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### Representing the rich

*Economic and political inequality in established democracies*

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# CHAPTER 6

## Conclusion

### 6.1 SUMMARY

Political equality is one of the very foundations of democracy. It is simultaneously a justification for democratic governance and a goal towards which such governance strives. However, it is apparently not a particularly easy goal to achieve. Political equality, which I understand to mean the absence of systematic biases in policy representation, is seriously threatened by the existence of social and economic inequalities. One of these inequalities is based on income differences, and this is a particularly important form of inequality, given the flexibility with which money can potentially be converted into political influence.

Despite the importance of political equality, we know little about the extent to which it is realized in practice. It is certainly an oft-debated issue among citizens, politicians and scholars alike, with some arguing that a rich and powerful minority dominates the policy process and others insisting that policy is equally responsive to rich and poor. This clearly echoes the elitist-pluralist debate of the 1960's. Until recently, however, much of this debate was conducted on the basis of little data and analysis.

This dissertation aimed to provide some of the missing information. It is part of a surging

literature on the effects of income inequality on political representation. This literature has uncovered clear evidence that political outcomes are biased towards the preferences of the rich, but it is limited in several ways. The most important of these limitations is its geographical scope, with the vast majority of studies focusing on the very specific, most-likely case of the United States. I set out to move beyond this single case and to analyze unequal representation in a broader range of established democracies. Guiding my analysis was the following question: 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? To answer this question, I analyzed the effects of public opinion among different income groups on policy changes and party positions. I employed both cross-national (chapters 2 and 4) and single-country studies (chapters 3 and 5), and I combined various kinds of quantitative analysis (chapters 2, 3 and 4) with qualitative illustration and historical process-tracing (particularly chapter 5).

These analyses have produced three main findings. The first finding is the good news: that there is general responsiveness to public opinion in established democracies. There is clear evidence that public preferences – in the aggregate – are translated into policy changes (chapters 2 and 3). Moreover, responsiveness is also found in the election platforms of political parties (chapter 4). We can therefore say that policies and parties in established democracies generally represent the public will, which is good news to all those who consider this a key element of democracy. However, I have emphasized this finding less than the other findings in the empirical chapters, since there is an extensive literature on general representation and my contribution to this literature is fairly modest.

The second main finding is the bad news: that policy representation is consistently and systematically stronger for high-income citizens than for low- and middle-income citizens. In short, the more money someone makes, the more likely it is that policy will follow their demands. This emerges from a comparative study of policy reform in the welfare state when using the most valid measurement of policy in the form of welfare generosity (chapter 2). It is also apparent in an analysis of a much broader range of policy issues in the Netherlands (chapter 3). The Netherlands is a least-likely case to find unequal representation due to its low level of income inequality, the small sums of money in politics and its highly proportional electoral system, yet even here, policy responsiveness is much stronger for the rich than for other income groups. While policy frequently takes the preferred direction of low- and middle-income citizens because this often overlaps with what high-income citizens want, the former have little to no independent influence on policy when they disagree with the latter. Furthermore, such disagreements are not marginal occurrences, especially on economic

policies, which strongly divide rich and poor citizens. This means that unequal representation has tangible consequences for the policies that are adopted in established democracies.

The third finding concerns the more normatively neutral but politically crucial issue of the causal mechanisms that bring about unequal representation, that is, the ways in which income can be converted into political influence. There are many potential mechanisms; the rich may be overrepresented because they donate more money to parties and candidates, because they participate in elections more often, because many politicians come from affluent backgrounds, because their demands are voiced more forcefully by organized interests or because they are structurally advantaged as investors and employers in economic life, to mention some prominent possibilities. My analysis of representation in the Netherlands revealed that policy responsiveness is stronger for voters than for non-voters at all income levels, meaning that differences in electoral participation between rich and poor contribute to unequal representation. At the same time, there is still a large gap in responsiveness between poor voters and rich non-voters, which suggests that other explanations are needed for a full account of the causal mechanisms (chapter 3). In addition, I found that the election programs of political parties – for a broad range of issues and a large number of countries – are biased towards the preferences of the rich, similar to policy changes. What is more, even the platforms of left parties do not represent the poor better than the rich; if anything, this is the other way around (chapter 4). Together, these findings suggest that the explanation for unequal representation cannot be placed solely at the demand side of electoral politics. That is to say, unequal representation is not just down to the fact that low- and middle-income citizens do not vote often enough, or perhaps do not vote in line with their policy preferences.

This dissertation's in-depth, qualitative case study of pension reform in the Netherlands expands on these insights (chapter 5). The analysis showed that, while there are clear differences between left-wing and right-wing parties, mainstream left-wing parties did not champion the demands of the poor, as these parties favored rapid increases in the retirement age. Furthermore, biases in the strength of organized interests – in particular, the weakness of labor unions – and the dominance of neoliberal ideas among political elites contributed to the passage of the policy. Support for another mechanism, based on the personal socioeconomic backgrounds of politicians, was more mixed, with a quantitative analysis finding no evidence for its importance (chapter 4), while a qualitative analysis found suggestive support (chapter 5).

