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Economic and political inequality in established democracies

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Publication date

2020

Document Version

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Does money buy power? There has always been a tension between the economic inequality produced by capitalism and the political equality that is central to the idea of democracy. Though it is commonly assumed – or hoped for – that all citizens are roughly equal in the influence they can exert in the political sphere, such ideals are rather brittle when some citizens can use large amounts of money to amplify their political voice. Recent years have seen a surge of empirical research investigating this link between economic and political inequality. While this research has provided many answers, it has also left us with questions about the scope and causes of inequality in representation.

This dissertation takes up these questions by investigating whether and why government policy in established democracies is biased towards the preferences of the rich. Through a range of empirical studies, which combine comparative and single-country analysis, as well as quantitative and qualitative methods, a clear picture of unequal representation emerges. Across advanced democracies, policy is more responsive to the rich than to middle- and low-income citizens. Furthermore, the available evidence suggests that the causes of this unequal representation are multiple, with biases in organized interests, political participation, party politics, and dominant ideologies all likely to play a role in its creation.

In short, *Representing the Rich* expands on our knowledge of where and why economic inequality produces political inequality. It shows that, contrary to popular ideals, 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 political equality, this should provide an impetus to further understand how this value is currently undermined and what can be done to level the playing field.

REPRESENTING THE RICH

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This dissertation was supported by the Netherlands Organisation for Scientific Research, grant number 406-15-089.

ISBN: 978-94-6402-260-5
Cover: Ilse Modder | www.ilsemodder.nl
Layout: Ilse Modder | www.ilsemodder.nl
Printing: Gildeprint - Enschede | www.gildeprint.nl



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REPRESENTING THE RICH

Economic and Political Inequality in Established Democracies

ACADEMISCH PROEFSCHRIFT

ter verkrijging van de graad van doctor
aan de Universiteit van Amsterdam
op gezag van de Rector Magnificus
prof. dr. ir. K.I.J. Maex

ten overstaan van een door het College voor Promoties ingestelde commissie,
in het openbaar te verdedigen
op dinsdag 2 juni 2020, te 16:00 uur

door

Wouter Schakel
geboren te Graafstroom

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CO-AUTHORSHIP

Chapter 2 is based on a co-authored article with Brian Burgoon and Armen Hakhverdian which has been published in *Politics & Society* (Schakel, W., Burgoon, B. and Hakhverdian, A. (2020) 'Real but Unequal Representation in Welfare State Reform', *Politics & Society*, 48(1), pp. 131–163). I had the idea for the article, prepared and analyzed the data, and wrote much of the text. Brian Burgoon assisted in the data analysis, and both Brian Burgoon and Armen Hakhverdian contributed to the text.

Chapter 3 is based on a single-authored article that has been published in *Socio-Economic Review* (Schakel, W. (2019) 'Unequal Policy Responsiveness in the Netherlands', *Socio-Economic Review*, online first).

Chapter 4 is based on a co-authored article with Brian Burgoon. I had the idea for the article, prepared and analyzed the data, and wrote much of the text. Brian Burgoon contributed to the text.

Chapter 5 is based on a single-authored article.

SUPPLEMENTARY MATERIALS

This dissertation contains a brief appendix after the main text. Many additional analyses are presented in online appendices. These appendices can be found at Harvard Dataverse, along with replication materials for the quantitative studies (<https://doi.org/10.7910/DVN/D7ZOG0>).

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ACKNOWLEDGEMENTS

We have a tendency to see social life through an individualistic lens. In this lens, any achievement is interpreted as owing mostly to the effort of single individuals, while the institutions and communities behind it disappear from view. As is true in general, however, it would be completely misleading to interpret this dissertation in this way. This study is as much a reflection of my environment during my time at the University of Amsterdam as it is of myself, if it is even possible to separate the two. As a result, it seems inadequate to thank people for what was really a collective effort, though I will happily do so here.

My largest debt is of course owed to my supervisors – Brian Burgoon, Armen Hakhverdian and Daphne van der Pas – without whom this dissertation would not have existed at all. First and foremost, I want to thank Brian Burgoon. Brian, you have inspired and supported me immensely with your extraordinary intellect, your profound curiosity and openness, your methodological and econometric expertise and, above all, your kindness and generosity. I am fortunate to call you my mentor and friend, and I hope I will be able to continue doing so.

I am also grateful to Armen Hakhverdian, who provided my entrance into academia when I was still a master's student. Armen, you afforded me with great opportunities and showed me how to do better research through a combination of critical thinking, clear writing and public engagement.

Next, I want to thank Daphne van der Pas, who did not start out as my supervisor but whom I grew closer to over the course of my PhD, until it became obvious that her role should be formally acknowledged. Daphne, from my very first encounter with you, you made me think I had something meaningful to say, even when I did not believe that myself. Your support as a colleague, your talent as a researcher and your warmth as a friend were incredibly valuable to me, and I miss having you around.

I look back on my time as a PhD candidate with real fondness and this is in large part due to my fellow PhDs. I am thankful for all those who made our office, B10.01, a joyous place to work over the years: Anne Louise, Christian, Ebe, Eefje, Eelco, Ellis, Emmy, Erika, Hannah, Harmen, Isabella, Lars, Laura, Lea, Lisanne, Loes, Maaïke, Maria, Merel, Natalie, Patrick, Remko, Sander, Sanne, Ugur and many visiting PhDs. I felt there was a true sense of community among us and I was privileged to share in it, knowing it would be hard to find again. In particular, I want to thank Sanne, Lea and Hannah. Sanne, it was great to work alongside you – literally – in the latter stages of my PhD. Lea, thank you for being so dauntingly shrewd and effortlessly cool. And Hannah, you are an intellectual star I may always look up to.

Many other people helped shape this dissertation by providing feedback, by helping me with the trials of teaching or simply by being there. Here I think of Andrea Forster, who was with me from the very start. I also think of Theresa Kuhn, Juliana Chueri, Thijs Bol, Eelco Harteveld, Esmé Bosma, Enzo Rossi, Lukas Linsi, Gijs Schumacher and Wouter van der Brug. In different ways, you all showed me what it means to be a great academic.

Beyond this, I also want to thank all the non-academic staff at the University of Amsterdam. This includes the cleaners, the security guards, the kitchen staff, the secretaries, the construction workers, the bicycle attendants and many others. They are the ones who make life comfortable for the rest of us, while many of them are underpaid, overworked and underappreciated (including by myself, I must admit).

For the funding of this dissertation, I am indebted to the Netherlands Organisation for Scientific Research (NWO). This organization has come under criticism – rightly, I believe – for its own individualistic lens in the allocation of research funding, but I was lucky enough to benefit from it. This dissertation was financed through a research talent grant from the NWO, which gave me a lot of freedom to shape my project. It deserves mentioning that the grant proposal promised to answer two questions: how the effect of economic inequality on policy representation is moderated by political institutions, and how this effect is moderated by different forms of economic inequality (income versus wealth). I can now report that I have failed to answer either of these questions. Nevertheless, I hope and believe that we have produced a relevant piece of scholarship, one with a slightly different and more realistic ambition, such that this has not been a waste of tax money.

In November of 2019, I co-organized a workshop on the topic of unequal representation, which proved a fitting end to my PhD trajectory. I want to thank the Amsterdam Centre for Inequality Studies (AMCIS) for sponsoring this workshop. I also want to extend my gratitude to Jonas Pontusson, Noam Lupu and Brian Burgoon for organizing it with me, as well as to the people who participated in it.

For chapter 5 of this dissertation, I interviewed several people with expertise and experience of pension reform in the Netherlands. I thank Peter Gortzak, Jurre de Haan, Agnes Jongerius, Frank Vandenbroucke and Roos Vermeij for graciously giving me some of their time, and I thank Klara Boonstra for her help in arranging several of the interviews.

On a personal level, I am grateful to my family for providing a very different kind of community, away from academia and politics. To my nephews and nieces, Thijs, Sven, Lasse,

Juna and Vive, I hope you will read this one day. In addition, I am grateful to my friends Laura, Susanne, Sarah, Anne and Eline for their guidance.

There is one other person I want to mention: Neske Baerwaldt, whom I met during my master's studies. As I quickly found out, we shared a common world view, including common sources of inspiration in such figures as Noam Chomsky. Neske, I have always known you are extraordinary. This quality is what prevented me from feeling complacent, as meeting a kindred spirit might otherwise do, but instead made me more critical of the world and my own interpretation of it. Though we did not talk much in the past years, you were often there in my mind, pushing me to do research that reflects the values we both hold dear. I am not sure I succeeded in this, but I am glad you were there.

Wouter Schakel

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.¹ 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.²

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

¹ 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).

² 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.³ 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

³ 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).⁴ 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).⁵ 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

⁴ 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 Wlezién, 2009, pp. 145–167).

⁵ 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).⁶

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.

⁶ 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.⁷ 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.⁸ 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,

⁷ 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.

⁸ 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).⁹

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).¹⁰ Recent work by Alexander Hertel-Fernandez (2014) has deepened and extended

⁹ 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).

¹⁰ 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).¹¹

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,

¹¹ 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.¹² 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

¹² 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).¹³

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

¹³ 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.¹⁴ 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.¹⁵ 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

¹⁴ 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.

¹⁵ 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.¹⁶ 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

¹⁶ 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.¹⁷ 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

¹⁷ 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.¹⁸ 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

¹⁸ 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).¹⁹ 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.

¹⁹ 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.²⁰ 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.²¹ 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.²² 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

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.

CHAPTER 2

Real but Unequal Representation in Welfare State Reform

2.1 INTRODUCTION

To assess the quality of democratic governance, it is important to examine the link between public opinion and policy outcomes. In the introductory chapter, I discussed two separate but closely related literatures that focus on the opinion-policy link. The first literature is concerned with general representation, where the central question is whether citizen attitudes actually impel policymakers to alter existing policies in line with citizen wants. The second literature asks whether policy representation is unequal, in the sense that high-income citizens have more influence on subsequent policy changes than do low- and middle-income citizens.

This chapter explores both of these questions in a sample of twenty established democracies, focusing on the area of welfare state policymaking. The welfare state is an important subject for the study of representation, since it is the policy area which accounts for a larger share of the government budget than any other (Organization for Economic Cooperation and Development, 2019c), and it figures prominently on the agenda of both public and political

An earlier version of this chapter has been published in *Politics & Society* (Schakel, W., Burgoon, B. and Hakhverdian, A. (2020) 'Real but Unequal Representation in Welfare State Reform', *Politics & Society*, 48(1), pp. 131-163).

actors.²³ In terms of unequal representation, the welfare state is significant because this is the area with the largest preference gaps between rich and poor citizens (Soroka and Wlezien, 2008; see also chapter 4 of this dissertation). This means that equality or inequality in representation has major consequences for the direction of policy. It also has the statistical advantage of allowing me to estimate the relative influence of different income groups without prohibitive collinearity.

Both general and unequal representation are hotly debated among scholars of welfare policy. These debates remain unresolved, in part due to serious empirical constraints. Among the most significant has been the difficulty of matching valid and systematic measures of citizen attitudes towards particular social policy reforms to measures of downstream change in social policy regulations sufficient to support meaningful causal inferences about representation. The most careful of existing studies have linked attitudinal patterns of particular groups to change or incidence of policy in subsequent years (e.g. Soroka and Wlezien, 2009; Bartels, 2015). But even those studies work with very rough measures of policy change, such as changes in government spending. Such measures are likely to suffer from what is known as the “dependent variable problem,” where spending metrics do not fully coincide with regulatory and legislative changes in social policies about which citizens actually express preferences. Large shifts in spending per capita can and do swing free of actual policy changes – for instance, when entitlement spending rises with higher take-up during economic downturns.

In this chapter I partially overcome such empirical challenges by matching public attitudes regarding social policy to better estimates of change in the actual generosity of such social policy. The former is accomplished by focusing on several waves of the multicountry International Social Survey Programme (ISSP) and its questions about social policy provisions with respect to unemployment assistance, pension provisions and healthcare assistance. These data provide leverage to validly and reliably measure support for these features of the welfare state, across the spectrum of respondents’ household incomes for a considerable cross-section of countries and time periods. Equally important, I match these data to measures of changes in the programmatic generosity of the same policy areas, relying on generosity measures from the Comparative Welfare Entitlements Database (CWED) (Scruggs, 2014).

Based on such empirical improvements, my principal expectations are twofold. First, I expect that attitudes on average are associated with measures of subsequent policy generosity, even if such attitudes are less associated with subsequent spending. Second, I expect that wealthier citizens influence actual social policy development more strongly than do poorer citizens, on grounds that wealthier citizens can find both formal and informal footholds

23 For the prominence of the welfare state on the political agenda, see the data compiled within the Comparative Agendas Project (Baumgartner, Green-Pedersen and Jones, 2006).

to pressure policy change. The analysis finds support for these hypotheses in a range of models, specifications and estimators linking individual attitudes to subsequent changes in unemployment-, pension- and healthcare-related generosity. I provide evidence that citizen preferences are not expressed in vain but tend to show up in subsequent shifts in the policy provisions of welfare states. However, not all citizens are equal in such political expression: the poorest tend to have no statistically significant influence on subsequent policy changes, whereas the wealthiest do. The political economy of welfare state reform in established democracies can thus best be characterized as manifesting real but unequal representation for its citizens.

2.2 PREVIOUS RESEARCH

There is long-standing debate among policymakers, activists and academics about the nature of political representation in the development of the welfare state. The debate involves two related controversies, which I have referred to as general and unequal representation. Given that I have already discussed these topics at some length in the introductory chapter, I will provide a relatively brief literature overview here.

The first major controversy concerns the extent to which policymaking is responsive to political demands of citizens. In developed democracies, some modicum of representation should be broadly present, but in welfare state policymaking and elsewhere this turns out to be far from obvious. On the one hand, plenty of research supports the intuition that public opinion tends to translate into policy change, in line with median voter theories (Downs, 1957) and pluralist accounts of the policy process (Schattschneider, 1960; Dahl, 1961; Lindblom, 1968). For many polities and policy areas, studies have unearthed (causal or associational) links between public opinion and aggregate policy outputs in democracies (Page and Shapiro, 1983; Jacobs, 1993; Burstein, 1998; Erikson, Mackuen and Stimson, 2002; Brooks and Manza, 2007; Hobolt and Klemmensen, 2008; Soroka and Wlezien, 2009; Rasmussen, Reher and Toshkov, 2019).²⁴

On the other hand, substantial scholarship has questioned these findings. Some scholars have judged citizen attitudes as so diffuse and vague, or vaguely known, as to be very blunt instruments in policymaking (Bourdieu, 1979; Herbst, 1998). Major critiques of pluralism, further, have articulated why popular positions are blocked, where politics is instead the province of organized special-interest groups, lobbies and elites in policy areas including social policymaking (cf. Lowi, 1969; Block, 1977; Jacobs and Shapiro, 2000). A related view

²⁴ For connections to welfare state politics, see Huber and Stephens (2001) and Taylor-Gooby (1993).

emphasizes the relative autonomy of the state, where citizen-voter pressures for welfare state policies are eclipsed by the prerogatives of state actors and state institutions (Evans, Rueschemeyer and Skocpol, 1985; Weir, Orloff and Skocpol, 1988; Skocpol, 1992). Consistent with these voices is empirical skepticism that views any association between citizen attitudes and aggregate social policy outcomes as (spurious) correlation rather than causation (Myles, 2006; Kenworthy, 2009).

A second and related debate concerns whether there is income inequality in representation. Welfare state scholars have long studied how economic privilege can increase political influence, a view that sits comfortably with the power resources tradition of welfare state research (Korpi, 1983; Esping-Andersen, 1985; Allan and Scruggs, 2004). In line with this, recent research in the United States finds evidence that attitudes of the wealthiest citizens are reflected in subsequent policy shifts more than are attitudes of median or poorer citizens in many policy areas, including social policy (Gilens, 2012; Gilens and Page, 2014; Bartels, 2016). Other scholars have found income-based inequalities in representation in cross-national contexts, though the evidence is still scarce (Rosset, Giger and Bernauer, 2013; Peters and Ensink, 2015; Elsässer, Hense and Schäfer, 2017). And recent work has explored how attitudes across the income spectrum relate to subsequent changes in welfare state spending, revealing in a cross-section of countries modest skews in favor of the wealthiest citizens (Bartels, 2015).

Some scholars, however, contend that the wealthiest citizens are not necessarily better represented in social policymaking than their poorer counterparts. The pluralist perspective expects that policy can be influenced by almost any segment of the income spectrum, by virtue of political engagement through groupings such as religious organizations, unions, or other poor people's movements (Truman, 1951; Dahl, 1961; Piven and Cloward, 1979). Some empirical research suggests, further, that median-income citizens often agree with their richest counterparts, producing a portrait of less unequal representation (Enns, 2015; Branham, Soroka and Wlezien, 2017; cf. Gilens, 2015).

Progress or partial resolution of both debates is constrained by important empirical limitations. A first problem is that the research designs linking survey data to data on policy outcomes have limited degrees of freedom and over-time variation, which severely hampers causal inferences about representation. For instance, an attractive strategy has been to pool many surveys within a single country, linking variation in opinions across time and issues to subsequent policy changes. But this strategy limits variation in welfare state policymaking and between polities – beyond the United States, for example, with its distinctive institutions and historical legacies. Yet, cross-national comparisons have focused on (at most) country-

year observations and policy output in levels, in very limited pairings that lack sufficient control for inferential threats such as endogeneity and omitted variable bias.

Endogeneity is particularly problematic in such research (Myles, 2006; Brooks and Manza, 2007). There are strong theoretical and empirical reasons to expect welfare policy outcomes to influence attitudes towards the welfare state and not just the other way around (Jæger, 2006; Gingrich and Ansell, 2012). Specifying the dependent variable in levels allows only very summary techniques to redress possible reverse causation (e.g. through Hausman tests, as in Brooks and Manza (2007), and modeling some lag between attitudes and subsequent policy output). By this logic, a few scholars have provided significant improvements by focusing on multicountry survey material matched to subsequent spending changes (Wlezien and Soroka, 2012), including welfare spending (Bartels, 2015, 2016). But this does constrain the observations available to estimate within and between correlation between attitudes and policy change.

A second empirical shortcoming involves the weak concordance between the substance of attitudes and of political outcomes. Some studies look for correlation between attitudes about broadly described welfare provisions and policy efforts, such as total social expenditures and transfers. Given the differences in politics governing different welfare state policies, say pensions versus unemployment insurance, such combinations are very rough.

A bigger problem, however, is that even the best studies matching attitudes to particular social policy efforts have focused on spending measures of such efforts. This allows substantial coverage over time, countries and social policy dimensions, but suffers from what the welfare state literature has dubbed “the dependent variable problem” (Allan and Scruggs, 2004; Green-Pedersen, 2004; Clasen and Siegel, 2007; Kühner, 2007; Stiller and Van Kersbergen, 2008). This problem is “a noticeable absence of reflection on how to conceptualize, operationalize and measure change within welfare states” (Clasen and Siegel, 2007, p. 4). Changes in spending reflect many developments other than the generosity of social protection, for instance higher unemployment in downturns that can increase spending even where actual protection and insurance stay the same or drop. As James Allan and Lyle Scruggs point out, “[a]s long as the percentage growth of dependents in a program (e.g., the unemployed) exceeds the percentage per-capita reduction in benefits, aggregate social spending will be higher” (Allan and Scruggs, 2004, p. 498). The problem is doubly perverse for studies looking at spending as a share of GDP, where macroeconomic downturns mean a drop in the denominator of measures of welfare effort (e.g. Peters and Ensink, 2015).

More direct measures of benefit generosity would make much more sense. One might focus on net replacement rates, as in data gathered by the Organization for Economic Cooperation and Development (2005, 2014) and elsewhere (Van Vliet and Caminada, 2012), or composites that also gauge other aspects of generosity, such as eligibility, waiting times and benefit duration.²⁵ Such measures in fact exist, such as Gøsta Esping-Andersen's "decommodification" measures (Esping-Andersen, 1990) or the more refined composites developed by Lyle Scruggs and colleagues in the CWED (Scruggs, Jahn and Kuitto, 2017). To date, however, these measures have never been explored in relation to political representation.²⁶

2.3 APPROACH AND HYPOTHESES

I address the abovementioned shortcomings in the study of policy representation by matching high-quality survey data gauging support for particular welfare policies to high-quality country-year data on such policies in subsequent years. These data provide improved leverage in addressing controversies about both general representation and unequal representation in social policy spending and generosity. To guide the analysis, I focus on four hypotheses.

The first two hypotheses concern whether citizen attitudes in the aggregate influence welfare policymaking. Although changes in public sentiments may require significant time to play out in political life, the many pathways linking citizen wants to legislative and executive functions in any democratic party-system ought to yield a positive connection between public opinions and subsequent policy changes. This leads to a first hypothesis:

Hypothesis 1a: The mean or median level of citizen support for a given aspect of welfare policy reform in a given country and year should correlate positively with subsequent policy change in that country.

The focus here is on subsequent *change* in policy effort, as opposed to levels of policy outcomes, since I want to gauge whether citizen support for more or less protection yields subsequent retrenchment or expansion in policy provisions. What "subsequent" means is an uncertain empirical issue concerning how long it takes for citizen sentiments expressed in a given year to percolate into political pressure and policy change. Note also that the hypothesis encompasses all democratic settings and all social policy dimensions. One might expect public attitudes to correlate with policy developments more strongly in some countries than others, or with respect to some faces of social policy more than others. But in the present

²⁵ Net replacement rates measure how much money an individual or household receives in welfare benefits as a share of their former earnings.

²⁶ A partial exception to this can be found in Scruggs' own work (Allan and Scruggs, 2004; Scruggs and Hayes, 2017). However, the link with public preferences remains implicit in this research.

analysis I do not have strong theoretical priors on these issues, and treat differences across countries and aspects of social policy as empirical questions.

What is crucial to this hypothesis (and those below) is that I compare attitudes on a given policy and country to *subsequent changes within that same policy and country*. Indeed, attitudes might vary across faces of social policy in any given country and at any given time. For instance, in a given country and year, citizens might support more generous unemployment-related social benefits while also supporting a reduction in respect to pension benefits. The first hypothesis would then imply policy expansion with respect to unemployment-related benefits, and the opposite with respect to pension benefits. These results can also be pooled across policy areas, such that hypothesis 1a predicts a general pattern of (net) representation.

The second expectation is that a distinction should be made between subsequent change in social policy spending as opposed to change in measures of generosity. Citizen attitudes are likely to be more vague and less strongly felt with respect to broad spending measures than with respect to actual generosity in policy-program benefits. Changes in spending reflect economic and conjuncture-related developments that are separate from the substance of social policy benefits; as noted above, there are many macroeconomic conditions where spending on a program will rise or fall even if the substantive benefits provided do not change or are altered in the opposite direction to spending shifts. In contrast, changes in substantive policy generosity directly capture provisions and benefits that can be accessed (or not) by citizens, and should reflect, in a way less muddled by background economic developments, citizen attitudes about and policy choices toward social policy. Such reasoning supports a second hypothesis:

Hypothesis 1b: The mean or median level of citizen support for a given aspect of welfare policy reform in a given country and year should correlate more strongly with subsequent change in benefit generosity than in spending in that country.

The remaining hypotheses concern the second controversy about inequality in political representation. I take seriously the unresolved character of this controversy, but I expect some inequality in representation in line with earlier scholarship on the best-studied patterns in U.S. experience. Differences in political institutions in non-U.S. political systems might dampen the kinds of differences in representation based on income that have been unearthed in the American context. But even in more inclusive democratic systems conferring better representation in social policymaking, wealthier citizens have more information, cognitive advantages in engaging politics, ties to elite networks, and structural power as investors and employers (Block, 1977; Gallego, 2007; Carroll, Fennema and Heemskerk, 2010; Marien,

Hooghe and Quintelier, 2010). These considerations underlie my main expectation of income inequality of representation in social policymaking:

Hypothesis 2a: Support among high-income citizens for a given aspect of welfare policy reform in a given country and year should correlate more positively with subsequent change in that country than does support among low-income citizens.

This hypothesis does not specify “high income” and “low income.” I treat these also as empirical questions, focusing on various measurements as explained below. The hypothesis also does not specify *a priori* that high- and low-income citizens should take different positions. Of course, high-income citizens are usually disproportionate net contributors to social policy, and low-income citizens disproportionate net beneficiaries, such that wealthier individuals likely prefer less expansion and more contraction in welfare generosity than do their poorer counterparts (Meltzer and Richard, 1983; Kenworthy and Pontusson, 2005; Page, Bartels and Seawright, 2013; Beramendi and Rehm, 2016). But this is orthogonal to the focus on actual representation – that the attitudes of the rich should get more policy traction than do the attitudes of the poor. More relevant is that differences in representation might show up only when rich and poor attitudes clearly diverge, a possibility I explore empirically below.

As with the first two hypotheses, the expectation is that representation of high- and of low-income citizens plays out differently for spending than for benefit generosity. I expect some inequality in political representation, however welfare effort is measured. But for the reasons articulated above – that attitudes focus more on the substance of benefits than on spending *per se*, and that spending reflects macroeconomic shifts as much as such benefit substance – inequalities in representation should show up more strongly in subsequent changes in social benefit generosity than in spending. Hence the final hypothesis:

Hypothesis 2b: With respect to change in benefit generosity more than in spending, support among high-income citizens for a given aspect of welfare policy reform in a given country and year should correlate more strongly with subsequent change in that country than does support among low-income citizens.

Hypothesis 2a and 2b are, like 1a and 1b, general with respect to the timing of “subsequent” change, or the countries or aspects of welfare state policy where unequal representation is hypothesized to emerge. Differences across time-lags in policy change, between countries, or across faces of social policy are empirical questions for the analysis.

2.4 DATA AND METHODS

To analyze the hypotheses above, I combine multiple datasets on citizen attitudes with multiple datasets on policy changes. The combination reveals matched empirical variation in both attitudes towards welfare state development, and in closely related policy outputs with respect to spending and generosity – all across distinct topics or aspects of welfare policy, across a substantial cross-section of countries, and across multiple time periods. Such data allow me to explore the association between a particular group’s expressed preference for more or less of a particular aspect of welfare policy in a given country and year on the one hand, and the subsequent change in policy generosity for *that same* aspect of policy within the same country-year on the other hand.

Independent variables

Citizen attitudes are gathered from a single multicountry, multiwave dataset, the International Social Survey Programme (ISSP) time-series cross-section data, in particular the ISSP’s repeated Role of Government modules, included in four waves so far (in 1985, 1990, 1996 and 2006). These modules contain questions on social policy preferences. The most useful, repeated questions ask respondents whether they want to see more or less government spending in different areas of welfare policy protection.²⁷ From this, I use the questions about three areas in particular: pensions, unemployment and healthcare.

