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### Representing the rich

*Economic and political inequality in established democracies*

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# CHAPTER 1

## Introduction

### 1.1 INTRODUCTION

There has always been a tension between democracy and capitalism. While democracy is based on the ideal of political equality, where all adult citizens have equal opportunities and capabilities to influence policy, capitalism is based on the private ownership of capital, which inexorably produces economic inequality. The assumption behind democratic capitalism is that the two spheres can co-exist with each other, such that political equality is not undermined by economic inequality. However, there has always been a worry that these two spheres of society are not separate at all, and that in fact those who have the most money also have the most political power (Green, 2016, pp. 87-89).

This issue has taken on increased relevance in recent years. As economic inequality rises in most established democracies, many commentators wonder whether this will result in – or is itself already the result of – disproportionate influence over policy-making by the rich. In the political sphere, both voters and politicians have expressed increased concern over such unequal representation. U.S. Senator Bernie Sanders gained great popularity by emphasizing that the American political system works for the richest one percent instead of the remaining ninety-nine percent. This message was subsequently taken up by other

members of the Democratic Party. Even some Republicans have paid lip-service to it, undoubtedly conscious of the vast majority of American citizens to have expressed this belief in public opinion polls (Rampell, 2015). The theme has also echoed far outside of the United States, with many political parties in Europe explicitly positioning themselves against a rich and privileged elite. The recent rise of populism can partly be ascribed to the way that this sentiment has resonated with broad sections of the public who are discontented with political representation (Schäfer, 2019).

These political and economic developments reflect and inspire renewed scholarly attention to the theme of unequal representation. In recent years, many studies have considered the extent to which policy responds more to the demands of the rich than to the demands of middle- and low-income groups. This literature has mostly focused on the United States (Gilens and Page, 2014; Bartels, 2016; Ellis, 2017), though some scholarly efforts explore the topic in other countries (Bernauer, Giger and Rosset, 2015; Peters and Ensink, 2015; Elsässer, Hense and Schäfer, 2017). These studies have taught us much about unequal representation, but, as I will explain below, many questions still need to be answered, especially given the importance of this research agenda to economic and political democracy.

In this dissertation, I aim to expand on our knowledge of where and why unequal representation occurs. In the following chapters, I study the policy implications of economic inequality across a range of established democracies. The central question that guides the analyses is: does government policy in established democracies respond more strongly to the preferences of high-income citizens than to the preferences of low- and middle-income citizens, and if so, how can we explain this unequal representation? To answer this question, I find that we need to combine a wide range of theoretical views on the implications of economic fortunes and the economic origins of political development. And I find that empirical exploration into answers requires both comparative and single-country studies, and a combination of quantitative and qualitative methods.

The principal findings of this inquiry are straight-forward. Across the empirical chapters, I find that public opinion as a whole affects policies and party positions in advanced democracies. This suggests that democracy in these countries generally meets the important criterion of policy representation. At the same time, I consistently find that not all citizens' preferences affect policy to the same extent. My analyses reveal that policy-making is systematically biased towards the preferences of the rich in many countries and policy areas. My analyses also provide some clarification, within the constraints of available empirical data, that such biased representation reflects a range of mechanisms, where lobbying practices and

advantages appear particularly important. Most importantly, the ideal of *equal* representation is not realized. This suggests, in turn, that the political system is an important part of the process through which economic inequality reproduces and, in some cases, magnifies itself. To all those who care about the ideal of political equality, this conclusion should be a cause for concern, and my hope is that it may stimulate inquiries about the nature of unequal representation and possible ways to remedy it.

In this introductory chapter, I will first explain the broader relevance of my research question; that is, why it is worth studying. I then provide an overview of previous research on the topic, showing that the existing, rich literature emerged from older concern with the relationship between economic and political inequality, and that the substantial clarification of this relationship still has major blind spots in terms of clarifying the relationship's boundaries and driving forces. The next section lays out some of the most important theoretical and empirical choices I have made in this dissertation's exploration of representation, along with the main contributions I make to the field. In a final section, I summarize the empirical chapters.

## 1.2 RELEVANCE

This dissertation is essentially an audit of political equality. As a result, its societal relevance largely depends on whether political *inequality* can be labeled as a problem; that is, as something undesirable that should be understood in order to remedy it. Evaluating the extent to which political inequality is a problem involves large normative issues which would require an entirely separate dissertation to explore fully. Nevertheless, the question is important enough to address here in a more summary manner. The following discussion also serves to inform the reader of my personal views, which may help put the empirical chapters in context.

In general terms, political equality is widely considered to be one of the most fundamental values of, and indeed, justifications for a democratic system of government (Dahl, 1989). In the words of John Stuart Mill (1861, p. 133), “the principle of democracy (...) professes equality as its very root and foundation”. To fully assess this value, however, we should distinguish between different forms of political equality.

In its least demanding form, political equality can be interpreted as equality of rights, including the right to vote. This is almost universally embraced as an essential component

of democracy.<sup>1</sup> Going beyond equal rights is the idea of equal opportunities or capabilities, which includes “the absence of barriers and the presence of the means or the resources needed to accomplish one’s objectives” (Verba, 1996, p. 2). For example, every adult citizen may have the right to donate money to political parties, but this requires a disposable income which many people do not have. In such a scenario, there is equality of rights but no equality of opportunities. This latter form of political equality is also widely embraced. To give just one illustration, John Rawls’ seminal account of justice includes the “fair value of political liberties,” which “ensures that citizens similarly gifted and motivated have roughly an equal chance of influencing the government’s policy” (Rawls, 2001, p. 46).

The most demanding kind of political equality is equality of influence, where the actual output of governments – that is, policy – is equally responsive to the preferences of all citizens, regardless of their input. Equality of rights and opportunities are presumably necessary conditions for equality of influence, but they are not sufficient. To be clear, this dissertation is not based on this last view, but it is based on a slightly weaker version whereby citizens’ influence over policy should not depend on their income. Hence, when I speak of unequal representation, this refers to unequal policy influence of different income groups.<sup>2</sup>

To motivate the norm of equal influence, we first have to ask whether the public should influence government policy at all. Some political theorists have accused empirical researchers of representation of making an implicit – and unwarranted – assumption that democracies should strive for perfect policy responsiveness; that is, a one-to-one translation of public preferences into policy changes (Rehfeld, 2009; Sabl, 2015). Putting aside the general validity of this accusation, this is explicitly not an assumption I make here. I fully acknowledge that there are instances where policy should not or cannot be responsive to public opinion, for example when the public favors measures that would infringe on basic human rights. Related to this point, we should acknowledge that public opinion is not set in stone but is a product of social and institutional factors, and efforts to improve the quality of public opinion should be embraced (e.g. Lupia, 2016). This, in turn, is part of the larger argument that there are various other criteria that can be used to evaluate the functioning of democracy besides policy responsiveness (Sabl, 2015).

However, none of these points affect the basic argument that there should be *some* responsiveness to public opinion in a democracy. Hence, the empirical chapters focus on

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<sup>1</sup> Now and then, one does continue to find calls for a voting exam, which would limit the right to vote to those citizens who possess a sufficient level of political knowledge (e.g. Wagemans and Talib, 2016). Ironically, John Stuart Mill himself also rejected equality of rights, arguing that highly educated citizens should have more votes than low-educated citizens (Mill, 1861, pp. 162–187).

<sup>2</sup> I will provide a slightly more elaborate definition of unequal representation below when discussing the focus of this dissertation.

finding statistically distinguishable effects of opinion on policy (and party positions), not on finding perfect correlations. The policy issues they focus on are issues which have broad relevance for citizens and which do not constitute violations of constitutional or other human rights.<sup>3</sup> If there should be responsiveness on any issues, hence, it should be these. And while this is not the only goal which democratic institutions should strive for, it is an important one. As V.O. Key famously wrote: “Unless mass views have some place in the shaping of policy, all the talk about democracy is nonsense” (Key, 1961, p. 7).

If we accept that public opinion should be represented in policy outputs, the next question is whether the demands of rich and poor citizens should be represented equally. As mentioned above, my answer to this question is that representation should indeed be equal in this way. This is not to say that every policy decision should be precisely calibrated to balance the preferences of rich and poor, or that no political party may champion the interests of one over the other, but in the long run, no economic group should be systematically disadvantaged in influencing policy. There are at least three reasons for this.

