, to 10, always acceptable. Standard errors, in parenthesis, are clustered by the parent's birth country, * p<0.1, ** p<0.05, *** p<0.01.

## Table 2. Family ties, civic virtues, and child qualities.

| | Is it justifiable to: | | | | | | Child Qualities: | | |
|---|---|---|---|---|---|---|---|---|---|
| | Litter in a public place | Drive under the influence | Speed in built-up area | Fail to report damage | Smoke in public buildings | Buy stolen goods | Good manners | Tolerance and repsect for others | Control over one's life |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Family important | **-0.170** | **-0.185** | **-0.184** | **-0.230** | **-0.320** | **-0.262** | **0.046** | **0.043** | **0.184** |
| | (0.014)*** | (0.013)*** | (0.024)*** | (0.024)*** | (0.034)*** | (0.015)*** | (0.003)*** | (0.002)*** | (0.013)*** |
| Female | -0.149 | -0.265 | -0.368 | -0.155 | -0.306 | -0.199 | 0.009 | 0.038 | -0.129 |
| | (0.012)*** | (0.010)*** | (0.022)*** | (0.020)*** | (0.031)*** | (0.011)*** | (0.002)*** | (0.002)*** | (0.010)*** |
| College or university | -0.068 | -0.025 | 0.250 | 0.194 | -0.033 | -0.126 | -0.066 | 0.039 | 0.368 |
| | (0.025)** | (0.021) | (0.037)*** | (0.084)* | (0.050) | (0.020)*** | (0.004)*** | (0.003)*** | (0.016)*** |
| High-school | -0.021 | -0.018 | 0.108 | 0.151 | -0.002 | -0.096 | -0.025 | 0.026 | 0.219 |
| | (0.019) | (0.015) | (0.025)*** | (0.068)* | (0.034) | (0.015)*** | (0.003)*** | (0.002)*** | (0.012)*** |
| Age | -0.025 | -0.014 | -0.041 | -0.041 | -0.007 | -0.041 | -0.003 | 0.003 | -0.024 |
| | (0.002)*** | (0.002)*** | (0.004)*** | (0.004)*** | (0.006) | (0.002)*** | (0.000)*** | (0.000)*** | (0.002)*** |
| Age squared | 0.000 | 0.000 | 0.000 | 0.000 | -0.000 | 0.000 | 0.000 | -0.000 | 0.000 |
| | (0.000)*** | (0.000)** | (0.000)*** | (0.000)*** | (0.000)*** | (0.000)*** | (0.000)*** | (0.000)*** | (0.000)*** |
| Married | -0.077 | -0.088 | -0.106 | -0.124 | -0.286 | -0.145 | 0.010 | -0.000 | 0.028 |
| | (0.016)*** | (0.014)*** | (0.028)*** | (0.028)*** | (0.041)*** | (0.014)*** | (0.003)*** | (0.003) | (0.014)* |
| Single | 0.019 | 0.018 | 0.067 | 0.040 | 0.027 | 0.050 | -0.018 | 0.010 | 0.059 |
| | (0.024) | (0.021) | (0.041) | (0.042) | (0.059) | (0.022)* | (0.004)*** | (0.003)** | (0.018)*** |
| Children | -0.000 | -0.002 | -0.009 | -0.006 | -0.008 | 0.011 | 0.000 | -0.002 | -0.001 |
| | (0.005) | (0.004) | (0.008) | (0.008) | (0.012) | (0.004)** | (0.001) | (0.001)** | (0.004) |
| Employed (full-time) | -0.043 | -0.025 | 0.053 | -0.091 | -0.036 | -0.050 | -0.002 | 0.006 | 0.143 |
| | (0.015)** | (0.013) | (0.027)* | (0.026)*** | (0.038) | (0.014)*** | (0.003) | (0.002)* | (0.012)*** |
| Employed (part-time) | 0.027 | -0.003 | 0.082 | 0.001 | 0.096 | 0.017 | -0.010 | 0.004 | 0.112 |
| | (0.026) | (0.020) | (0.045) | (0.042) | (0.063) | (0.021) | (0.004)* | (0.004) | (0.019)*** |
| Self-employed | -0.029 | 0.043 | 0.216 | -0.089 | 0.076 | 0.022 | -0.007 | -0.000 | 0.246 |
| | (0.026) | (0.023) | (0.053)*** | (0.044)* | (0.073) | (0.021) | (0.004) | (0.003) | (0.018)*** |
| Catholic | -0.009 | -0.013 | -0.108 | -0.165 | -0.193 | -0.085 | 0.030 | -0.015 | 0.010 |
| | (0.017) | (0.015) | (0.032)*** | (0.029)*** | (0.045)*** | (0.016)*** | (0.003)*** | (0.003)*** | (0.014) |
| Protestant | -0.086 | -0.006 | -0.057 | -0.119 | -0.283 | -0.121 | 0.032 | -0.008 | 0.089 |
| | (0.024)*** | (0.020) | (0.042) | (0.035)*** | (0.064)*** | (0.020)*** | (0.004)*** | (0.003)* | (0.018)*** |
| Orthodox | -0.066 | -0.042 | -0.008 | -0.223 | -0.100 | 0.003 | -0.015 | -0.003 | -0.074 |
| | (0.029)* | (0.025) | (0.044) | (0.070)** | (0.059) | (0.026) | (0.006)** | (0.005) | (0.025)** |
| | | | | | | | | | |
| R-squared | 0.076 | 0.069 | 0.154 | 0.083 | 0.120 | 0.086 | 0.124 | 0.063 | 0.125 |
| Observations | 73476 | 75949 | 32146 | 41454 | 31771 | 106415 | 164202 | 263462 | 253739 |