These repeated questions have several benefits for the analysis. They yield broad coverage spanning a relatively long time period encompassing substantial trends in welfare state policymaking, and spanning a range of democratic polities in North America, Europe and Asia. In addition, they address well-defined arenas of social policy about which citizens can be expected to have opinions, and they are phrased in terms of changes relative to a status quo: whether respondents want more or less spending on unemployment, pension programs or health. Although a nominal focus on spending is ambiguous, it connotes level of generosity (even if actual changes in spending need not covary with actual policy generosity in terms of accessibility or benefits provided). For lay citizens confronted with such a survey question, more complicated fiscal calculation is much less likely than a simple judgment of whether the substantive program should be more or less generous in terms of its benefits and conditionality. As Esping-Andersen bluntly put it, “it’s difficult to imagine that anyone struggled for spending per se” (Esping-Andersen, 1990, p. 21). Hence, the survey questions gauge support for generosity or program-size relative to the *status quo ante*, and can be matched to subsequent changes in actual spending or metrics of generosity.

²⁷ The specific wording is: “Listed below are various areas of government spending [health / old age pensions / unemployment benefits]. Please show whether you would like to see more or less government spending in each area. Remember that if you say ‘much more’, it might require a tax increase to pay for it.”

To gauge preferences for increased or decreased welfare provisions at different levels of the income distribution, I first recoded the answer categories such that strongly agreeing to an increase in spending was given a score of 100; agreeing was scored 50; neither agreeing nor disagreeing was scored 0; disagreeing was scored -50; and strongly disagreeing was given a score of -100 (see also Wlezien and Soroka, 2012). Since the precise position of low incomes and high incomes is somewhat arbitrary, I focus on four different but common conceptions of low versus high income: the first versus third terciles; the first versus fifth quintiles; the tenth versus ninetieth percentiles; and the fifth versus ninety-fifth percentiles.

The measurement of attitudes across levels of income relies on ISSP measures of household income. These income measures are not without their problems, mainly arising from variation in question wording across participating countries. Some countries ask for gross income and others ask for net income; some ask for monthly income and others ask for annual income; and some describe sources of income in the question whereas others do not (Hoffmeyer-Zlotnik and Warner, 2013). This diversity complicates comparisons of the same income groups across countries. For the study of inequalities in representation, however, this is a modest obstacle, because I compare rich and poor *within the same country in a standardized way* – a comparison that should not be biased by differences in the income question. I expect the measure to systematically and meaningfully capture how different income segments in a country-year perceive social policy relative to one another.²⁸

To gauge general spending preferences, I focus on two measures: the preference of respondents at the fiftieth income percentile and the average preference of all respondents combined, the latter not dependent on the survey's income measures. For the measures across the income spread of the ISSP samples, I calculate scores at the various percentiles by regressing the recoded questions on household income and its squared term (using probability weights) and taking the resulting predicted scores at the indicated points in the income distribution. This approach follows Martin Gilens (2012, pp. 61–62) and addresses the fact that different ISSP countries have different income categorizations.

To give a descriptive overview of the opinion measures, Figure 2.1 presents the sample means for the tenth, fiftieth and ninetieth income percentiles pooled across all sampled countries. This reveals clear and expected differences between low and high incomes: low-income respondents want more generous social policies than do high-income respondents. Also, general demand for increased welfare effort is most pronounced for healthcare and pensions.

²⁸ Roughly one-in-six respondents have a missing value on household income. These respondents tend to be slightly less educated and less likely to be employed than their non-missing counterparts. Hence, household income of these respondents is likely below average. But spending preferences of those with missing values are almost identical to the sample as a whole. As a result, I do not expect non-response to bias the results, except through attenuation bias by constraining the sample's full income variation (results available upon request).

In the case of unemployment, high-income respondents wish to see slightly *less* spending or welfare effort, low incomes wish to see slightly more, and the mean for the fiftieth percentile (as well as the overall mean) is close to zero. Comparing the different policy areas also shows that the differences between low and high incomes are largest for unemployment (twenty-eight percentage points between the tenth and ninetieth percentiles) and pensions (twenty-three percentage points), and smaller for healthcare (thirteen percentage points).

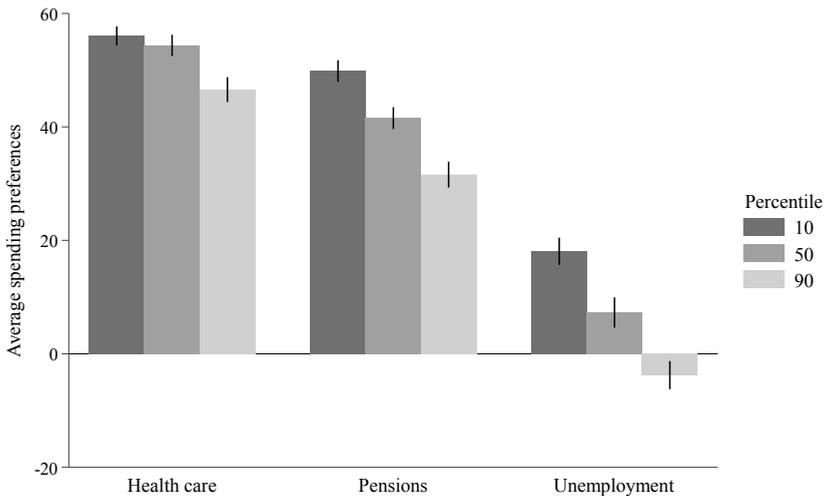


Figure 2.1: Mean spending preferences of low and high incomes by policy area (error bars indicate one standard error above and below the mean)

Dependent variables

The dependent variables consist of policy changes regarding the welfare state. One set of measures involves changes in government spending on healthcare, pensions and unemployment, measured separately so as to be matched to the specific breakdown of the ISSP questions, and with the spending measures taken per capita (Organization for Economic Cooperation and Development, 2016). I focus on public and mandatory private spending in 2010 U.S. dollars with purchasing power parity. The second set of measures is based on the CWED and addresses substantive policy generosity (Scruggs, Jahn and Kuitto, 2017). The CWED contains several measures of welfare state replacement rates, benefit duration, benefit eligibility and coverage or take-up rates with regard to sickness, pensions and unemployment. Improving on Esping-Andersen’s concept of “decommodification,” the CWED combines these measures into indices of welfare state generosity for each of three policy areas: pensions,

unemployment, and sickness. I look at precisely these policy-specific measures of generosity because they parallel the spending measures and can be matched to the ISSP questions about pensions, unemployment and healthcare provisions. The fit between the ISSP survey topics and the CWED generosity topics is one-to-one for pensions and unemployment assistance. But the overlap is less than one-to-one for healthcare and sickness: the ISSP questions focus on healthcare, while the CWED focuses on sickness provisions – the former being a broader palette of provisions than just sickness-related benefits tied to employment. Still, sickness benefits are an important component of healthcare and can plausibly proxy for the broader realm of health policy. But the analysis, both pooled and disaggregated by topic, allows for an empirical exploration of these issues.

I operationalize policy outcomes by focusing on *changes* in spending and in generosity in these particular policy areas that can then be paired to the ISSP questions about healthcare, pensions and unemployment. I focus on changes rather than levels of policies because I am interested in how attitudes about reform relate to subsequent reform, both of which involve changes, not levels. In particular, the analysis explores whether the political system is responding to attitudes about welfare policy change (the explanatory variable of interest), not attitudes about a general level or kind of social policy form. And whether there is responsiveness to such attitudes should be gauged not in terms of the *status quo ante* level of policy but in terms of reform, expansion or retrenchment relative to a *status quo ante* – a change, hence.

Therefore, if respondents express a preference for increased spending, and in the years after the survey was conducted the policy becomes more generous, I take this as evidence of representation for that group or person. Equally, there is representation in situations where a group expresses a preference for decreases and policy becomes less generous in subsequent years. As discussed above, I have no strong *a priori* reasons to presume that it takes a particular time for public positioning to translate (or not) into actual policy changes. The baseline models look at the average change in the four years following the survey for each feature of social policy. For unemployment insurance (UI), for instance, the baseline measure of average change is: $((UI_{(t+1)} - UI_t) + (UI_{(t+2)} - UI_t) + (UI_{(t+3)} - UI_t) + (UI_{(t+4)} - UI_t)) / 4$.²⁹ As robustness checks, I consider other time periods.

The correlation between changes in spending per capita and changes in generosity is not strong, which is not surprising given that spending patterns reflect not just substantive policy orientation but also macroeconomic developments with no clear relation to such orientation. The overall correlation is 0.20, varying from 0.08 for healthcare to 0.50 for pensions. The correlation between levels of spending and levels of generosity is not much

29 I lose a dozen observations which are measured during the first three years following the survey but not the fourth. I include these by calculating the average for the first three years for these observations.

higher ($r = 0.26$).³⁰ According to the CWED-based measures, the most generous countries in terms of benefit levels are those known to have an extensive welfare state: Norway and Sweden, followed by the Netherlands and Finland. The Anglo-Saxon and Asian countries are at the bottom. On the other hand, the Scandinavian countries are in the middle of the pack in spending per capita, joined by the United States and Japan. For any judgment of representation over modest periods of time, however, it is changes in generosity or spending that matter, not simple background levels.

Figure 2.2 provides a snapshot of the country-means of the average change in generosity in the four years following the survey.³¹ This smooths over all the variation across time and across issue areas (unemployment, pensions, healthcare/sickness), but it summarizes the substantial variation between countries. The welfare state clearly becomes more generous in some countries (South Korea, Portugal) and less generous in others (Sweden) by the CWED benefit-generosity metric. The trends broken out by policy area (not shown) vary somewhat, underscoring the importance of estimating not just the pooled composite but also area-specific models.

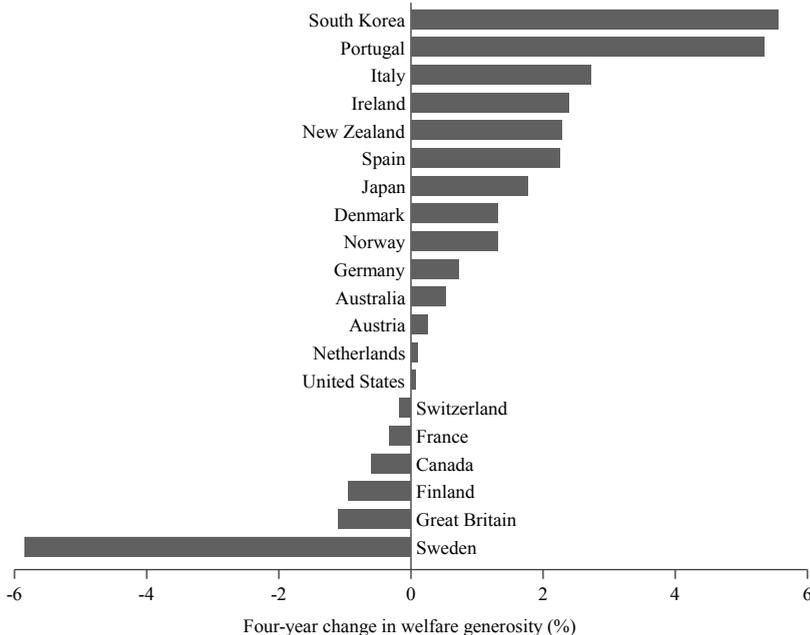


Figure 2.2: Average change in welfare state generosity in the years following the ISSP

³⁰ Both spending per capita and generosity are clearly related to spending per beneficiary, for which data is too limited to be useful as a dependent variable.

³¹ For countries in multiple ISSP waves, Figure 2.2 shows the average of (t+1)-to-(t+4) changes after each wave.

Bringing the above data together to match measures of attitudes to measures of policy changes allows judgment of the extent to which citizen support for welfare expansion (retrenchment) is translated into actual policy expansion (or rollbacks). This can be imagined in terms of broad country-level differences in a given policy area, where one looks at, say, the attitudes of the wealthiest ninetieth percentile towards unemployment protection, in relation to subsequent policy change in such protection. For the full exploration, however, I want to exploit the more fine-grained character of the data: valid measures of attitudes towards welfare policy change and actual subsequent policy change for a given country-topic-year. This means that policy attitudes and subsequent policy change for a citizen group (e.g. median income group vs. poorest vs. richest) can be measured in a given country with respect to a given welfare policy topic for a given year. This provides substantial leverage to gauge policy responsiveness to group demands on issues of welfare policymaking.

To get the most out of this leverage, the baseline analysis focuses on a pooling of all the information for a given country-topic-year. This is possible so long as I focus on how the expressed attitudes for a given country-topic-year relate to subsequent policy change for that same country-topic-year. And such pooling is meaningful because the policy measures are based on standardized measures of group attitudes and of subsequent policy development. The attitudes are gauged by standardized survey answers within a single survey instrument (ISSP), and the outcomes focus on standardized changes in spending or generosity: for spending, I focus on changes in expenditures per capita; and for generosity, I focus on changes in z-score composites of generosity. Hence, one can compare an association (or lack of association) between group attitudes and subsequent policy for a given group-country-topic-year with the association (or lack of association) between group attitudes and policy for another group-country-topic-year. The principal advantage of such pooling is twofold: it allows me to paint a broad portrait of responsiveness in the welfare state, and it yields sufficient degrees of freedom to include substantial country-year controls without excessive collinearity, thereby facilitating more valid econometric estimation of responsiveness.

Although the pooling of all observations provides the most complete view of representation in social policymaking, one can also look at particular subsets of the data. Doing so is meaningful, however, only to the extent that the data include sufficient variation on a given dimension to allow comparisons and statistical control without excessive multicollinearity between parameters estimated. Within such constraints, the data provide sufficient country-year variation to allow meaningful analysis of responsiveness with respect to individual topics or aspects of social policy – that is, judging the extent of representation for either unemployment insurance, pension provisions, or health/sickness (where the unit of analysis

is country-year for each of these policy areas). The downside of focusing on a given policy realm is that the data have fewer degrees of freedom, but there is enough variation to yield meaningful analysis to clarify how responsiveness might vary by aspect of social policy. Unfortunately, the data are more constrained for exploring variation within a particular country. Ideally, one could also focus on topic-year variation within a given country, but such variation is modest enough to generate prohibitively high multicollinearity. In other words, in the currently available data, the “between” variation across countries and topics is much more substantial than the “within” data across time (or across topics within a given country). This means that one can say less than one would like about the role of institutions where most variation is between rather than within countries. Nonetheless, the analyses below do consider and discuss such specifications focused on institutional and other possible country-level factors. And more fundamentally, all the models presented below consider country-level clustering, for instance through country-level random intercepts.

Focusing on either the full country-topic-year variation or the country-year variation for a given topic, hence, I follow an estimation strategy to generate valid inferences about how attitudes relate to subsequent policy reform. This strategy involves estimation of representation that controls for possible confounding factors, which are those that correlate with both the measured citizen attitudes and changes in welfare state effort. These controls include the *ex ante* level of social policy generosity (matched to each country-topic-year), to control for the “thermostat-model” possibility that past policy may influence subsequent attitudes (Soroka and Wleziem, 2009).³² Other controls include GDP per capita (measured in constant 2010 U.S. dollars) in a country, annual growth in GDP per capita per country, unemployment rate, and dummies for both the policy area and survey wave. To address omitted variable bias, the baseline focuses on these controls measured at the time of the survey (which I label “t”) rather than later periods. In the appendix, descriptive statistics for the dependent, independent and control variables are presented in Table A2.1, while Table A2.2 lists the countries and years used in the analysis.

Equally important, the specifications support meaningful causal inferences about general and unequal representation in light of common threats to such inference. I include three sets of specifications. The first set pools the three areas of policy (unemployment, pensions and healthcare), focusing in the baseline on two-level random intercept models, country-topic-year (level 1) and country (level 2) – thereby explicitly taking account of the possible country-level clustering of policymaking experience. For these models, I include dummies for survey waves and the policy topics (health policy as excluded dummy).

³² I also explicitly examined this thermostat issue, focusing on how the previous year (or previous four years) of spending or generosity affects subsequent attitudes in the ISSP data. This yields significant associations for the spending measures, but not for the generosity measures (results available upon request). Controlling for such simultaneity is hence particularly important for the spending-based estimations, less so for the generosity-based estimates.

The second set of baseline specifications disaggregates the three policy topics, focusing on two-level random intercept models (country-year (level 1) and, again to address the country-level clustering, country (level 2)) for each policy area. For both the pooled and disaggregated models, I test for general representation by focusing on the median or overall opinion (in separate models). And I test for unequal representation by focusing in the baseline estimations on the roles of low- and of high-income attitudes in a single model, so as to consider their relative correlation with subsequent policy change. This is the simplest way to address how rich versus poor might have distinct effects – with the one having an association, controlling for the influence of the other.³³ Furthermore, all these models have robust-clustered standard errors (clustered by country, the level 2 variable) to address remaining country-specific correlation of errors and heteroscedasticity of errors.

Finally, a third set of specifications focuses on important alternatives to the pooled and disaggregated baseline models. Importantly, these alternative specifications include different measures of unequal representation, such as direct measures of arithmetic differences between rich and poor attitudes. But the alternative models also include different specifications with respect to controls, embedding of the multilevel data, and alternative estimators.

2.5 FINDINGS

I present the findings, taking each of the three sets of estimations in turn. I shall devote the most attention to the first set of estimates, the baseline pooled results. I lay out in the discussion not only the basic quantitative results, in the next subsection, but also some historical examples drawn from those results in the following subsection. In view of space constraints, the remaining two estimation steps involve minimal discussion in text of the policy-specific subsamples and of various alternative specifications. I hence signal the basics and relegate the fuller results to online appendices.

Baseline pooled results

Table 2.1 presents the results of pooled estimation (country-topic-year) of changes in CWED generosity of unemployment, pensions and health/sickness provisions. The random intercept models use as the dependent variable the average change in welfare generosity in the four years following the survey, allowing direct testing of hypothesis 1a and 2a. Before turning to the variables of interest, note that most control variables have little discernible

³³ This is preferable, hence, to models that take rich and poor attitudes separately, without controlling for the others' influence. And it yields less collinearity than models combining median-income attitudes with high-income or low-income attitudes – generating prohibitively high multicollinearity (with variance inflation factors between 17 and 26).

effect on changes in welfare state generosity, although such controls do perform in expected directions and are close to significance in some specifications (e.g. looking at unemployment and pensions, as opposed to also healthcare). The most significant controls are the dummies for the different policy areas (unemployment and, to a lesser extent, pensions), suggesting that the four-year change in generosity was more positive in those areas than in healthcare. The dummy for the second wave of the ISSP (around 1990) also has a significant, positive effect, while the generosity level has a slightly negative effect.

Most important, the main results corroborate hypotheses 1a and 2a. With respect to hypothesis 1a on general representation, both measures of overall preferences – the median and full-sample mean – have substantial and significant positive effects on changes in welfare state generosity. For instance, an increase in overall spending preferences by one standard deviation (24.27) increases the change in generosity by 1.27 points, about a third of its standard deviation. Welfare reform is clearly, by this reckoning, anchored in citizen demands.

With respect to hypothesis 2a, models 3 through 6 suggest a clear pattern of unequal representation: each low income measurement (the fifth percentile, the tenth percentile, the lowest quintile and the lowest tercile) has a negative but generally insignificant association with changes in generosity, while each high income measurement (the ninety-fifth percentile, the ninetieth percentile, the highest quintile and the highest tercile) has a positive and significant effect. For instance, an increase in the spending preferences of the ninetieth income percentile by one standard deviation (26.63) increases the change in generosity by 1.44 points, about forty percent of its standard deviation.

Figure 2.3 displays the predicted values of the dependent variable by spending preferences of the tenth, fiftieth and ninetieth income percentiles, corresponding to models 2 and 4 in Table 2.1.³⁴ Other variables are held at their means. Preferences of low-income respondents are thus shown to have no discernable effect on the dependent variable, while the preferences of median and high-income respondents *do* have an effect. Figure 2.3 illustrates that the standard errors are substantial, where the limited number of observations yields large confidence intervals. Although this highlights the need to consider other specifications before drawing conclusions, it is clear that the most general baseline estimates focused on generosity support the view from hypotheses 1a and 2a that welfare policymaking entails real but unequal representation.

³⁴ As the summary statistics reveal (Table A1.1 in the appendix), the range of tenth-percentile preferences extends above that shown in Figure 2.4, while the range of ninetieth-percentile preferences extends below it. For comparability, a common range is displayed for all graphs, thereby excluding a handful of observations.

Table 2.1: Random intercept models of changes in welfare state generosity (average of change from t+1 to t+4 relative to t)

	Model 1 (All)	Model 2 (P50)	Model 3 (P5 / P95)	Model 4 (P10 / P90)	Model 5 (Quint. 1 / 5)	Model 6 (Terc. 1 / 3)
Overall / median preferences	0.052*** (0.018)	0.051*** (0.017)	-	-	-	-
Low income preferences	-	-	-0.036 (0.041)	-0.041 (0.043)	-0.013 (0.030)	-0.057 (0.043)
High income preferences	-	-	0.078*** (0.029)	0.084*** (0.032)	0.059*** (0.020)	0.099*** (0.036)
Generosity (t)	-0.133 (0.082)	-0.133* (0.081)	-0.141* (0.083)	-0.141* (0.083)	-0.135 (0.084)	-0.136 (0.084)
Logged GDP (t)	-2.174 (1.724)	-2.235 (1.732)	-1.844 (1.573)	-1.850 (1.581)	-1.945 (1.648)	-1.963 (1.646)
Growth (t)	-0.055 (0.214)	-0.056 (0.210)	-0.045 (0.213)	-0.047 (0.210)	-0.051 (0.216)	-0.065 (0.213)
Unemployment (t)	-0.034 (0.167)	-0.033 (0.165)	-0.021 (0.141)	-0.021 (0.142)	-0.020 (0.148)	-0.030 (0.141)
Pension policy (ref. = health)	1.208* (0.677)	1.260* (0.695)	1.488** (0.661)	1.523** (0.674)	1.359** (0.640)	1.507** (0.688)
Unemp. policy (ref. = health)	3.029** (1.213)	3.057** (1.237)	3.282*** (1.170)	3.370*** (1.195)	3.162*** (1.207)	3.314*** (1.246)
Wave 2 (ref. = wave 1)	1.209** (0.568)	1.239** (0.567)	1.117** (0.479)	1.117** (0.472)	1.078** (0.496)	1.079** (0.425)
Wave 3 (ref. = wave 1)	0.580 (1.217)	0.582 (1.207)	0.558 (1.166)	0.553 (1.164)	0.475 (1.173)	0.522 (1.131)
Wave 4 (ref. = wave 1)	0.289 (1.146)	0.272 (1.121)	0.230 (1.094)	0.209 (1.081)	0.139 (1.112)	0.156 (1.049)
Constant	21.949 (18.168)	22.570 (18.322)	19.775 (16.411)	19.729 (16.531)	20.376 (17.323)	21.144 (17.331)
Wald χ^2	57.16	46.63	51.09	49.12	71.92	55.44
N	130	130	130	130	130	130

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

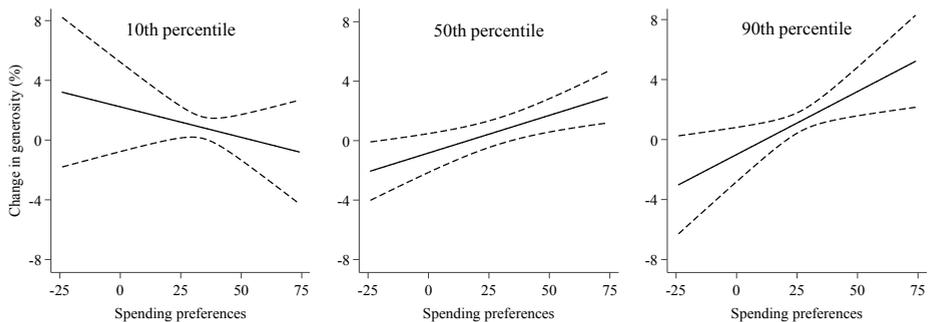


Figure 2.3: Predicted values of changes in welfare state generosity by preferences of low, median and high incomes (dotted lines indicate 95% confidence intervals)

This support for hypotheses 1a and 2a contrasts with what we see if we turn to spending patterns. Table 2.2 presents how attitudes correlate with the second measure of policy change: spending per capita. I run random intercept models using as the dependent variable the average change in spending in the four years following the survey. The first two models again contain measurements of overall opinion, first via the average preferences of all respondents and the second via preferences at the fiftieth income percentile. Models 3 through 6 then focus on the various measures of low and high incomes.

Table 2.2: Random intercept models of changes in spending per capita (average of change from t+1 to t+4 relative to t)

	Model 1 (All)	Model 2 (P50)	Model 3 (P5 / P95)	Model 4 (P10 / P90)	Model 5 (Quint. 1 / 5)	Model 6 (Terc. 1 / 3)
Overall / median preferences	0.184 (0.131)	0.160 (0.125)	-	-	-	-
Low income preferences	-	-	0.278 (0.317)	0.289 (0.343)	0.207 (0.295)	0.321 (0.343)
High income preferences	-	-	-0.018 (0.203)	-0.041 (0.233)	0.008 (0.195)	-0.088 (0.248)
Per capita spending (t)	-0.003 (0.002)	-0.003 (0.002)	-0.003 (0.002)	-0.003 (0.002)	-0.003 (0.002)	-0.003 (0.002)
Logged GDP (t)	-2.992 (8.064)	-3.333 (7.952)	-1.874 (8.429)	-2.139 (8.345)	-2.711 (8.062)	-2.487 (8.210)
Growth (t)	-0.616 (0.922)	-0.604 (0.923)	-0.716 (0.978)	-0.708 (0.976)	-0.655 (0.940)	-0.667 (0.958)
Unemployment (t)	-1.044** (0.415)	-1.035** (0.414)	-1.076** (0.474)	-1.075** (0.475)	-1.096** (0.455)	-1.075** (0.475)
Pension policy (ref. = health)	2.584 (1.930)	2.535 (2.019)	1.694 (1.785)	1.776 (1.823)	1.996 (1.752)	1.971 (1.795)
Unemp. policy (ref. = health)	2.711 (6.155)	1.848 (6.217)	3.542 (5.247)	3.252 (5.486)	2.657 (5.169)	2.800 (5.395)
Wave 2 (ref. = wave 1)	17.250*** (6.150)	17.505*** (6.037)	16.615*** (6.332)	16.790*** (6.261)	17.086*** (5.941)	17.039*** (5.937)
Wave 3 (ref. = wave 1)	-0.282 (4.413)	-0.169 (4.410)	-0.478 (4.325)	-0.416 (4.331)	-0.162 (3.988)	-0.111 (4.093)
Wave 4 (ref. = wave 1)	9.545** (3.733)	9.736*** (3.667)	8.983** (3.973)	9.095** (3.924)	9.454** (3.731)	9.340** (3.845)
Constant	41.539 (82.622)	45.879 (81.408)	25.208 (89.570)	28.292 (88.651)	36.476 (84.778)	32.317 (86.713)
Wald χ^2	98.86	90.75	110.37	107.59	104.31	105.83
N	130	130	130	130	130	130

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

Overall, low-, median- and high-income preferences never have a clear or significant effect on changes in spending. The implication would be that income groups are equally ignored in their views towards the welfare state. These patterns go against hypotheses 1a and 2a, and tell a different story from that of the generosity measures, even when controlling for conditions

that might underlie the biasing effects of the spending-based measure (e.g. unemployment rates). But, of course, this contrast with the results focused on generosity measures is very much in line with the expectations captured by hypotheses 1b and 2b. I expect macroeconomic conditions and the substantive policy interest of citizens to render a weaker link between citizen attitudes and spending than that between citizen attitudes and substantive policy generosity. The contrasting patterns in Tables 2.1 and 2.2 support this view.