The first and most fundamental reason to favor equal representation of rich and poor is a belief in what Robert Dahl has called “the presumption of personal autonomy”: “In the absence of a compelling showing to the contrary everyone should be assumed to be the best judge of his or her own good or interests” (Dahl, 1989, p. 100). More specifically, the presumption is that citizens with low incomes are above a minimal level of competence to express their own interests, while citizens with high incomes are below a maximum level of competence so that they cannot protect the interests of the former better than they could themselves. In addition to the question of competence, it is very much doubtful whether any group of citizens is benevolent enough to safeguard the interests of others without accountability, a consideration that is conveniently ignored by many advocates of expert rule (e.g. Brennan, 2016).

An objection that can be made here is that the presumption of personal autonomy is precisely that: a presumption, not a law-like principle. We could certainly imagine situations where the rich are so much better informed than the poor that the latter can represent the former better than they could themselves. In such situations, violations of equal influence *may* be justified. However, these situations are the exception to the rule and require extensive justification and explanation. In other words, there is a high burden of proof that should be met before a fundamental principle like political equality can be violated. Moreover, while there seems to be a positive correlation between income and political sophistication, this

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<sup>3</sup> Of course, one could argue that public opinion should also affect a society's constitution, but this is a separate discussion which is too large to take up here.

correlation is not particularly strong (Gordon and Segura, 1997).<sup>4</sup> Hence, the burden of proof is unlikely to be met in many cases. This is compounded by the fact that many political issues do not have an objectively right or wrong solution but involve trade-offs between different values, which means that any person's interest is at least partly subjective.

The second reason that policy influence should not depend on income is that unequal representation may cause feelings of disaffection and cynicism among those who are underrepresented. This is supported by a number of studies which find that ideological proximity of citizens to their government has a positive effect on citizen satisfaction (Curini, Jou and Memoli, 2012; Brandenburg and Johns, 2014; Dahlberg and Holmberg, 2014; Mayne and Hakhverdian, 2017). The negative evaluations of government that may result from a lack of policy representation can have adverse effects on such things as political participation (Hooghe and Marien, 2013) and compliance with the law (Marien and Hooghe, 2011; Citrin and Stoker, 2018).

However, I do want to qualify this point. This second reason – the effect of unequal representation on citizen satisfaction – is often mentioned as the main societal relevance in studies on the topic. In this vein, for example, Mark Bovens and Anchrit Wille write that “biases in representational relationships can be a serious threat to the legitimacy and stability of parliamentary democracy” (Bovens and Wille, 2017, p. 6).<sup>5</sup> While I agree with this, we should not confuse the symptom (disaffection) with the disease (unequal representation). Focusing too much on the former would imply that unequal representation is not a problem so long as citizens do not know or care about it, which I disagree with for the other reasons mentioned here.

Under the first and second reasons for favoring political equality across the economic spectrum, any correlation between income and political influence is unjustified. A third and final reason applies specifically to a situation in which there is a *positive* correlation, where, in other words, political influence increases with income. This is particularly undesirable, as it skews policy-making towards policies that benefit the rich and harm the most vulnerable segment of the population. As we will see at several points in the following chapters, having a higher income is generally correlated with preferences for less redistribution, lower levels of taxation and less generous social policies (see also Gilens, 2009; Rehm, 2009; Page, Bartels and Seawright, 2013; Arunachalam and Watson, 2018). If, to put it simply, the rich use their

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<sup>4</sup> This can also be inferred indirectly from time series of public opinion split out by income. These time series reveal that different income groups change their preferences in very similar ways in response to real-world developments like changes in economic growth (Page and Shapiro, 1992, p. 291; Soroka and Wlezien, 2009, pp. 145–167).

<sup>5</sup> Later on in the text, Bovens and Wille make clear that they understand legitimacy to mean subjective legitimacy, that is, “confidence and support” (Bovens and Wille, 2017, p. 32). Another – strikingly similar – example of this sentiment is provided by Victoria Anne Shineman: “Unequal representation can threaten both the legitimacy and the stability of democracy” (Shineman, 2018, p. 189).

influence over policy to give themselves tax cuts, there is less money left to benefit low- and middle-income citizens. That is to say, unequal representation affects policy in a way that engenders real suffering among many citizens at the bottom of the income distribution (Cohen and Rogers, 1983; Formisano, 2015). As Oxfam put it in a recent report on economic inequality, “the influence of elites over politics and governments [is] skewing public spending in the wrong direction and ensuring that it benefits the already wealthy rather than those who need it most” (Lawson *et al.*, 2019, p. 19).<sup>6</sup>

Furthermore, the higher level of economic inequality that is likely to result from unequal representation has many adverse consequences by itself. These consequences include lower rates of economic growth (Cingano, 2014), lower levels of electoral participation (Solt, 2008, 2010) and worse mental and physical health (Wilkinson and Pickett, 2009). An additional and particularly important consequence of increased economic inequality is a potential increase in unequal representation. This raises the possibility of a vicious circle of economic and political inequality (Page and Gilens, 2017, pp. 49–50; Kelly, 2019), to which I will return in the concluding chapter.

While the above speaks in favor of using (the weaker version of) equality of influence as a norm, beyond equality of opportunity, there is an important counterargument. As in other spheres of society, we want to reward effort and motivation. Clearly, it matters whether representation is unequal because some groups have more opportunities to exert political influence, or because some groups make more use of shared opportunities to exert political influence. From a normative point of view, most would agree that the first possibility is much more problematic than the second (Verba, 1996, p. 2). In concrete terms, if citizens with low incomes do not use their right to vote, it is arguably not very shocking if their policy preferences are not represented. To quote V.O. Key again: “politicians and officials are under no compulsion to pay much heed to classes and groups of citizens that do not vote” (quoted in Lijphart, 1997, p. 4). This is complicated by the fact that political participation is a social process, and rich citizens are mobilized to participate by their social network much more than others (Schlozman, Verba and Brady, 2012, pp. 447–482). In addition, their educational and occupational backgrounds often provide high-income citizens with skills that make it easier to participate (Jacobs *et al.*, 2004, pp. 655–656). Still, the opportunity to vote is shared much more widely than, say, the opportunity to donate large amounts of money to political parties. The latter is only possible to people with high disposable incomes. If this is the reason that representation is unequal, the principle of political equality is violated much more severely.

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<sup>6</sup> In extreme situations, the effective tax rate actually goes down as income rises. According to a new book by Emmanuel Saez and Gabriel Zucman (2019), this is now the case for the very richest individuals in the United States. Even where this does not apply, however, it is plausible that taxes and spending are less progressive than they would be without the over-representation of the rich.



To sum up, policy representation is an important criterion to evaluate the functioning of democratic institutions. Furthermore, unequal representation between rich and poor citizens – understood as inequality in policy influence – is undesirable because it violates the presumption of personal autonomy, because it may create feelings of disaffection among those who are underrepresented and because it has adverse material effects for the most vulnerable part of the population. Nevertheless, the normative implications of unequal representation also partly depend on its causal mechanisms.

### 1.3 PREVIOUS RESEARCH

If the topic of unequal representation is indeed worth studying, the questions and approaches that should be adopted in this study depend on what we already know from previous research. In this section, I therefore provide an overview of earlier research into the unequal representation of rich and poor citizens. This overview is fairly elaborate and replaces much of the literature reviews in the empirical chapters.

#### **General representation**

Like in the previous section, it is useful to briefly consider general representation first, since this is the starting point for the contemporary study of unequal representation. By general representation, I refer to studies that have outlined and tested the connections between public preferences and policy outcomes, without taking into account the possibility that this connection might be stronger for some groups of citizens than for others. There have been many such studies in recent decades, starting in the United States (for literature overviews, see Shapiro, 2011; Canes-Wrone, 2015). A major point of reference is the work of James Stimson, Michael Mackuen and Robert Erikson (1995), who use several indicators – including Congressional rating scales and roll-call votes – to create a ‘policy mood’ that measures how liberal or conservative public policy is in a given year. By relating this to a measure of the liberalism of public opinion over the same period, they are able to track the opinion-policy link over time. They find remarkably strong effects of public opinion on policy in the legislative, executive and to some extent even the judiciary branch of American politics.