Notes: The following model is estimated: $Y_{ict}=b0+b1 Family\_Ties_{ict}+b2\,X_{it}+g_{ct}+e_{ict}$
where i is individual, c is country of residence, and t is time period. Country of residence-by-year fixed effects are captured by $g_{ct}$. The dependent variable Y in columns (1)-(6) is coded from 1, never acceptable, to 10, always acceptable. In columns (7) and (8) Y is coded as 1 if mentionen and 0 otherwise. In column (9) Y ranges from 1, none at all, to 10, a great deal . Standard errors, in parenthesis, are clustered by the parent's birth country, * p<0.1, ** p<0.05, *** p<0.01.

## Table 3. Family ties and civic virtues with alternative family ties measure.

| | **Is it justifiable to:** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Cheat on taxes if you have a chance | Claim benefits you are not entitled to | Pay cash to avoid taxes | Ride public transit with no ticket | Someone accepting a bribe | Lie in your own interest | Litter in a public place | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | |
| Family ties (principal component) | -0.172 (0.006)*** | -0.105 (0.005)*** | -0.208 (0.014)*** | -0.164 (0.006)*** | -0.102 (0.004)*** | -0.191 (0.008)*** | -0.087 (0.006)*** | |
| Individual controls and country-by-year fixed effects are included in all specifications | | | | | | | | |
| Observations | 258791 | 256745 | 31235 | 240751 | 267590 | 83400 | 79048 | |

| | **Is it justifiable to:** | | | | | **Child Qualities:** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Drive under the influence | Speed in built-up area | Fail to report damage | Smoke in public buildings | Buy stolen goods | Good manners | Tolerance and repsect for others | Control over one's life |
| | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| Family ties (principal component) | -0.081 (0.005)*** | -0.089 (0.010)*** | -0.119 (0.009)*** | -0.195 (0.014)*** | -0.142 (0.006)*** | 0.028 (0.001)*** | 0.009 (0.001)*** | 0.027 (0.006)*** |
| Individual controls and country-by-year fixed effects are included in all specifications | | | | | | | | |
| Observations | 82546 | 32450 | 46056 | 32073 | 114392 | 175566 | 276971 | 166015 |

Notes: The following model is estimated: $Y_{ict}=b0+b1 Family\_Ties_{ict}+b2 X_{it}+g_{ct}+e_{ict}$
where i is individual, c is country of residence, and t is time period. Country of residence-by-year fixed effects are captured by $g_{ct}$. The dependent variable Y in columns (1)-(12) is coded from 1, never acceptable, to 10, always acceptable. In columns (13) and (14) Y is coded as 1 if mentionen and 0 otherwise. In column (15) Y ranges from 1, none at all, to 10, a great deal. Included individual controls are age and its square, number of children as well as dummies for female, married, single, upper secondary degree, tertiary degree, employed (full-time), employed (part-time), 10 income groups, Catholic, Protestant, and Orthodox. Standard errors, in parenthesis, are clustered by the parent's birth country, * $p<0.1$, ** $p<0.05$, *** $p<0.01$.