A final point based on the baseline results: they harbor an important pattern of (unequal) representation as being symmetrical, relevant to not only welfare state expansion but also retrenchment. Supplemental analysis shows, more generally, that in the cases where the positions of wealthy and poorer respondents differ significantly, the wealthy tend to win out. In the twenty-seven country-years of UI cases in which the ninetieth income percentile mostly favors less unemployment protection, the average change in generosity is -0.63 percent. And in the sixteen country-years of UI observations where the ninetieth percentile mostly favors more unemployment protection, generosity increases on average by 3.64 percent.³⁵ The full picture from our data, hence, suggests real but unequal representation in social policy generosity, although not manifested so much in spending patterns.

Historical examples drawn from the baseline statistics

The various baseline results can be made more concrete by looking briefly at particular historical examples from the data. Given space constraints, I look at only three examples; they illustrate unequal representation across countries (the United Kingdom, South Korea, and Sweden), across social policy areas (UI and pensions), and across directions of substantial reform (policy retrenchment and expansion).

The first example from the dataset is the highly salient and major retrenchment of UI in Great Britain in the 1980s. Remember our dataset's coding of attitudes towards increased UI: strongly supporting was scored 100; agreeing was scored 50; neither agreeing nor disagreeing was scored 0; disagreeing was scored -50; and strongly disagreeing was scored -100. With such coding, the 1985 ISSP survey for British respondents revealed big differences in the attitudes of poor, median, and rich respondents: the tenth percentile scored 36.7 (constituting substantial support for increased UI); the fiftieth percentile scored a mere 13.9 (on balance wanting more UI, although less than their poorer counterparts did); and the ninetieth percentile scored -5.2 (wanting on average a decrease in UI). As for actual policy change in Great Britain, the dataset shows that the subsequent four-year period was marked by a 3.1 percent decrease in UI, among the three biggest single-period decreases in unemployment generosity in the data.

35 See online appendix 2B, Tables 2B.13 and 2B.14 and accompanying text for a more elaborate overview.

To put a bit of historical flesh on these bones, recall that this quantitative pattern describes an important episode in Thatcher-era British welfare retrenchment. Building on reforms that started in 1980 but continued throughout the 1980s, the Thatcher government took advantage of what Paul Pierson called “a considerable gap in between the lowest and top income groups in support for unemployment benefits,” where wealthy party backers and Tory elites widely embraced the idea that UI “produced a ‘why work?’ question” and needed to be scaled back (Pierson, 1994, pp. 105–107). The Thatcher government used its substantial parliamentary majority and executive authority to repeatedly retrench benefits – among other rollbacks phasing out earnings-related supplements in 1980 and 1988, lowering replacement rates in 1986, extending disqualification periods in 1986, tightening contribution conditions in 1988, and shifting the long-term unemployed to the means-tested Supplementary Benefit by 1989. As Anthony Atkinson and John Micklewright (1991) noted, by the late 1980s the Conservative government had adopted no fewer than seventeen significant changes in the Unemployment Benefit, almost all unfavorable to benefit recipients (see also Pierson, 1994, p. 107). Linking this historical interpretation to the statistical analysis, we have a stark case where the rich, in their clear preference for UI retrenchment, enjoyed a level of representation in the Thatcher government that was not afforded to the median and especially not to the poorer electorate who wanted continued or expanded UI benefits. As regards policy generosity, hence, British unemployment policymaking was marked in the 1980s by clearly unequal representation. Also interesting for the analysis, and in line with the statistical support for hypotheses 1b and 2b, the pattern in *spending* in the early-to-mid 1980s suggests a different story. As Allan and Scuggs note, increasing reliance by growing legions of unemployed citizens on whatever UI was available in the period meant that “social spending grew during the British recession of the early 1980s, even though the Conservative government slashed entitlements” (Allan and Scuggs, 2004, p. 498).

A second historical snapshot from the dataset concerns UI *expansion* in South Korea in the 2000s. The 2006 South Korea-UI data point reveals support for UI expansion of 29.0 for the tenth percentile, 25.9 for the fiftieth percentile, and 16.5 for the ninetieth percentile. Note that although there is clearly a familiar skew across the income spectrum in respondents’ support for UI expansion, even the wealthiest respondents preferred UI expansion rather than retrenchment. As for actual policy development, South Korean UI started in 2006 from a very low level of benefit generosity as shown by the CWED, but experienced no less than an 11.1 percent increase in the generosity score for UI in the period between 2007 and 2010 (t+1 to t+4 for 2006), among the highest single-period increases in the dataset.

Making such policy changes more concrete, the South Korean Ministry of Employment and

Labor reports major legislative changes in UI in the period between 2006 and 2011. For instance, after 2006 self-employed persons were allowed to join the Employment Insurance programs for income protection and job skills development, and in 2010–11, premiums were increased from 0.9 percent to 1.1 percent (South Korea Ministry of Employment and Labor, 2013). This pattern reveals a distinct South Korean story of representation, and in this particular case not necessarily a highly unequal one, but certainly one where the substantial increase in South Korea's UI generosity was subsequent to the expression of support for expansion by not only the median and poorer citizens but also the wealthy. This pattern comports with the history of legislative and regulatory reform politics underlying the changes, originating from within the labor and finance ministries and not just from the social actors. And the *chaebol*-based employers' associations recognized that their workers' vulnerabilities might necessitate some government support. For instance, employers sparked and tolerated calls for expanding UI as, in part, the price of their explicit lobbying for labor-market deregulation (Peng, 2012).

A third and final historical example drawn from our baseline models concerns Swedish pension-system retrenchment in the 1990s. Our data point for 1996 Swedish pensions captures positive citizen support – that is, a preference for expansion in the pension system – across the entire income spectrum of Swedes. But the level and unanimity of support was sharply declining with respondent income, with a score of 40.5 for the tenth percentile and 16.1 for the ninetieth percentile (11.7 for the ninety-fifth percentile). As for outcomes, our baseline estimate shows that the subsequent four years yielded a substantial 7.4 percent decline in CWED-measured generosity of pensions, among the largest pension retrenchments in the dataset. As this retrenchment goes against general citizen support for pension expansion, it rates as policy nonrepresentation, mainly for the poorer Swedes most supportive of expansion.

In actual policy history, however, this episode mainly provides further illustration of a pattern of unequal representation. The policy reforms after 1996 involved a major retrenchment of the Swedish pension system, particularly through the legislated move from a flat benefit system (FB) and earnings-related supplement (ATP) towards a defined-benefit pay-as-you-go system (see Sundén, 2006). In the details, the reform was regressive beyond what our own data captures: whereas pre-reform pension contributions were borne by employers, post-reform they were evenly divided between employers and employees; and two thirds of Swedes, particularly those working fewer than forty years, would be losers of the new index rules, yielding a substantial reduction in redistribution (Anderson, 2001, p. 1079). As such, the reform clearly did not go against the (more tepid pro-expansion) wishes of the wealthiest citizens as much it did against the (more unanimous and stronger) wishes of the poorest. In Swedish political history, the mobilization behind the pension reform involved a grand

coalition among social actors and parties. The Swedish Employers Federation (SAF) had been calling for some years for radical pension reform on grounds that the old system eroded national savings, inflated nonwage labor costs, and reduced incentives to work (Anderson, 2001, p. 1077). And beyond the sustained support from the center-right and (neo-)liberal Moderate Party, Centre Party and Liberals, the center-left Social Democratic Party (SAP) and union federation (LO) also accepted the reforms as a painful necessity. With the costs of the pension system becoming onerous – growing from 4.3 percent of GDP in 1965 to more than 12.2 percent in 1992 – the SAP saw that “retrenchment was a painful necessity brought on by the economic crisis and an opportunity to preserve the basic structure and scope of the pension system by correcting its perceived weaknesses” (Anderson, 2001, p. 1077). These politics may constitute some nonrepresentation generally, but they are certainly consistent with our hypothesized unequal representation: with the lower support for pension expansion among the wealthy compared to the poor constituting a permissive condition for reforms skewed in favor of the demands and interests of wealthier Swedes.

These three historical examples provide only the briefest illustration of the broader statistical patterns of real but unequal representation (illustrating hypotheses 1a and 2a), but mainly with respect to generosity rather than spending measures (illustrating further, hence, hypotheses 1b and 2b). They also highlight the importance of considering details in the relationship between income and welfare reform, starting with the story of each welfare policy realm separately.

Disaggregated results by policy area

I now turn, hence, to the fuller disaggregation of the three policy realms underlying these pooled results. I focus on the generosity-based results, summarized in Tables 2.3–2.5: unemployment (Table 2.3), pensions (Table 2.4) and healthcare/sickness (Table 2.5). These are based on the same specifications as in the pooled results of Table 2.1, although here the data structure is country-year for each issue area, and to conserve space, the results for the controls are not reported.

The disaggregated results broadly corroborate the pooled generosity-based results on the inequality of representation, but they do reveal meaningful cross-issue variation with respect to general representation. The differential in responsiveness to low-income versus high-income groups shows up for each of the three social policy areas. A noteworthy difference is that the coefficient for low-income preferences is significantly negative in some models for sickness/healthcare (Table 2.5). The modest degrees of freedom demand extra caution in drawing inferences, but such a pattern suggests that policymaking yields healthcare

changes in the opposite direction to that embraced by the poorest citizens. Whatever the interpretation, the analysis suggests unequal representation favoring the rich over the poor across the distinct social policy realms of pensions, unemployment and healthcare.

The disaggregated results also suggest that the effects of overall or median preferences are stronger for pensions and unemployment (Tables 2.3 and 2.4, respectively), and weaker or nonexistent for healthcare (Table 2.5).³⁶ This may reflect measurement shortcomings discussed above: that the ISSP measure of healthcare attitudes does not match up as fully with the policy-change measure (focused on sickness generosity) as do pension and unemployment measures. However, the weaker correlation between general attitudes and subsequent healthcare-related policy change might reflect substantive differences in politics across the issue areas. For instance, health-benefit politics may be subject to less mass-politics mobilization aggregating public opinion, or to more interest group lobbying that dampens the influence of public opinion than applies to unemployment or pension policymaking.³⁷ Or perhaps the difference in responsiveness reflects variation in salience across issue-country-years proportionate to how much a political system responds to the pressure of public opinion (Lax and Phillips, 2012; Morales, Pilet and Ruedin, 2015; Rasmussen, Mäder and Reher, 2018).³⁸ Unfortunately, the dataset's coverage is too limited to allow exploration of these and other explanations, something I leave to future research.

Table 2.3: Random intercept models of changes in pension generosity, t+1 to t+4

	Model 1 (All)	Model 2 (P50)	Model 3 (P5 / P95)	Model 4 (P10 / P90)	Model 5 (Quint. 1 / 5)	Model 6 (Terc. 1 / 3)
Overall / median preferences	0.103** (0.048)	0.093** (0.046)	-	-	-	-
Low income preferences	-	-	-0.105 (0.073)	-0.121 (0.081)	-0.050 (0.070)	-0.121 (0.090)
High income preferences	-	-	0.163** (0.070)	0.182** (0.079)	0.115** (0.055)	0.186** (0.079)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Constant	28.440 (26.214)	32.234 (27.122)	36.141 (25.500)	36.020 (24.887)	32.113 (26.368)	36.276 (26.437)
Wald χ^2	22.53	23.66	39.23	42.20	36.67	35.70
N	42	42	42	42	42	42

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

³⁶ Pooling country-topic-years involving pensions and unemployment insurance only, otherwise following the results in Table 2.1, yields stronger support for hypotheses 1a and 2a than pooling all three policy realms.

³⁷ For instance, Grossman's meta-history of healthcare and broader social welfare reforms (among other policy realms) between 1945 and 2004 suggests that healthcare policy struggles have been subject to less focused media attention and less political reference to public opinion than other social welfare policy reforms, while being subject to roughly the same level of interest group lobbying (Grossmann, 2013).

³⁸ Wleziën and Soroka (2012) have found stronger correlations between public opinion and policy (in their case, already established policy) across issue areas in the U.S. when the policy is more salient. In data from the 2007 Comparative Study of Electoral Systems compiling "most important issues" identified by publics, unemployment has higher salience than healthcare in eight of twelve countries (results available upon request).

Table 2.4: Random intercept models of changes in unemployment generosity, t+1 to t+4

	Model 1 (All)	Model 2 (P50)	Model 3 (P5 / P95)	Model 4 (P10 / P90)	Model 5 (Quint. 1 / 5)	Model 6 (Terc. 1 / 3)
Overall / median preferences	0.075** (0.030)	0.073*** (0.028)	-	-	-	-
Low income preferences	-	-	-0.061 (0.067)	-0.069 (0.072)	-0.030 (0.068)	-0.098 (0.073)
High income preferences	-	-	0.125** (0.051)	0.135** (0.057)	0.101** (0.051)	0.165** (0.068)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Constant	28.323 (35.550)	28.478 (35.592)	26.211 (33.790)	26.008 (33.980)	27.704 (34.413)	29.332 (34.395)
Wald χ^2	60.18	61.23	46.88	48.14	40.83	47.74
N	44	44	44	44	44	44

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

Table 2.5: Random intercept models of changes in healthcare generosity, t+1 to t+4

	Model 1 (All)	Model 2 (P50)	Model 3 (P5 / P95)	Model 4 (P10 / P90)	Model 5 (Quint. 1 / 5)	Model 6 (Terc. 1 / 3)
Overall / median preferences	-0.014 (0.030)	-0.013 (0.030)	-	-	-	-
Low income preferences	-	-	-0.094** (0.048)	-0.105** (0.053)	-0.087** (0.040)	-0.133** (0.062)
High income preferences	-	-	0.065** (0.033)	0.074** (0.037)	0.063** (0.028)	0.098** (0.041)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Constant	7.430 (14.969)	7.349 (14.974)	3.650 (16.254)	3.942 (16.210)	2.526 (15.436)	5.843 (15.767)
Wald χ^2	15.98	16.46	20.99	21.26	21.12	26.01
N	44	44	44	44	44	44

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

The spending-based specifications generally yield nonsignificant results for each of the policy areas that are very similar to Table 2.2's pooled results, so I shall not dwell upon these (see online appendix 2A, Tables 2A.7–2A.9). But it is worth reporting that with respect to pensions we do see a pattern of real and unequal representation. Attitudes among those in the fiftieth income percentile correlate with spending changes in pension programs; the ninetieth percentile correlates particularly strongly (statistically and substantively) while the tenth percentile does not. This pattern applies to both spending per capita and spending as a percentage of GDP. This pattern, importantly, also reflects that pensions are the policy area where the change in spending is correlated most strongly with the change in generosity. These findings add up to marginally stronger support for hypotheses 1a and 2a and also additional support for hypotheses 1b and 2b.

Alternative specifications

The last set of results involve the most important robustness and sensitivity checks: (1) alternative measures of policy changes as dependent variables; (2) different measures of support for social policies and inequalities in representation; (3) additional and alternative controls that might distinguish the politics of representation between countries; and (4) alternative estimators and embedding of the analysis of such representation. I summarize only briefly the most important alternatives, relegating fuller discussion and detail to online appendices.

A first set of alternative specifications explores different generosity measures, and different combinations of years of policy change. Most noteworthy is that the baseline results, both pooled and disaggregated, hold up to specifications of policy generosity focused only on replacement rates of unemployment, pension and sickness provisions – the components of CWED generosity measures that maximize coverage in terms of country-years matched to the ISSP data waves (yielding 161 country-topic-years, instead of 130 in the pooled baseline; online appendix 2A, Tables 2A.2–2A.5). Also, changing the time period of change to three or five years does not substantially change the effects, the former slightly decreasing the effect size of high-income preferences and the latter increasing it (online appendix 2A, Tables 2A.10–2A.13).

A second set of tests explores alternative approaches to measuring the attitudes of low-income and high-income citizens and the responsiveness of subsequent policy change to such attitudes. One alternative approach to the models above is to look at the share of respondents who support more spending minus the share of respondents who support less spending, for different income groups. The resulting variables correlate strongly with the main independent variables ($r = .99$) and yield very similar results, which is important in addressing the possibility that the reported models might inappropriately presume equal distances between answer categories. Another measurement approach for the independent variables would estimate separate models for low and for high incomes. In these results, high-income preferences have a stronger effect than low-income preferences, although in some specifications low-income attitudes also have significant (if lower) influence (online appendix 2B, Tables 2B.1–2B.2). Unlike the baseline, of course, such results take no account of the attitudes of low-income *relative to* high-income respondents.

Yet another alternative specification deserves a bit more attention, because it addresses collinearity more fully without throwing away information on low-income respondents relative to high-income respondents: *rich-minus-poor*, in a given country-topic-year. Here, more positive (more negative) values capture situations in which high-income voters want more (less) welfare expansion than do low-income voters. The measure provides leverage to

test hypothesis 2a, that the rich are more influential than poor respondents. If they are, higher (lower) values of *rich-minus-poor* – where wealthier respondents want more increases (lower increases or more decreases) in welfare generosity than do their poorer counterparts – should correlate positively with actual change in generosity. Table 2.6 summarizes results of testing this possibility. Each cell captures the key result for distinct econometric models (for full results, see online appendix 2B, Tables 2B.3–2B.10). The odd rows show results of substituting this difference parameter for the low- and high-income parameters in the otherwise identical specifications from Tables 1 and 3–5. The even rows show results of such substitution plus controlling for median-income voters' support for increased generosity. The results broadly corroborate the previous findings of unequal representation, which shows up more for generosity than spending measures (online appendix 2B, Tables 2B.11 and 2B.12).³⁹

Table 2.6: Rich-minus-poor support and change in welfare state generosity, t+1 to t+4

	P5 / P95	P10 / P90	Quint. 1 / 5	Terc. 1 / 3
<i>Pooled (N = 130)</i>				
Rich minus poor (baseline specif.)	0.073 ^{***} (0.027)	0.082 ^{***} (0.031)	0.054 ^{***} (0.021)	0.100 ^{***} (0.034)
Rich minus poor (+ median pref.)	0.054 [*] (0.030)	0.060 [*] (0.034)	0.041 ^{**} (0.020)	0.081 ^{**} (0.036)
<i>Pensions (N = 42)</i>				
Rich minus poor (baseline specif.)	0.160 ^{**} (0.066)	0.180 ^{**} (0.074)	0.112 ^{**} (0.050)	0.193 ^{**} (0.075)
Rich minus poor (+ median pref.)	0.141 ^{**} (0.069)	0.159 ^{**} (0.078)	0.092 (0.057)	0.164 ^{**} (0.082)
<i>Unemployment (N = 44)</i>				
Rich minus poor (baseline specif.)	0.109 ^{**} (0.053)	0.123 ^{**} (0.059)	0.089 (0.057)	0.146 ^{**} (0.070)
Rich minus poor (+ median pref.)	0.086 (0.054)	0.097 (0.060)	0.071 (0.051)	0.132 ^{**} (0.066)
<i>Health (N = 44)</i>				
Rich minus poor (baseline specif.)	0.063 ^{**} (0.031)	0.071 ^{**} (0.034)	0.064 ^{**} (0.027)	0.088 ^{**} (0.035)
Rich minus poor (+ median pref.)	0.078 ^{**} (0.037)	0.088 ^{**} (0.042)	0.072 ^{**} (0.030)	0.107 ^{**} (0.046)

Note: each cell represents the key result of a separate regression estimation (controls and full results not shown). "Baseline specification" is the same specification as in Tables 2.1 and 2.3-2.5; "+ median preference" is the baseline specification plus extra control for country-topic-year preference of median income respondents.

^{*} $p < 0.10$; ^{**} $p < 0.05$; ^{***} $p < 0.01$ (two-tailed)

A third set of alternative specifications concerns the controls in the analysis. The baseline controls capture the most theoretically relevant sources of omitted variable bias. But I have considered other specifications in terms of measures, lags and timing, and also extra controls relevant to such bias – such as share of the population over sixty-five, *ex ante* level of general

39 Online appendix 2B also explores particular country-topic-years where the rich and poor take the most starkly contrasting positions on welfare generosity, and the wealthier positions in such situations carry the day. See Tables 2B.13 and 2B.14 and accompanying discussion.

spending, and citizen support for the welfare state generally or for austerity (Bartels, 2015, pp. 13–14). None of these dampen the reported effects of overall and high-income preferences. Another category of controls involves country-level political conditions potentially relevant to representation of citizen attitudes about welfare policymaking – beyond the country-level factors (e.g. GDP per capita) and country-level clustering in all of the specifications discussed in Tables 1–6. These extra controls include age and quality of democracy, institutions regulating electoral representation (e.g. proportional representation), the strength of left or right parties, and the strength of organized social actors (e.g. union density). These conditions often display little variation over time. Nevertheless, I considered them both as extra controls and in interactions to judge whether any of them might alter the degree to which citizen attitudes influence policy change. None of the runs achieved statistical significance. This can be interpreted as a substantive result, where the evidence for real but unequal representation holds regardless of political-institutional settings. It is more likely, however, that the modest over-time variation per country makes these very weak tests of institutional and political conditions in the politics of representation in welfare policymaking (see also Rasmussen, Reher and Toshkov, 2019).⁴⁰

A fourth and final set of alternative specifications involves alternative estimators. These include random intercept models with alternative embedding: alternative two-level models using country-topic and country-wave as clusters; and three-level models involving country, topic and year (online appendix 2D, Tables 2D.1–2D.5). I also considered random slope models (with attitude variables as the random coefficients) and ordinary least squares models with jackknifed standard errors. Although outlier analysis suggests that outliers are not influential, I also consider jackknife analysis to exclude particular country-topic-years, country-years or even countries (online appendix 2D, Table 2D.6). All these specifications yield stable support for hypotheses 1a and 2a with respect to generosity-based but not spending-based measures; hence, they also support hypotheses 1b and 2b.

2.6 CONCLUSION

This chapter has explored representation and its equality in welfare state development.

⁴⁰ Online appendix 2C, Tables 2C.2–2C.3, shows results for electoral systems, age of democracy, the effective number of parties, the Gallagher index of disproportionality, the cabinet composition on a left-right scale, the percentage of left-wing parties in government, the percentage of right-wing parties in government, an index of federalism and union density. Tables 2C.4–2C.5 show, in addition, the (non-significant) interactions between attitudes and these political-institutional parameters. Lastly, Tables 2C.6–2C.7 consider alternative measurements of the macroeconomic control variables in the models.

The analysis has provided somewhat mixed but broadly supportive evidence for the central hypotheses that public opinion guides political outcomes, and that the preferences of the rich have more weight in the policy process than the preferences of the poor. Measures of welfare *spending* show only weak support for the hypotheses that social policymaking represents citizens generally, and wealthier citizens more than poorer citizens. Such support is limited to pension spending. By contrast, the analysis of the benefit-generosity measures unearth a stark pattern of real but unequal representation in welfare state reform. As argued throughout this chapter, I believe that the results for benefit generosity are likely to be more inferentially valid, as they better capture the regulatory and legislative program changes that citizens have in mind when they express support for more or less welfare state effort. From this point of view, the evidence is strong and important. However, since spending measures are also relevant gauges of welfare policy effort, I take seriously the mixed results in these specifications, and hence frame my end judgments as qualified support.

The analysis presented in this chapter is arguably the strongest evidence to date that unequal representation is not limited to the United States but also emerges in other established democracies. At the same time, this conclusion is limited in several ways. First, we do not yet know whether unequal representation arises in most or all established democracies, or whether the results are driven by a specific, most-likely subset of countries. Second, the analysis is limited to one policy area, albeit a broad and important one. Third, the causal mechanisms that bring about inequality in representation remain something of a black box. These are the points I will take up in the following chapters. In the next chapter, I analyze a wide range of policy issues in the least-likely context of the Netherlands, strengthening the geographical and policy-area generalizability of this chapter's findings.

CHAPTER 3

Unequal Policy Responsiveness in the Netherlands

3.1 INTRODUCTION

The previous chapter provided evidence for the unequal representation of public opinion in welfare state reform. In this chapter, I again address the question whether policy in established democracies is more responsive to the preferences of high-income citizens than to the preferences of low- and middle-income citizens. However, I will approach this from a very different angle here. While the previous chapter analyzed one policy area in many countries, this chapter analyzes many policy areas in a single country. The country in question is the Netherlands, which is in many ways a least-likely case to find unequal representation. The level of income equality in the Netherlands is among the lowest in the world and has barely increased in the past few decades (Hager, 2018). Furthermore, financial donations play a very limited role in Dutch politics (Nassmacher, 2009, pp. 107–120) and its highly proportional electoral system should amplify the political voice of the poor (Iversen and Soskice, 2006). Hence, the Netherlands provides a contrast to the most-likely case of the United States, where most of the previous research on unequal representation has been conducted.

The analysis of this chapter consists of two parts. In the first part, I ask *whether* there is inequality in policy representation in the Netherlands by assessing the link between public

An earlier version of this chapter has been published in *Socio-Economic Review* (Schakel, W. (2019) 'Unequal Policy Responsiveness in the Netherlands', *Socio-Economic Review*, online first).

preferences and policy changes for different income groups. In the second part, I ask *why* there is inequality in policy representation and attempt to shed some light on relevant causal mechanisms. I focus on three of the most commonly suggested mechanisms for disproportionate political representation of wealthy citizens: political participation (Flavin, 2012), descriptive representation (Carnes, 2013; Hakhverdian and Schakel, 2017) and interest-group lobbying (Gilens, 2012). This second analysis is more exploratory than the first, owing to more stringent data limitations. But available empirical information provides some leverage to provide preliminary evidence which later chapters will expand on.

To develop these lines of inquiry into representation, I largely follow the research design used by Martin Gilens in his recent work on responsiveness in the United States (Gilens, 2012). Focusing on the Netherlands, I selected 291 questions from pre-existing surveys conducted in the Netherlands between 1979 and 2012, each question asking respondents for their opinions on particular policy changes. For each of these, coders tracked down whether the policy change in question was enacted in the subsequent four years following the survey. This results in an original dataset of public opinion and government policy that is uniquely suited to explore unequal representation.

The main finding of this chapter is that, amidst general policy responsiveness to public opinion, responsiveness is strongly skewed toward wealthier citizens. And when preferences between income groups diverge, only the higher incomes have an effect on policy change. When it comes to possible causal mechanisms, political participation – measured as voting during national elections – of wealthy versus poorer citizens seems to matter, though it cannot fully account for the gap in responsiveness. The expectation following from the literature on descriptive representation is not clearly supported. Finally, there are good reasons to think that lobbying activity by corporations contributes to unequal responsiveness, with civil society groups playing a subordinate role.