Outside of the United States, there is also a sizable literature on general representation. Some studies employ a similar approach to Stimson, Mackuen and Erikson by constructing time series of public opinion and policy on an overarching ideological scale (e.g. Hakhverdian, 2010). In a similar vein, Stuart Soroka and Christopher Wlezien (2009) use time series analysis to test the interactions between opinion and government spending in a number

of policy areas for the United States, the United Kingdom and Canada. Several other studies have explored the effects of citizen preferences on spending in a broader cross-section of established democracies (Brooks and Manza, 2006; Hobolt and Klemmensen, 2008). In recent additions to this literature, Anne Rasmussen, Stefanie Reher and Dimiter Toshkov (2019) use more direct measures of policy to test general representation in thirty-one European countries, and Christopher Wratil (2019) extends the analysis of policy responsiveness to the level of the European Union.<sup>7</sup> While all of these studies have different emphases, they all come to the overall conclusion that there is general representation in established democracies.

In this literature on general representation, political parties play a major role. This role follows from the recognition that parties are a major institution in democratic theory and practice, functioning as the primary vehicles that connect citizen demands to policy outcomes. Some studies, like that of Stimson, Mackuen and Erikson (1995), explicitly model political parties as intermediaries between public opinion and policy. In addition, there are separate branches of the literature devoted to the individual links of this causal chain, from public opinion to party platforms (Dalton, 1985; Huber and Powell, 1994; Iversen, 1994a; Miller *et al.*, 1999; Adams *et al.*, 2004; Golder and Stramski, 2010; Spoon and Klüver, 2014), and from party platforms to policy outcomes (Hibbs, 1977; Blais, Blake and Dion, 1993; Klingemann, Hofferbert and Budge, 1994; Bräuninger, 2005; Thomson *et al.*, 2017). Though there is no consensus on either of these links (cf. Rose, 1984), most studies find positive effects of public preferences on party positions, and of party positions on policy.

In sum, a sizable literature focused on general representation paints a broadly encouraging picture of established democracies as meeting the criterion of policy representation. This is not to say that this conclusion is universally shared, as I will explain in more detail in chapter 2, and I make some contributions to this literature throughout the empirical chapters.<sup>8</sup> However, my main focus is on a different question, which builds on the aforementioned studies. That is, if it is indeed the case that public opinion influences policy, do different parts of the public exert equal levels of influence, or are some citizens advantaged in the process of policy representation? In particular, I focus on the unequal representation of rich and poor citizens, and it is this literature I turn to now.

### Older work

The unequal representation of rich and poor is a theme with a long history in political thought (Hacker and Pierson, 2010, p. 75). Many commentators in previous eras considered the potential tensions between economic and political equality (Winters, 2011, p. 5; Green,

<sup>7</sup> Technically, the work of Rasmussen, Reher and Toshkov (2019) differs from the other studies discussed here, since they do not analyze policy responsiveness but the closely related concept of policy congruence. This distinction will be explained below.

<sup>8</sup> See the section on contributions below.

2016, pp. 87–89). This goes back as far as Greek antiquity, when Aristotle wrote the following in his *Politics*: “Great, then, is the good fortune of a state in which the citizens have a moderate and sufficient property; for where some possess much, and the others nothing, there may arise an extreme democracy, or a pure oligarchy; or a tyranny may grow out of either extreme” (Aristotle, 1999 [c. 350 BC], p. 96). Writing in the eighteenth century, David Hume expressed a very similar belief: “where the riches are in few hands, these must enjoy all the power, and will readily conspire to lay the whole burden on the poor, and oppress them still farther, to the discouragement of all industry” (Hume, 1758, p. 282). And Adam Smith argued that “[c]ivil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all” (Smith, 2007 [1776], p. 474; see also Rasmussen, 2016).

It should be added that many were just not worried about the overrepresentation of the rich, but also about overrepresentation of the poor. This is reflected well in the quotation from Aristotle above; both “pure oligarchy” and “extreme democracy” are seen as undesirable. Likewise, when John Stuart Mill (1861, pp. 131–132) laments the fact that “the democracies which at present exist are not equal, but systematically unequal in favour of the predominant class,” he is talking about the lower class, not the upper class. In particular, many feared that the poor would use their numerical majority to redistribute wealth from the rich (Przeworski, 2010). This fear is perhaps expressed most clearly by James Madison:

“In England, at this day, if elections were open to all classes of people, the property of landed proprietors would be insecure. An agrarian law would soon take place. If these observations be just, our government ought to secure the permanent interests of the country against innovation. Landholders ought to have a share in the government, to support these invaluable interests, and to balance and check the other. They ought to be so constituted as to protect the minority of the opulent against the majority” (quoted in Yates, 2019).

While today’s “minority of the opulent” (i.e. the rich) is probably still worried about redistribution, most would say that this is a legitimate use of government authority. In general terms, the political dominance of the numerical majority does not violate the principle of political equality (see above) in the way that the political dominance of a numerical minority does. Perhaps this is the reason that, over time, the possibility of overrepresentation of the poor has received less attention.

The study of unequal representation continues in the late nineteenth and early twentieth

century with the elite theorists of democracy, most notably Gaetano Mosca, Vilfredo Pareto and Robert Michels. While these thinkers differed in many ways, they all expressed the view that the ideal of political equality was not realized in representative democracies, with political power concentrated in the hands of minority, often a rich and highly educated minority. The following lines from Mosca's *The Ruling Class* exemplify this: "Democracy (...) does not prevent elections from being carried on to the music of clinking dollars. It does not prevent whole legislatures and considerable numbers of national congressmen from feeling the influence of powerful corporations and great financiers" (Mosca, 1939, p. 58). In a recent commentary, Natasha Piano (2019) argues that many people have wrongfully interpreted the elite theorists as endorsing minority domination. Instead, she claims, they "were all driven by the desire to expose the prevalence of elite rule in modern popular governments, in order to better circumscribe oligarchic power and stem the growth of plutocracy" (Piano, 2019, p. 3).

This desire was inherited after World War II by scholars working in the elite-focused tradition (Mills, 1956; Domhoff, 1967). Most prominent here is the work of C. Wright Mills (1956), who famously argued that those occupying top positions in the government, business and the military form a "power elite" which undermines democratic representation. As Jeffrey Winters (2011, pp. 31–32) points out, Mills' account focuses on power flowing from positions in influential organizations, which is different from thinkers like Aristotle who focused purely on power flowing from wealth. Nevertheless, there are enough similarities in the themes and empirical manifestations to see the two as part of a larger literature. The elitist work was part of a debate with pluralist scholars like Robert Dahl, who believed that, despite inequalities in "knowledge, wealth, social position, access to officials, and other resources" (Dahl, 1961, p. 1), political influence is surprisingly equal (see also Truman, 1951). Dahl and other pluralists particularly focused on societal groups like religious organizations, unions, or other poor people's movements, which they believed to afford footholds to the poor in the policy process.

The pluralism-elitism debate largely faded away after the 1960's. While Marxist scholars continued writing about unequal representation as part of a broader analysis of the tensions between capitalism and democracy (Poulantzas and Milliband, 1972; Cohen and Rogers, 1983; Ferguson, 1995), the theme was neglected by the mainstream of political science. This is not just regrettable, given the importance of the topic, but also hard to understand, since the pluralism-elitism debate was far from settled. Both sides offered interesting arguments and observations, but neither side offered anything in the way of conclusive evidence.

### **Recent research**

In the 2000's, the topic of unequal representation returned to the mainstream of political

science. It is quite likely that this was brought on by the increase in economic inequality in many established democracies since the 1980's. As I noted above, many believed that the increase in economic inequality would result in – or was the result of – inequalities in political influence between rich and poor (Hager, 2018; Lührmann *et al.*, 2018, pp. 1334–1335).