## Table 4. Living with parents and civic virtues.

| | **Is it justifiable to:** | | | | | | |
| | Cheat on taxes if you have a chance | Claim benefits you are not entitled to | Pay cash to avoid taxes | Ride public transit with no ticket | Someone accepting a bribe | Lie in your own interest | Litter in a public place |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Live with Parents | **-0.061** (0.014)*** | **-0.011** (0.014) | **-0.106** (0.049)* | **-0.041** (0.015)** | **-0.001** (0.011) | **-0.043** (0.028) | **-0.060** (0.021)** |

Individual controls and country-by-year fixed effects are included in all specifications

| Observations | 257651 | 255395 | 31100 | 243969 | 266019 | 87610 | 74455 |

| | **Is it justifiable to:** | | | | | **Child Qualities:** | |
| | Drive under the influence | Speed in built-up area | Fail to report damage | Smoke in public buildings | Buy stolen goods | Good manners | Tolerance and repsect for others |
| | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| Live with Parents | **-0.013** (0.019) | **-0.106** (0.037)** | **0.024** (0.035) | **-0.162** (0.051)** | **0.018** (0.017) | **0.024** (0.003)*** | **0.007** (0.003)* |

Individual controls and country-by-year fixed effects are included in all specifications

| Observations | 76964 | 32312 | 52285 | 31933 | 118376 | 176534 | 276883 |

Notes: The following model is estimated: $Y_{ict}=b0+b1\,Family\_Ties_{ict}+b2\,X_{it}+g_{ct}+e_{ict}$
where i is individual, c is country of residence, and t is time period. Country of residence-by-year fixed effects are captured by $g_{ct}$. The dependent variable Y in columns (1)-(12) is coded from 1, never acceptable, to 10, always acceptable. In columns (13) and (14) Y is coded as 1 if mentionen and 0 otherwise. Included individual controls are age and its square, number of children as well as dummies for female, married, single, upper secondary degree, tertiary degree, employed (full-time), employed (part-time), 10 income groups, Catholic, Protestant, and Orthodox. Standard errors, in parenthesis, are clustered by the parent's birth country, * $p<0.1$, ** $p<0.05$, *** $p<0.01$.

**Table 5. Civic virtues on family ties. Evidence from 2nd generation immigrants.**

| | Immigrant mother sample | | Immigrant father sample | |
|---|---|---|---|---|
| Dependent variable: | Important to help others | Important to behave properly | Important to help others | Important to behave properly |
| | (1) | (2) | (3) | (4) |
| Live with parents (fraction), mother's birth country | **0.337** | **0.751** | | |
| | (0.152)** | (0.252)*** | | |
| Live with parents (fraction), father's birth country | | | **0.274** | **0.783** |
| | | | (0.149)* | (0.209)*** |
| Age | 0.001 | -0.006 | -0.010 | -0.005 |
| | (0.006) | (0.005) | (0.006)* | (0.006) |
| Age squared/100 | 0.001 | 0.014 | 0.012 | 0.014 |
| | (0.006) | (0.005)*** | (0.006)* | (0.007)** |
| Female | 0.261 | -0.008 | 0.238 | 0.017 |
| | (0.026)*** | (0.037) | (0.020)*** | (0.032) |
| Married | 0.085 | 0.155 | 0.069 | 0.157 |
| | (0.027)*** | (0.054)*** | (0.045) | (0.034)*** |
| Never married | 0.089 | -0.060 | 0.044 | -0.058 |
| | (0.038)** | (0.059) | (0.052) | (0.054) |
| Child at home | 0.073 | -0.012 | 0.092 | -0.004 |
| | (0.034)** | (0.044) | (0.041)** | (0.053) |
| Upper secondary | 0.037 | 0.015 | 0.045 | 0.073 |
| | (0.039) | (0.050) | (0.034) | (0.046) |
| College or university | 0.038 | -0.139 | 0.051 | -0.079 |
| | (0.040) | (0.076)* | (0.042) | (0.055) |
| Out of labor force | 0.040 | -0.007 | -0.041 | -0.020 |
| | (0.034) | (0.036) | (0.027) | (0.041) |
| Unemployed | -0.083 | 0.003 | -0.082 | -0.121 |
| | (0.058) | (0.101) | (0.056) | (0.066)* |
| Low income | 0.020 | 0.156 | 0.037 | 0.134 |
| | (0.034) | (0.055)*** | (0.035) | (0.052)** |
| Middle income | -0.078 | 0.050 | -0.008 | 0.063 |
| | (0.029)*** | (0.049) | (0.034) | (0.047) |
| Catholic | 0.091 | 0.194 | 0.127 | 0.239 |
| | (0.032)*** | (0.055)*** | (0.036)*** | (0.046)*** |
| Protestant | 0.072 | 0.156 | 0.053 | 0.056 |
| | (0.066) | (0.060)** | (0.071) | (0.069) |
| Orthodox | 0.010 | 0.248 | 0.044 | 0.182 |
| | (0.056) | (0.052)*** | (0.038) | (0.060)*** |
| R-squared | 0.084 | 0.091 | 0.087 | 0.091 |
| Observations | 5234 | 5224 | 5433 | 5422 |