All in all, what emerges is a very sobering picture of democracy in the Netherlands. Moreover, the key elements in this picture – the presence of economic inequality, the association of income with political preferences, and inequalities in political participation, descriptive representation and interest-group lobbying – are not just found in the Netherlands but also in many other Western European countries. Hence, there are good reasons to expect political inequality to arise in those countries as well.

3.2 FRAMEWORK

In the introductory chapter, I argued that it is useful to depart from the notion that three basic conditions have to be met before unequal representation can arise (see also Winters and Page, 2009, p. 732). First, a resource should be unequally distributed in society. Second, this resource should be correlated with certain political preferences. Third, it should be possible for this resource to be converted into political influence in some way. Income stands out as a resource for which these criteria are potentially met in many countries, as income is very much unequally distributed (Alvaredo *et al.*, 2018), it is a strong predictor of political preferences (Gilens, 2009; Rehm, 2009; Page, Bartels and Seawright, 2013; Arunachalam and Watson, 2018) and there are good reasons to think that money can be used as a political resource in many contexts.

So far, however, the vast majority of the evidence in support of unequal representation – and hence, its three conditions – comes from the United States (Rigby and Wright, 2011; Gilens, 2012; Ellis, 2013; Gilens and Page, 2014; Bartels, 2016). The United States is in many ways a most-likely case to find income inequality in representation, which I have also argued in the introductory chapter. To gauge the generalizability of the patterns found in the American context – that is, the prevalence of unequal representation – it is useful to focus our attention on a least-likely case. Arguably, the Netherlands presents such a case.

To understand what makes the Netherlands a least-likely case, we can use the three conditions for unequal representation. A least-likely case is one where income differences are muted, where income is not strongly correlated with political attitudes and where it is difficult to use income as a source of political influence. The first and third condition are the most relevant here, since I have no clear reasons to expect that the association between income and political preferences is weaker or stronger in the Netherlands than in other established democracies.

With regard to the first condition, income inequality is low in the Dutch context compared to most other countries. This is particularly true in terms of top incomes, which is presumably the most relevant measure when looking at the overrepresentation of the rich. In 2010, the top one percent of the income distribution earned 6.4 percent of total income in the Netherlands, joining Denmark as reserving the smallest share for the top one percent of any country in the world. That same year, the top ten percent earned 30.6 percent of all income, which is slightly more than they earned in Denmark (26.9 percent) but comparable to other Scandinavian countries (e.g. Sweden at 31.0 percent) and still among the lowest in the world. In comparison, the top one percent took home twenty percent of all earnings in the United

States in 2010, whereas the top ten percent took almost half (47.1%).⁴¹

As for the third condition, there are various mechanisms that feature prominently as explanations for unequal representation in the United States which do not apply to the Netherlands. One important difference between the Netherlands and the United States is found in the role of money in politics. The vast and growing campaign contributions in American elections are the most common and perhaps the most plausible explanation of unequal responsiveness there (Dawood, 2015; Ferguson, Jorgensen and Chen, 2016; Page and Gilens, 2017, pp. 90–130). In contrast, political donations play a much smaller role in Dutch politics. Even compared to other European countries, elections in the Netherlands are inexpensive (Nassmacher, 2009, pp. 109–120).⁴² Since the amount of campaign contributions is strongly related to income (Schlozman, Verba and Brady, 2012; Bonica *et al.*, 2013), this is expected to dampen unequal responsiveness along income lines. An additional difference lies in the electoral system. Proportional representation has been shown to be closely associated with left-wing governments and increased redistribution (Iversen and Soskice, 2006), and the Netherlands has one of the most proportional systems in the world. Finally, the socioeconomic background of representatives seems less skewed in the Netherlands compared to the United States, where more than half of all members of Congress are millionaires (Center for Responsive Politics, 2018).⁴³ Following the growing literature that explores the effects of politicians' personal backgrounds on their views and behavior (Burden, 2007; Carnes, 2013), this can also be expected to lead to more equal responsiveness.⁴⁴

All of this makes the Netherlands a least-likely case, but even in this least-likely case I expect income inequality to affect responsiveness, such that the opinion-policy link will be stronger for citizens with high incomes than for citizens with lower incomes. In other words, many prominent causal mechanisms from the American context do not apply in the Netherlands, but there are some mechanisms that I do expect to apply. Three, in particular, have often been suggested in both the American and European literature: political participation (Rosset, 2013; Erikson, 2015), descriptive representation (Carnes, 2013; Hakhverdian and Schakel, 2017) and interest-group lobbying (Hacker and Pierson, 2010). To be clear, I do not claim that this list is exhaustive, and chapter 5 contains a more elaborate overview of the possible mechanisms.

⁴¹ All figures were obtained from the World Inequality Database (wid.world, accessed on 1 September 2018). 2010 was chosen because this was the most recent year for which data were available for some countries.

⁴² The majority of Dutch Party financing comes from membership dues and public subsidies (Veling *et al.*, 2018). The money that flows in from private donations amounted to twenty-four million euros between 2015 and 2017 (in current euros). However, the vast majority of this came from politicians themselves, and in particular from representatives of the Socialist Party, for whom it is mandatory to donate their income to the party in return for a smaller fee. Excluding this, private donations totaled less than one million euros between 2015 and 2017 (De Vries and Boogaard, 2017).

⁴³ In a recent paper, Eggers and Klasnja (2018) estimate the proportion of millionaires in the U.S. Congress to be about three quarters.

⁴⁴ All of these considerations are summed up in the Varieties of Democracy database. On the question whether “political power [is] distributed according to socioeconomic position”, experts rank the Netherlands as the 6th most equal country in the world since 1980, while the United States ranks 62nd.

Nevertheless, all three of the above are plausible mechanisms in their own right and therefore worth exploring. I discuss each of them below.

The first and perhaps most obvious mechanism linking income to political influence is electoral participation in other forms than political donations. There is quite clear evidence that people with high incomes participate more in politics than those low incomes, through such activities as voting and working for a party (Gallego, 2007; Ojeda, 2018). Moreover, American research indicates that voters are better represented in Congressional roll-call votes than non-voters, for straightforward reasons: voters have more influence over who ends up in office, they communicate their preferences to politicians more clearly and they provide more incentives for politicians to act upon these preferences (Griffin and Newman, 2005). Together, these arguments suggest that political participation is a plausible causal mechanism connecting income to responsiveness.⁴⁵

Second, it is worth singling out the most intensive form of political participation of all: holding public office. While the Dutch parliament is not the ‘millionaire’s club’ that the U.S. Congress is, it is by no means representative of the Dutch population. This statement should be qualified by noting that there are no attempts, to my knowledge, to estimate the (previous) income or wealth of parliamentarians in the Netherlands. Yet, we do know that the Dutch parliament is highly skewed in terms of education, a related variable, prompting claims that the Netherlands is a “diploma democracy” (Bovens and Wille, 2017). Moreover, although the presence of government ministers from middle-class backgrounds has increased in recent decades, around forty percent are still from the upper class while only ten percent come from working class families (Bovens and Wille, 2011, p. 71). Hence, even without exact information on the net worth of Dutch politicians, it is likely that they are mostly in the upper deciles of the population. If this informs their political views and priorities, this may also be a plausible explanation of biased responsiveness.

The third possible mechanism is that the views represented by interest groups may align more closely with the views of the rich than the poor. Here, it makes sense to distinguish between two broad types of interest groups, namely civil society groups and corporations. Civil society groups, such as consumer and environmental organizations, can contribute to unequal responsiveness if (a) membership of these groups is positively correlated with income, (b) people join these groups (in part) to influence policy and not just to get membership benefits, (c) civil society groups take their members’ views into account when trying to change policy and (d) civil society groups are successful in changing policy.

⁴⁵ As I discussed in the introductory chapter, the U.S. literature has not found clear support for the mediating role of electoral participation (Flavin, 2012; Bartels, 2016), but I see no reason to rule out its relevance for the Dutch context at this stage.

Although all of these conditions seem plausible, it remains to be seen whether they are met strongly enough to increase inequality in responsiveness.

When it comes to corporations and their associated lobby groups, we may assume that their political stances are more similar to the preferences of the rich than the poor, certainly on economic issues. The opposite should apply to trade unions. The plausibility of this mechanism therefore hinges on the extent to which corporations are more influential in the policy process than unions. Research in the United States has indicated that this is the case, exploring mainly the instrumental sources of this influence (Ferguson, 1995; Hacker and Pierson, 2010; Gilens and Page, 2014). The strong corporatist tradition in the Netherlands would suggest that this does not apply to the Netherlands, but I know of no direct test of this hypothesis (cf. Van Waarden, 1992). Furthermore, Dutch corporations may still have a structural advantage over labor as drivers of economic growth and employment (Lindblom, 1982). All in all, many questions are unanswered about both types of interest groups, but in both cases, there is at least the possibility that they contribute to an economic bias in responsiveness.

To sum up, the overarching hypothesis of this chapter is that policy responsiveness is stronger for citizens with high incomes than for citizens with middle or low incomes. In addition, more tentative hypotheses state that this unequal responsiveness can be explained by biases in electoral participation, the socioeconomic background of representatives and interest-group lobbying.

3.3 DATA AND METHODS

To analyze the policy implications of citizen attitudes in the Netherlands, I follow the research design used by Gilens (2012). The basic idea is to gather a large number of questions from pre-existing surveys that ask respondents for their opinions on specific policy changes. These questions can cover all kinds of topics, the only common denominators between them being that they should fall under the authority of the national government and they can be linked to subsequent policy changes. For each question, coders could then track down whether the policy change was passed in the years following the survey. A major reason for adopting this research design is its focus on policy outcomes, which is “arguably the ultimate metric of representation” (Caughey and Warshaw, 2018, p. 250). As I noted in the introductory chapter, policy is what shapes the lives of citizens in many crucial ways and can therefore be considered the ‘prize’ of the political process (Hacker and Pierson, 2014).

Survey questions that were asked within less than two years of another question on the same specific issue were discarded. Furthermore, I only used questions about policy changes that were not yet enacted at the time of the survey to decrease the possibility of reverse causation. This results in a collection of 291 survey questions.⁴⁶ These questions were asked between 1979 and 2012 and are spread fairly evenly across time, with the exception of a peak in the period 2010–2012. The sources of the survey questions are listed in Table A3.1 in the appendix. The complete list of all questions can be found in online appendix 3B.

It is important to add that the survey questions differ from those used by Gilens in the sense that he only used questions that were specifically asked in response to current events, often by media organizations. Due to more limited availability of survey data in the Netherlands, only half of the questions in the sample come from such organizations, while the other half come from repeated surveys such as the Dutch Parliamentary Election Study. Some of the questions in those surveys explicitly reference current events, but this still leaves a minority of cases where questions about policy preferences were potentially included for other reasons than to tie in with a current debate. If these include questions that are not very salient to either the public or political actors, but respondents still express an opinion because they are asked to, this may result in attenuation bias in the opinion-policy link.

Independent variables

After gathering the survey questions, I calculate for each question how much support the policy change has among respondents. In each case, the possible answers are recoded to two categories, change (1) or no change (0), and the independent variable is the percentage of respondents that favors change.⁴⁷ Hence, gradations in support or opposition, such as the difference between somewhat and strongly supporting a policy, are not taken into account. Moreover, respondents that answer “don’t know”, “no opinion” or “neither for nor against” are not considered when calculating this percentage.

For the measures of possible differences in support for policy changes across income groups, I calculate scores at various percentiles by regressing the recoded questions on household income and its squared term (using probability weights whenever available) and taking the resulting predicted scores at various points in the income distribution. This approach follows Gilens and was used because different surveys often have a different number of income categories, which means one cannot directly compare the lowest and highest categories.⁴⁸ The precise

⁴⁶ A slightly larger number of questions were selected for the coding procedure (305), but in fourteen cases the policy outcome could not be coded or the outcome was coded as partial change. These are excluded from the analysis.

⁴⁷ There are a number of questions that can be answered in two directions, asking respondents, for example, whether they want to increase or decrease unemployment benefits. In those cases, I look which of the two directions contains more respondents overall and the independent variable is the percentage of respondents that position themselves on this side.

⁴⁸ See Gilens (2012, pp. 61–62) for a more detailed explanation of this procedure.

positioning of low- and high-income groups is somewhat arbitrary, especially when expressed in percentiles. The baseline models focus on the tenth versus ninetieth percentiles, but this will be varied as a robustness check. Middle income is measured, naturally, as the fiftieth percentile.

For the imputation procedure to yield reasonably reliable estimates, the original variables should have a minimum number of categories. That is to say, it is hard to estimate the preferences at the ninetieth income percentile when there are only two or three income groups. Here, I only used surveys that had at least five income groups, although this number is based more on practical experience than any mathematical deduction. The average number of income categories is around fourteen for the surveys used in the analysis.

Dependent variable

For each survey question, coders tracked down whether the policy change was enacted or not in the first four years following the survey. The dependent variable is therefore a dichotomous measure; either the measure passed (1) or it did not (0). If the change was not enacted during this period, this is coded as not having passed. If a change took place in the opposite direction of the question, for instance, if unemployment benefits were decreased when respondents were asked if they wanted to increase them, then this was coded as zero as well.

Coding the policy outcomes is a laborious process that involves going through official announcements, legislative changes and news articles. This task was performed by two people, who each coded about half of the survey questions. An intercoder reliability test, calculated for a random sample of forty questions, resulted in a Krippendorff's alpha of 0.74, indicating a sufficient level of reliability.⁴⁹

Summary statistics for the dependent and independent variables are presented in Table A3.2 of the appendix.

3.4 FINDINGS

The findings will be presented in the order of the theoretical framework. The first and longest part will address whether income has a positive effect on policy responsiveness, starting with some descriptive information. The second part will discuss the mechanisms of political participation, descriptive representation and interest-group lobbying, in turn.

⁴⁹ Full documentation of the coding procedure, including the intercoder reliability test, is available upon request.

Unequal policy responsiveness

As a first impression of the findings with regard to both public opinion and policy changes, Figure 3.1 shows the preferences of citizens with low incomes (tenth percentile) and high incomes (ninetieth percentile) on all 291 issues. The dark-grey dots indicate policy changes that were passed, whereas the lighter dots are policy changes that were not passed. Horizontal and vertical lines at fifty percent divide the observations into four quadrants. Several things stand out.

First, the preferences of the two groups are highly correlated. For the tenth and ninetieth income percentile, the correlation is 0.76; the fiftieth and ninetieth income percentiles have a correlation of 0.87. This strong association mirrors patterns found in the United States (Soroka and Wlezien, 2008; Branham, Soroka and Wlezien, 2017). In part, this might reflect the fact that different groups are exposed to similar stimuli from their environment, such that many policies are popular or unpopular among all of them, even if they differ in their level of support or opposition. In line with this, in only twenty-two percent of all cases, there is a majority of low-income citizens in support of a policy change while a majority of high-income citizens is opposed, or vice versa (the upper-left and lower-right quadrants of Figure 3.1). However, this strong relation might also partly reflect measurement error that affected all respondents of a specific survey.

Second, although the preferences are strongly correlated, Figure 3.1 shows that there are also clear differences between income groups. The average absolute difference between the preferences of the tenth and ninetieth income percentiles is twelve percentage points. This shows that income provides clear 'room' for unequal responsiveness, in line with the second condition discussed in the theoretical framework.⁵⁰ Third, Figure 3.1 indicates that most potential policy changes are not adopted. In fact, this only happens in twenty-seven percent of all cases.⁵¹ Fourth, policy change is unlikely when the poor are in favor while the rich are mostly opposed (the upper-left quadrant). When the opposite occurs, change is more likely (the lower-right quadrant). Fifth, policies are especially likely to be adopted when a clear majority of the rich are in favor of them, indicated by the dark-grey dots on the right side of the figure.

⁵⁰ As a comparison, the average absolute difference between women and men is six percentage points.

⁵¹ This is very similar to what Gilens (2012) finds in the United States, but given the difference in the nature of the survey questions mentioned above, it may not be wise to conclude that both countries have similar status quo biases.

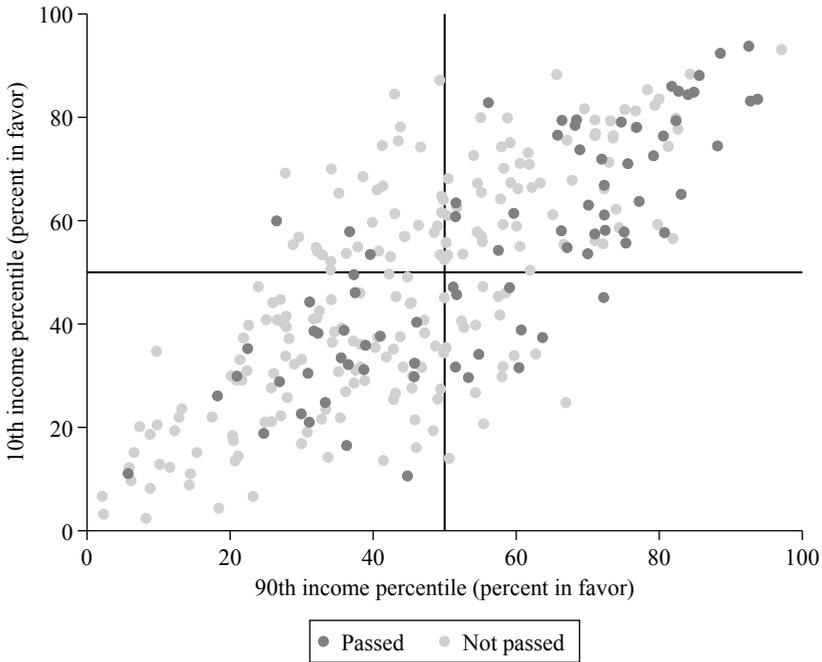


Figure 3.1: Low- and high-income preferences

To learn more about the effect of opinion on policy, Table 3.1 presents the results of logistic regression models where the dependent variable is policy change and the independent variables are the preferences of the different income groups. In general, public preferences have a significant positive effect on the dependent variable. At the fiftieth income percentile, for example, an increase in support of one percent multiplies the odds of a policy change being enacted by about 1.02. At the same time, this effect clearly increases with income.⁵²

Table 3.1: Logistic regression models of income groups

	Model 1 (P10)	Model 2 (P50)	Model 3 (P90)
Preferences	1.016** (0.006)	1.020*** (0.006)	1.034*** (0.007)
Constant	0.170*** (0.058)	0.139*** (0.049)	0.070*** (0.028)
Pseudo R ²	0.020	0.030	0.072
N	291	291	291

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed). Effects are displayed as odds ratios.

⁵² The difference between the coefficients of the tenth and ninetieth income percentiles is on the edge of statistical significance ($p = 0.064$).

To illustrate these findings, Figure 3.2 contains the predicted probabilities of a policy being passed at different levels of support among low, middle and high incomes, corresponding to models 1–3 presented earlier.⁵³ The steeper line for the ninetieth income percentile indicates stronger responsiveness to their views. That is, policy change is very unlikely (around ten percent) if they are largely opposed to it, while it is quite likely (around sixty percent) if they are largely in favor.

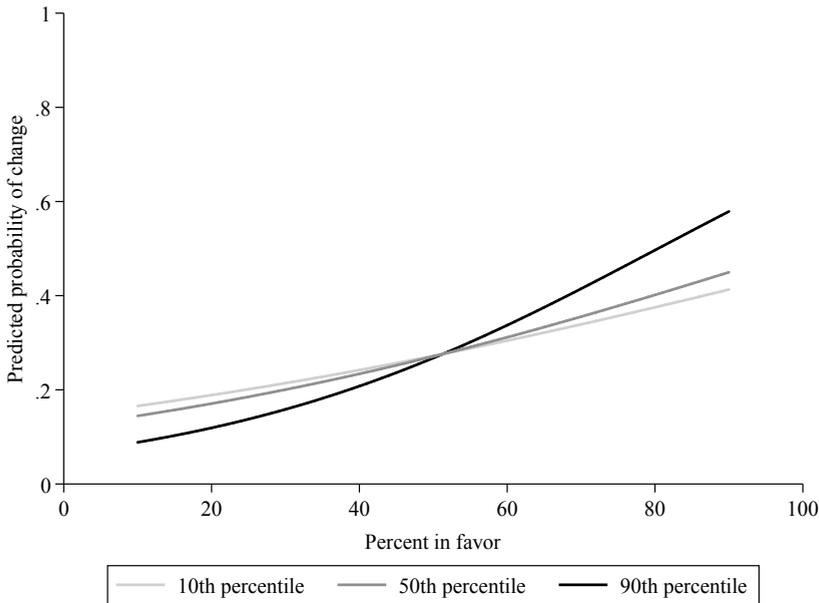


Figure 3.2: Predicted probability of policy change by income

Although these results suggest some inequality in responsiveness, they also suggest that policy is responsive to all income groups. However, given the strong correlations between the views of these groups, it may not be the case that they all independently influence policy. The obvious next step is therefore to see what happens when the preferences of income groups diverge, which we can do by limiting the analysis to issues where preferences between two selected groups differ by, for instance, ten percentage points, as Gilens (2012) does. This is done in Table 3.2.

⁵³ To prevent clutter, confidence intervals are not included in the Figure.

Table 3.2: Logistic regression models of income groups when preferences diverge

	10 th vs. 90 th percentiles		50 th vs. 90 th percentiles	
	Model 4 (P10)	Model 5 (P90)	Model 6 (P50)	Model 7 (P90)
Preferences	1.010 (0.010)	1.057*** (0.014)	0.995 (0.013)	1.038** (0.017)
Constant	0.207*** (0.109)	0.020*** (0.015)	0.527 (0.363)	0.061*** (0.055)
Pseudo R ²	0.007	0.123	0.001	0.048
N	145	145	93	93

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed). Effects are displayed as odds ratios.

Strikingly, the preferences of the ninetieth income percentile continue to have a strong effect when they diverge from the tenth and fiftieth percentiles, while the effect of the latter's preferences is indistinguishable from zero. This suggests that median citizens in terms of income are only represented to the extent that they happen to agree with the rich. Another way to test this idea is to interact the preferences of, for instance, the ninetieth income percentile with the difference in opinion with the tenth percentile. This produces the same result: the ninetieth percentile continues to have a large effect regardless of the difference in opinion (with the interaction term being small and insignificant), while the tenth and fiftieth percentiles only have an effect when the difference in opinion is small (see online appendix 3C).

Figure 3.3 illustrates these findings by plotting the predicted probabilities of policy change at different levels of support among the fiftieth and ninetieth income percentiles when the difference in opinion between them is at least ten percentage points. This corresponds to models 6 and 7 presented earlier. The Figure shows that when median and high incomes disagree on a policy, the former no longer have a discernible effect on policy change, while the latter are still influential.

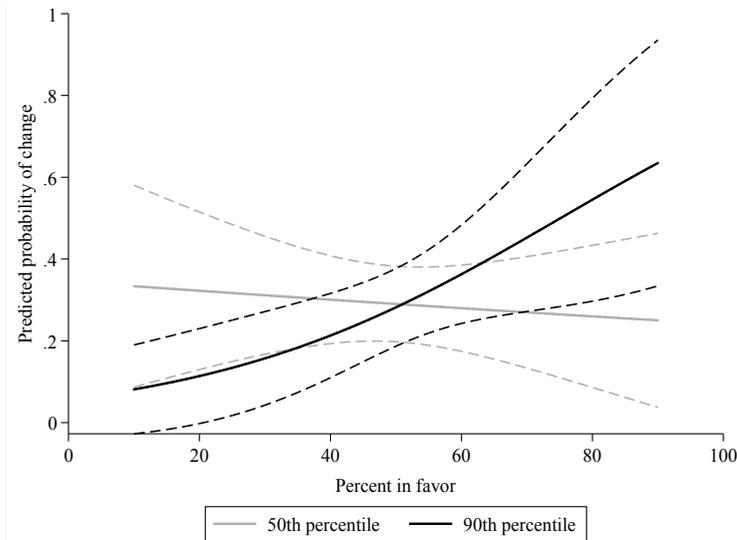


Figure 3.3: Predicted probability of policy change by income when preferences diverge (dotted lines indicate 95% confidence intervals)

Robustness checks

The main findings are strikingly similar to those of Gilens (2012) for the United States. Needless to say, it is important to check whether they are robust to alternative approaches and specifications. One such alternative approach is to use a different measure of unequal responsiveness, the so-called win rate (Branham, Soroka and Wlezien, 2017). Here, we only look at cases where a majority of one group is opposed to a policy change, while the majority of another group is in favor of it, or vice versa. Table 3.3 contains an example of this, comparing the win rates of low- and high-income citizens. When a majority of those with low incomes is in favor of change while high incomes are mostly opposed, the policy is enacted in three cases and not enacted in thirty-five cases. When the positions are reversed, the policy is enacted in ten cases and not enacted in sixteen cases. We can calculate each group's win rate by dividing their number of 'wins' by the total number of observations. This is thirty percent for low incomes and seventy percent for high incomes. Similar rates are obtained when we compare median and high incomes (respectively, thirty-three and sixty-seven percent). With the understanding that this measure underestimates unequal responsiveness because it disregards what happens at other places in the preference distribution other than the middle, and because any status quo bias provides a lower bound of 'wins' to both groups, this is in line with the findings presented earlier.

Table 3.3: Win rates of low- and high-income citizens

	Low favor, high oppose	High favor, low oppose	Total wins	Win rate (%)
Low win	3	16	19	30
High win	35	10	45	70

A second important robustness check is to control for individual-level variables that are correlated with income. The most essential of these is education because this plausibly meets the same three criteria for unequal representation as income. In line with this, some commentators have argued that Dutch politics is dominated by the higher educated, hypothesizing – but not testing – that this skews policy in their favor (Bovens and Wille, 2017; Hakhverdian and Schakel, 2017).

To control for education, I first calculate preferences at different education percentiles in the exact same way as was done with income. The most straightforward approach would then be to estimate a model of policy change with the preferences of, say, the ninetieth income and the ninetieth education percentiles, but this would be quite unstable given the high correlation between the two variables and the limited number of observations. What we can do, however, is interact the variables in the imputation procedure to obtain estimates of, for instance, highly educated and low-earning respondents. Using the same three groups as before (at the tenth, fiftieth and ninetieth percentiles), we get nine combinations of income and education, which can be entered in nine separate logistic regression models as predictors of policy change. The results of this are presented in Table 3.4, which contains the regression coefficients of each model. This shows that the effect of education is in fact larger than the effect of income. That is, increasing education within income groups leads to a larger increase in the odds ratio than increasing income within education groups. At the same time, policy responsiveness still increases with income when holding education constant, though as expected the effect is smaller than in previous models.⁵⁴

Table 3.4: Effects of education and income on policy change

	Education, P10	Education, P50	Education, P90
Income, P10	1.0077	1.0179 ^{***}	1.0274 ^{***}
Income, P50	1.0128 ^{**}	1.0242 ^{***}	1.0353 ^{***}
Income, P90	1.0166 ^{***}	1.0274 ^{***}	1.0361 ^{***}

^{*} $p < 0.10$, ^{**} $p < 0.05$, ^{***} $p < 0.01$ (two-tailed). Effects are displayed as odds ratios.