In short, I conclude that there is general policy representation in established democracies, but this representation is starkly unequal, with the demands of high-income citizens

receiving much more weight in the policy process than the demands of low- and middle-income citizens. I also conclude that this unequal representation in established democracies is a multifaceted phenomenon, with biases in organized interests, political participation, party politics, and dominant ideologies all likely to play a role in its creation.

Needless to say, this dissertation's exploration and findings are not without their shortcomings and limitations. Key limitations as I see them will be discussed below as suggestions for future research. But three important shortcomings are worth mentioning immediately. First, the analyses cannot distinguish the role of income from other fundamental metrics of economic advantage. From the point of view of representation, wealth may be the most important correlate of income, and given the lack of data I cannot rule out that the effect of income partially reflects the effect of wealth. Second, it is possible that political power does not reside with the "merely affluent" (e.g. the 90<sup>th</sup> income percentile) but with the "truly rich" (e.g. the 99<sup>th</sup> or 99.9<sup>th</sup> percentile) (see Gilens, 2012, p. 241). Third, my approach of measuring public preferences through surveys does not take into account that the rich may exert political influence through their ability to shape the dominant ideas holding sway in society. However, the upshot of all three shortcomings is that I have potentially *underestimated*, not overstated, the degree of inequality in representation.<sup>101</sup> While accounting for these factors would therefore change the emphasis of my conclusions, it would not change their general thrust and valence.

## 6.2 IMPLICATIONS

Zooming out from the specific claims defended in this study's empirics and argumentation, we can point to a number of implications that follow from the main findings. These can be roughly divided into implications for our understanding of society and more normative implications for political action. I should make it clear at the outset that these implications partly reflect my own interpretation of the findings. In that sense, what I would like to highlight here now speculates beyond the descriptive and causal inferences defended in the preceding chapters.

### **Societal implications**

The analyses of this dissertation speak, firstly, to the institutional structures of democratic capitalism. Among scholars and policy-makers alike, the combination of democracy and capitalism has long been celebrated as an optimal institutional setup (Rueschemeyer, Huber Stephens and Stephens, 1992; North, Wallis and Weingast, 2009). Francis Fukuyama (1992)

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<sup>101</sup> If the rich shape the preferences of the general public, 'filtering out' this influence would reveal bigger preference gaps between income groups and hence less "coincidental representation" (Enns, 2015) of the low and middle incomes.

famously proclaimed the combination of free markets and free elections to be the end of history. While recognizing that these themes are much larger than can be discussed here, things look very different when considering the principle of equality.

As I noted at the very beginning of this dissertation, capitalism and democracy are based on fundamentally different values; while the former encourages the creation of inequality, the latter is aimed at establishing equality. The (implicit) assumption of citizens and policy-makers is that these spheres of equality and inequality can co-exist with each other. If anything, political equality can restrict economic inequality, but economic inequality should not restrict political equality. My analyses have shown that this assumption is not fulfilled in practice. In a range of established democracies, economic inequality bleeds over into the political sphere, creating political inequality. This is not to say that democracy is meaningless, since I have also shown that public preferences are reflected in policy changes. Hence, there is clear evidence of policy representation in established democracies. But the bias in responsiveness towards the demands of the rich means that policy responsiveness is not equal. This represents a real harm to democracy, since, as Andrew Sabl has argued, systematic inequalities in policy influence between rich and poor “are bad on *any* reasonable account of how mass electoral democracy should operate” (Sabl, 2015, p. 354, italics in original). In light of this, democracy and capitalism are not just different from each other, they are at odds with each other.

This insight raises the question whether the combination of democracy and capitalism is sustainable. It may be in jeopardy if economic and political inequality reinforce each other over time, a possibility I alluded to in the introductory chapter. If the rich can exert a great deal of political influence, it is likely that they will use this influence to implement policies that will make them richer. At the same time, less affluent citizens may become “increasingly discouraged about the effectiveness of democratic governance, spreading cynicism and withdrawal from elections and other arenas of public life” (Jacobs *et al.*, 2004, p. 655). Both processes increase disparities of political influence, creating a vicious circle of inequality that hollows out democracy (Page and Gilens, 2017, pp. 49–50). This is arguably most apparent in the recent history of the United States, where economic inequality has reached virtually unprecedented heights (Kelly, 2019).

Is such a spiral of economic and political inequality occurring across advanced democracies? This is very hard to say. While it may seem like it is inevitable, this is actually not the case. We can also imagine a very different scenario, where inequality in representation brings about a counter-mobilization of low- and middle-income citizens to restore political equality. This

is reminiscent of Karl Polanyi's classic notion of a double movement in capitalist history (Polanyi, 1944). In general, it is plausible that both patterns alternate in history. In some periods, political and economic inequality rise in tandem, whereas in others, they fall in tandem (Page and Gilens, 2017, chap. 2). We do not know which of the two periods we are currently in until we conduct more longitudinal analyses on the topic. In any event, what the future holds will remain unknown, since this is entirely dependent on the actions of citizens. The bottom line, however, is that economic inequality and political equality do not form an easy marriage and may never reach a state of equilibrium.