Economic inequality has risen most dramatically in the United States (Alvaredo *et al.*, 2018, pp. 68–72), and so perhaps it is no surprise that most research on unequal representation has been conducted there. This new literature differs in various ways from some of the older work mentioned above. Firstly, it is highly empirical, relying much more on large-scale data collection efforts than on elaborate theoretical considerations. Secondly, and related to the previous point, it is largely quantitative in nature, using statistical techniques that were developed and popularized in recent decades. Thirdly, the analyses are mostly focused on the individual level, comparing the political influence of different groups of citizens. The organizational level of analysis, such as the political sway of corporations, receives less attention. To the extent that it does receive attention, this is largely confined to a separate literature (e.g. Fuchs and Lederer, 2008). Fourthly, most studies focus on income as the source of political inequality, instead of things like wealth (Aristotle), labor market positions (Mills) or knowledge (Michels). The first three of these points reflect the influence of the literature on general representation.

The most prominent and arguably the most ambitious work in this literature is that of Martin Gilens (2012). Gilens gathered questions from pre-existing surveys conducted between 1981 and 2002 which collectively asked respondents for their preferences on well over a thousand potential policy changes that the federal government might introduce. For each question, he calculated the level of support among different income groups. Subsequently, a team of research assistants checked each of the potential policy changes and coded whether they were actually enacted or not in the first four years following the survey. The resulting dataset displays dramatic inequalities in policy responsiveness. The most striking finding is that, when preferences diverge between income groups, “government policy appears to be fairly responsive to the well-off and virtually unrelated to the desires of low- and middle-income citizens” (Gilens, 2012, p. 81). In subsequent work with Benjamin Page, Gilens shows that this biased representation of the rich over the poor is accompanied by biased representation of business-oriented interest groups over “mass-based interest groups” (Gilens and Page, 2014). This latter insight provides an exception to the third feature of this literature mentioned above, in the sense that it combines individual and organizational sources of influence.

Gilens' conclusions have been criticized on several points. Among these, the most common

argument is that the preferences of different income groups are so strongly correlated that people with low and middle incomes still get the policies they want even if they have little to no independent influence on policy-making (Enns, 2015; Branham, Soroka and Wlezien, 2017). To give an example, if everyone is in favor of a tax reduction, it does not matter who the government listens to; if the government is responsive at all, the tax reduction will pass anyway. In the terminology used in the field, policy congruence can be equal even if policy responsiveness is unequal (for the distinction, see Canes-Wrone, 2015, pp. 149–151). Gilens has responded to this criticism by arguing that, despite the high correlations, there are still many key policies on which the rich and poor, or rich and middle incomes, *are* divided (Gilens, 2015). Moreover, the criticism largely depends on the assumption that the only important distinction is between a group mostly opposing a policy change and mostly supporting it. That is, one percent support and forty-nine percent support are considered identical. While the threshold of majority support is important in democratic theory, gradations in public support are important in practice, and taking them into account reveals much larger inequalities in both responsiveness and congruence. Finally, Gilens notes that from a normative point of view, “democracy by coincidence’ [i.e. unequal responsiveness but equal congruence] is a pale imitation of real democracy, leaving the powerless majority dependent on a powerful minority to get the policies they want” (Gilens and Page, 2016).

The picture of unequal representation painted by Gilens has been supported by other studies. In an early contribution to the literature, Larry Bartels (2016, chap. 9) analyzed the effects of liberalism among low-, middle- and high-income citizens on the liberalism of U.S. Senators between 1989 and 1994, finding a strong effect for the richest tercile and no effect at all for the poorest tercile. This analysis has been extended to 2010 by Hayes (2013), who finds even larger inequalities in responsiveness in the more recent years. Other work focuses on the House of Representatives, which is more exposed to popular pressures than the Senate (Stimson, Mackuen and Erikson, 1995) and which could therefore be expected to display more equal responsiveness. However, research by Christopher Ellis (2012, 2013) reveals that unequal representation to public opinion also clearly shows up among members of the House. Lastly, several studies show that policy responsiveness is not just unequal on the federal level but also on the level of the states (Rigby and Wright, 2011; Flavin, 2018).

All in all, political inequality emerges as a major theme in various debates about and studies of American politics. This is not to say that all studies come to this conclusion; there are some which argue that different income groups are equally represented in policy outcomes (Ura and Ellis, 2008; Soroka and Wlezien, 2009, chap. 8; Brunner, Ross and Washington, 2013). Such findings largely depend on the argument that, in many policy areas, rich and poor citizens

have the same preferences, very similar to the criticism based on Gilens' data discussed above. However, this only holds when using broad measures of public opinion, like the preference for more or less government activity. More refined measures reveal much larger opinion gaps between rich and poor (Gilens, 2009; Page, Bartels and Seawright, 2013).<sup>9</sup>

### **Causal mechanisms**

The conclusion that American politics is characterized by unequal representation raises almost as many questions as it answers. Perhaps the most obvious concerns causal mechanisms that might underlie inequality. What are the factors and processes that make it so that economic inequality is translated into political inequality? This is, of course, a huge question in itself, and it has spawned many different answers.

First, many scholars have pointed to the enormous amounts of money spent in American politics, money that has become close to a necessity for electoral campaigns and therefore creates an obvious dependency on rich donors (Gilens, 2012, pp. 234–252; Bonica *et al.*, 2013; Dawood, 2015; Ferguson, Jorgensen and Chen, 2016). In support of this view, Michael Barber (2016) has shown that the policy stances of U.S. Senators are more congruent with campaign donors than with party supporters and particularly average voters.

Related to this but very much distinct are politicians' personal backgrounds. More than half of all members of Congress are millionaires (Center for Responsive Politics, 2018; Eggers and Klasnja, 2018), and very few come from working class backgrounds (Carnes, 2013). Several studies have found that the legislative behavior of politicians is shaped by their socioeconomic backgrounds, which includes their previous occupation (Carnes, 2013; O'Grady, 2019) and personal wealth (Griffin and Anewalt-Remsburg, 2013; Eggers and Klasnja, 2018). This suggests that the socioeconomic bias in descriptive representation contributes to the bias in policy representation (see also Butler, 2014).

A third potential mechanism is found in the activities of organized interests. This is exemplified in the work of Jacob Hacker and Paul Pierson (2010), who give an extensive account of the rise of corporate lobby groups since the 1970's and the simultaneous decline of labor unions. They argue that these developments were key in explaining shifts in public policy that resulted in a dramatic increase in economic inequality (see also Grossmann and Isaac, 2019).<sup>10</sup> Recent work by Alexander Hertel-Fernandez (2014) has deepened and extended

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<sup>9</sup> The conclusion that low-income and high-income citizens have the same preferences also stems from the research design used by Soroka and Wlezien (2009) and Ura and Ellis (2008), which relies on time series of public opinion and policy. These time series are not very well suited for analyzing unequal representation, since over-time trends in preferences are usually very similar for different groups, while the levels of preferences can be very different (see also Bartels, 2015).

<sup>10</sup> This is related to financial contributions to parties and political campaigns mentioned above, but they are distinct mechanisms. Simply put, a donation does not need any organization behind it, and organizational strength is not just a function of its budget.

this theme. One of his analyses, with Theda Skocpol, focuses on the political network of billionaires Charles and David Koch. This network is a major part of the interest-group community in the United States, involving everything from advocacy groups and think tanks to policy networks, which go so far as to draft bills for legislators to pass (Skocpol and Hertel-Fernandez, 2016). The importance of organized interests is underlined by studies which find that representation is more equal in American states and congressional districts where unions are strong (Ellis, 2013; Flavin, 2018; Becher and Stegmueller, 2019) and where lobbying is strictly regulated (Flavin, 2015).

Fourth, many authors suggest political participation as a likely mechanism, often in the form of voting during national elections (Erikson, 2015). It features prominently in the report by the American Political Science Association's Task Force on Inequality and American Democracy, which spurred subsequent research into the topic (Jacobs *et al.*, 2004). The assumption is that differences in voter turnout between income groups bring about inequalities in policy responsiveness. As mentioned above, the validity of this mechanism influences the normative implications of unequal representation. However, empirical findings here are mixed, at best. Most studies that control for political participation find that it cannot explain the income bias in representation (Ellis, 2012; Flavin, 2012; Butler, 2014; Bartels, 2016, chap. 9; cf. Leighley and Oser, 2018). Moreover, as Gilens (2012, p. 239) notes, this mechanism cannot account for the fact that political influence is concentrated at the top of the income distribution, since participation increases gradually with income.