⁵⁴ The difference between the coefficients of the tenth and ninetieth income percentiles, within each of the education percentiles, falls short of conventional levels of statistical significance. However, the fact that preferences between the two groups often overlap, coupled with the limited number of observations, limits the practical significance of this finding. When the preference gap between the two groups exceeds ten percentage points, as in Table 3.2, the difference between the two coefficients is significant at $\alpha = 0.10$.

The main result holds up to a wide range of other specifications. For the sake of brevity, these will be discussed more briefly than the previous two robustness tests, with the full results being relegated to online appendix 3D.

First, perhaps citizens with high levels of income are more attentive to changing macroeconomic circumstances and adapt their preferences accordingly. If the same goes for policy makers, this could explain the positive association of income with responsiveness (see Iversen and Soskice, 2019, p. 25). However, controlling for economic growth, unemployment and the size of government debt, either at the time of the survey or the average of the four-year period following the survey, leaves the effects as they are. The same goes when controlling for the left-right position of the government, again either at the time of the survey or over the years following it (online appendix 3D, Tables 3D.1–3D.2). Controlling for the year of the survey does not change the effects either (online appendix 3D, Tables 3D.3–3D.4).

Another possibility is that the effects are driven by one of the survey organizations that gathered the original data, perhaps because of the kinds of questions they ask. This does not appear to be the case, since either including dummies for the large survey organizations or excluding them one by one does not affect the results (online appendix 3D, Tables 3D.5–3D.6). Excluding survey questions about government spending, since spending is somewhat noisy as a measure of policy change (as discussed in the previous chapter), also has little effect on the regression coefficients (online appendix 3D, Tables 3D.7–3D.8).

The results could also be driven by outliers, particularly given the modest number of observations. However, if the analyses in Table 3.2 limited to issues where preferences diverge by more than ten percentage points but less than twenty-five percentage points, the findings do not change (online appendix 3D, Tables 3D.9). Furthermore, measuring low income as the fifth or twentieth percentile, and high income as the ninety-fifth or eightieth percentile, produces results that are in line with those presented earlier (online appendix 3D, Tables 3D.10–3D.11). Finally, using alternative estimators (ordinary least squares and probit) and using either robust or clustered standard errors (by year) does not lead to different conclusions either (online appendix 3D, Tables 3D.12–3D.17).

Causal mechanisms

The previous analyses have unearthed strong evidence of unequal policy responsiveness. I now turn to three potential explanations of this finding, namely political participation, descriptive representation and interest-group lobbying. To test whether the positive effect of income on policy responsiveness is mediated by political participation, I look at voting

behavior. Of course, voting is only one form of political participation, a form that differs from others by being more widespread and less strongly associated with socioeconomic characteristics (Bovens and Wille, 2017). Moreover, measuring voting behavior in surveys can suffer from over-reporting (Bernstein, Chadha and Montjoy, 2001). Both may lead to an underestimation of the mediating role of participation. At the same time, voting is an act with obvious significance in the process of representation and may also act as a proxy for more intensive forms of participation with which it is strongly correlated.

Of the 291 observations, 235 (or eighty-one percent) are taken from surveys that ask respondents either whether they voted in the previous national election or whether they intend to vote in the next national election. Hence, it is possible to calculate the preferences of self-identified voters and non-voters, interacted with income, for these 235 observations. Doing so reveals, first, that responsiveness is stronger for voters than non-voters at each income percentile. For voters at the fiftieth income percentile, for example, an increase in support of one percent multiplies the odds of a policy change being enacted by about 1.026 ($p = 0.001$). For non-voters at the fiftieth percentile, this is only 1.014 ($p = 0.032$). However, when estimating a model with the preferences of low-income voters and high-income non-voters as independent variables, the effect for high-income non-voters stays intact (OR = 1.018, $p = 0.038$), whereas the effect for low-income voters disappears (OR = 1.003, $p = 0.759$).⁵⁵ This suggests that controlling for voting at national elections does not eliminate the income bias in responsiveness. In fact, it is more important to have a high income than to vote when one wants their views to be implemented.

The second potential mechanism assumes that politicians' personal backgrounds align more closely with the top of the income distribution than the bottom, and that this informs their views and actions. Testing this mechanism is hampered by the fact that, as mentioned earlier, I know of no effort to collect information on politicians' (previous) income or wealth in the Netherlands. However, we do have information on the previous occupation of all those who entered the Second Chamber of parliament between 1994 and 2012 (Mügge *et al.*, 2019). I use this to derive estimates of socioeconomic status with the index of Ganzeboom *et al.* (1992). This measure is based on the occupation's income, education level and prestige. On the one hand, this is only an approximation of the purely economic backgrounds of representatives. On the other hand, the other parts of this index may by themselves also affect one's political views (Carnes, 2013), potentially making this an easier test of this mechanism.

Between 1994 and 2012, 549 different people served in the Second Chamber of the Dutch parliament. 364 of these, or two-thirds, had professions that are classified as managers by the

⁵⁵ These two variables share a correlation of 0.68, which is sufficiently low to avoid problems of collinearity.

2008 International Standard Classification of Occupations. Many in this group were already active in politics, for instance, on the municipal level. Another 157 (twenty-nine percent) were professionals, often in the field of policy administration. This leaves only twenty-eight (five percent) for the remaining categories. In comparison, only seven percent of the Dutch labor force were managers and seventeen percent were professionals between 2003 and 2012 (Statistics Netherlands, 2018).

The next question is whether this skew in socioeconomic class affects substantive representation. If so, it seems likely that it does so by affecting parliamentarians' policy views. On the mass level, the association between socioeconomic status and policy views is quite clear. In the European Social Survey for the Netherlands, going from the lowest status to the highest status decreases support of reducing income inequality by 0.6 points (on a scale from one to five). It also increases support for European unification by 1.5 points (on a scale from zero to ten) and increases support for immigration by 1.6 points (on a scale from zero to ten).⁵⁶

To find out whether the same association holds on the elite level, I match parliamentarians' previous occupation to elite surveys conducted by Rudy Andeweg in 1990, 2001 and 2017. In this data, however, socioeconomic status is not as clearly related to parliamentarians' responses to survey questions about reducing income inequality, European unification and immigrant integration (Table 3.5).⁵⁷ The only possible (and intrinsically important) exception is the first, where going from the near-lowest status to the highest status in the sample decreases support for reducing inequality by 0.5 points (on a scale from one to seven), though this effect falls short of statistical significance.⁵⁸ Of course, the limited variation in socioeconomic status on the elite level makes it harder to find a significant effect. Still, the mechanism of politicians' personal background is not clearly supported in this analysis.

⁵⁶ These estimates are based on a combined dataset of all European Social Survey rounds between 2002 and 2012, with dummies for each wave and using post-stratification weights. The full text of the survey questions is as follows: "Using this card, please say to what extent you agree or disagree with each of the following statements. The government should take measures to reduce differences in income levels"; "Now thinking about the European Union, some say European unification should go further. Others say it has already gone too far. Using this card, what number on the scale best describes your position?"; "And, using this card, would you say that the Netherlands' cultural life is generally undermined or enriched by people coming to live here from other countries?"

⁵⁷ All three variables are measured on a scale from one to seven. The text of the survey questions is as follows: "How would you place yourself on a line from one to seven, where one means differences in income should be increased and seven means that differences in income should be decreased?"; "Where would you place yourself on a line from one to seven, where one means that the European unification should go even further and seven that the unification has already gone too far?"; "Where would you place yourself on a line from one to seven; one meaning preservation of own culture for foreigners and seven meaning that they should fully adapt [to Dutch culture]?"

⁵⁸ This estimate is not based on the very lowest status because there are a handful of negative outliers. Instead, the 'near-lowest' value is a socioeconomic status of forty-three on a scale from zero to hundred, which is the second percentile.

Table 3.5: Linear regression models of elite policy views by socioeconomic status

	Model 8 (Redistribution)	Model 9 (EU unification)	Model 10 (Integration)
Socioeconomic status	-0.012 (0.010)	0.004 (0.010)	-0.006 (0.009)
Year dummies	Yes	Yes	Yes
Constant	5.758*** (0.688)	3.070*** (0.706)	4.758*** (0.607)
R ²	0.013	0.063	0.004
N	302	303	302

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

The role of interest groups, finally, is hardest to assess, largely because most of the surveys used in the main analysis do not contain questions on interest-group membership. Nevertheless, previous research provides some indications as to the importance of interest group in bringing about unequal responsiveness. Starting with civil society groups, research by Hanegraaff et al. (2018) shows that citizens who are higher educated, older and male are overrepresented among members of interest groups in the Netherlands. Given the positive association of all these factors with income, the same membership bias is likely to exist between rich and poor citizens. The bias is not amplified in the next step of the policy process, in the sense that interest groups with more privileged membership profiles are not consulted more often by policy makers, but it is not decreased either (Hanegraaff, Berkhout and Van der Ploeg, 2018). Furthermore, in organizations with members from different economic strata, the rich may be more influential in setting the interest groups' agenda than the poor (Strolovitch, 2006).

It would appear very plausible that civil society groups contribute to unequal responsiveness, if it was not for one factor: mass-based interest groups may not actually influence policy (Lowery, 2013). To the extent that these groups have any influence, this is mostly confined to non-salient policy changes, where the total number of actors fighting over the direction of policy is small. However, the policies I analyze here do not fall into this category, as they were all prominent enough to be included in national surveys and were usually actively debated in the media and the political sphere. Since the general public can hardly be expected to know and care about what are often minor policy changes, the role of civil society groups in fostering unequal responsiveness – or any kind of responsiveness – is very much in doubt. In contrast, corporate lobbying provides a more plausible explanation of biased responsiveness, for several reasons. First, corporations are overrepresented among interest groups in the Netherlands. In this sense, the Netherlands is similar to other European countries, as well as the European Union (Berkhout, Hanegraaff and Braun, 2017). Second, and in line with this, the corporatist tradition that aimed to balance the demands of labor

and capital is showing clear signs of decline in the Netherlands. One of these signs is that corporations have become the dominant actors in parliamentary hearings since the 1990s, dwarfing the presence of unions (Aizenberg and Hanegraaff, 2020). Another suggestive piece of evidence is that the policies announced in Dutch coalition agreements have, in the past three decades, led to a lower tax burden on corporations than what was planned in the programs of the coalition parties. The opposite applies to the tax burden on labor. In other words, corporations apparently have a way to shift policy proposals in their favor during the formation of a coalition government (Bolhuis, 2018). All of this is still a long way from proving that policy change is decisively affected by corporate lobbying, but the existing findings are at least consistent with it.

3.5 CONCLUSION

This chapter has explored unequal responsiveness in the Netherlands. Based on an analysis of 291 potential policy changes between 1979 and 2012, it finds, first, that there are vast inequalities in the substantive representation of rich and poor citizens. Even in separate, bivariate models, the effect of preferences on policy changes increases with income. Furthermore, when preferences diverge, citizens with low or median levels of income have no discernible effect on policy, while the effects remain strong for the ninetieth percentiles of income. This finding, which mirrors Gilens' (2012) conclusions for the United States, may come as a surprise. But even in a relatively egalitarian and inclusive context such as the Netherlands, there are clear biases in government responsiveness. The main hypothesis, hence, finds substantial support in the best and substantial body of available data.

The second and more exploratory part of the analysis considered three potential causal mechanisms behind this income bias in representation: political participation, descriptive representation and interest-group lobbying. Such exploration yields mixed but important results about the roots of the manifestly unequal representation. Political participation, measured in this chapter as voting during national elections, does seem to matter, but it cannot fully account for the gap in responsiveness. The expectation from the literature on descriptive representation, i.e. that the socioeconomic status of parliamentarians can predict their policy views, was not supported, though this test was necessarily weak given the limited variation in the independent variable. Finally, there are strong reasons to think that a third major mechanism, lobbying activity by corporations, substantially contributes to unequal policy representation, with civil society groups playing a subordinate role.

To sum up, the previous chapter found evidence for unequal representation for one policy area in many countries, while this chapter found similarly supportive evidence for many policy areas in a single, least-likely country. Combined, this represents strong support for the notion that high-income citizens are more influential in the policy process than middle- and low-income citizens. This conclusion applies to many established democracies, to various policy areas and to different time periods. While this is a very significant insight, it naturally raises the question how this inequality in representation can be explained. I have already considered some possible answers in this chapter, but this line of inquiry is still suggestive and incomplete at this stage. The second half of this dissertation is devoted to exploring the causal mechanisms behind unequal representation, starting with an analysis of political parties as intermediaries between public opinion and policy.

CHAPTER 4

Unequal Representation in Party Platforms

4.1 INTRODUCTION

In this chapter, I turn my attention to the role of political parties in creating the unequal policy representation which the previous chapters have demonstrated. Political parties have long been a fundamental institution in democratic theory and practice, and for that reason they are central to the study of general representation. Given the role of parties as the vehicle that translates citizen demands into policies, it is equally sensible and pertinent to incorporate parties into the analysis of unequal representation. The question that guides this chapter is whether unequal responsiveness to rich and poor citizens is already present at an early stage in the policy process, namely in the election manifestos of parties. Furthermore, I consider differences in biased representation between left and right parties.

Such an analysis of income inequality in party responsiveness makes two contributions to the literature on unequal representation. First, it clarifies a major link in the chain of representation and therefore adds to our knowledge of the relevant causal mechanisms. Second, the existence of large-scale data on party platforms allows for an investigation of representation in a broader array of countries, years and policy areas than would be possible by looking at policy outcomes. We may say, hence, that this analysis adds both *depth* and

breadth to the existing literature.

Focused on links between party positioning and public attitudes, the chapter develops several hypotheses. The first hypothesis centers on political responsiveness averaged across party platforms to the demands of rich and poor citizens. I hypothesize that the structural and instrumental privileges that wealthier voters command in a polity should lead to a pattern where parties on average respond more to the wants of wealthier than of poorer voters. A further set of hypotheses moves beyond the pooling of all parties and focuses instead on responsiveness of particular party types. I hypothesize that left and right party families can be expected to mirror the expressed wants of some voters more than others, in line with the respective constituencies of these party families. Hence, left-oriented parties can be expected to more strongly take up the wants of poorer than of richer voters, whereas right-oriented parties can be expected to more strongly champion the wants of richer than poorer voters. Even if differences in party families do not manifest themselves in such strong contrasts, I in any event expect that any privileged representation of richer voters (poorer voters) should be more modest (stronger) among left than among right parties.

These expectations are tested by matching data on individual-level public opinion to party-year data on party platforms. Drawing on a range of multi-country survey instruments – including multiple waves of the International Social Survey Programme (ISSP), Comparative Study of Electoral Systems (CSES) and Asiabarometer Survey (ABS) – I gauge support, across various points on a country-year's income distribution, for a range of policy issues ranging from education to environmental regulation. These measures of individual-level support in a given country-issue-year can then be matched to measures of political parties' electoral platforms in that country-issue-year. To do so, I draw on the Manifesto Project Database (MPD), gauging a party platform's attention to a given issue and direction of proposed policy development. Given the reach of these two datasets, the analysis can cover a substantial period of time, 1985 through 2015, in a substantial swath of thirty-eight countries – a larger empirical sample than previous studies of unequal representation.

This investigation provides substantial empirical support for both sets of expectations about responsiveness in party platforms. I find in general that the average weight of public opinion tends to get taken-up or at least mirrored in party positions, averaged across parties and issues. I also find, however, that parties mirror or take-up the preferences of wealthier respondents more than those of poorer respondents. Focusing on the patterns across party families, I find clear differences in the responsiveness of left-wing parties compared to more right-wing parties. Against my expectations, both left-wing and right-wing parties appear

to respond or mirror more closely the preferences of wealthier than poorer respondents. But this pattern is substantially less skewed than applies to right-wing parties. As expected, hence, left-wing parties take positions that more closely mirror or respond to the preferences of poorer respondents, and less closely mirror preferences of richer respondents, than do right-wing parties. And right-wing parties display more unequal responsiveness compared to the general average or to left-wing parties, and there is even some evidence that they not only ignore but go against the wants of poorer respondents. Altogether, the study provides substantial evidence that the party road to substantive representation is a meaningful one, but it is a winding one, with faster and easier routes for wealthier than poorer citizens.

4.2 FRAMEWORK

As noted in earlier chapters, previous studies of unequal representation have uncovered strong evidence that American politics is biased in favor of the demands of the rich. However, there are still questions regarding the generalizability of the dominant finding based on patterns in the United States to other polities, and regarding the causal mechanisms that underlie unequal representation. In other words, the current literature is limited in *breadth* and *depth*.

In terms of depth, the focus on correlational links between political outcomes and policy preferences across the income spectrum leaves ambiguous what the basis of unequal substantive representation might actually be. As I discussed in the introductory chapter, the studies that have explored possible mechanisms have been contained to clarification of U.S. experience, with the cross-national studies of unequal representation articulated with very little attention to mechanisms. The result of this lack of depth with respect to identifying and empirically exploring mechanisms is that it is unclear what the basis of a given responsiveness problem actually is. This in turn makes it hard to know where to focus one's energies to reform democratic processes towards improved representation.

Existing studies tend also to have an important shortcoming in terms of *breadth*. In this regard, the ongoing problem remains that the research designs linking survey-data to data on policy outcomes have limited degrees-of-freedom in terms of cross-national, cross-issue and over-time variation, which hampers causal inferences about representation. While chapters 2 and 3 represent clear advances in this regard, they do illustrate a common trade-off: some studies analyze many policy areas within one country (Gilens and Page, 2014; Elsässer, Hense and Schäfer, 2017; Persson and Gilljam, 2017), while others analyze one policy area in many

countries (Bartels, 2015; Peters and Ensink, 2015). To truly gauge the empirical reach and robustness of apparent unequal representation, both in geographical terms and in terms of policy issues, an analysis of many policy areas in many countries would be preferable.

An important place to begin such broadening and deepening of unequal representation is to explore the extent to which political preferences of rich and poor voters are actually reflected in subsequent party platforms on various policy areas. This argues in favor of combining the literature on unequal representation with the substantial literature on party responsiveness. The latter has explored many important questions, key among which is whether parties in the aggregate respond to citizens' policy preferences and priorities. Here, many studies have presented supporting evidence for such responsiveness (e.g. Dalton, 1985; Miller *et al.*, 1999; Adams *et al.*, 2004). Subsequent studies have expanded on this by asking whether responsiveness differs by party type (Iversen, 1994a, 1994b; Adams, Haupt and Stoll, 2009; Klüver and Spoon, 2016), by election type (Spoon and Klüver, 2014), by dimension of political competition (Mattila and Raunio, 2012; Dalton, 2017) and – to a limited extent – by citizens' characteristics (Adams and Ezrow, 2009; McEvoy, 2012; Dolný and Baboš, 2015).

Surprisingly, however, these studies on various aspects of party responsiveness have said very little about the possibility of economic-based inequality. The conceptualization of opinion has not, for instance, considered how the role of economic inequality might bring about party responsiveness. A partial, important exception is the study of Giger, Rosset and Bernauer (2012) into variation in ideological congruence by income tercile, but this study provides a very limited reach in time and number of countries. More importantly, its focus on left-right placements for parties and citizens has many shortcomings. Among other things, the left-right scale may confuse consistency with extremity (Broockman, 2016), it can mean different things to different groups in society (Bauer *et al.*, 2017) or change in meaning over time (De Vries, Hakhverdian and Lancee, 2013), and it can lead to overly rosy conclusions about the quality of representation (Schakel and Hakhverdian, 2018).⁵⁹

I argue that an important part of political representation involves party responsiveness to wealthy and poor citizen preferences. Two reasons, in particular, make it important to study unequal representation at the level of political parties. The first is one that is shared with all studies of party representation, namely that parties are the primary vehicle by which popular demands are aggregated and translated into policy. As a result, they potentially form a major avenue for reform to remedy any defects in representation.

⁵⁹ The introductory chapter contains a more extensive discussion of ideological indices like the left-right scale. To be clear, I am not arguing that the left-right scale is useless; in fact, it plays a large role in this chapter. Instead, I question the value of the left-right scale *as a measure of representation*.

Secondly, election manifestos signify political parties entering the electoral arena, and here they have a clear incentive to appeal to as many potential voters as possible. Once parties enter the parliamentary arena and, in some cases, the governmental arena, their actions become much less public. This is the stage in which possible backdoor lobbying takes place, where politicians may be aided or frustrated by rich individuals or interest groups in the process of designing, passing and implementing policy. Of course, these lobbying practices may not be equally present in all times and places, and one can also imagine this offering access to groups that represent the demands of the poor. Still, it is likely that, if we find evidence of unequal representation in party platforms, this will be amplified further in the policy process.⁶⁰

This, of course, begs the question whether election promises can be expected to be biased towards the preferences of the rich. I argue that, despite different parties having different electorates and potentially different motives, the positions advanced by all parties in the aggregate can be expected to cater more strongly to the wealthy than to the poor. Simply put, the rich possess more resources that can be expected to help parties win a favorable election outcome. This is most obvious in settings where citizens with high incomes can donate money to political campaigns (Rigby and Wright, 2013). Even in more encompassing, inclusive democratic systems, however, high-income citizens can command more political resources than low- and middle-income citizens in the form of political participation, political information, ties to powerful interest groups and structural power as employers and investors (Block, 1977; Gallego, 2007; Carroll, Fennema and Heemskerk, 2010; Marien, Hooghe and Quintelier, 2010).

Furthermore, it is perfect possible – indeed, very plausible – that biased responsiveness takes place within specific sections of the electorate. For example, a socialist party may listen more to high-income socialist voters than to low-income socialist voters. Both may be below the median income in a given country-year. However, if this same bias applies to most parties, the result is that party platforms in the aggregate reflect the views of the rich more than the views of the poor. These considerations underlie the first hypothesis, a general expectation of income inequality of representation in party position-taking of all parties on average:

Hypothesis 1: Party platforms generally mirror the policy wants of wealthier voters more strongly than the policy wants of poorer voters.

This first hypothesis is relevant to a general sense of how a party system can be expected

⁶⁰ One suggestive piece of evidence in support of this comes from an analysis of coalition agreements in the Netherlands by Wiemer Bolhuis (2018). Bolhuis shows that these coalition agreements have, in the past three decades, led to a lower tax burden on corporations than what was planned in the programs of the coalition parties. The opposite applies to the tax burden on labor.

to react to the wants of rich and poor citizens. But of course, such a net or bottom-line portrait paints over differences between particular parties that surely color the substantive representation in the position-taking of parties. The second set of hypotheses, hence, focuses on the substantive responsiveness of particular party families. I expect, in particular, that left and right party families take up the expressed demands of some voters more than others, reflecting the respective constituencies of these party families. The difference between party families, and indeed between any given party in a given election cycle, is a complex matter, which belies attempts to pigeon-hole party families. Broad and basic cleavages can be identified, however. And these matter for understanding the basic party-political road to substantive representation.

Left parties and right parties can be expected to have quite different constituencies with respect to positions along the polity's income spectrum. The character and potential multidimensionality of left and right positioning of voters and parties in advanced democracies continues to fascinate comparativists (Kriesi *et al.*, 2008; Van der Brug and Van Spanje, 2009; Hooghe *et al.*, 2010; Bakker *et al.*, 2015). Surviving across waves of changes in the ideological landscape, a number of differences should still cleave left and right parties and their representation across the socioeconomic spectrum. On the economic dimension, egalitarianism and pro-state interventionism to promote economic equality remains a central dividing line between left and right (Korpi, 1983; Castles and Mair, 1984; Boix, 1998). Left-wing voters and parties embrace interventionist government policies, both macro- and micro-economic, to regulate and humanize market economies and promote egalitarianism and wellbeing of the poor (Bobbio, 1996; Fehr, Naef and Schmidt, 2006). Right-wing voters and parties, meanwhile, tend not just to reject the importance of such egalitarianism or the needs of the less-well-off, but in any event to be skeptical about the efficacy and equity of statist economic intervention. And on the more cultural and nationalist-cosmopolitan dimension, left-wing and right-wing parties can be expected to differ substantially on immigration, integration, cultural nationalism and status roles with respect to gender, class, ethnicity and sexuality (Hooghe *et al.*, 2010; Burgoon, 2013; Van Elsas and Van der Brug, 2015; Rooduijn *et al.*, 2017).

Lest these differences between left-wing and right-parties seem self-evident or perhaps even true by definition, it is worth pointing out that this is actually not the case. Some authors posit that different party families have converged to a common position, with pressures emanating from economic globalization often invoked as the source of this convergence (Cusack, 1997, p. 379). And as we have seen in the introductory chapter, there are several studies of unequal representation in the United States which conclude that the right-wing

Republican party does a better job of representing the poor than does the relatively more left-wing Democratic party (Gilens, 2012, pp. 178–192; Hayes, 2013), even in campaign platforms (Rigby and Wright, 2013).

Nevertheless, I expect that the traditional differences between left-wing and right-wing parties matter to substantive responsiveness in the party systems of industrialized democracies. Left-oriented parties can be expected to more strongly mirror the wants of poorer voters, indeed championing economically egalitarian goals through the policy spectrum with respect to economic and social policy areas. Conversely, right-oriented parties can be expected to focus more on the needs of wealthier constituents, and to champion wants of these voters again throughout the range of policy realms on which parties take stances. Even if differences in party families do not manifest themselves in strong contrasts, however, I expect that any privileged representation of richer voters (poorer voters) should be more modest (stronger) among left than among right parties. Such reasoning supports three hypotheses about left- and right-wing party families. The first is the most general:

Hypothesis 2a: Left-wing parties have platforms that express less privileged responsiveness to richer voters (and less under-responsiveness of poorer voters) than do right-wing parties.

One can also deduce stronger versions of this hypothesis focused on starker differences in the responsiveness of left-oriented versus right-oriented parties. One might expect, in particular, that the left favors the poor *over* the rich, while the right favors the rich *over* the poor, *ceteris paribus*. If so, there are two stronger variants of the second hypothesis:

Hypothesis 2b: Left-oriented parties can be expected to more strongly take up or mirror the wants of poorer rather than of richer voters.

Hypothesis 2c: Right-oriented parties can be expected to more strongly champion the wants of richer than of poorer voters.

Note that hypothesis 2a describes a necessary condition for hypotheses 2b and 2c to apply. If 2b and 2c are supported, the same automatically goes for 2a, but the reverse is not necessarily true.

Many other more fine-grained hypotheses are conceivable, for instance hypotheses about particular party families or sub-families, about particular issue areas, and about possible conditions that plausibly (*ex ante*) moderate links between opinions and party positioning.

But I take the above hypotheses as the major, if broad, starting points to better understand substantive representation via parties. The four hypotheses, as stated, can be operationalized in many ways, varying by conceptualizations of particular party families, of issue areas, and of positions on the income spectrum and of public opinion. I consider such nuances as (important) matters for the empirical enterprise of this study.

4.3 DATA AND METHODS

To analyze the hypotheses above, I match multiple datasets on citizen attitudes towards specific policies to high-quality data on party positions towards such policies. The combination allows me to explore a number of politicized policy issues in a substantial cross-section of countries over a substantial time period. The resulting dataset involves a large sample of country-year-issues that provide leverage to judge both the hypotheses on party-system responsiveness and on left and right party families.