We can consider several other, more concrete implications. The central finding of unequal representation helps us understand policy developments in various areas, and particularly why policy has not seemed to respond to a number of social problems. The most obvious example of this is the rise in economic inequality in many advanced democracies. Political economists confront an apparent contradiction where countries with high market inequality redistribute less than countries with low market inequality, and increasing inequality is not accompanied by increasing redistribution (Lindert, 2004, p. 15; Bonica *et al.*, 2013). Both patterns run counter to the well-established Meltzer-Richard model, which predicts that high inequality will lead to more redistribution because this benefits the median voter (Meltzer and Richard, 1983).

Several explanations have been offered for these empirical findings, including the possibility that citizens do not correctly perceive the level of income inequality and their position in the income distribution (Cruces, Perez-Truglia and Tetaz, 2013; Boudreau and MacKenzie, 2014), or that citizens adapt their evaluations of legitimate income differences to their current circumstances (Trump, 2018). However, a simpler explanation – one which is complementary to the others – is that the median voter is not actually decisive. If high inequality reflects the large influence of the rich over policymaking, it makes perfect sense that this is associated with less redistribution across time and space (Bonica *et al.*, 2013, pp. 111–118; Scruggs and Hayes, 2017, p. 39).

This argument can be broadened by saying that unequal representation can explain the spread of neoliberal policies in established democracies, which involve welfare retrenchment as well as privatization, deregulation and financialization of the economy. However, a caveat is in order here. One might ask: if the rich are really so influential, why is there still a strong social safety net in most established democracies, which primarily benefits the poor? Does this in itself not show that there is little to no inequality in representation (Iversen and Soskice, 2019, p. 25)? In response to this, I would note, firstly, that my analyses do not imply

that low- and middle-income citizens are not represented at all in government policy. My conclusion is more modest, namely that representation is stronger for high incomes than for low and middle incomes, and that there is little evidence of responsiveness to the latter in instances where they disagree with the former.

This connects to a second point, which is that the rich are not always opposed to social protections. They are certainly less likely to support such protections compared to poorer citizens, as we saw in chapter 2, but there are also many welfare measures which they by and large support. There is an established line of scholarship exploring this phenomenon and its origins (Paster, 2013). Third, the existence of welfare states could be explained by arguing that they were constructed in an age where representation was indeed more equal, but that this has since changed. The continued existence of the welfare state – albeit in a less generous form – could then be accounted for by the fact that social policy creates its own defenders, which makes it hard to dismantle in the short run (Pierson, 1994; Hacker and Pierson, 2014). However, this third point makes assumptions about over-time variation in unequal representation, which have yet to be tested empirically. Nevertheless, my findings of unequal representation are compatible with both the neoliberal turn in recent decades and the continued presence of a (reduced) social safety net.

The economic consequences of unequal representation can, in turn, be linked to political behavior. Unequal representation has had adverse material consequences for many citizens, which is likely to induce negative attitudes towards government among citizens. It is also possible that, regardless of its outcomes, unequal representation has in itself made people doubt the legitimacy of the policy process, again contributing to negative attitudes towards government. These negative feelings are likely to affect electoral behavior. Here we can think of non-voting or voting for anti-establishment parties (Schäfer, 2019). In sum, unequal representation and its material and psychological consequences can help us understand political behavior in established democracies.<sup>102</sup>

Lastly, on a more theoretical level, this dissertation's findings speak to the median voter theorem, as mentioned above (Downs, 1957). In this standard model of electoral politics, political parties are expected to converge on the position of the median voter. In light of unequal representation, however, this needs to be reconsidered. As John Ruggie has recently written, citing the work of Gilens and Page (2014), “[t]hat long-standing staple of American politics, the ‘median voter,’ today appears to have ‘only a miniscule, near-zero, statistically non-significant impact upon public policy.’ By all accounts, the center is not holding in many

<sup>102</sup> It is interesting to note that much attention is devoted to explaining negative evaluations of representation among citizens, but scholars often forget to consider the most obvious of all possible explanations, namely that these citizens are actually not well represented (e.g. Sides, Tesler and Vavreck, 2016).



European countries either” (Ruggie, 2018, p. 322). This last sentence appears to be somewhat speculative on Ruggie’s part, but the current study has proven it to be quite accurate.

This is not to say that the median voter theorem has no value whatsoever. However, its assumption that all voters are equally valuable to parties needs to be revised.<sup>103</sup> The act of voting is widespread among citizens, but it is only one source of political influence. Other sources of influence are more strongly linked to income and hence distributed more unequally. Instead of convergence to the median, then, it is more realistic to expect convergence to a weighted average, where the rich receive more weight than do the middle and lower incomes (Hacker and Pierson, 2014, p. 653).