Notes: The following model is estimated: $Y_{icat} = b0 + b1 Family\_Ties_a + b2 X_{it} + g_c + h_t + e_{icat}$ where i is individual, c is country of birth and residence, a is country of ancestry (a different from c), and t is time period. Country of residence fixed effects are captured by $g_c$, and year effects by $h_t$. The dependent variable Y is coded from 1, not like me at all, to 6, very much like me. Standard errors, in parenthesis, are clustered by the parent's birth country, * $p<0.1$, ** $p<0.05$, *** $p<0.01$.

**Table 6. Civic virtues on family ties (principal component).**

| Dependent variable: | Immigrant mother sample | | Immigrant father sample | |
|---|---|---|---|---|
| | Important to help others | Important to behave properly | Important to help others | Important to behave properly |
| | (1) | (2) | (3) | (4) |
| Family ties, mother's birth country | **0.104** | **0.296** | | |
| | (0.047)** | (0.061)*** | | |
| Family ties, father's birth country | | | **0.004** | **0.216** |
| | | | (0.041) | (0.078)*** |
| | | | | |
| Individual controls | Yes | Yes | Yes | Yes |
| Country and year fixed effects | Yes | Yes | Yes | Yes |
| | | | | |
| R-squared | 0.084 | 0.093 | 0.088 | 0.091 |
| Observations | 5142 | 5132 | 5336 | 5325 |

Notes: The following model is estimated: $Y_{icat}=b0+b1Family\_Ties_a+b2\,X_{it}+g_c+h_t+e_{icat}$
where i is individual, c is country of residence, a is country of ancestry (a different from c), and t is time period. Country of residence fixed effects are captured by $g_c$, and year effects by $h_t$. The dependent variable Y is coded from 1, not like me at all, to 6, very much like me. Included individual controls are age and its square as well as dummies for female, married, never married, child at home, upper secondary degree, tertiary degree, out of the labor force, unemployed, low income, middle income, Catholic, Protestant, and Orthodox. Standard errors, in parenthesis, are clustered by the parent's birth country, * $p<0.1$, ** $p<0.05$, *** $p<0.01$.

## Table 7. Robustness. Civic virtues on family ties (live with parents).

| Dependent variable: | Immigrant mother sample | | Immigrant father sample | |
|---|---|---|---|---|
| | Important to help others | Important to behave properly | Important to help others | Important to behave properly |
| | (1) | (2) | (3) | (4) |
| Live with parents (fraction), mother's birth country | **0.453** (0.160)*** | **0.696** (0.343)** | | |
| Live with parents (fraction), father's birth country | | | **0.311** (0.176)* | **0.854** (0.294)*** |
| log(GDP), mother's birth country | 0.027 (0.027) | 0.017 (0.041) | | |
| log(GDP), father's birth country | | | 0.017 (0.030) | 0.025 (0.041) |
| Upper secondary degree, mother | -0.053 (0.039) | -0.100 (0.057)* | -0.038 (0.035) | -0.099 (0.055)* |
| Tertiary degree, mother | -0.057 (0.068) | -0.131 (0.068)* | -0.035 (0.054) | -0.054 (0.069) |
| Upper secondary degree, father | 0.023 (0.033) | -0.020 (0.050) | 0.001 (0.035) | -0.009 (0.045) |
| Tertiary degree, father | -0.027 (0.056) | -0.155 (0.057)*** | 0.029 (0.038) | -0.161 (0.050)*** |
| Individual controls | Yes | Yes | Yes | Yes |
| Country and year fixed effects | Yes | Yes | Yes | Yes |
| R-squared | 0.086 | 0.096 | 0.089 | 0.097 |
| Observations | 4999 | 4992 | 5152 | 5142 |