Lastly, an important mechanism consists of the activities of political parties, where the central question is whether some parties represent economic groups more equally than others. The common hypothesis here is that the Democratic party does a better job of representing the poor relative to the rich than does the Republican party, certainly an understandable expectation given the electorates and ideological orientations of both parties (Bartels, 2016, chaps 2–3). While most studies support this hypothesis (Brunner, Ross and Washington, 2013; Ellis, 2013; Bartels, 2016, chap. 9; Rhodes and Schaffner, 2017; Lax, Phillips and Zelizer, 2019), there are also some which find that the Democratic party is equally or even more biased towards the rich (Gilens, 2012, pp. 178–192; Hayes, 2013; Rigby and Wright, 2013; Maks-Solomon and Rigby, 2019).<sup>11</sup>

All in all, there are many causal mechanisms that could potentially explain inequality in policy representation. The five mentioned here – money in politics, descriptive representation,

<sup>11</sup> Lax, Phillips and Zelizer (2019) explicitly frame their analyses as comparing the relative importance of income versus partisanship, and they conclude that partisanship trumps income. Unlike the authors themselves, I do not take their findings to mean that unequal representation has been overstated in previous work. Instead, their work illustrates an important mechanism underlying unequal representation, where rich Americans exert political influence precisely by promoting the electoral chances of the Republican party (among other strategies).



organized interests, political participation and political parties – are perhaps the most prominent, but certainly not the only ones to have been suggested. And while studies on these mechanisms have taught us a lot, there is also much that is still unknown. In particular, most studies zoom in on one mechanism, which makes it hard to assess the relative importance of different factors.

### **Beyond the United States**

A different question raised by recent research is whether the unequal representation found to obtain in the United States also exists in other countries. Influenced by developments overseas, European scholars have recently taken up the theme of unequal representation as well. The studies that have been conducted suggest that the rich are represented better than the poor across advanced democracies and that this phenomenon is therefore not unique to American politics (Rosset, 2013; Bartels, 2015; Bernauer, Giger and Rosset, 2015; Peters and Ensink, 2015; Lesschaeve, 2016; Elsässer, Hense and Schäfer, 2017; Schakel and Hakhverdian, 2018).

So far, however, this part of the literature is much less developed than the American part. This is in contrast to the literature on general representation, which is well-developed beyond the United States. In fact, it is not an exaggeration to say that we know more about unequal representation as it applies to the United States than to the rest of the world combined. Beyond the simple fact that there are far fewer studies which focus on other countries, the studies that have been conducted have a number of major limitations. Firstly, most of them do not analyze policy outcomes but instead rely on party positions (Bernauer, Giger and Rosset, 2015; Lesschaeve, 2016; Rosset and Stecker, 2019), elite self-placement (Rosset, 2013; Schakel and Hakhverdian, 2018) or government spending (Bartels, 2015; Peters and Ensink, 2015) as their dependent variables. Secondly, several studies use an overarching dimension to measure public preferences and political outcomes, like the left-right scale (Rosset, Giger and Bernauer, 2013; Bernauer, Giger and Rosset, 2015). I will explain below why policy is a crucial element in any account of substantive representation and why it is preferable to look at specific policies instead of overarching scales. Moreover, and partly as a result of the previous limitations, we know very little about the causal mechanisms that produce unequal representation outside of the United States. If it is indeed the case that this phenomenon occurs in other countries, we cannot simply assume that the mechanisms from the American context apply in other places. This is due to the fact that, as I will explain below, the United States is in many respects a most-likely case to find unequal representation.

Summing up, the theme of unequal representation is one with a long history in social science.

Many commentators in previous eras have considered the connection between economic and political inequality. Recent years have seen a surge in attention to this topic, which has moved the literature in a particular direction, marked by a focus on large-scale empirical research, the individual level of analysis and income as a source of unequal influence. This research can be seen as a natural evolution from a more established literature on general representation. While recent studies have taught us a lot about unequal representation, there are a number of important questions which are still unanswered. What stands out is how little is known about other countries besides the United States, and as I will argue in more detail below, it is valuable to apply the approach and insights from the American context to other established democracies. In the concluding chapter, I will return to the older work on unequal representation and the possible avenues for future research which it provides.

## 1.4 FOCUS OF THIS DISSERTATION

In this dissertation, I make several contributions to the existing literature on unequal representation as it has been set out above. To understand these contributions, I first describe and explain several choices I have made in my empirical analyses. The causal relationships that are at the heart of my dissertation involve the effect of public opinion among different income groups on policy change in established democracies. Below, I discuss a number of key elements in this relationship on which I focus and have made some reasoned choices that need defending: public opinion, income, policy and country selection.

### **Public opinion**

At the beginning of this chapter, I argued that public opinion should generally have some effect on government policy.<sup>12</sup> While this may seem like an uncontroversial claim, there are many authors who have taken issue with it, based on skepticism over the value of public opinion. This is not the place to engage in a normative discussion on the strengths and weaknesses of public opinion, but the skeptical view influences how one measures and interprets public preferences, and these empirical issues should be addressed in any study of policy representation.

An important argument made in this regard is that that it makes no sense to estimate the effect of public opinion on policy, since the preferences of the public are largely – perhaps even solely – the consequences of beliefs expressed by elite actors. Simply put, if the public only parrots the policy stances of its preferred political party, public opinion has no independent influence on policy. In this vein, for example, Christopher Achen and Larry Bartels argue

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<sup>12</sup> Throughout the text, I use “public opinion,” “public preferences” and “public attitudes” as synonyms.

that any correlation between the “policy choices of legislators” and the preferences of their constituents are “primarily of descriptive interest – that is, not causal” (Achen and Bartels, 2016, p. 313).

In response to this, I would emphasize the importance of distinguishing between the individual and the collective level of public opinion. As Benjamin Page and Robert Shapiro argue in their book on this topic:

“While we grant the rational ignorance of most individuals, and the possibility that their policy preferences are shallow and unstable, we maintain that public opinion as a collective phenomenon is nonetheless stable (though not immovable), meaningful, and indeed rational. (...) [I]t is able to make distinctions; it is organized in coherent patterns; it is reasonable, based on the best available information; and it is adaptive to new information or changed circumstances” (Page and Shapiro, 1992, p. 14).

The basic idea is that the superficial and semi-random considerations that underlie the political preferences of many individuals cancel out when estimating the average opinion of all people combined. Likewise, although the policy preferences of many citizens are based on what they hear from political parties and other elite actors, public opinion as a whole exerts a signal that cannot be reduced to elite cueing. This is strongly supported by the empirical literature on policy representation (Erikson, Mackuen and Stimson, 2002; Soroka and Wlezien, 2009; Hakhverdian, 2010). Hence, I conclude that it makes sense to consider public opinion as an independent variable in the study of policy formation.

A second and related consideration is how we can best measure public opinion. In this dissertation, I will use the most straightforward method, which is to consult large-scale, representative surveys that ask respondents for their preferences on one or more policy issues. This method fits well with the claims I made earlier in this chapter, namely that any person’s interest is partly subjective and that, in most cases, each individual is the best guardian of this interest. This effectively rules out an alternative approach, which is to use logical deductions to determine the ‘objective’ interests of different income groups (e.g. Elkjær and Iversen, 2019).<sup>13</sup>

Some authors have expressed doubt over the ability of surveys to gauge people’s ‘true’ attitudes, often pointing to the fact that slight differences in the wording and framing of survey questions can have large effects on responses (Zaller, 1992). While there are certainly

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<sup>13</sup> This approach is widespread in the literature on the representation of women and minorities (Wängnerud, 2009, p. 53; Griffin, 2014, p. 329)

striking examples of this, we should not exaggerate how widespread they are (Gilens, 2012, pp. 32–35). In particular, many supposed examples of question-wording and framing effects actually compare survey questions on slightly different issues and may therefore indicate substantive differences in public opinion.<sup>14</sup> Moreover, I know of no better way to measure public preferences than to simply ask the public for their preferences. Some studies have treated party positions as a proxy for public attitudes (e.g. Klingemann *et al.*, 2007, pp. 126–127), but given the fact that citizens' vote choice is based on many considerations besides policy, and parties often deviate from their election platforms, this seems like a choice that is only ever made out of necessity.