### **Political implications**

The findings also raise the question how we should deal with – and potentially mitigate – political inequality. I am hesitant to offer policy recommendations, simply because there is so much we still do not know about unequal representation. Most importantly, our knowledge of the exact causal mechanisms is still incomplete, certainly when compared to the level of detail one would like to have for a policy intervention. However, the world will not wait for us to conduct more analysis and for that reason I am of the reasoned opinion that it is better to act on our limited but meaningful knowledge than not to act at all. I therefore offer a number of suggestions for political action. These are broad suggestions, offered with the caveat that bringing these suggestions into practical operation may require specific tactics and policy instruments that depend on the specific context of the place, time and policy realm one seeks to improve. The suggestions I make all seek to make policy responsiveness more equal, a goal that infuses all the chapters but that I have defended particularly in the introduction.

Before outlining any political recommendations, we have to confront an obvious difficulty: a government that is beholden to the demands of the rich is unlikely to implement policies that will make the government less beholden to the demands of the rich. The very problem blocks the path towards a solution. While we should not overestimate the severity of this contradiction, it does imply that the following recommendations are aimed at citizens and civil society organizations as much as they are at policy-makers. As Noam Chomsky has often said, we should not speak truth to power, since those in power know the truth already and have no interest in acting on it. If anything, we should speak truth to the powerless.

As discussed in the introduction, we can think of unequal representation as following from three conditions. That is, representation is unequal to the extent that a resource is unequally distributed, this resource is associated with a set of political preferences and it is possible to

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<sup>103</sup> Anthony Downs himself already acknowledged as much in a passage I quoted in the introductory chapter.

translate this resource into political influence. It follows from this that representation can be made more equal by weakening one or more of these conditions. In particular, government policy can affect the first and third condition. That is to say, unequal representation can be combated by distributing income more equally and by either blocking the pathways that increase the political power of the rich or by promoting the pathways that increase the political power of the poor.

I will start with the first possibility. The broadest and most straightforward policy implication concerns the level of economic inequality. The desired level of economic inequality depends on a large number of considerations, but the fact that having a higher income leads to better representation is an important argument in favor of reducing income differences. This point is well articulated by Elizabeth Anderson:

“Once all citizens enjoy a decent set of freedoms, sufficient for functioning as an equal in society, income inequalities beyond that point do not seem so troubling in themselves. The degree of acceptable income inequality would depend in part on how easy it was to convert income into status inequality-differences in the social bases of self-respect, influence over elections, and the like. The stronger the barriers against commodifying social status, political influence, and the like, the more acceptable are significant income inequalities. The moral status of free market allocations is strengthened the more carefully defined is the domain in which these allocations have free rein” (Anderson, 1999, p. 326).

Given that economic inequality is not “carefully defined” in its own domain, this speaks in favor of lowering inequality. Robert Dahl arrived at the same conclusion when he argued that “a country committed to procedural democracy must either place effective limits on the extent to which economic resources can be converted into political resources, or else ensure that economic resources are much more equally distributed than they are in the United States at present. So far we have tried only the first; that approach has largely failed. (...) It is time – long past time – to consider the other approach” (Dahl, 1977, p. 16). This assessment has proven to be quite prescient in light of rising inequality and growing knowledge of unequal representation. This dissertation has shown that Dahl’s conclusion applies far beyond the United States, and a more equal distribution of income should be considered in all established democracies.

Lower economic inequality can, of course, be achieved in many ways, but one possible method

that deserves to be emphasized is to make economic institutions – including corporations – more democratic. In the first instance, we should think about ways to distribute the ownership of capital more broadly than is currently the case. Beyond any intrinsic benefits that this may have (Dahl, 1985; Alperovitz, 2004), this would bring about a more equal distribution of income and wealth. Going beyond worker ownership is the idea that people should also manage their own workplaces (Wilkinson and Pickett, 2009, pp. 252–263). This would have the additional advantage of giving citizens hands-on experience with governance and participation on a small scale, which is likely to help them participate effectively in the political sphere. In other words, worker ownership and management will not only bring about more economic equality, it will also limit the instrumental and structural advantages that the rich have in the policy process (Cohen and Rogers, 1983, pp. 146–183). There are many ways to increase the power of workers over ownership and management decisions, and much work remains to be done in finding the best organizational forms (for specific proposals, see Albert, 2004; Alperovitz, 2004). Regardless, these topics should be high on the political agenda. Essentially, if there is a fundamental tension between capitalism and democracy, those who are committed to democracy should consider partially dismantling capitalism.

The above already touches on the second possible strategy to combat unequal representation, which is to restrict the mechanisms that increase the political power of the rich or enhance the mechanisms that increase the political power of the poor. As Adam Przeworski has noted, “political equality is feasible only to the extent to which access of money to politics is barred by regulation or by political organization of the poorer segments of the population” (Przeworski, 2010, p. 14). There have been various proposals to this end in recent years.<sup>104</sup> In the United States, many suggested reforms are centered around reducing the size and impact of campaign finance. Specific suggestions include increasing government funding of political parties and candidates, disclosing the identity of donors, and providing all adult citizens with ‘vouchers’ which they can spend on their candidate of choice (Lessig, 2011; Page and Gilens, 2017, chap. 7). In a curious turn of events, much energy is also expended in coming up with legal arguments to convince the American Supreme Court that such reforms are constitutional (Dawood, 2015; Stephanopoulos, 2015).