Notes: The following model is estimated: $Y_{icat}=b0+b1\,Family\_Ties_a+b2X_{it}+g_c+h_t+e_{icat}$
where i is individual, c is country of residence, a is country of ancestry (a different from c), and t is time period. Country of residence fixed effects are captured by $g_c$, and year effects by $h_t$. The dependent variable Y is coded from 1, not like me at all, to 6, very much like me. Included individual controls are age and its square as well as dummies for female, married, never married, child at home, upper secondary degree, tertiary degree, out of the labor force, unemployed, low income, middle income, Catholic, Protestant, and Orthodox. Standard errors, in parenthesis, are clustered by the parent's birth country, * $p<0.1$, ** $p<0.05$, *** $p<0.01$.

**Table 8. Uncivic behavior on family ties (live with parents).**

| Dependent variable: | Immigrant mother sample | | Immigrant father sample | |
|---|---|---|---|---|
| | Made a false insurance claim | Paid cash to avoid tax | Made a false insurance claim | Paid cash to avoid tax |
| | (1) | (2) | (3) | (4) |
| Live with parents (fraction), mother's birth country | **-0.102** (0.038)*** | **-0.070** (0.103) | | |
| Live with parents (fraction), father's birth country | | | **-0.026** (0.059) | **-0.204** (0.100)** |
| Individual controls | Yes | Yes | Yes | Yes |
| Country and year fixed effects | Yes | Yes | Yes | Yes |
| R-squared | 0.019 | 0.063 | 0.024 | 0.043 |
| Observations | 1957 | 1957 | 1949 | 1949 |

Notes: The following model is estimated: $Y_{icat}=b0+b1Family\_Ties_a+b2\,X_{it}+g_c+h_t+e_{icat}$
where i is individual, c is country of residence, a is country of ancestry (a different from c), and t is time period. Country of residence fixed effects are captured by $g_c$, and year effects by $h_t$. The dependent variable Y is coded as 1 if true at least once, and 0 otherwise. Included individual controls are age and its square as well as dummies for female, married, never married, child at home, upper secondary degree, tertiary degree, out of the labor force, unemployed, low income, middle income, Catholic, Protestant, and Orthodox. Standard errors, in parenthesis, are clustered by the parent's birth country, * p<0.1, ** p<0.05, *** p<0.01.

## Table A1. Summary statistics, EVS/WVS.

| Variable | Mean | Std. Dev. | Min | Max |
|---|---|---|---|---|
| Parents' responsibilities | 1.782 | 0.413 | 1 | 2 |
| Respect and love for parents | 1.827 | 0.378 | 1 | 2 |
| Family important in life | 3.864 | 0.400 | 1 | 4 |
| Cheat on taxes | 2.358 | 2.315 | 1 | 10 |
| Claim benefits | 2.368 | 2.325 | 1 | 10 |
| Pay cash to avoid tax | 3.103 | 2.588 | 1 | 10 |
| Someone accepting a bribe | 1.735 | 1.715 | 1 | 10 |
| Lying in your own interest | 2.797 | 2.332 | 1 | 10 |
| Ride public transit without fare | 2.482 | 2.389 | 1 | 10 |
| Litter in a public place | 1.755 | 1.572 | 1 | 10 |
| Driving under the influence | 1.532 | 1.375 | 1 | 10 |
| Speeding in built-up area | 2.227 | 1.931 | 1 | 10 |
| Failing to report damage | 2.140 | 2.049 | 1 | 10 |
| Smoking in public building | 3.369 | 2.698 | 1 | 10 |
| Buy stolen goods | 1.768 | 1.730 | 1 | 10 |
| Good Manners | 0.765 | 0.424 | 0 | 1 |
| Tolerance and respect for others | 0.676 | 0.468 | 0 | 1 |
| Joining in boycotts | 2.50 | 0.66 | 1 | 3 |
| Attending demonstrations | 2.28 | 0.74 | 1 | 3 |
| Joining strikes | 2.71 | 0.55 | 1 | 3 |
| Occupying buildings | 2.83 | 0.42 | 1 | 3 |
| Female | 0.516 | 0.500 | 0 | 1 |
| College/univeristy degree | 0.109 | 0.312 | 0 | 1 |
| High school degree | 0.323 | 0.468 | 0 | 1 |
| Age | 41.5 | 16.2 | 15 | 101 |
| Married | 0.604 | 0.489 | 0 | 1 |
| single | 0.231 | 0.422 | 0 | 1 |
| Employed, full-time | 0.373 | 0.483 | 0 | 1 |
| Employed, part-time | 0.068 | 0.252 | 0 | 1 |
| Self-employed | 0.087 | 0.282 | 0 | 1 |
| Catholic | 0.318 | 0.466 | 0 | 1 |
| Protestant | 0.124 | 0.329 | 0 | 1 |
| Orthodox | 0.086 | 0.281 | 0 | 1 |
| Income groups | 4.551 | 2.441 | 1 | 10 |