Independent variables

Citizen attitudes are gathered from several sources, the most prominent of which is the International Social Survey Programme (ISSP), in particular the ISSP's repeated Role of Government modules, included in four waves so far (in 1985, 1990, 1996 and 2006).⁶¹ These modules contain questions on various policy preferences. The most useful, repeated questions ask respondents whether they want to see more or less government spending in different areas.⁶² I have already used this module in chapter 2, and since I treat the data in much the same way here, I will be briefer on some points relating to the operationalization. In contrast to chapter 2, I use a wider range of questions, regarding culture and the arts, defense, education, the environment, law and order, and the welfare state. Furthermore, the same question battery was included in the fourth wave of the Comparative Study of Electoral Systems (CSES), conducted between 2011 and 2016, and the 2003 wave of the Asiabarometer. These were also added to the dataset whenever they could be matched to the dependent variable. Table A4.1 in the appendix lists the countries and years used in the analysis.

Two points about the policy issues in the survey questions should be noted. Firstly, the CSES does not contain items on culture and the environment, so I only match the remaining four items to the dependent variable. Secondly, there is not one overarching question on spending preferences with regard to the welfare state. Instead, there are three questions that cover three core parts of the welfare state: pensions, unemployment and healthcare. Since

61 The module was also included in the 2016 survey, but this is too recent to match to the dependent variable.

62 The specific wording is: "Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area. Remember that if you say 'much more', it might require a tax increase to pay for it."

the Manifesto Project Database (the basis of the outcome variables to be discussed below) only has one category covering the welfare state, and since these three parts tie in well with the content of this category, I use the unweighted mean of the three items as measures of welfare state preferences.

The interpretation of these survey questions is much the same as in chapter 2. While the nominal focus of the questions is on spending, and this is not problematic per se for my purposes, it is likely that responses to the question are not purely based on spending preferences. That is, the most likely interpretation by lay-citizens confronted with such a survey question does not involve complicated fiscal calculations but rather a simple judgment of whether there should be more or less policy in a certain area.⁶³

When it comes to measuring preferences for more or less policy at different levels of the income distribution, I use the same procedure as in chapter 2. Throughout the analysis, I focus on two different conceptions of low versus high income positioning: the first versus fifth quintiles, and the tenth versus ninetieth percentiles.⁶⁴ Like in chapter 2, the preferences can theoretically vary between -100, denoting unanimous support for much less spending among a given income group, and 100, denoting unanimous support for much more spending.

As a descriptive overview of the opinion measures, Figure 4.1 presents the sample means for the tenth and ninetieth income percentiles pooled across all sampled country-years (ordered by the tenth percentile mean).⁶⁵ This reveals, firstly, that there are clear differences in support for spending across issues. Education in particular stands out as a policy area with strong support for increased spending, while in most country-years, respondents would like to see less defense spending. Secondly, preference gaps between rich and poor are most pronounced for defense, the environment and especially the welfare state, whereas no clear differences are discernible for education, crime and culture. In light of the estimation, it should be noted that preferences are not completely collinear for the latter issues; it is simply the case that the difference between rich and poor is positive in some country-years and negative in others. Finally, two reassuring conclusions may be drawn from the figure: respondents do not mindlessly favor increased spending across the board, as judged from the variation between issues, and the preferences of low incomes are not necessarily less ‘realistic’ than those of high incomes, as judged by the fact that the former do not systematically favor more spending than the latter.

63 For the sake of brevity, I will still refer to the independent variables as spending preferences in some places.

64 Since chapter 2 showed that the other measures – the first versus third terciles and the fifth versus ninety-fifth percentiles – led to much the same findings, I do not present these in the text here. Additional analyses show that the main findings of this chapter are reproduced with those measures (results available upon request).

65 Following my recoding, the means can theoretically vary between -100, denoting unanimous support for much less spending, and 100, denoting unanimous support for much more spending.

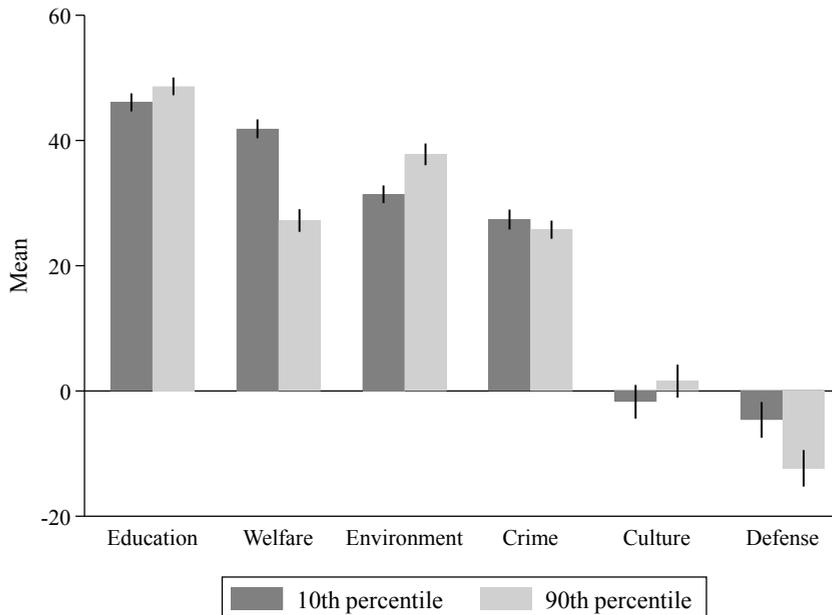


Figure 4.1: Mean spending preferences of low and high incomes by issue (error bars indicate one standard error above and below the mean)

Dependent variables

The dependent variables consist of party positions on the same issues as discussed above. For this, I turn to the data of the Manifesto Project Database (MPD) (Klingemann *et al.*, 2007). The MPD uses content analysis to code the percentage of quasi-sentences in party manifestos devoted to a range of topics. In this case, I use the percentages devoted to the issues of culture, defense, education, the environment, law and order, and the welfare state, that closely match the independent variables. Combining the survey data with the MPD produces a dataset with thirty-eight countries, ninety-one country-years and 493 country-year-issues. In comparison, the data used in chapter 2 included twenty countries, forty-four country-years and 130 country-year-issues.

Though some parts of party programs are retrospective, reflecting on past developments, they are mostly *prospective*, laying out the party's plans for the future (Dolezal *et al.*, 2018; Müller, 2018). Furthermore, the MPD not only records direct mentions of spending increases in each area, but also more general increases in policy activity, like the protection of natural resources under environmental policy. For both reasons, the MPD fits well with the measures of public opinion, such that we may expect a preference for increased spending in a certain area to lead to increased attention by parties in that same area. In other words, both the

independent and dependent variables are measured in terms of levels, but they measure demands for, and plans for, future changes.

For three of the six issues – defense, education and the welfare state – the MPD codes positive references (e.g. more spending) as well as negative references (e.g. less spending). In those cases, the dependent variable subtracts the negative references from the positive ones. For the other three areas, only positive references are recorded and the dependent variable only consists of these. Though this may seem problematic, negative references are very rare on the three issues where they are coded, so it makes little difference to the measures either way. It seems that a party which wants to cut back the welfare state, for example, does not talk a lot about cutting welfare in their program but simply does not talk about the welfare state at all (Klingemann *et al.*, 2007).

To go from the percentages in the MPD to the main dependent variable, I first calculate the average attention devoted to each issue in each country-year, weighted by the seat share of the parties. Within each party, linear interpolation is used to estimate how relative attention shifts between elections. Next, I take the natural logarithm of this average and subtract the natural logarithm of the negative attention whenever available (adding 0.5 to both to avoid zeroes) (see Lowe *et al.*, 2011). Though the logarithms are more difficult to interpret, they neatly transform the dependent variable into a normal distribution. The same dependent variable is also calculated separately for left-wing parties and right-wing parties. Left-wing parties are those grouped under the social democratic, socialist and ecologist party families in the MPD, while liberal and conservative parties are right-wing.

In the baseline models, the dependent variable is measured one year after the survey. The reasoning here is that, although it takes some time for parties to respond to public opinion, responsiveness in party platforms can occur quicker than responsiveness in policy outcomes. In studies that focus on the latter, including chapters 2 and 3, a lag of four years or more is common (e.g. Gilens, 2012; Wrátil, 2019). As control variables, I again include factors that may correlate with both the measured citizen attitudes and party positions. These include GDP per capita (measured in constant 2010 U.S. dollars), annual growth in GDP per capita, unemployment rate and dummies for both the issues and survey years. Descriptive statistics for the dependent, independent and control variables are provided in Table A4.2 of the appendix.

The baseline models are two-level random intercept models, with country-year-issues as units and countries as clusters (as in Schakel, Burgoon and Hakhverdian, 2020). I test for

unequal representation by focusing in the baseline estimations on the roles of low- and of high-income attitudes in separate models and also combined, so as to consider their relative correlation with subsequent party positions. All models have robust-clustered standard errors (clustered by country, the level 2 variable) to address remaining country-specific correlation of errors and heteroscedasticity. The same setup will be used to explore differences between left- and right-wing parties. The last set of specifications focuses on important alternatives to these baseline models. These include alternative measures of unequal representation, such as direct measures of arithmetic differences between rich and poor attitudes. But the alternative models also include different specifications with respect to controls, embedding of the multi-level data, and alternative estimators.

4.4 FINDINGS

Before presenting the main analysis, I note that the preferences of citizens in general, captured by focusing the average attitudes of all respondents or attitudes of those with median incomes, do tend to correlate with party platforms on a given issue. In supplementary analysis of general representation,⁶⁶ I find that a one-standard-deviation increase in preferences leads to an increase in party attention of one third of a standard deviation ($p < 0.01$). This corroborates the findings of previous work on party representation, discussed above, that many party systems provide party responsiveness to median voter preferences. Such patterns increase my confidence in the validity of the current data and approach to explore inequalities in responsiveness.

Baseline models

Table 4.1 introduces the main results testing hypothesis 1 – that party positions on issues will tend to be more responsive to the issue-specific wants of rich than of poor voters. The Table summarizes the baseline models with two different measurements of low and high incomes: the tenth and ninetieth percentiles (models 1–3) and the first and fifth quintile (models 4–6). The general picture emerging from both is the same: in separate models, both low incomes and high incomes have an effect on party attention, but this effect is stronger for the latter than the former. Crucially, when both are included in the same model, the effect stays significant for high incomes but drops sharply for low incomes. This shows a clear income bias in party representation, in line with hypothesis 1.

⁶⁶ Since such general representation is not the subject of my hypotheses, the full results are relegated to online appendix 4A (Table 4A.1).

Table 4.1: Random intercept models of logged party attention, $t+1$

	Model 1 (P10)	Model 2 (P90)	Model 3 (P10/P90)	Model 4 (Q1)	Model 5 (Q5)	Model 6 (Q1/Q5)
Low income preferences	0.009*** (0.002)	-	-0.006 (0.005)	0.009*** (0.002)	-	-0.004 (0.005)
High income preferences	-	0.012*** (0.002)	0.017*** (0.005)	-	0.012*** (0.002)	0.015*** (0.005)
Logged GDP (t)	0.036 (0.069)	0.092 (0.072)	0.092 (0.072)	0.036 (0.069)	0.087 (0.072)	0.087 (0.071)
Growth (t)	0.001 (0.012)	0.001 (0.012)	0.000 (0.012)	0.001 (0.012)	0.001 (0.012)	0.000 (0.012)
Unemployment (t)	-0.008 (0.008)	-0.005 (0.007)	-0.004 (0.007)	-0.008 (0.008)	-0.005 (0.007)	-0.004 (0.007)
Issue dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	wYes	Yes	Yes	Yes	Yes	Yes
Constant	0.483 (0.711)	-0.112 (0.753)	-0.142 (0.757)	0.484 (0.714)	-0.061 (0.750)	-0.077 (0.754)
N	493	493	493	493	493	493
Countries	38	38	38	38	38	38
AIC	917.26	896.40	895.36	916.38	897.88	898.41

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

Figure 4.2 displays the marginal effects of the tenth and ninetieth income percentiles, corresponding to model 3 in Table 4.51 (P10/P90). Other variables are held at their means. This underlines the finding that preferences of low-income respondents have no independent effect on the dependent variable, while the preferences of high-income respondents *do* have a strong effect.

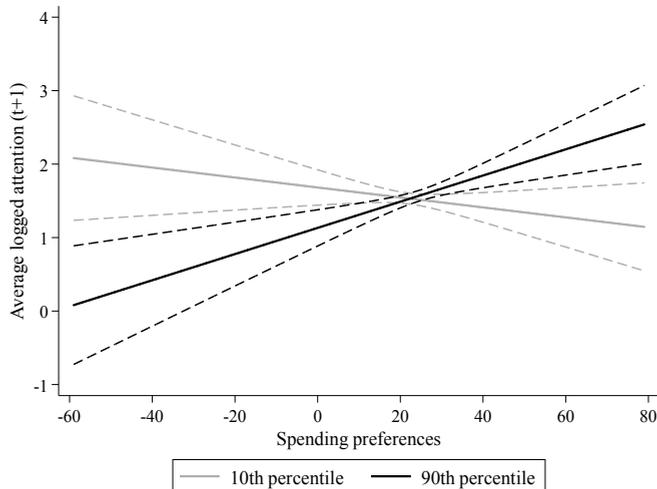


Figure 4.2: Predicted values of party attention by spending preferences of low- and high-income groups (shaded areas indicate 95% confidence intervals)

Left- and right-wing parties

Table 4.2 and 4.3 split out the baseline models by left-wing and right-wing parties.⁶⁷ Responsiveness among left-wing parties is similar for low and high incomes, at least in the separate models. When the two predictors are included in the same models, however, a similar pattern emerges as before: the coefficient of high incomes stays positive, on the edge of statistical significance, while the coefficient of low incomes is negligible. Nevertheless, this contrasts with Table 4.3, which shows a larger gap between the effects of low and high incomes. The most remarkable finding here is that the effect of low income preferences is significantly negative in the combined models. This suggests that, conditional on responding to high income preferences, right-wing parties actively go against the preferences of low incomes. It is doubtful whether this is a substantively meaningful result. An alternative explanation is that this is an artifact of the substantial collinearity between the preferences of low and high incomes, though this does not explain why this only occurs for right-wing parties.⁶⁸ All in all, these findings provide support for hypotheses 2a and 2c, but not 2b.

Table 4.2: Random intercept models of logged attention by *left-wing parties*, $t+1$

	Model 1 (P10)	Model 2 (P90)	Model 3 (P10/P90)	Model 4 (Q1)	Model 5 (Q5)	Model 6 (Q1/Q5)
Low income preferences	0.009 ^{***} (0.003)	-	-0.001 (0.006)	0.009 ^{***} (0.003)	-	0.001 (0.006)
High income preferences	-	0.011 ^{***} (0.004)	0.012 [*] (0.007)	-	0.010 ^{***} (0.004)	0.010 (0.006)
Logged GDP (t)	0.214 ^{**} (0.091)	0.249 ^{**} (0.100)	0.249 ^{**} (0.099)	0.215 ^{**} (0.091)	0.246 ^{**} (0.099)	0.246 ^{**} (0.099)
Growth (t)	-0.028 [*] (0.017)	-0.027 (0.017)	-0.027 (0.017)	-0.029 [*] (0.017)	-0.027 (0.017)	-0.027 (0.017)
Unemployment (t)	0.009 (0.013)	0.010 (0.014)	0.010 (0.014)	0.009 (0.013)	0.010 (0.014)	0.010 (0.014)
Issue dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Constant	-1.404 (0.941)	-1.794 [*] (1.041)	-1.794 [*] (1.041)	-1.408 (0.944)	-1.757 [*] (1.041)	-1.757 [*] (1.039)
N	473	473	473	473	473	473
Countries	37	37	37	37	37	37
AIC	1147.51	1141.88	1143.83	1146.96	1142.45	1144.44

^{*} $p < 0.10$, ^{**} $p < 0.05$, ^{***} $p < 0.01$ (two-tailed)

Interestingly, and in line with the discussion in the theoretical framework, there also seems to be unequal responsiveness to parties' own voters. If I regress attention by right-wing parties

67 There are slightly fewer observations in the models for left- and right-wing parties than in the baseline models, because, for the sake of comparability, I only include country-years where the MPD coded at least one left-wing party and at least one right-wing party.

68 The correlation between the tenth and ninetieth income percentiles is around 0.8-0.9, depending on the issue. Martin Gilens, dealing with the same issue, explains that "when predictors with correlated measurement errors are included simultaneously in the same equation, the coefficients for the predictors with the weakest true relationship to the outcome being measured (in my analyses, the coefficients for the lowest income level) may be unreliable and even incorrectly signed" (Gilens, 2012, p. 253).

on the preferences of voters of right-wing parties with high incomes and the preferences of voters of right-wing parties with low incomes, the former has a stronger effect than the latter (see online appendix 4A, Table 4A.2). The same is true among left-wing parties if rich and poor left-wing voters are compared, though the gap is again smaller than on the right (online appendix 4A, Table 4A.3) and, in some specifications, quite far from statistical significance (online appendix 4A, Table 4A.4).

Table 4.3: Random intercept models of logged attention by *right-wing parties*, $t+1$

	Model 1 (P10)	Model 2 (P90)	Model 3 (P10/P90)	Model 4 (Q1)	Model 5 (Q5)	Model 6 (Q1/Q5)
Low income preferences	0.008** (0.003)	-	-0.012' (0.007)	0.008** (0.003)	-	-0.011' (0.006)
High income preferences	-	0.012*** (0.003)	0.022*** (0.006)	-	0.012*** (0.003)	0.021*** (0.006)
Logged GDP (t)	-0.082 (0.089)	-0.015 (0.090)	-0.022 (0.093)	-0.082 (0.089)	-0.017 (0.090)	-0.024 (0.093)
Growth (t)	-0.005 (0.018)	0.003 (0.017)	-0.004 (0.017)	-0.005 (0.018)	-0.003 (0.017)	-0.004 (0.018)
Unemployment (t)	0.002 (0.011)	0.004 (0.011)	0.004 (0.011)	0.002 (0.011)	0.004 (0.011)	0.004 (0.011)
Issue dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Constant	1.450 (0.911)	0.747 (0.917)	0.781 (0.955)	1.446 (0.913)	0.773 (0.918)	0.818 (0.954)
N	473	473	473	473	473	473
Countries	37	37	37	37	37	37
AIC	1165.31	1150.74	1146.40	1164.95	1150.83	1147.90

' $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (two-tailed)

The preceding analyses have said little about the relative influence of low and high incomes compared to the middle. Given the primacy of the median voter in conventional democratic theory, one may expect that it is actually the latter which is represented best. The easiest way to test this is to estimate a model where party attention is predicted by the preferences of the low, middle and high incomes. If we do so, we find a strong, positive effect for the highest incomes and non-significant effects for both the middle and lowest incomes. However, these estimates are quite unstable as a result of extreme collinearity.

The obvious alternative to this is to estimate separate models where party attention is regressed on the preferences of various income groups. While this substitutes collinearity for omitted variable bias, to paraphrase Lax, Phillips and Zelizer (2019, p. 922), it nevertheless provides some insight into the relative influence of different groups. Figure 4.3 summarizes the results of such analysis. It displays the slope coefficients from a number of regression models which are identical to the baseline specification presented in Table 4.1, but each time

with a different income percentile as the main predictor. Furthermore, responsiveness is again split out for left and right parties.

Figure 4.3 shows a number of things which reinforce the previous analyses. Firstly, if anything, both left and right parties display unequal responsiveness, as indicated by the positive slope of income. Secondly, this unequal responsiveness seems to be stronger for right parties, as indicated by the steeper slope of income. Thirdly, and most strikingly, the effect of income appears to be non-linear, with the effect for the middle being closer to the bottom of the income distribution than to the top.

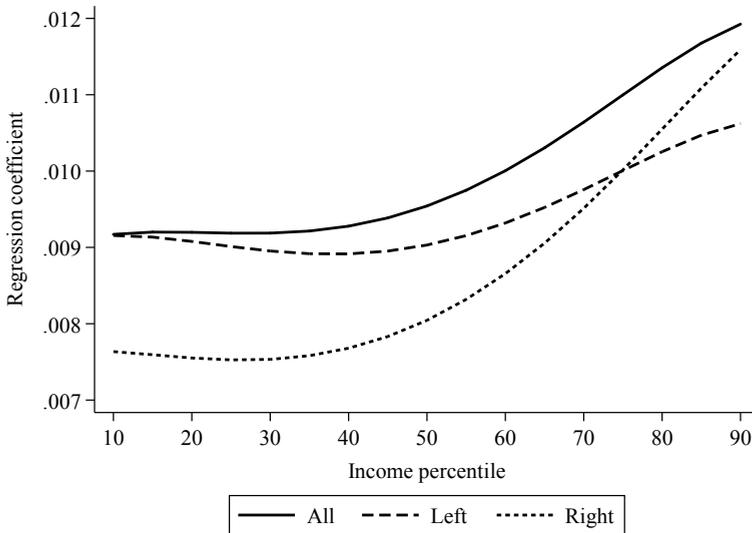


Figure 4.3: Effects of spending preferences at various income percentiles on responsiveness for all, left and right parties⁶⁹

Robustness checks

The next set of results addresses a number of important robustness and sensitivity checks. As in previous chapters, most of the full results of these additional analyses are relegated to the online appendix.

The first robustness check involves an alternative method to assess the relative influence of low and high incomes by simply taking the difference between the ninetieth and tenth percentile attitudes, *rich-minus-poor*, in a given country-topic-year. We have already seen this measure in chapter 2. Here, more positive (more negative) values capture situations where high-income voters want more (less) spending than do low-income voters. If the rich are

⁶⁹ The Figure does not include confidence intervals as they would render it unreadable. Essentially, all coefficients are significantly different from zero, but in most cases, they are not significantly different from each other.

more influential than the poor, higher values of *rich-minus-poor* should correlate positively with party attention. This specification is particularly useful for circumventing the problem of multicollinearity present in the data.

Table 4.4 summarizes results of testing this possibility for all parties (model 1), left-wing parties (model 2) and right-wing parties (model 3). All three models also control for the preferences of the median income percentile. For all parties combined, the *rich-minus-poor* variable has a strong positive effect, once again corroborating hypothesis 1b. Strikingly, models 2 and 3 indicate that the income gap in representation is mostly driven by right-wing parties, with a coefficient that is three times as large in model 3 as in model 2. The overall picture, then, is that right-wing parties are strongly biased towards the rich, while this bias is much smaller or possibly even non-existent among left-wing parties. But since they are not biased towards the poor and hence do not cancel out the bias of the right, the overall pattern is still one where the rich come out on top.

Table 4.4: Random intercept models of logged party attention with preference gaps

	Model 1 (All parties)	Model 2 (Left)	Model 3 (Right)
Rich-minus-poor preferences	0.012 ^{**} (0.005)	0.007 (0.006)	0.018 ^{***} (0.006)
Median income preferences	0.010 ^{***} (0.002)	0.009 ^{***} (0.004)	0.008 ^{***} (0.003)
Logged GDP(t)	0.075 (0.072)	0.236 ^{**} (0.096)	-0.045 (0.092)
Growth(t)	-0.003 (0.012)	-0.031 [*] (0.017)	-0.008 (0.018)
Unemployment(t)	-0.004 (0.007)	0.011 (0.014)	0.004 (0.011)
Issue dummies	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes
Constant	0.058 (0.768)	-1.637 (1.017)	1.036 (0.951)
<i>N</i>	493	473	473
Countries	38	37	37
AIC	901.27	1146.38	1150.98

^{*} $p < 0.10$, ^{**} $p < 0.05$, ^{***} $p < 0.01$ (two-tailed)

In line with Figure 4.3 above, calculating rich-minus-middle preferences and using this to predict party attention produces much the same findings. That is, we find a significant positive effect for all parties, a non-significant but still positive effect for left parties and a highly significant positive effect for right parties (online appendix 4A, Table 4A.5). Even compared to the middle, then, the rich are overrepresented.

Secondly, there is a clear possibility of reverse causation. Perhaps what I have termed general representation reflects the adoption of existing party positions by the public, and unequal representation reflects the fact that citizens with high incomes are more attentive to signals from parties than citizens with low incomes. This does not fully account for my findings, however, since including lagged dependent variables to the baseline models does not affect the significance of the main coefficients (online appendix 4A, Table 4A.6). Two caveats should be added to this. Firstly, I control for party attention at $t-2$ here. This is already strongly correlated with party attention at $t+1$ (0.87), and using a shorter lag would leave very little room for any other variable to have any effect.⁷⁰ Secondly, though the effects remain significant, the inclusion of a lagged dependent variable does reduce the effect sizes. This is to be expected, however. In a similar vein, controlling for government spending as a percentage of GDP in each of the six policy areas, measured at t , does not affect the main results (online appendix 4A, Table 4A.7).

Thirdly, if the dependent variable is limited to the parties in the ruling coalition or current government, the effects stay much the same (online appendix 4A, Table 4A.8). This is also to be expected, as these parties normally have a majority of the seats in the legislature. Interestingly, general preferences have a somewhat weaker effect on the coalition parties, which may be due to the fact that the formation of a coalition is often not up to the public, introducing an intermediate step between public opinion and party positions. Furthermore, the gap between rich and poor is slightly bigger when the analysis is limited to the coalition. However, a full exploration of the dynamics behind this process is beyond the scope of this chapter.

Fourth, I can relax some of the assumptions I made in constructing the dependent variable. One of these assumptions is that parties change their positions in a linear way in between elections. If the analysis is limited to country-years where an election took place in the year following the survey, I find the same pattern of general but unequal responsiveness, suggesting that this particular assumption is not driving the results (online appendix 4A, Table 4A.9). This is backed up by another specification where the use of interpolation is eschewed altogether and instead the dependent variable is the average attention of parties at the next election, regardless of how many years this took place after the survey, while controlling for party attention at the time of the survey (online appendix 4A, Table 4A.10). Here it is important to note, however, that only the effect of high-income preferences continues to have a significant effect, with the effect of low income preferences falling below conventional levels of significance. Hence, this provides even stronger support for the notion that responsiveness is unequal. Lastly, choosing not to weigh parties by their seat share

⁷⁰ Using a lag at $t-1$ turns the main effects insignificant in some models, but this is especially true for the effect of low incomes. It is noteworthy that the effect of the *rich-minus-poor* variable survives even with party attention measured at t (results available upon request).

produces findings in line with the baseline models (online appendix 4A, Table 4A.11).

Fifth, the models so far have included various macro-level control variables but no micro-level controls. However, perhaps it is not income which is the real source of influence but a related variable. Education is particularly likely to cause a spurious relationship, since this is strongly correlated with income and has previously been discussed as a source of unequal representation (Bovens and Wille, 2017; see also chapter 3). As in chapter 3, I control for education by interacting income and education when calculating the predicted preferences. This allows me to compare the preferences of respondents with low incomes and median education to the preferences of respondents with high incomes and median education. Doing so reproduces the findings of the baseline models, indicating that responsiveness increasing with income, even while education is held constant (online appendix 4A, Table 4A.12).