I will not comment on the need for campaign finance reform here, since my analyses have said little about the importance of this mechanism in a cross-national context. Given that the empirical chapters have pointed to party politics, electoral participation, organized interests and dominant ideologies as playing a part in the emergence of unequal representation, I

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<sup>104</sup> One of the most noteworthy proposals comes from Noah Walsh and Arielle Johnson (2016), who suggest that low-income citizens should get more votes than high-income citizens. In this way, the unequal representation that follows from inequality of opportunity would be compensated by inequality of (voting) rights in the opposite direction. Though I do not support such a scheme because it violates the principle of formal political equality and because it comes with a host of practical difficulties, I applaud Walsh and Johnson for thinking seriously about ways to achieve more equal representation.

will instead focus on these factors. The common motivation behind reforms in each area is expressed well by Thomas Ferguson: “Once it is clear that most ordinary people cannot afford to control the government that rule in their name, then the normative remedy is obvious: public participation must be subsidized and the costs of its major forms made as low as possible” (Ferguson, 1995, p. 88).

Recognizing the central role of political parties in the governance of established democracies, a major avenue of reform will be to make parties more responsive to low-income citizens. As discussed above, the most striking finding of chapter 4 is that left-wing party families do not respond more strongly to poor citizens than to rich citizens. This fits well with the rightward drift of social democratic parties in many advanced democracies since the late 1990’s. Many of these parties have openly embraced neoliberal policies. Any moves towards more equal representation will have to involve efforts by left-wing parties to give the poor a bigger voice in shaping the parties’ platforms.

Of course, this is easier said than done, given that political parties are subject to electoral pressures. It is only feasible and sensible to re-orient left-wing parties with enough political support. This can be helped along by promoting the electoral participation of low-income voters. While voting is far from the only way to exert political influence, it is a relatively accessible form of political participation and may therefore be a good starting point on the road towards more equal representation. There are many proposals to achieve more equality in political participation; one can think of information campaigns that make it clear what is at stake during an election, expanding citizenship education at lower educational levels, having elections take place on the weekends and perhaps even instituting compulsory voting.

Another major goal should be to achieve a more level playing field among organized interests, which can be achieved by promoting the growth and political access of labor unions (Weir, 2004, pp. 677–678). Unions are arguably the primary institution that strengthens the political voice of low-income citizens in established democracies. This is apparent in the American literature on unequal representation, which I discussed in the introductory chapter, and in a more modest way in my analysis of the increased retirement age in the Netherlands (chapter 5). Unions offer many benefits for those in the lower half of the income distribution; among other things, they provide political information and political training, and they exert pressure on policy-makers through direct lobbying and protest activities (Ahlquist, 2017, pp. 420–426). Hence, promoting the growth of unions, or, more modestly, halting the decline of unions, is an important step towards achieving more equal representation.

The prospects of left parties and labor unions are closely intertwined with the dominant ideas about the proper roles of political and economic institutions. As mentioned above, many social democratic parties have embraced neoliberal policies in recent decades, which reflects the ascendancy of neoliberal ideas. This ascendancy was exemplified during the economic crisis that started in 2008. While this crisis initially damaged the legitimacy of economic elites, they emerged from the crisis better than ever before in many countries (Cingano, 2014). In general, neoliberal ideas are clearly more in line with the preferences of the rich than with the preferences of the poor. A more equal representation of rich and poor will largely depend on our ability to present a viable alternative to neoliberalism, to develop a program that embraces egalitarian policies and politics without parochialism or undue nostalgia. In the words of Margaret Weir, “an important battle against inequality must be waged in the war of ideas” (Weir, 2004, p. 679).

To sum up, more equality in policy representation may be achieved by lowering the level of economic inequality and by giving the poor a political voice that matches that of the rich. The latter involves encouraging electoral participation, reforming political parties, promoting the growth and political access of unions, and combating the dominance of neoliberal ideas. An additional benefit of pursuing these goals is that union density and left-wing governments are both robust predictors of lower economic inequality (Rueda and Pontusson, 2000; Volscho and Kelly, 2012; Huber and Stephens, 2014; cf. Scheve and Stasavage, 2009). Increasing the strength of unions and left-wing parties may therefore lead to a virtuous circle of economic and political equality. At the same time, it is clear that none of these goals will be easy to achieve. Unequal representation is a large problem, and ameliorating it will involve large changes in our policies, our institutions and our thinking.

## 6.3 FUTURE RESEARCH

The topic of unequal representation is very broad and this dissertation has only scratched the surface of the research agenda that we should be pursuing in the coming years. In this section, I will outline what I believe to be the most important questions that should be answered within this research agenda.