In sum, it makes sense to analyze the effect of public opinion on policy and to measure public opinion using surveys. Both points are reinforced by the fact that I focus on relatively salient, non-technical policy issues in this dissertation. I will say more about this last point when I consider policy.

### **Income**

In line with much of the recent literature, I focus on citizens' income as the potential source of unequal political influence.<sup>15</sup> This is not to say that income is the only resource that should be considered in the literature on the topic, or even that income is the most important in any given context. Indeed, many other factors have been suggested and analyzed in recent years, including wealth (Winters, 2011), education (Bovens and Wille, 2017), gender (Reher, 2018; Dingler, Kroeber and Fortin-Rittberger, 2019) and race (Griffin and Newman, 2007). The choice to focus on income is motivated by a belief that, of all the possible factors that can affect one's political influence, income is particularly likely to play a large role in a wide range of times and places.

To see why, we can use a very basic framework where three conditions have to be met before any resource can produce unequal representation. First, a resource should be unequally distributed in society. Second, this resource should be correlated with certain political preferences. And third, it should be possible for this resource to be translated into political influence in some way (see Winters and Page, 2009, p. 732). If the first condition is not met and a resource is universally shared, it can clearly not produce inequality in the political sphere. Likewise, if it is distributed unequally but is not related to any political preferences, it cannot

<sup>14</sup> A relevant example in this regard, since it concerns the survey questions used in chapters 2 and 4, is provided by Larry Bartels. Bartels notes the “apparent contradiction between public enthusiasm for cuts in government spending and strong support for *increases* in spending on specific social programs” (Bartels, 2015, p. 14, italics in original). Clearly, this is not a contradiction at all, since it is perfectly possible to favor increased spending on social policy and cuts in most other areas.

<sup>15</sup> I treat “high income,” “rich” and “affluent” as synonyms, and the same goes for “low income” and “poor”. “Low incomes” and “high incomes” do not denote specific parts in the income distribution; it is somewhat arbitrary which citizens can be labeled as poor and which can be labeled as rich. This is reflected in the empirical chapters, which use several different measures of both.

lead to observably different policy outcomes.<sup>16</sup> And if there is no way to use this resource to increase one's political voice, it cannot produce political inequality. Or, to put it the other way around, representation becomes more unequal as a resource is distributed more unequally, is correlated more strongly with political preferences and is easier to translate into political influence.

Income stands out as a resource that meets these criteria particularly well in many countries. First, income is unequally distributed in all modern societies. Even if the most egalitarian countries, which include the Scandinavian countries and the Netherlands, people at the ninetieth income percentile earn roughly three times as much as those at the tenth income percentile. In the United States, the former earn more than six times as much as the latter (Organization for Economic Cooperation and Development, 2019d). I will say more about differences between countries below.

Second, income is correlated with a range of political preferences. This is a robust finding in the study of public opinion (Van de Werfhorst and De Graaf, 2004; Gilens, 2009; Rehm, 2009; Page, Bartels and Seawright, 2013; Arunachalam and Watson, 2018). Much of this goes back to Lipset and Rokkan's insight that class is a central cleavage in contemporary Western societies, stemming from its relationship with the means of production and the material interests that accompany it (Lipset and Rokkan, 1967). Without getting lost in a discussion about the meaning of class, we can see that the same implies to the more concrete concept of income. That is, income is likely to influence one's perceived interests on a range of economic issues related to redistribution, taxation and social policy. It is less obvious how income affects political preferences on non-economic issues like immigration and crime. Indeed, throughout the empirical chapters I find that income has stronger associations with the former than with the latter. Hence, income stratifies public opinion, but not to the same extent on all issues. While this is not a particularly new insight (e.g. Soroka and Wlezien, 2008), it does have important implications for the kinds of issues on which we can expect unequal representation.

Third, there are good reasons to expect that having a high income gives people increased influence in the political sphere. The most straightforward reason is that this is a consistent finding in previous research, as described above. On a more theoretical level, we can say that money is an exceptional resource in the sense that it is very flexible and easy to convert into other resources (Green, 2016). As we have seen, there are many possible mechanisms by which economic power can be converted into political power, including through campaign

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<sup>16</sup> This is very similar to the criticism of the work of Martin Gilens (2012) that was discussed above. As noted there, there can still be unequal influence if everyone has the same preferences, but the point is that is empirically indistinguishable from equal responsiveness, at least when looking at the opinion-policy link.

donations and the funding of organized interests.<sup>17</sup> Anthony Downs (1957) argued that many of these mechanisms follow from imperfect information. For instance, the fact that voters do not know precisely which policies are best for them creates a potential for electoral campaigns to win over voters, and donating money to such campaigns increases their potential success. In Downs' words, "inequality of political influence is a necessary result of imperfect information, given an unequal distribution of wealth and income in society" (Downs, 1957, p. 141).

At the same time, unequal representation is not as much of a certainty as Downs argued. Those working in the power resources approach to welfare state development, for instance, insist that the economic power of the rich can be balanced by the political power of the poor, which stems from their greater numbers (Korpi, 1989). And in empirical terms, the evidence for unequal representation is mostly confined to the United States. Hence, this third condition is less straightforwardly applicable than the other two, certainly in a comparative perspective.

To sum up, income is a likely source of unequal representation because it is unequally distributed, because it is strongly correlated with a range of political preferences – particularly preferences concerning economic issues – and because there are many ways in which it could be translated into political influence. At the same time, there are enough questions left surrounding the third condition to warrant additional research.

## Policy

The outcome that is central in this dissertation is policy representation. The concept of representation is one with many possible interpretations and dimensions. Hanna Pitkin's hugely influential distinction between formal, descriptive, symbolic and substantive representation remains a useful starting point (Pitkin, 1967). These different facets cover the rules that govern the process of representation, the personal identities of citizens and representatives, feelings of representation among citizens, and the actions of representatives, respectively. This dissertation is concerned with the last facet of representation. While the others are also relevant, they only relate to my analyses as potential mechanisms (descriptive and formal representation) or consequences (symbolic representation) of inequalities in substantive representation.

Substantive representation is itself a concept that can have different meanings. Pitkin defined it as "acting in the interest of the represented, in a manner responsive to them" (Pitkin, 1967, p. 209), but actions can come in different forms; for example, asking parliamentary questions, introducing and sponsoring bills, voting in parliament and perhaps even giving speeches

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<sup>17</sup> A more comprehensive account of the potential mechanisms is presented in chapters 3 and 5.

(for the latter, see Haines, Mendelberg and Butler, 2019). In this dissertation, I focus on policy representation. Policy refers here to the collection of laws and regulations that govern a national polity. I am particularly concerned with *changes* in government policy. Hence, policy representation can be defined as the extent to which a national government enacts policy changes that align with citizen preferences. As a synonym, I will sometimes use the term policy responsiveness.

I have already spoken of unequal representation in previous sections. This can now be defined more precisely as a situation in which the political system enacts policy changes that align more with the preferences of the rich than with the preferences of the poor. This is very much related to unequal political influence. The latter can be understood as the individual-level equivalent of unequal representation. If rich and poor citizens tend to have roughly equal levels of political influence, the aggregate-level outcome is equal representation. If political influence is correlated with income, the outcome is unequal representation. Again, all of these terms explicitly refer to policy.