## Table A2. Summary statistics for the ESS, 2nd generation immigrants.

| Variable | Immigrant father sample | | | | Immigrant mother sample | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Mean | Std. Dev. | Min | Max | Mean | Std. Dev. | Min | Max |
| Help people | 4.74 | 1.046 | 1 | 6 | 4.743 | 1.030 | 1 | 6 |
| Behave properly | 4.351 | 1.276 | 1 | 6 | 4.337 | 1.279 | 1 | 6 |
| Worked in party/action group | .044 | .204 | 0 | 1 | 0.047 | 0.213 | 0 | 1 |
| Worn political badge | .08 | .271 | 0 | 1 | 0.083 | 0.275 | 0 | 1 |
| Signed petition | .224 | .417 | 0 | 1 | 0.236 | 0.425 | 0 | 1 |
| | | | | | | | | |
| Family ties in parent's country | -.097 | .334 | -0.91 | 0.57 | -0.129 | 0.345 | -0.91 | 0.59 |
| Civic virtues in parent's country | -.028 | .417 | -1.14 | 0.98 | -0.038 | 0.408 | -1.88 | 0.98 |
| Age | 43.141 | 17.827 | 15 | 96 | 42.939 | 17.855 | 14 | 98 |
| Female | .539 | .498 | 0 | 1 | 0.534 | 0.499 | 0 | 1 |
| Married | .483 | .5 | 0 | 1 | 0.475 | 0.499 | 0 | 1 |
| | | | | | | | | |
| Never married | .337 | .473 | 0 | 1 | 0.341 | 0.474 | 0 | 1 |
| Upper secondary | .446 | .497 | 0 | 1 | 0.451 | 0.498 | 0 | 1 |
| College/univeristy degree | .286 | .452 | 0 | 1 | 0.292 | 0.455 | 0 | 1 |
| Out of labor force | .428 | .495 | 0 | 1 | 0.419 | 0.493 | 0 | 1 |
| Unemployed | .048 | .213 | 0 | 1 | 0.047 | 0.211 | 0 | 1 |
| | | | | | | | | |
| Low income | .222 | .415 | 0 | 1 | 0.221 | 0.415 | 0 | 1 |
| Middle income | .28 | .449 | 0 | 1 | 0.282 | 0.450 | 0 | 1 |
| Catholic | .18 | .384 | 0 | 1 | 0.191 | 0.393 | 0 | 1 |
| Protestant | .065 | .246 | 0 | 1 | 0.073 | 0.260 | 0 | 1 |
| Orthodox | .12 | .325 | 0 | 1 | 0.111 | 0.314 | 0 | 1 |

**Table A3. Countries participating in the ESS by survey round.**

| Country | Round 1 | Round 2 | Round 3 | Round 4 |
|---|---|---|---|---|
| Austria | X | X | X | |
| Belgium | X | X | X | X |
| Bulgaria | | | X | X |
| Cyprus | | | X | X |
| Czech Republic | X | X | | X |
| Denmark | X | X | X | X |
| Estonia | | X | X | X |
| Finland | X | X | X | X |
| France | X | X | X | X |
| Germany | X | X | X | X |
| Greece | X | X | | X |
| Hungary | X | X | X | X |
| Ireland | X | X | X | X |
| Israel | X | | | X |
| Italy | X | X | | |
| Luxembourg | X | X | | |
| Netherlands | X | X | X | X |
| Norway | X | X | X | X |
| Poland | X | X | X | X |
| Portugal | X | X | X | X |
| Russian Federation | | | X | X |
| Slovakia | | X | X | X |
| Slovenia | X | X | X | X |
| Spain | X | X | X | X |
| Sweden | X | X | X | X |
| Switzerland | X | X | X | X |
| Turkey | | X | | X |
| Ukraine | | X | X | X |
| United Kingdom | X | X | X | X |