### **Data and methods**

Before considering any substantive questions, there is the important issue of which data and methods should be used to answer these questions. Any advances in our understanding of unequal policy representation will largely depend on the availability of high-quality,

comparative data. This data is scarce; too scarce, in fact, to answer many of the key questions I will mention below. Hence, I believe one of our biggest priorities should be to collect more data, most obviously in the form of public opinion surveys that measure preferences towards policy issues, as well as measures of policy that can be linked to these preferences. Beyond the simple fact that such data collection efforts will cost a lot of time and money, the main challenge is to measure opinion and policy in a way that is meaningful and comparable across time and space. After all, many of the salient policy issues which occupy the public and political agenda are context-specific.

For policy, Lyle Scruggs' Comparative Welfare Entitlements Dataset, which I used in chapter 2, balances breadth and depth better than any other data source which I know of. This can serve as an example for other policy areas. On the side of public opinion, the International Social Survey Programme's module on spending preferences is a good point of departure, although this has the limitation of explicitly addressing government spending. As was discussed in chapter 2, this is a problematic measure of policy, and it would be preferable to connect measures of policy output to more direct measures of policy preferences. In the case of the welfare state, this would concern expansion or retrenchment in unemployment, pension and healthcare policy. In addition, there are many policy areas which have little to no budgetary implications and for which it would be meaningless to ask the public's spending preferences.

The need for data is not limited to public opinion and policy, but also extends to many of the factors that may mediate or moderate the bias in policy representation. For example, a prominent and obvious hypothesis is that representation is more equal in places where fewer private donations are made to parties and politicians, but this hypothesis cannot be tested in the absence of the appropriate data on party finance.<sup>105</sup> There is more data on the socioeconomic backgrounds of politicians, which can be used to test the effects of descriptive representation, but even here there is limited temporal coverage (Best, 2007; Carnes and Lupu, 2015; Gerring *et al.*, 2019). There are many other potential mechanisms which cannot be tested adequately with currently available data, including those that are hardest to operationalize, like structural dependence and idea-shaping power (see below). In short, new data-collection efforts are vital to substantive contributions to the comparative study of unequal representation.

Related to this, we should consider which research methods are most appropriate

<sup>105</sup> To my knowledge, the most extensive effort to collect this data is made by Nassmacher (2009), but his estimates include a lot of guesswork, and it is very much unclear how comparable the data for different countries really are. Furthermore, there is no over-time coverage for most countries. An alternative approach is to use the *regulation* of money in politics instead of the actual flow of money, since data on this are more widely available (Scarrow, 2007; Falguera, Jones and Ohman, 2014). However, it seems to me that the latter is the real variable of interest and it is unclear how strongly the former correlates with it.

to further explore unequal representation. As noted in the introductory chapter and reflected throughout this dissertation, the literature on this topic is currently dominated by quantitative methods. Although these have been and will continue to be valuable, they should be supplanted with more qualitative analyses (see also Peters, 2018). The latter are particularly useful in exploring causal mechanisms, which remain a key part of this research agenda (see below).

In this regard, it is instructive to contrast chapters 3 and 5. On the one hand, chapter 3 investigated the role of electoral participation while chapter 5 did not, since this mechanism is harder to detect in a qualitative case study than in a quantitative design. On the other hand, chapter 5 covered the influence of interest groups and the role of ideas, which could not be tested in chapter 3. The added value of in-depth analysis is perhaps best illustrated when it comes to the mechanism of descriptive representation. While the quantitative analysis in chapter 3 found no clear support for a link between politicians' socioeconomic backgrounds and their political views, the qualitative analysis suggested that their occupational background influences their views in a way that is not captured by indices of socioeconomic status. In short, the current literature would be strengthened by more qualitative studies.

### **Mechanisms**

Turning to the substantive questions that should be answered in the coming years, the question of causal mechanisms looms large. This concerns both the mediating factors that translate income into political influence and the moderating factors that determine how well income can be translated into political influence in different contexts. The two are closely intertwined; for example, campaign donations are only a viable mediator in places where regulations and norms allow for large flows of money in politics. Understanding the mediators and moderators of unequal representation is not just illuminating for its own sake, it also influences how we interpret the issue in a normative sense.<sup>106</sup> Most importantly, it will guide citizens and policy-makers who want to mitigate unequal representation towards the right avenues for reform.

When it comes to moderators, the central question is whether representation is more equal in some contexts than in others. For example, is it really the case that a proportional electoral system enables low-income citizens to gain parliamentary and policy representation, as I noted in chapter 3? And is it the case that representation is more equal on salient issues than on non-salient issues, as I argued in the introductory chapter? These questions and others like them pertain to long-held beliefs about representation. However, answering them requires data on political inequality across institutional contexts, time periods and policy areas. In

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<sup>106</sup> As I mentioned in the introductory chapter, some mechanisms (such as campaign finance) violate the principle of political equality in a more blatant way than others (such as electoral participation).

fact, a major reason for wanting more data is precisely that this would enable us to explore the moderators of unequal representation.