Why should we study policy in addition to other facets of representation? The answer to this question is provided in an important article by Jacob Hacker and Paul Pierson (2014). Hacker and Pierson describe how the Downsian view on politics became dominant among political scientists in recent decades. In this perspective, elections, voters and party competition are at the center of political analysis, while “policy only enters the story at the conclusion, if it enters at all” (Hacker and Pierson, 2014, p. 645). A major reason for this is that policy is much harder to measure and link to public preferences than party positions or election outcomes.<sup>18</sup> While understandable, this neglect of policy is regretful because policy affects the lives of citizens in many crucial ways. As Hacker and Pierson put it, policy is the prize of the political process, and this is why many societal actors and organized interests are concerned more with winning their preferred policies than with winning elections per se. Hence, a lack of policy representation is not just a normative problem; it is a material problem that has large consequences for citizens (see the section on societal relevance above). Overall, I fully agree with Davin Caughey and Christopher Warshaw’s judgment that “government policies (...) are arguably the ultimate metric of representation” (Caughey and Warshaw, 2018, p. 250).

Crucially, we cannot just assume that party positions are a proxy for policy outcomes, as the policy process may be affected by the complexities of election campaigns, coalition negotiations, interest-group activity and real-world developments, among other things. An illustration of this is provided by Robert Thomson et al. (2017), who analyzed many thousands

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<sup>18</sup> Perhaps this is why some authors put terms like “policy representation” or “policy congruence” in their titles without actually analyzing policy (Miller *et al.*, 1999; Andeweg, 2011). The most egregious example of this mislabeling that I know of is Klingemann et al. (2007, pp. 124–137), who draw conclusions about policy representation from a regression of the coalition’s left-right position on the median political party’s left-right position, both measured using manifesto data.

of election pledges in twelve democracies and found that forty percent of them were not fulfilled. For our purposes, the most important consideration is that representation may be more equal when considering party positions than when considering policy outcomes. That is, unequal representation could increase as the policy process progresses. This is considered in more detail in chapter 4. To the extent that this occurs, any study that draws conclusions about unequal policy representation from party positions would suffer from attenuation bias.

After deciding to study policy, we have to decide how to measure policy. An important choice in this regard is between specific policies and overarching ideological indices. The latter is exemplified by the aforementioned work of Stimson, Mackuen and Erikson (1995), who measure the direction of policy on a broad liberal-conservative scale. While this is certainly an elegant approach, it also has clear downsides for the study of representation. One of these downsides is what Lax, Phillips and Zelizer call the false substitutes problem: “It is, in our view, too lenient a test to praise democratic representation for, say, making abortion policy more liberal when it is opinion on immigration issues that got more liberal, or vice versa – yet indices and ideological scores do just that. To care about responsiveness as a matter of normative democratic theory, one must surely think that the actual contents of the policy basket matter, and not just the ideological tone of the basket.” (Lax, Phillips and Zelizer, 2019, p. 921). Moreover, David Broockman (2016) has shown that ideological scales can confuse consistency and extremity; that is, a legislator that consistently votes in a moderately left-wing manner is considered extremely left-wing.

Additional downsides arise when considering differences in policy representation between social groups. Among these downsides is the fact that the poor may be more left-wing than the rich on some issues, and more right-wing than the rich on other issues. Using an ideological scale to measure opinions would then overestimate the similarity in preferences of different income groups (Gilens, 2012, p. 47).<sup>19</sup> In this vein, my own work on congruence in the Netherlands with Armen Hakhverdian has indicated that using the left-right scale underestimates inequality in congruence in comparison to more specific policy areas (Schakel and Hakhverdian, 2018; see also Rosset and Stecker, 2019). Lastly, research on the German case has shown that low and highly educated citizens interpret the left-right scale in systematically different ways (Bauer *et al.*, 2017). To the extent that the same applies to income groups, it becomes very hard to know whether any findings using the left-right scale should be interpreted as a substantive result or as an artifact of this methodological issue. All in all, the use of overarching ideological scales for the study of representation has various drawbacks, and for this reason I instead focus on more specific policy issues throughout this dissertation.

<sup>19</sup> This again connects to the issue around the measurement of public opinion discussed in the section on previous research.



When deciding to study separate policy issues, the next question is which kinds of issues should be selected. The above should not be read as suggesting that policies should be as specific as possible when studying (unequal) policy representation. In fact, my belief is closer to the opposite. To put this point differently, I believe it is best to focus on issues that are fairly broad without being so broad that they turn into ideological scales with its various disadvantages. To see why, it is useful to think of policies as existing on a continuum. On one end of this continuum are policies which are salient as part of a public debate and about which a sizable part of the public has some knowledge, understanding and preferences. On the other end are issues which are not salient, which are often complex and technical in nature, which often primarily affect a limited number of actors, and about which the average citizen has little knowledge, understanding or preferences.

The kinds of policy issues that are the subject of this dissertation are close to the former end of the scale. For example, chapter 2 focuses on broad changes to the welfare state, in which the question is whether different parts of the welfare state are becoming more or less generous in a general sense. And while chapter 3 deals with more specific policy changes, they are still relatively straightforward issues with clear relevance for a large part of the population, like an increase in the retirement age or a change to the maximum speed in traffic. A clear example of the other end of the spectrum is Jeffrey Winters' analysis of the 'income defense industry', whereby the wealthiest citizens of the United States hire an army of professionals to rewrite the minute details of the tax code in their favor (Winters, 2011). This tax code is apparently so complex that even legislators cannot understand it fully.

Much more could be said about this distinction between salient and straightforward issues on the one hand, and non-salient, complex issues on the other hand. However, the reason it is important is as follows: unequal representation is more likely to emerge in the latter than the former. In other words, money can more easily be converted into political influence on issues which the public does not know about, does not understand and does not care about. This is the central thesis of Pepper Culpepper's book *Quiet Politics and Business Power* (Culpepper, 2010). Likewise, Jeffrey Winters and Benjamin Page argue that the political dominance of the wealthy on some issues can co-exist with pluralist democracy on "issues of great importance to many ordinary citizens" (Winters and Page, 2009, p. 733). In support of this, Jan Leighley and Jennifer Oser offer suggestive evidence that widespread political participation may counter economic inequality in representation, but only on "highly-salient, highly-partisan issues" (Leighley and Oser, 2018, p. 329). The reasons are straightforward: the rich face more opposition on policies where large parts of the public are involved, and political actors have a clear incentive to appear responsive to majority opinion when their actions are in the public

eye. Although the moderating effect of issue characteristics like salience and complexity on unequal representation deserves to be analyzed more in future research, the upshot is the following: the issues analyzed in this dissertation represent a relatively unlikely place to find unequal representation. That fact that I find it so consistently (see below) should therefore give us pause.

In summary, the central outcome in this dissertation is policy representation, which is a key form of substantive representation. In studying policy representation, it is preferable to measure specific policy issues instead of ideological scales. Within the realm of policy issues, this dissertation analyzes issues that are relatively salient and relevant to the general public.

### **Countries**

As described in the literature overview, most studies on unequal representation are based on the United States. This would not be such a problem if the United States were a typical case that was representative of other established democracies, but this is probably not true. On the contrary, there are good reasons to believe that the United States is a most-likely case to find inequality in policy representation.

A first factor that makes the United States a most-likely case is its high level of income inequality, which has risen faster and reached a higher level than in any other established democracy (Alvaredo *et al.*, 2018, pp. 68–72; Organization for Economic Cooperation and Development, 2019d). This links back to the first condition of unequal representation discussed above. That is to say, in comparison to more egalitarian countries like Denmark and the Netherlands, rich people in the United States have a bigger advantage over the poor because they have more money to use as political currency.

Second, there is the enormous and growing amount of money that is spent on political donations in the United States. As described above, this creates a dependency on rich donors that is likely to affect policy outcomes. While high-quality comparative data on political finance is – to my knowledge – very scarce, there are many established democracies which have stricter regulations and norms around private donations, and where money in politics is therefore less influential compared to the United States (Nassmacher, 2009, pp. 107–120; Cahill and Tomashevskiy, 2019, pp. 761–763).

Third, the United States has a weak and declining labor movement (Thelen, 2019). In the power resources framework cited above, this features very prominently as a mobilizing force which increases the political influence of the poor. In this account, the absence of a strong

labor movement means that the lower incomes in general are weaker relative to the high incomes.