A sixth set of alternative specifications involves alternative estimators. These include random intercept models with alternative embedding: alternative two-level models using country-topic and country-year as clusters (online appendix 4A, Tables 4A.13–4A.14); and three-level models involving country, topic and year (online appendix 4A, Table 4A.15). I also considered ordinary least squares models with country fixed effects or with jackknifed standard errors (online appendix 4A, Tables 4A.16–4A.17). All these specifications yield results in line with the baseline models.

As a final robustness check, I limit the main analysis from the full sample of democracies to those countries that can be labeled as established democracies, since this is the focus of the other chapters. As a rough approximation, I consider established democracies to be those countries that have a high national income and have had several decades of democratic governance.⁷¹ This leaves twenty-four out of thirty-eight countries in the sample (or seventy-four percent of all country-year-topics), and excludes mostly Eastern European countries, as well as Turkey, Mexico and South Africa. Repeating the analysis for this subset of the countries does not substantially change the findings, as there is still more responsiveness to high incomes than to low incomes (online appendix 4A, Table 4A.18). Incidentally, while inequalities in responsiveness are similar in established democracies and non-established democracies, the overall level of responsiveness seems to be somewhat higher in the former than in the latter. This, too, is something I leave for future research to further explore.

Policy

Finally, I briefly turn my attention to subsequent steps on the ‘party road’ to representation.

⁷¹ The World Bank considers countries to have a high-income economy if their national income was at least \$12,376 in 2018. Data on per capita GDP is taken from the World Bank, while data on the age of democracy is taken from the Quality of Government database.

All of the previous analyses focus on the effect of public preferences on party platforms, but I acknowledge that these platforms are significant for substantive representation only to the extent that they correlate with actual party behavior and, eventually, policy change. Previous research has found evidence for such a correlation (Klingemann, Hofferbert and Budge, 1994; Bräuning, 2005; Thomson *et al.*, 2017). But the data afford some leverage to supplement this research with my own analysis focused on the abovementioned manifesto measures and specifications. The analysis focuses on party platforms and policy change with regard to the welfare state, first and foremost because this is the policy area with the most detailed coding of policy across time and space, in the form of the Comparative Welfare Entitlements Dataset (Scruggs, Jahn and Kuitto, 2017). Furthermore, even though the welfare state is only one of the six issue areas in the main analysis, it is the most encompassing in terms of attention devoted to it in manifestos and in terms of budget size. It is also important with regard to unequal representation as the area with the largest preference gaps between rich and poor.

The full results of this analysis are again presented in the online appendix (see Tables 4B.1–4B.2 and accompanying text), but the main finding is that the position of coalition parties in a given country-year is a statistically and substantively significant, positive predictor of changes in welfare generosity in the years following the election. A one standard deviation increase in the independent variable leads to an increase of around a quarter of a standard deviation in the dependent variable ($p < 0.01$).⁷² I infer from these patterns that responsiveness in party manifestos is likely a meaningful step in the process of substantive representation.

4.5 CONCLUSION

This chapter has sought to clarify a major path, or road, to substantive representation: whether individual-level preferences of the rich and poor on a range of policy areas translate into party-political stances. The reason to do so is that such clarification both broadens and deepens our understanding of the politics of unequal representation: broadening with respect to the number of country-issue-years that provide a basis for judging (key aspects) of substantive responsiveness in democratic polities; and deepening with respect to clarifying among the most obvious and important political-institutional mechanisms of interest aggregation in democratic polities that can be expected to give rise to the more distant links between high incomes and policy change.

With this mandate, the chapter hypothesized, and found substantial evidence supporting, that democracies are characterized by unequal substantive representation in party

72 This overlaps with and, hence, replicates a recent finding by Horn and Jensen (2017, pp. 387–389).

platforms. Party platforms tend to take up the direction of preferred policy on a range of issues that citizens express as their wants, but this responsiveness is substantially and statistically much stronger with respect to the wants of richer than poorer citizens. Also in line with expectations, left and right party families differ in who they most or least represent. Against one of my hypotheses, I find that left parties, not just right parties, tend to respond more closely to wealthier than to poorer societal preferences as expressed in public opinion instruments. But left parties are much less skewed than their right party-family counterparts in such “overrepresentation” of the rich; and right parties are in any event likely to listen much more to wealthy respondents while ignoring, or even taking positions that contradict, the wants of poorer respondents.

In combination with the previous two chapters, this chapter shows that unequal representation is widespread across time, space and policy areas. Moreover, we now know that this inequality is already present at an early stage in the policy process, namely in the electoral platforms of political parties. This has important implications for our understanding of unequal representation, suggesting that political inequality cannot be reduced to the demand side of political competition (that is, citizen input) but is also present at the supply side (that is, party positions). At the same time, our knowledge of the causal mechanisms behind unequal representation is still limited, largely due to data limitations. To get a more encompassing view of the relevant mechanisms, the final empirical chapter will adopt a very different approach from the large-N, quantitative analyses that we have seen so far, zooming in on one particular instance of policy change.

CHAPTER 5

Mechanisms of Unequal Representation in Dutch Pension Reform

5.1 INTRODUCTION

Recent years have seen a surge in attention to the topic of unequal representation. In particular, many studies have explored the extent to which governments in established democracies are more responsive to the demands of citizens with high incomes than to the demands of less affluent citizens (Gilens and Page, 2014; Bartels, 2016; Ellis, 2017; Elsässer, Hense and Schäfer, 2017; Lupu and Warner, 2019). This line of research paints a picture of political representation that systematically privileges the rich over the middle and low incomes in various countries and policy areas (cf. Ura and Ellis, 2008; Brunner, Ross and Washington, 2013). So far, however, almost all analysis is devoted to the question of *whether* there is inequality in representation, while very few analyses focus on *how* inequality in representation comes about.⁷³ In some sense, this is logical and sensible; one should make sure there is a causal relationship before trying to explain it. Given the body of evidence that has accumulated in recent years, however, including the evidence presented in previous chapters, it is now appropriate to address the “how” question. This is the objective of the current chapter.

⁷³ As I noted in the introduction, this is particularly true for studies outside of the United States.

To illustrate and evaluate the different causal mechanisms that could produce unequal representation, I conduct an in-depth, qualitative analysis of one of the 291 potential policy changes analyzed in chapter 3. In particular, I analyze the 2012 pension reform in the Netherlands, which arranged for a gradual rise in the retirement age from sixty-five to sixty-seven (by 2023). This provides a clear instance of unequal representation, as low- and middle-income citizens largely opposed it while high-income citizens supported it. In this chapter, I focus on potential explanations for this result or, in broader terms, on the ways in which different income groups were or were not represented in this policy process. Using information from media reports, parliamentary debates, parliamentary hearings and party manifestos, supplemented with several interviews with key actors, I evaluate six causal mechanisms that could account for unequal representation in the process of raising the retirement age: party finance, descriptive representation, structural dependence on markets, the influence of neoliberal ideas, lobbying by organized interests and biases in party politics.

The available evidence suggests that two of these six mechanisms – party finance and structural power – did not play a significant role in the policy process. The importance of lobbying, neoliberal ideas and party politics is supported by the empirical material, while the evidence for descriptive representation is suggestive. Importantly, these different mechanisms can explain different elements of the reform. Broadly speaking, the weakness of unions as the main organized interest representing the preferences of lower incomes explains why the reform could be put on the political agenda at all. The large influence of neoliberal ideas, amplified in the context of an economic downturn, explains the timing and speed of the reform. The bias in descriptive representation may further explain why the policy contained few provisions to accommodate the concerns of people with low incomes. Finally, and possibly reflecting the previous mechanisms, the partial disconnect between left-wing parties and poor citizens meant there was relatively little resistance to the policy in parliament.

The rest of the chapter develops these arguments in more detail. First, I briefly discuss my methodological approach to exploring the mechanisms behind unequal representation. After that, I provide some background information on pensions in the Netherlands and public opinion on this topic, respectively. The next sections make up the bulk of the chapter, introducing and evaluating each of the six mechanisms mentioned above. A final section summarizes and reflects on the findings.

5.2 APPROACH

Before embarking on an analysis of pension reforms in the Netherlands, it is necessary to make a few methodological observations, which relate to case selection, the method of analysis and data sources.

First, there is the issue of case selection. I follow a classic strategy for mixed-methods research, which is to start with a large-N analysis and then conduct a small-N analysis of one or several observations which are ‘on the regression line,’ that is, in line with the general pattern found in the large-N analysis (Lieberman, 2005). The reason for doing so is that these cases are most likely to be representative for the larger sample and – indirectly – the population. It should be emphasized that the purpose of this case study is not to check the validity of the causal inference made in chapter 3, which is that policy responsiveness is biased towards the preferences of the rich. I assume this to be true for the purposes of this chapter. Instead, the goal is to explore the causal mechanisms that can account for the broader finding of unequal representation. In other words, my aim is here is not to make inferences related to the outcome (causal description) but to make inferences related to the process (causal explanation) (Shadish, Cook and Campbell, 2002, pp. 9–12).

The choice to zoom in on this particular policy change – that is, the increase in the retirement age – is thus primarily motivated by the fact that it provides a clear case of unequal representation, reflecting the main finding of the larger dataset analyzed in chapter 3. In terms of preferences, there are large gaps between income groups on this issue: people with low and middle incomes were mostly opposed to an increase in the retirement age, while people with high incomes were mostly in favor. And since the retirement age was actually increased by the national government, this is a clear instance where the rich ‘won’ over the poor, reflecting the broader patterns found in chapter 3. This case has a number of additional benefits. The retirement age is a large issue, both in terms of budgetary costs and in terms of the impact it has on citizens, which makes it important to understand for its own sake. Finally, the importance of this issue, combined with the fact that this a recent policy change, means there is a lot of empirical material to draw on (for practical relevance and accessibility as criteria in case selection, see Blatter and Haverland, 2012, pp. 102–103).

After selecting a case, we come to the question of which causal mechanisms to test and how to do so. I have selected six potential mechanisms, largely based on the fact that these all had some *ex ante* plausibility and were to some extent empirically tractable. Four of these (party finance, descriptive representation, lobbying and party politics) align with the most

commonly suggested mechanisms in previous research, as reviewed in the introductory chapter. The introduction mentions a fifth mechanism – electoral participation – which is not included here due to the difficulty of operationalizing it in this qualitative study. As such, I concluded that taking it into account would add little to the quantitative analysis of chapter 3. Beyond this, preliminary investigation of the case made it abundantly clear that the macro-economic context featured prominently in accounts of the pension reform, for instance in parliamentary debates. To reflect this, I test two mechanisms in addition the four mentioned above, these two being the structural influence of markets and neoliberal ideas.

To explore causal mechanisms – the processes through which a given independent variable effects or affects a dependent variable – many (complementary) approaches can be used. One such approach, which is associated with the neo-positivist framework of King, Keohane and Verba (1994), is to analyze the correlation between the presence of a given causal mechanism and the presence of the dependent variable. Another is to trace a series of events over time, which is set in motion by the independent variables and culminates in (a change in) the dependent variable. This is the basic logic behind process tracing analysis (Collier, 2011; Beach and Pedersen, 2013). A third approach is to reason through counterfactuals to find out what would have happened to the dependent variable in the presence or absence of a causal mechanism (Fearon, 1991). Finally, and perhaps most obviously, one can ask the actors who were involved in the causal process about their own motivations and self-image. In this chapter, I have attempted to apply all of these approaches, but not all of them proved to be equally viable due to limitations in data access and the scope of this analysis. As a result, the first approach is the most prominent in the empirical sections, even though it is arguably less refined than some of the others. This is the main reason that this chapter is more of an exploration of the causal mechanisms behind unequal representation rather than the final word on the matter.

Lastly, there is the question of which data sources to use. To uncover the causal mechanisms involved in the process of raising the retirement age, I consulted a variety of sources. These sources include parliamentary debates in the run-up to the policy change, parliamentary hearings on the topic in 2011 and 2012, news articles,⁷⁴ official platforms and election programs of political parties, and commentaries from pension experts. This secondary material was supplemented with several interviews with key actors involved in the policy process. The interviews functioned to corroborate the preliminary conclusions I had drawn from

74 To get a comprehensive overview of the events surrounding the policy change, I searched through articles of the Dutch press agency (*Algemeen Nederlands Persbureau*) between 1 January 2010 and 31 December 2012, using “AOW” (pension age) and “pensioenakkoord” (pension agreement) as keywords. The latter provided information about negotiations between unions and employer organizations.

publicly available information.⁷⁵ Lastly, to sketch the nature of public opinion regarding the retirement age, I consulted various surveys held among the Dutch public. I also conduct a few quantitative analyses on union and party membership, but these are confined to footnotes so as not to detract from the main arguments.

5.3 PENSIONS IN THE NETHERLANDS

For the purposes of this chapter, it is not necessary to discuss all the intricacies of the Dutch pension system. Instead, I will mention a few basic elements that will help put the analysis in context. At its most basic level, pensions in the Netherlands are made up of three ‘pillars’. The first pillar consists of a state pension, which is the same for everyone. This state pension is financed through current pension premiums. Hence, people who are currently working pay for the pensions of the people who are currently retired. The second pillar consists of an individual pension, which all working citizens accumulate by putting aside a fixed portion of their income. This money is managed by pension funds, which are mostly organized by sector. Finally, the third (and smallest) pillar consists of additional, individual arrangements that people may make to provide for their old age, for instance in the form of savings or stocks. The pension reform that will be discussed in this chapter are reforms of the age at which people are entitled to state pensions (in Dutch: *AOW-leeftijd*). However, the first and second pillar are linked by law, such that an increase in the retirement age under the first is accompanied by an increase in the retirement age under the second. Hence, when I refer to increases in the retirement age (= pension age), I refer to measures that primarily affect the first, but indirectly also the second.⁷⁶

Ever since the state pension law was introduced in 1956, the retirement age had been sixty-five. Starting at least in 2006, there were calls to increase this age.⁷⁷ This idea picked up steam in 2008, when it was advocated by a committee instituted under the minister of Social Affairs and Employment, Piet Hein Donner (*Commissie Arbeidsparticipatie, 2008*). Spurred on by the economic downturn and the perceived need to implement austerity measures, most parties included some version of the measure in their manifestos for the 2010 parliamentary election (see the section on political parties below). After the election, the right-wing VVD

⁷⁵ I conducted semi-structured interviews between August and December 2019 with Frank Vandenbroucke, an expert on pension reform; Peter Gortzak, former pension secretary for union federation FNV; Roos Vermeij, former pension spokesperson for the labor party; Agnes Jongerius, former head of union federation FNV and Jurre de Haan, pension secretary for employers’ federation VNO-NCW. All conclusions drawn in this chapter are my own and cannot be attributed to the interviewees.

⁷⁶ In other words, “retirement age” refers to the legal retirement age, not the effective retirement age. The latter is slightly lower than the former due to possibilities for early retirement, although these possibilities have been sharply reduced in 2006. As a result, the difference between the two ages is getting smaller (Organization for Economic Cooperation and Development, 2019a).

⁷⁷ In this year, the liberal democratic party D66 included the measure in their election program.

and the Christian-democratic CDA formed a coalition with the right-wing populist PVV as a junior partner.⁷⁸ Their coalition agreement included the proposal to increase the retirement age to 66. After extensive negotiations with employer and employee organizations, a bill was introduced to parliament in October 2011 which would increase the retirement age from 2020 onwards. This almost passed both houses of parliament when, in March 2012, the Bureau for Economic Policy Analysis (in Dutch: *Centraal Planbureau*) put out new economic forecasts, which predicted a larger budget deficit than previously expected. This motivated a coalition of left-wing, centrist and right-wing parties to come together and decide on additional budget cuts (Algemeen Dagblad, 2012). The resulting agreement included a new proposal to raise the retirement age more quickly than previously agreed, starting in 2013. A bill that was based on this proposal was adopted in July 2012.

One important thing to note at this point is that those who favored increases in the retirement age often did so with reference to demographic developments; that is, increases in life expectancy and an aging population (De Haan, 2019; Vermeij, 2019). This is undoubtedly a relevant motivation behind the eventual policy change, and it is the most likely explanation for the pattern of rising retirement ages in many developed democracies. However, demographic trends can explain neither the timing of the policy change nor the form that it took. This means that it is appropriate to consider other explanations, which I will do below. The most important parts of the July 2012 policy are the following. Firstly, the retirement age started increasing in 2013, reaching the age of sixty-six in 2019 and sixty-seven in 2023. Secondly, the retirement age will be tied to life expectancy starting in 2024, meaning that a one-year increase in life expectancy will lead to a one-year increase in the retirement age. Thirdly, there are no provisions to allow for earlier retirement of people who have lower incomes and/or particularly demanding jobs,⁷⁹ despite efforts by several parties who favored such provisions. Several other parts of the law are important in their own right, for instance those relating to the regulation of pension funds, but these will not be analyzed here, in large part because I do not know of any public opinion polls on these issues.

In 2015, the law was changed again so that the retirement age would reach sixty-seven in 2021 instead of 2023. However, the 2012 policy change was by the far the most impactful, changing regulations that had been in place for more than half a century, so I will mostly focus on the events surrounding this policy change.

78 Table A5.1 in the appendix lists all abbreviations used in this chapter for political parties, employer organizations and union federations.

79 The Dutch term used here is “zware beroepen.” The association is usually with jobs that are require intensive physical labor, but in hearings on the topic, various party agree that mentally demanding jobs should also be included under this term (Tweede Kamer, 2010).

5.4 PUBLIC OPINION

Public support for the increase in the retirement age was clearly correlated with income. The Dutch Parliamentary Election Studies of 2012 asked respondents whether they agreed with the statement that “within a few years, the retirement age should be increased to sixty-seven years.” Figure 5.1 shows which percentage of respondents agreed with this statement at different points in the income distribution. This shows that low- and high-income respondents sharply differed in their attitudes. At the tenth income percentile, only thirty-seven percent of respondents agreed that the retirement age should be raised to sixty-seven within a few years, whereas sixty-four percent of respondents at the ninetieth income percentile agreed with this statement. This is among the largest preference gaps in the data analyzed in chapter 3.⁸⁰

Importantly, the Figure illustrates that middle-income respondents were also largely opposed to an increase in the retirement age, with thirty-nine percent of respondents at the fiftieth income percentile agreeing with such a measure. Hence, it is not just the low incomes who lost out in this policy process, it is also the middle incomes. In other words, the median voter did not get what they wanted, with policy mirroring the preferences of a (rich) minority. This makes for a stark instance of unequal representation.

Why is there such a strong gap in attitudes towards an increase in the pension age between income groups, especially if the increase is the same for everyone? There are many possible explanations for this, and exploring them all would require a different study altogether. Importantly, however, citizens with low levels of income would be affected much more by an increase in the retirement age than citizens with higher incomes (Vandenbroucke, 2018). Firstly, those with lower incomes have, on average, jobs that require more intensive physical labor, which is harder to maintain until an advanced age. This is compounded by the fact that they have usually started working at a younger age. Secondly, forecasts by policy advisers – including the Bureau for Economic Policy Analysis (*Centraal Planbureau*) – indicate that labor market opportunities will not increase at the same rate as the retirement age. That is to say, a two-year increase in the retirement age will not be accompanied by a two-year increase in work. As a result, many citizens will be without a job for some time before they can retire.

⁸⁰ The effect of income on preferences regarding the retirement age is monotonic, with one exception. Among the very lowest income group, there is more support for raising the retirement age than among the groups above that. Upon further inspection, it seems that the respondents in this lowest income group are mostly students in higher education: more than half of them are below the age of thirty, compared to sixteen percent in the overall sample, and more than half have attended higher education, compared to thirty-six percent of the overall sample. It is the students that cause this exception: of the poorest respondents below the age of thirty, sixty-seven percent support an increased retirement age ($N = 55$), while only thirty-three percent of the poorest respondents above thirty support it ($N = 45$). Given that the low incomes of students do not reflect their long-term economic prospects, I do not consider this to be a particularly noteworthy exception to the monotonic effect of income.

Such a gap in between one's last job and one's pension is clearly harder to bear for the poor than it is for the rich. Third, there is a large gap in life expectancy between income groups (Muns, Knoef and Van Soest, 2018). As a result, an increase in the pension age of, say, one year represents a much larger share of the period of retirement for low incomes than it does for high incomes. In that sense, the relative cost of the measure is higher for the former.⁸¹

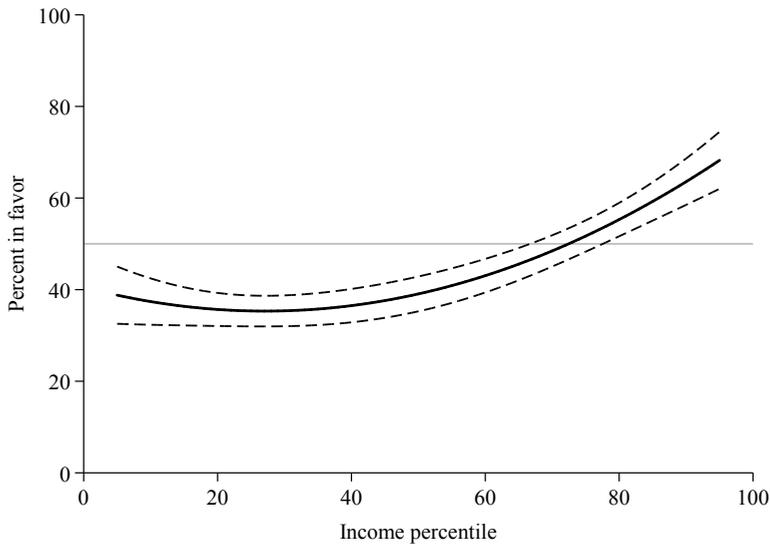


Figure 5.1: Support for increasing the retirement age by income (dotted lines indicate 95% confidence intervals)

Hence, there are several reasons why the lower incomes are hit harder by an across-the-board increase in the retirement age than higher incomes. This is an obvious explanation for the gap in public opinion on this issue. It is also recognized by the social and political actors involved in the policy process; as we will see, many of the debates and stances on this issue are structured by actors' positions towards rich and poor.⁸²

Related to the previous point, different income groups may have been divided on the specifics of the increased retirement age as much as – or even more than – they are on the general need to increase it. It is hard to make any firm statements about this, given the relative scarcity of public opinion polls in the Netherlands. However, it is important to remember that the survey question from the Dutch Parliamentary Election Studies asked respondents whether they agreed to a higher retirement age *within a few years*. Opposition to the measure may

⁸¹ This is emphasized by Frank Vandenbroucke (2019) and Agnes Jongerius (2019); the latter refers to this as “the most poignant inequality” of the pension dossier.

⁸² The other key dividing line on this issue is between young and old, which is understandable given the redistribution between age groups that different policy choices entail. This will not be analyzed in detail here.

have been directed at the speed of this increase rather than the increase per se. What backs this up is that a different survey in mid-2012 reported relatively high levels of support for raising the retirement age gradually from 2019 onwards, although this support still varied with respondents' level of education and hence probably with respondents' income as well (Peil.nl, 2012).⁸³ Moreover, a survey by the Dutch news program *EenVandaag* in 2017 showed strong support for a flexible pension age that would allow citizens with demanding jobs to retire five years earlier than the rest of the population (*EenVandaag*, 2017).⁸⁴ Yet another survey, conducted in 2015, showed that anger and surprise over the high speed of the reform is strongly related to education (De Beer, Van Dalen and Henkens, 2017b).

All in all, it seems that public hostility towards the policy has as much to do with the specifics of increasing the retirement age – e.g. when, how quickly and for whom – as with the general notion of raising it.⁸⁵ The same could apply for the gap in support between rich and poor citizens, especially given the fact that different income groups are affected in different ways by these specifics. Regardless, the bottom line is that the poor were more hostile to increases in the retirement age than the rich. Hence, this is a clear case where the rich won out over the poor in the policy process. The next sections explore potential explanations for this result.

5.5 PARTY FINANCE

Perhaps the most obvious and direct way economic inequality can produce political inequality is through financial contributions to political parties and/or candidates. Since the ability to make such contributions naturally increases with one's income, this gives the rich a louder voice than the poor (Schlozman, Verba and Brady, 2012, pp. 147–176; Bonica *et al.*, 2013). The importance of this mechanism depends on the extent to which political donations actually influence election outcomes or changes in policy stances in between elections. This is the subject of a longstanding debate in American political economy, with some claiming that donations do affect election and policy outcomes (Ferguson, Jorgensen and Chen, 2016) and others claiming that their effect is negligible (Milyo, 2013).

Important and interesting as this debate is, its relevance for the Dutch context is very limited. Although high-quality comparative data on political donations is very scarce, most observers agree that little money is spent on Dutch party politics (Nassmacher, 2009, pp. 107–120). Furthermore, only a small share of the total income of political parties comes from private

83 This survey was conducted by Maurice de Hond's Peil.nl, which is marred by a lack of transparency. This survey should therefore be taken with a large grain of salt.

84 Unfortunately, the *EenVandaag* survey panel has its own problems, stemming from the fact that respondents self-select into the panel.

85 This is affirmed by Roos Vermeij on the basis of meetings with union members throughout the country.

donations (Veling *et al.*, 2018, p. 24). Combined with its highly proportional electoral system, which makes it easy for new parties to emerge, private donations in the Netherlands do not have the same ‘gatekeeper’ role that they may have in a country like the United States.

This can be illustrated with data on party income and expenditures for the period 2015-2017 (De Vries and Boogaard, 2017).⁸⁶ The richest political party in the Netherlands by quite a wide margin is the Socialist Party (SP). This is due to the fact that it is mandatory for representatives of the SP to donate their income to the party in return for a smaller salary. However, this did not lead to a favorable result in the debate over the retirement age, as the SP was strongly opposed to the policy that was eventually adopted. Likewise, 50PLUS was also among the parties which received the most money in donations, certainly in relative terms compared to its membership and vote share. It was also the only party to receive a classic ‘plutocratic’ donation, in the form of €350,000 from a Dutch multimillionaire. However, it too lost out in the policy process. And the third party that made up the opposition on this issue, the far-right PVV, was the only party to receive sizable donations from abroad. It would be facile and misleading to conclude from this that political donations actually hurt parties’ policy success, but it is true that the aforementioned parties are often on the side of the minority that opposes successful policy proposals. Combined with the fact that there is no obvious correlation between parties’ income and electoral success, and the fact that parties appear to do little to elicit private donations, it is very unlikely that such donations can explain unequal policy representation.⁸⁷

What about the other sources of party finance? In the Netherlands, the majority of parties’ income – modest as it is – comes from public subsidies and membership dues (Veling *et al.*, 2018, p. 24). Subsidies are provided in proportion to a party’s seat share in parliament. As a result, it may reinforce other factors that make some parties more successful than others in gaining parliamentary representation, but it is not a source of political inequality in itself. As for membership dues, these could be a source of unequal representation if membership of a political party is strongly correlated with income. However, there is no such correlation in the Netherlands.⁸⁸ In sum, neither private donations, public subsidies nor membership dues can account for unequal representation in the Netherlands.