In terms of mechanisms, my empirical analyses have made some headway in understanding how unequal representation in established democracies is produced. Importantly, chapter 5 illustrated how multiple mechanisms contribute to unequal representation. In other words, even when focusing on one instance of policy change, various factors matter. This indicates that scholars should, whenever possible, combine different mechanisms within the same analysis. The purpose of this is not so much to run a “horserace” analysis to find which variables have the strongest effects, but to produce a causal configuration of relevant mechanisms. That is, we should think about how different mechanisms interact with each other, depending on the context, and which of them are necessary and which are sufficient. This clearly goes beyond the analyses I have presented in this dissertation. In that sense, the current study is explicitly meant to provide hypotheses to future studies.

One promising approach is to trace unequal representation through the policy process, either quantitatively or qualitatively. Chapter 4 represents a first step in this direction, but much more can and should be done to reveal the extent and sources of political inequality at each stage of the policy process. Such analysis could look more closely at the input side of representation by testing whether high-income citizens more often vote for the party that is closest to their policy preferences than low-income citizens. Within the political system, one could trace unequal responsiveness from party programs to coalition agreements, from coalition agreements to the policy agenda, and from the policy agenda to implemented policies. This, too, requires elaborate data collection, but it would provide major rewards for our insight into unequal representation.

In tracing unequal representation throughout the policy process, we may take inspiration from the literature on the representation of women and minorities (Wängnerud, 2009; Griffin, 2014; Lawless, 2015). This literature, which has developed in surprising isolation from the study of economic inequalities in representation, mostly focuses on the intermediate stages of the policy process. It has produced detailed insights into the presence of women and minorities in politics (Norris and Lovenduski, 1995), the shared experiences that allow them to represent female and minority voters (Phillips, 1995; Sobolewska, McKee and Campbell, 2018), and their effects on parliamentary speech (Saalfeld, 2011) and behavior (Bratton and Haynie, 1999; Swers, 2002). The ideas and approaches from this work can be adapted to the literature on the representation of income groups. In particular, it would help in deepening our understanding of the link between the descriptive and substantive representation of economic strata.



A number of specific mechanisms deserve additional mention because they have received little to no attention in the empirical literature so far. One of these is the structural dependence on investment that gives capital holders – wealthy individuals and corporations – an indirect source of power over government policy (Block, 1977; Lindblom, 1982; Culpepper, 2015). As mentioned in chapter 5, almost all of the current research on unequal representation focuses on instrumental mechanisms, which are those mechanisms which involve behavior that is purposefully aimed at effecting political change. Many of these are important in explaining inequality in policy representation, but they may well be incomplete without considering structural mechanisms. That is, future analyses should investigate how the institutional structures of a capitalist economy generate advantages for high-income citizens in the policy process, even in the absence of purposive political action.

Of the additional candidate mechanisms, idea-shaping power has also not received much attention (but see Winters and Page, 2009, p. 743). To the extent that rich citizens and large corporations use their wealth to support certain media outlets over others – most of which are, after all, dependent on private investment and advertising – this is a major source of political influence (Rueschemeyer, 2004). This, too, can follow from actors attending to their economic interests without being oriented towards political goals. In that case, this is a form of structural power. But idea-shaping can also be explicitly motivated by a desire to exert political influence. One can think here of the funding of think tanks, organized interests that sponsor public campaigns and in some cases also academic research (Skocpol and Hertel-Fernandez, 2016; Hertel-Fernandez, 2018).

### **Other sources of influence**

Another substantive question – or rather, a series of questions – revolves around other possible sources of unequal influence over policy. This dissertation has focused on income, but there are many other socio-structural and demographic factors that may produce unequal representation. One that is closely related to income is wealth; that is, the total assets of a person or household instead of the money they earn in a given period. It is important to note that income and wealth are by no means interchangeable. On the individual level, the two are correlated at 0.50 to 0.60 in the United States (Keister, 2014, p. 349).<sup>107</sup> Moreover, there are some reasons to believe that wealth may be as relevant as income in producing unequal representation, if not more so. Wealth is always distributed more unequally than income, and wealth is more stable within the same individuals over time (Piketty, 2014, pp. 255–259). This may provide a more solid basis for exerting influence over policy, for example by building personal networks with policy-makers. On the same grounds, Jeffrey Winters and Benjamin Page posit that “wealth is more relevant to political power than income” (Winters and Page,

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<sup>107</sup> This correlation may be higher when comparing the levels of income and wealth inequality across countries, though data on wealth inequality is scarce (Piketty, 2014, pp. 255–259; Alvaredo *et al.*, 2018).

2009, p. 735). However, the truth is that we simply do not know whether this is the case, in large part due to the by-now familiar problem of data availability. Hence, there is a great need for analyses of wealth skews in representation. In broader terms, political scientists would do well to follow the lead of those economists who have energized the study of wealth inequality in recent years.

Another factor that should be considered and analyzed is education.<sup>108</sup> As I discussed in chapter 3, it is likely that policy is more responsive to the demands of higher educated citizens than to the demands of the lower educated (Bovens and Wille, 2017; Schakel and Hakhverdian, 2018). In fact, the analyses in that chapter indicated that education may be a stronger predictor of political influence in the Netherlands than income. For the sake of cohesiveness, I have only treated education as a control variable in this dissertation, but it deserves to be much more than that in future research. This research could outline the specific causal mechanisms that make education into a power resource – including electoral participation and descriptive representation – as well as the kinds of political preferences that are anchored by education.