Fourth, the United States has a majoritarian electoral system. An influential analysis by Iversen and Soskice (2006) suggests that this will inhibit the representation of the poor. In their argument, a political alliance between the middle and upper classes is likely to emerge in majoritarian electoral systems, while an alliance between the lower and middle classes is the likely outcome in a proportional system (for critical responses to this view, see Lupu and Pontusson, 2011; Höhmann and Tober, 2018). Using a different argument, Karen Long Jusko (2017) also arrives at the conclusion that the American electoral system disadvantages the poor.<sup>20</sup> The latter factors – money in politics, strength of the labor movement and the electoral system – all relate to the third condition of unequal representation. That is, they make it easier for the rich to exert political influence.

In a sense, it is unfortunate that most of our knowledge about unequal representation comes from a most-likely case, since we cannot generalize very well from it.<sup>21</sup> It is therefore high time to turn our attention to other countries. In this dissertation, I analyze and draw conclusions about established democracies, which are those countries with formal democratic institutions (including free, fair and frequent elections), a strong democratic culture and a high national income. To be clear, it is this group of established democracies in which the United States is a most-likely case. There are many other countries in the world which do not have a democratic system of government, which have levels of income inequality that dwarf that of the United States and which see much more direct forms of corruption. The reason that these countries are not studied here is first and foremost due to data availability; there is far less information on public opinion and policy in non-democratic countries. A second and more substantive reason to focus on established democracies is that they are built on the ideal of political equality. Compared to non-democracies and emerging democracies, it is the group of established democracies where representation is most likely to be equal.<sup>22</sup> Hence, it is pertinent to find out to what extent this is actually realized here.

## Contributions

After having discussed a number of choices related to public opinion, income, policy and country selection, I can now sum up the main contributions of this dissertation. First, I

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20 Jusko even motivates her analysis by asking: “Why are legislators in other democratic societies more responsive to the preferences of low-income citizens, compared to their American counterparts?” (Jusko, 2017, p. 1). This question is quite premature, though it does underline the fact that the United States is often seen as a most-likely case.

21 Fortunately for American scholars, they generally do not have to worry about things like justifying their case selection.

22 This is reflected in the expert judgments gathered in the Varieties of Democracy database. In the data for 2016, there is a positive correlation between the logged GDP of a country and the extent to which “political power [is equally] distributed according to socioeconomic position” ( $r = 0.31$ ). The latter is also strongly correlated with the presence of free and fair elections ( $r = 0.60$ ).

improve on existing studies of representation in terms of measurement. By using high-quality measures of public opinion and policy (in chapters 2 and 3), I can provide more insight into inequalities in substantive representation. This is certainly the case compared to previous cross-national studies on the topic, which have said very little about policy representation. Arguably, however, it is also true in comparison to American studies. In particular, chapter 2 analyzes welfare state reform in a way that takes into account gradations in preferences and gradations in policy change, the latter being more fine-grained than, for instance, the approach used by Martin Gilens and by myself in chapter 3. This makes for a better balance between depth (meaningful measures of policy) and breadth (between-country comparability) than in previous research. And chapter 4, which focuses on party representation, also improves on existing studies in terms of measurement, since these mostly use the left-right scale to measure party positions.

Using these improvements in measurement, I make a number of additional, substantive contributions. The second overall contribution is to the field of general representation. Throughout the empirical chapters, I find evidence that public opinion generally affects policy and party positions in established democracies, supporting previous findings to the same effect (see above). However, this contribution is more modest than the others, precisely because it corroborates what in the literature on general representation is quite well-developed as a finding. For that reason, my discussion emphasizes this much less than the analysis of unequal representation, and it is only explicitly discussed in chapter 2.

The third contribution is that I consistently find evidence for unequal representation in established democracies. That is, I find that policy is more responsive to the preferences of the rich than to the preferences of the poor in a range of consolidated democracies beyond the United States, the most-likely realm for such inequality. This conclusion emerges in a comparative analysis of one policy area (chapter 2) and a single-country study of many policy areas (chapter 3). This, I believe, is the strongest evidence to date that unequal representation is not limited to the most-likely case of the United States but applies to a broad range of established democracies. In a broader sense, my coverage of unequal representation across space, time and policy areas is wider than in any previous studies.

Fourth, I shed more light on the causal mechanisms behind unequal representation. Understanding the mechanisms is crucial for evaluating this phenomenon in a normative sense, as I have discussed above, but also for knowing where to focus our energies to remedy it. Several mechanisms are explored and tested in chapters 3, 4 and particularly in chapter 5. The latter is a qualitative analysis into one instance of policy change and shows the added

value of a mixed-methods approach to the study of unequal representation (see also Peters, 2018, pp. 353–354). Among the mechanisms revealed by such mixed-methods analysis to be particularly important are political lobbying and participation that privilege the position and wants of rich elites. Overall, then, this dissertation adds substantially to our knowledge of where and how income inequality produces political inequality. This, in turn, provides many new questions that should be confronted by academics, politicians and citizens alike, to which I will return in the conclusion.

## 1.5 OVERVIEW OF THE EMPIRICAL CHAPTERS

To analyze unequal representation in established democracies, I employ a variety of research designs, including cross-country and single-country studies, and quantitative and qualitative analysis. The first two empirical chapters are mainly focused on establishing whether there is inequality in policy representation, while the latter two move on to possible explanations for this inequality.

*Chapter 2* uses data for twenty countries to analyze representation in welfare state reform. It links survey data on attitudes towards health, pension and unemployment policies to data on actual policy generosity and government spending in these domains. This reveals that attitudes strongly correlate with subsequent changes in welfare generosity in the three policy areas, and that such responsiveness is much stronger for richer than for poorer citizens. The substantive conclusion that emerges from the analysis is that representation is likely real but also vastly unequal in the welfare politics of established democracies. On a methodological level, the discussion and analyses of different measures of policy (spending versus generosity) underline the importance of valid and reliable measurement in the study of policy representation.

*Chapter 3* considers unequal policy representation in a single-country study of a least-likely case to find unequal representation, namely the Netherlands. I use the same research design as Martin Gilens (see above) and construct an original dataset of public opinion and policy on 291 potential policy changes between 1979 and 2012. The main finding of this chapter is that, amidst general policy responsiveness to public opinion, responsiveness is strongly skewed towards wealthier citizens. When preferences between income groups diverge, only the higher incomes have an effect on policy change. These findings show that unequal representation is not limited to most-likely cases like the United States but also occurs in least-likely cases. The second half of this chapter turns to possible causal mechanisms that

can account for this. I conclude that electoral participation cannot explain the income gap in representation, since responsiveness is much stronger for high-income citizens that do not vote than for low-income citizens that do vote. Biases in descriptive representation cannot account for the income gap either, while lobbying by organized interests seems to be a more promising explanation. It should be added, however, that the analysis of the second and particularly the third mechanism is rather exploratory.

The next two chapters are fully devoted to more extensive analyses of the causal mechanisms behind unequal representation. *Chapter 4* focuses on political parties and is in some sense a companion piece to chapter 2, since it uses the same general approach and partly the same data to measure public opinion. While chapter 2 linked this to policy change, chapter 4 takes party positions as its dependent variable, using a wider range of countries and policy areas. Analysis of this data reveals that party systems in general respond more strongly to wealthy than to poor segments of a polity. It also finds that left parties more faithfully represent poor citizens than do right parties. Interestingly, however, even left parties are (slightly) biased in favor of the rich. All in all, unequal representation is already present at this early stage of the policy process, reinforcing the conclusion from chapter 3 that the explanation for this phenomenon cannot be reduced to the demand side of representation (that is, electoral participation) but is in large part found at the supply side.

*Chapter 5* expands on these insights with an in-depth, qualitative case study of pension reform in the Netherlands. This, in turn, is a companion piece to chapter 3, as it zooms in on one observation of the larger dataset considered there. Through a reconstruction of the increase in the retirement age, I consider a number of potential mechanisms behind unequal policy responsiveness. In particular, I find support for the importance of lobbying by organized interests, neoliberal ideas and party politics. The weakness of unions as the main organized interest representing the preferences of lower incomes explains why it was politically feasible to go ahead with the policy despite opposition from a large part of society. Neoliberal ideas were expressed through a strong belief that an economic downturn warranted welfare state retrenchment. And, in line with chapter 4, most left-wing parties did not champion the demands of the poor, allowing the reform to pass through parliament with widespread support.