In addition to wealth and education, there are a number of other factors that could plausibly cause unequal representation. In the introduction, I discussed the work of Robert Michels and C. Wright Mills, who are radically different from each other but who both emphasize the power that flows from positions in official hierarchies. This could be operationalized with data on the labor market positions of individuals, as well as the personal networks of politicians and corporate executives. Related to this, we should try to integrate the individual and organizational analysis of political influence. Simply put, it is corporate executives which have the most political power, or is it the corporations they work for? And if it is the former, is their influence a product of their income, their wealth or their labor market position?

Perhaps the most interesting question to explore is how these different resources interact with each other. For example, even in contexts where the separate effects of wealth and education are limited, they may interact in such a way that poor and low-educated citizens are particularly disadvantaged in the policy process. A promising idea is that there are multiple elites, one of highly educated citizens and one of high-income citizens, who dominate different parties and policy areas, to the detriment of those with low levels of education and income (Piketty, 2018). More specifically, if income mainly anchors economic attitudes while education is correlated with cultural attitudes (e.g. on issues like immigration and international integration, see Hakhverdian *et al.*, 2013; Hainmueller and Hopkins, 2014), unequal representation of income groups affects economic policy, while unequal representation of education groups affects

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<sup>108</sup> This, too, is clearly distinct from income. In the datasets which I used in chapter 3, income and education are correlated at around 0.30 on average, though this is attenuated by the categorical measurement of income and the possibility of selective non-response on income.

cultural policy. We can hypothesize, further, that these processes have different effects on voting behavior. Low-income citizens who are represented poorly on economic issues can be expected to turn to left-wing populist parties, who emphasize the failure of mainstream parties' economic policies. On the other hand, low educated citizens who are represented poorly on cultural issues may turn to right-wing populist parties, since they emphasize the failure of mainstream parties' cultural policies. In general, it would be useful to adopt an intersectional approach to unequal representation.

### **Other questions**

Finally, there are a number of research questions that do not fit under the previous headings, but which are nevertheless important in their own right. Two of these questions concern variation over time and variation between issues. We still do not really know whether representation has gotten more or less equal over time, even in the United States. Many American commentators expect or assume that it has gotten less equal in the past decades, in large part due to the rise in economic inequality (Hacker and Pierson, 2010; Page and Gilens, 2017). Martin Gilens (2012, pp. 193–233) finds some support for the idea that policy responsiveness was more equal in the 1960's, but only because responsiveness was low for all income groups. To my knowledge, the question has not been addressed outside of the United States. This is a great shame, since longitudinal analysis is vital to understanding and evaluating the tensions between democracy and capitalism.

When it comes to variation between policy issues, several hypotheses are worth exploring. As I noted in the introductory chapter, unequal representation is more likely to arise on issues with low levels of salience, and this expectation should be the subject of future research. Another possible hypothesis can be adapted from the work of Thomas Ferguson (1995), who argues that corporations are particularly successful in keeping issues off the policy agenda when they are united in their stance. This suggests that we should not only look at the average preferences of high-income citizens but also at the variance of their preferences as a predictor of policy responsiveness.

Last but not least, future research should analyze the possible consequences of unequal representation. Earlier in this chapter, as well as in the introduction, I pointed to a number of these consequences: unequal policy responsiveness has negative effects on the material circumstances of low-income citizens and may contribute to feelings of disaffection with the political establishment. These consequences, in turn, could be translated into political behavior, most notably in the form of voting for anti-establishment and/or populist parties. However, there are many question marks in this chain of events. Are citizens aware of their

level of substantive representation, and if so, does poor representation lead to negative attitudes towards government (Mayne and Hakhverdian, 2017)? If there is a causal effect of underrepresentation on anti-establishment voting, does this effect mainly run through the policy consequences of underrepresentation or through the very awareness that one is not being represented? And what are the broader consequences of poor representation for political attitudes and behaviors? Answering these questions will help us understand the significance of unequal representation.

## 6.4 IN CLOSING

To sum up, this dissertation—and the literature to which it speaks—is only a small part of a broad research agenda on inequality and representation that will hopefully blossom in the coming years. Important to that blossoming is integration of the various research questions outlined above into a comprehensive analysis of the relationship between economic and political inequality. In turn, this integration may be part of a renewed inquiry into the broader issue of the compatibility between democracy and capitalism. With the present study, of course, we are clearly still a long way from reaching this goal. Despite that, however, and despite other limitations and shortcomings of this dissertation, the current findings represent major advances in our understanding of unequal representation in established democracies. The core result that policy is biased towards the demands of the rich in many places, periods and policy areas has important implications for democracy and representation. My hope is that this work will inform and inspire new research and political action. In time, this may pave the way towards a more democratic society.