⁸⁶ Data for previous years is not publicly available. However, I assume that the basic patterns of party income and expenditure are fairly stable over time.

⁸⁷ This conclusion could be reinforced with information on the socioeconomic characteristics of those citizens who donate money to political parties, but I know of no Dutch surveys that include a question on political donations. Perhaps this in itself reflects the low relevance of this form of political involvement in the Netherlands.

⁸⁸ To calculate the correlation between income and party membership, I used data from the Dutch LISS panel. Since party membership is low in the Netherlands, it can be difficult to reliably estimate the association between membership and other variables using survey data. For this reason, I combined all waves of the panel between 2009 and 2019, calculating the average household income percentile of each respondent and whether they were ever a member of a political party during this time. This reveals no association between the two variables, with a point biserial correlation of 0.007 ($p = 0.418$; $N = 12697$). Separate analyses for each of the survey waves produces much the same result. The full results of this analysis are available upon request.

5.6 DESCRIPTIVE REPRESENTATION

A second potential explanation is based on the literature on descriptive representation, which analyzes the extent to which politicians' personal backgrounds influence their views and actions in the political system (Pitkin, 1967, pp. 60–91). In its most general form, the key hypothesis is that these personal backgrounds matter for substantive representation, above and beyond the party platforms on which politicians are elected. Initially, this research mostly focused on the effects of gender and race (Wängnerud, 2009; Griffin, 2014; Lawless, 2015), but recent years have seen some attention to the role of socioeconomic characteristics like occupational background (Carnes, 2013; O'Grady, 2019), education (Hakhverdian and Schakel, 2017) and wealth (Griffin and Anewalt-Remsburg, 2013; Eggers and Klasnja, 2018). As noted in chapter 3, the Dutch parliament is skewed in terms of these characteristics; compared to the Dutch population, members of parliament are more highly educated, more often come from white-collar occupations and are probably more affluent, though comprehensive data on the latter does not appear to exist. These skews are common across established democracies (Best, 2007; Bovens and Wille, 2017; Gerring *et al.*, 2019).

Do these socioeconomic biases in descriptive representation appear in the process of raising the retirement age, and if so, how? First of all, the main actors involved in the policy process reflect the typical background of Dutch politicians. For example, Agnes Jongerius and Henk van der Kolk, the two most important representatives of the labor movement at the time, both entered managerial positions in a union directly after they received university degrees. Bernard Wientjes, head of the main employer organization and often seen as the most influential person in the Netherlands, was the CEO of his own company. Alexander Rinnooy Kan was a professor of econometrics and head of an employer organization before he became head of the Social and Economic Council, a very influential advisory body in Dutch politics. Henk Kamp, the minister of Social Affairs and Unemployment, had a slightly more varied career, but still entered local politics in his mid-20's. Job Cohen, leader of the labor party, was a professor in methodology before entering politics. Other people involved followed much the same path as those mentioned here, with backgrounds in politics or academia. While there are some exceptions to this pattern, they are few and far between.

It is important to note that the bias in descriptive representation is of a different nature than it is in, for instance, the United States. In the latter, more than half of all members of Congress are millionaires, and many owe their wealth to strong business ties (Center for Responsive Politics, 2018). In the Netherlands, as in other Western European countries, it is not so much extreme wealth that sets political actors apart from the general population, but the fact that

they have often never worked outside of politics or academia.⁸⁹ Crucially, however, this career trajectory can affect substantive representation in its own way. This point is made very well by Frank Vandenbroucke in a recent commentary on the increased retirement age:

“For many people, ‘retirement’ is synonymous with ‘freedom’. It is not the case that people generally look forward to their retirement because they do not like to work, but retirement does provide them with space for their own life projects (...) Those who like to keep working are people for whom ‘working’ and their own life project largely coincide: typical examples are politicians, academics and corporate executives. It is not a coincidence that pleas for a higher retirement age are easily made by these people: their work is their liberty” (Vandenbroucke, 2018, p. 36).

In other words, the main actors in the policy process represent a group of citizens who are not only able but also willing to work until a higher age. The sentiment described by Vandenbroucke is sometimes explicitly reflected in the parliamentary debates. For example, at one point a member of the religious party SGP argues that work should be seen as a blessing: “[O]ur goal should not be to retire as quickly as possible for as long as possible. It is a good thing to use one’s talents in the labor market. This enriches people. It is good for the Netherlands and good for people” (Tweede Kamer, 2011b, p. 4).⁹⁰ And on several occasions, passing references are made to the fact that we should be happy that a rising life expectancy allows us to work longer. Explicit statements of this sort are rare however, which may be due to the fact that they could easily be seen as untactful. It would also be misleading to suggest that parliamentarians are wholly unaware of the fact that a higher retirement age represents a burden for many people; the measure is usually framed as difficult but necessary (Vermeij, 2019).

However, the socioeconomic bias in representation and the aforementioned attitude to retirement may have affected the policy in more implicit ways. As mentioned above, the bill that was enacted in 2012 included a provision whereby the retirement age would increase at the same rate as life expectancy from the 2020’s onwards. This provision means that the ratio between years in the labor force and years in retirement will become more and more skewed; while the former will continue to increase, the latter will stay constant (De Beer, Van Dalen and Henkens, 2017a). This fact – and the question of whether this is really sustainable in the long run – is surprisingly absent from political debates at the time. In the words of Roos Vermeij (2019), “there was no resistance to it, not in politics, not in debates, not anywhere”.

⁸⁹ The word “politics” is used somewhat loosely here to also include senior officials of employee and employer organizations, as they are routinely involved in the policy process.

⁹⁰ This also reflects the party’s strong religious identity.

This could be explained by the work-as-liberty attitude described by Vandenbroucke.

Moreover, several parties proposed to introduce a flexible retirement age, whereby some groups – including people with physically or mentally demanding jobs – would be able to retire earlier. This proposal gained little traction and did not become a part of the law that was enacted. The minister of Social Affairs, Henk Kamp, rejected the idea of a flexible retirement age with the argument that it would cost money in the short run and although this money would come back “in twenty years,” this “will not help us with our current financial problems” (Eerste Kamer, 2012b, p. 3). Putting aside whether this statement is actually true, it is a questionable choice to make a decision with such major long-term impacts to make a fairly minor contribution to a short-term budget deficit.⁹¹ In general, the minister is sometimes callous in his attitude towards those who will struggle with a higher retirement age, arguing that they are “a very small group” and making statements like the following: “If you are physically unable to work, you get disability benefits. These will simply continue until the higher pension age” (Eerste Kamer, 2012b, p. 8). This statement glosses over the fact that older employees may very well find themselves unable to continue their physically demanding jobs, but not eligible for disability benefits and with poor prospects for a job in a different field.

Judging by the statements and decisions made by political actors, one gets the overall impression that these actors did not fully take into account *how much* of a burden they were putting on a segment of the population for whom work is not their liberty. In recent years, surveys among citizens *and* among employers have revealed widespread concern over the human cost of the rapidly increasing retirement age (EenVandaag, 2017; Van Dalen, Henkens and Oude Mulders, 2017; Van Solinge and Henkens, 2017). The same sentiment has been expressed by medical professionals (Van Mersbergen, 2017). And in 2017, Lodewijk Asscher, who became minister of Social Affairs after the 2012 elections, said he regretted the decision to raise the retirement age more quickly than previously agreed. He said: “I have talked to a lot of people who are suffering from the increase. So we will do something about that” (De Gelderlander, 2017). Although it is hard to prove, his socioeconomic background might have prevented him from anticipating this suffering.

In general, the policy may well have been shaped by the fact that those who it affected the most were not directly involved in the decision-making procedure, neither in parliament nor in the leadership of organized interests. As John Stuart Mill once wrote, “in the absence of its natural defenders, the interest of the excluded is always in danger of being overlooked; and, when looked at, is seen with very different eyes from those of the persons whom it directly concerns” (Mill, 1861, p. 56).

⁹¹ See the section on structural power below.

5.7 STRUCTURAL DEPENDENCE ON MARKETS

The previously discussed mechanisms involve instrumental action, in the sense that they describe behavior that is purposefully aimed at effecting political change. This contrasts with a very different mechanism through which unequal representation could come about, which is usually labeled as structural power. Structural power “refers to the ways in which large companies and capital holders – in practice very often the same thing – gain influence over politics without necessarily trying to, because of the way they are built into the process of economic growth” (Culpepper, 2015, p. 42). That is to say, since wealthy individuals and corporations have control over investment in an economy, they can decide to withhold investments if they judge government policy to be harmful to their continued income. Unlike instrumental power, this mechanism does not rely on the assumption that investment decisions are made with a political goal in mind; every actor follows their own economic self-interest. Even so, withholding investment will hurt growth and employment, and since presiding over a weak economy will generally hurt governing parties’ chances for re-election, they have a clear incentive to avoid such policies (Block, 1977; Lindblom, 1977).

The debate over instrumental and structural sources of power was active in the 1970’s, mostly among Marxist political economists (Poulantzas and Milliband, 1972). In the following decades, the structural perspective appeared in various guises, but rarely explicitly labelled as such, and it is all but absent in the recent empirical literature on unequal representation.⁹² As Culpepper (2015, p. 405) points out, this may be due to the fact that structural power has a “toxic brand name recognition,” and also because it is hard to empirically analyze a phenomenon that involves a great deal of (non-)decisions in response to implicit threats. This is a regrettable state of affairs, given the potential of this mechanism to explain (non-) variation in unequal representation across time and space (Lupu and Warner, 2019), and those working on the topic should think about how to find empirical manifestations of structural power.

Notwithstanding these difficulties, it is worth considering how structural power may have affected the increase in the retirement age. In general, its importance is plausible. In the literature on how economic globalization – and the increased mobility of investments it entails – impacts the welfare state, Brian Burgoon (2001) has shown that old-age pensions are particularly threatened by globalization. An important reason for this is that pensions hurt labor market flexibility and productivity more so than other welfare measures like active labor market policies, and this incentivizes corporations and capital holders to withhold or withdraw investments.

⁹² See the introductory chapter for an overview of this literature. In the concluding chapter, I will return to the absence of structural power in accounts of unequal representation.

The public and political debates contain repeated allusions to structural dependence on markets as a reason to increase the retirement age. This is most explicit in the following exchange during a parliamentary debate, between a senator from the Socialist Party, Tuur Elzinga, and the minister of Social Affairs, Henk Kamp:

Elzinga: “It seems that the financial markets apparently decide what has to happen. I find this sad (...).”

Kamp: “The financial markets are a reality. If the markets see that Italy has a public debt of almost two billion euros and a budget deficit of almost eight percent in the first quarter, the consequence is that they pay high interest rates, namely on the order of seven percent. (...) So the financial markets are a reality. If we succeed with the schedule we have imposed on ourselves, namely [a] three percent [budget deficit] in 2013 and after that decreasing to zero, to get our government budget in order, this will instill confidence on the financial markets and we will profit from that in the form of low interest rates, low investment costs, high employment and low unemployment” (Eerste Kamer, 2012b, pp. 2–3).

As this passage illustrates, the emphasis is not so much on investment decisions by domestic actors, but on the behavior of global financial markets, akin to what are sometimes called ‘bond vigilantes’ by economists. Another example of this sentiment is a joint statement put out in April of 2012 by the three major employer organizations, urging political parties to act in “the national interest”:

“There has be a budget by which the Netherlands has a deficit of three percent in 2013. A decrease in the Dutch creditworthiness which we risk in the absence of such measures only further increases the problems. The reputation of the Netherlands as a financially sound country is at stake. The employer organizations advocate structural measures in the areas of housing and pensions, at least. To this end, the pension bill currently before the Senate must be passed quickly” (VNO-NCW, MKB-Nederland and LTO Nederland, 2012).

Statements like these seem to make it plausible that the disciplining force exercised by financial markets was at least partly for the pension reform. This is further emphasized by Jurre de Haan, pension secretary for VNO-NCW. However, there are good reasons to doubt whether this is actually the case. First, there is the fact that the yoke of markets is only invoked

by actors who have long been in favor of raising the retirement age, well before the supposed budget crisis in 2012. At the same time, a lower creditworthiness would hurt the electorates of left and centrist parties as well, so they have every reason to be worried about this too. It is possible that these parties could not see the constraints imposed by financial markets or decided to ignore them. But it is also possible that right-wing parties and employer organizations used the motto that “there is no alternative” to increase support for a reform that was otherwise hard to sell to the public (for a general statement on this topic, see Watson and Hay, 2003).

This possibility is backed up by several other factors. One of them is that the Bureau for Economic Policy Analysis anticipated that increasing the retirement age would save the government a relatively small amount of money in their budget for 2013. It would only start affecting the budget in a substantial way from 2014 onwards.⁹³ Yet the minister and the employer organizations explicitly point to the need to balance the budget in 2013 as the reason to raise the pension age. In addition, the Eurozone crisis which was in full force in 2012 made it relatively risky to invest in several (Southern European) economies, and the Dutch economy provided something of a safe haven. As a result, interest rates on Dutch government bonds reached historically low levels in 2012 (Organization for Economic Cooperation and Development, 2019e). Given this fact, and given the fact that the total national debt would stay very low compared to most other Western European countries, regardless of the 2013 deficit, it seems highly unlikely that the Dutch economy would suffer severe consequences from a slightly bigger deficit (Organization for Economic Cooperation and Development, 2019b). In this context, the employer organizations’ claim that “[t]he reputation of the Netherlands as a financially sound country is at stake” seems tenuous.

Hence, it appears unlikely that structural dependence on markets can explain the increase in the retirement age. That is not to say that structural power is unimportant for explaining many policy changes across time and space, including the dismantling of the welfare state. However, the recent process of raising the retirement age in the Netherlands, culminating in the 2012 policy change, cannot be explained very well through this mechanism.

5.8 NEOLIBERAL IDEAS

Closely related to the previous mechanism is the influence of a series of ideas about the role of governments and markets in a capitalist society, which can loosely be labeled as

⁹³ This is, for instance, noted by members of the green party (Eerste Kamer, 2012c, p. 11). In an interview, Frank Vandembroucke adds that there was a general tension between the short-term nature of the budget deficit and the long-term impact of the pension reform.

neoliberal ideas. These ideas largely revolve around the perception that government has become too large and that market mechanisms should be (re)introduced to various parts of society through such proposals as lower income and corporate taxes and deregulation of the economy (Harvey, 2005).

At times, it is hard to distinguish between the role of ideas and structural power. However, they are qualitatively different from each other, for the following reason. If frequent references are made to the logic of the market as forcing specific kinds of political reforms, this is possibly a reflection of structural dependence. But if it turns out that these arguments do not hold much water – if, as I have argued in the previous section, economic institutions and interests do not in fact preclude alternative policies – it is the arguments themselves that are a relevant causal factor (for more elaborate reasoning of this kind, see Blyth, 2002). In other words, neoliberal ideas – whatever their exact source may be – should be considered as a separate mechanism behind unequal representation.

As a causal mechanism translating economic inequality into political inequality, the importance of ideas is highly plausible, given that income is positively correlated with right-wing views on socioeconomic issues (Gilens, 2009; Rehm, 2009; Arunachalam and Watson, 2018; see also chapters 2 and 4). In other words, high-income citizens are more likely to embrace neoliberal views than are low-income citizens. At the same time, the causal force of ideas is hard to disentangle from other factors. For one thing, there is always the possibility that the stated motivations of actors do not reflect their real beliefs. Nevertheless, it is instructive and important to analyze these motivations in their context.

Throughout the parliamentary debates and hearings over the increase in the retirement age, parties and organized interests mention several reasons for supporting this measure. As I mentioned above, references to demographic developments – increases in life expectancy and an aging population – are very common. These developments are seen to have created imbalances between the time an average citizen spends in the labor force and the time they spend in retirement. Maintaining a retirement age of sixty-five would, the argument goes, create an unsustainably large tax burden. Since this burden would be borne by younger generations, with older generations reaping the benefits of a low retirement age, considerations of intergenerational fairness also loom large.

However, one motivation deserves a closer look, namely the desire to balance the government budget. This is mentioned time and again as a justification for the policy. In an official document, for example, the minister of Social Affairs writes that “[t]he government now wants

to achieve a faster increase in the retirement age than in previous proposals, because the state of public finances has deteriorated sharply in a short amount of time” (Eerste Kamer, 2012a, p. 2). The quotations presented in the previous section provide additional examples, but the belief is broader than this. That is, it is also held by people and parties who do not (appear to) believe that financial markets would punish the Dutch economy for a larger budget deficit. This includes left-wing parties. During a debate in the Senate, for example, a member of the labor party states that “the MPs of my party are convinced that the pension age has to be raised. The MPs of my party are convinced of the need to achieve a sustainable government budget” (Eerste Kamer, 2012b, p. 3). And during the same debate, a member of the green party supports the same stance by arguing that “[t]he Netherlands faces a major challenge. The economic prospects are not good. If we want to achieve a balanced budget in 2017, we have to cut the government budget by twenty-five billion euros” (Eerste Kamer, 2012b, p. 11).

What makes this noteworthy is that the need to cut government spending amidst a recession is questionable using standard insights from macroeconomics. This remains a hotly debated issue among economists, and this is not the place to settle it, but it seems uncontroversial to say that there is a debate (cf. Blyth, 2013; Alesina, Favero and Giavazzi, 2019). In Dutch politics, however, there was a near-consensus on the need for austerity. Looking at party manifestos for the 2010 parliamentary elections, parties vary in how much they want to cut government spending, varying from nine billion euros (GroenLinks) to twenty billion euros (VVD), but there are no parties who question the need for budget cuts altogether. Given the relatively low level of public debt and the low interest rates paid by the Dutch government, this is surprising. There is also little to no consideration of imbalances within the Eurozone. With the government and the private sector both reducing their debts, the eventual, slow recovery of the Dutch economy was largely driven by exports (Statistics Netherlands, 2015). The suggestion made by economists that economic recovery in the Eurozone would be aided by more exports from Southern Europe to Northern Europe, instead of the other way around, and that imbalances in competitiveness were a major structural cause of the Euro-crisis, apparently never reached Dutch politicians (De Grauwe, 2013). In short, neoliberal ideas echoed in the proposals put forward by both right-wing and left-wing parties.

An alternative explanation for the widespread support for austerity is that the European Union (EU) forced the Dutch government to implement budget cuts. In March of 2011, the EU’s Stability and Growth Pact was amended with a provision that would put large penalties on national governments if their budget deficit exceeded three percent of GDP. It is certainly imaginable that Dutch political parties made additional budget cuts to avoid this fine. However, the reform of the Stability and Growth Pact was widely supported by Dutch parties,

and the Dutch government was among its staunchest supporters in the EU.⁹⁴ Moreover, the debates over the retirement age contain no references to pressure from the EU, with the exception of some statements from the far-right PVV. Therefore, this explanation does not seem very plausible.

5.9 ORGANIZED INTEREST LOBBYING

A fifth mechanism can be labelled as lobbying from organized interests. Organized interests are understood broadly here to include all non-governmental bodies which do not take part in elections but seek to influence the policy process through other means. This is similar to, but slightly broader than the common understanding of interest groups, which would for example exclude corporations (see the review in Jordan, Halpin and Maloney, 2004).

There is a long tradition of scholarship exploring the extent to which organized interests either amplify or drown out the voice of the public in policy making, and very much related to this, the extent to which they contribute to economic skews in political influence. This is most prominently reflected in the pluralist-elitist debates in the 1960's (Mills, 1956; Schattschneider, 1960; Dahl, 1961). After a period where some commentators lamented the separation of research on public opinion and organized interests into two separate literatures, there are now an increasing number of studies which connect the two. To my knowledge, the most extensive study of this kind is the analysis by Gilens and Page (2014), who show that business interests and affluent citizens strongly influence government policy in the United States, while 'mass-based interest groups' and middle-income citizens have much less influence (see also Grossmann and Isaac, 2019).

When considering the role of organized interests in explaining unequal representation, the point of departure should clearly be that their actions can both increase and decrease inequalities. That is to say, organized interests could function as "weapons of the weak" for those who are excluded from representation through party politics (Piven and Cloward, 1979). For instance, unions can provide a strong voice for low-income citizens (Ahlquist, 2017; see also the discussion in the introductory chapter). However, the institutional context of organized interests could also advantage economic elites for whom it is easier to overcome collective actions problems in organizing their demands (Ferguson, 1995, pp. 24–38; Schlozman, Verba and Brady, 2012, pp. 312–346). The question is which of these two possibilities is dominant in various times and places.

⁹⁴ Different parties state their positions in a parliamentary debate on 9 March 2011 (Tweede Kamer, 2011a).

Turning to the case at hand, organized interests featured very prominently in the policy process, such that any account of the pension reform would be incomplete without them. In news reports, parliamentary hearings and debates, numerous interests make their voice heard, including pensioners' associations, pension funds and associations of insurance companies (see, for example, Tweede Kamer, 2010). The most prominent organized interests, however, are employer organizations (including VNO-NCW, MKB and LTO) and trade union federations (including FNV, CNV and MHP). At this point, it should be noted that the demands of rich and poor citizens do not always coincide with those of employer and employee organizations, respectively. In particular, corporations and corporate lobby groups often have different interests than rich individuals.⁹⁵ On this issue, however, the employer-employee divide broadly overlaps with the rich-poor divide in public opinion. Most important of all, unions stood alone in representing the lower incomes, and the increase in the retirement age is partly a story of their waning influence.

Traditionally, Dutch politics operated through a corporatist mode of governance, whereby unions and employer organizations were actively involved in the policy process in an effort to create a broad consensus (Visser and Hemerijck, 1997). This tradition was also applied when it came to raising the retirement age. Starting in the spring of 2009, the employer organizations and union federations mentioned above entered talks to come to an agreement on reform of the pension age. The position of employers was quite clear: the pension age should be raised, this should happen sooner rather than later and, while they were not necessarily opposed to a flexible retirement age, this was much less of a priority for them than it was for unions.⁹⁶ In comparison to the labor movement, employer representatives were not very visible in the public debate, in part because there was much less internal conflict on their side. In part, this is also because employer organizations specialize less in public action and more in internal lobbying compared to unions (Gortzak, 2019). Nevertheless, we can say that employers were in close contact with the coalition parties, as per the corporatist governance model. Employer organizations also appeared in the media through press releases such as the one cited in the section on structural dependence and through interviews, many of which were aimed at putting pressure on unions and parties (e.g. Financieel Dagblad, 2011).

In contrast to employers, the labor movement was starkly divided internally, between those who did not want to raise the retirement age at all or at least wanted major concessions from employers, and those whose position was closer to employer organizations. After much struggling, union representatives and employers came to an agreement in June 2010, and again under a new coalition government in June 2011. Representatives of the two

⁹⁵ For instance, Gilens and Page (2014, p. 571) find no correlation between the preferences of the rich and the position of business interest groups in the United States.

⁹⁶ This is expressed very clearly in the parliamentary hearing in January 2010 (Tweede Kamer, 2010). See also the statement of April 2012 discussed above.

largest unions of the Netherlands – FNV Bondgenoten and Abvakabo, both part of the larger federation FNV – opposed both of these agreements for conceding too much to employers and putting too much of the burden on employees, especially those with low incomes.⁹⁷ Subsequently, many unions organized referenda among their members, and although the members of some smaller unions voted in favor of the agreement, members of the two largest unions overwhelmingly rejected it (Algemeen Dagblad, 2011b; EenVandaag, 2011; Parool, 2011). Despite this opposition, the heads of the union federation stuck to the agreement, causing great turmoil within the labor movement and almost splitting the main union federation (FNV) in two.

Much more can and has been said about the specifics of these events (see Tamminga, 2017, chaps 8–9), but a few key implications stand out. First, the above suggests that the leadership of the movement was disconnected from its base, or at least a numerical majority of its base. Some have interpreted the pension agreement in this way (e.g. Engelen, 2014, p. 192), and it is easy to imagine mutually beneficial backroom deals between union and employer representatives. But it is not necessarily the case that there was such a disconnect. After all, what alternative did the union representatives have? Their bargaining position was weak, first and foremost because of dwindling membership. In 2012, less than twenty percent of all Dutch employees were members of a union, down from forty percent in the 1960's (Organization for Economic Cooperation and Development, 2019f).⁹⁸ This is reflected in an absence of large scale protests or strikes during and after the pension negotiations; there were only smaller protests and petitions (e.g. Reformatorisch Dagblad, 2011). Given that much of the labor movement's strength stems from public pressure, as mentioned above, this is a significant factor. Further weakening labor's bargaining position was a hostile ideological climate (see the section on neoliberal ideas above), which is intricately connected with the decline of unions itself (Tamminga, 2017; Jongerius, 2019).

This weakness was reflected and cemented by the position of Henk Kamp, the minister of Social Affairs. While the union federations were trying to come up with a unified position, Kamp repeatedly stated that he would go ahead with the original policy proposal if employers

⁹⁷ In an interesting case of internal conflict, Abvakabo was less opposed to the agreement than Bondgenoten, but the former did not want the latter to be able to claim a martyr role as the only opposition within the union federation (Gortzak, 2019).

⁹⁸ In addition to the number of union members, the composition of union membership is also relevant for understanding the power of the labor movement. If union members were more affluent in the past than they are in recent times, this is likely to contribute to decline influence of labor as a whole (Gortzak, 2019). To explore this possibility, I compare the Dutch Parliamentary Election Studies of 1971 and 2012. This shows that, in 1971, being a member of a union shares a low, positive (point biserial) correlation with income ($r = 0.094$; $N = 1956$) and education ($r = 0.069$; $N = 2243$). In 2012, there is a lower correlation between union membership and both income ($r = 0.052$; $N = 1675$) and education ($r = 0.023$; $N = 1593$). Hence, there is some marginal evidence that union members have become poorer and less educated compared to the general population over time. However, the differences between the two years are quite small, so the general trend of declining membership is probably more relevant than the changing composition of members (results available upon request).

and employees could not come to an agreement.⁹⁹ He added that this original proposal was less generous towards employees (Algemeen Dagblad, 2011a). Clearly, the labor movement was on the back foot, and it seemed that all they could do was try to minimize their losses.

Moreover, the policy change that was eventually adopted in July 2012 was *not* based on the pension agreement between employers and employees. The adopted policy was harsher to employees than the pension agreement, among other things by raising the retirement age much more quickly. After the turmoil within the labor movement following the June 2011 agreement with employers, the main representatives of the biggest union federation stepped down and an effort was undertaken to reform the federation to heal the deep divisions that had emerged. While the labor movement was in this incapacitated state, a broad coalition of political parties cast the pension agreement aside, motivated by new economic forecasts and what they perceived as the need for more austerity (Jongerius, 2019). In the words of Peter Gortzak, “the division within the FNV created an atmosphere that made it easier for parties to breach the pension agreement” (Gortzak, 2019). Hence, despite the enormous effort and cost that went into coming to this agreement, the labor movement still lost on several key points.

All in all, the relative weakness of unions made it possible for the pension reform to be put on – and stay on – the political agenda. Their weakness and division meant that they had to make large concessions in negotiations with employers, and they were powerless when even this agreement was largely cast aside. What makes this all the more striking is that this was an issue of great importance to unions, given its aging membership base (Engelen, 2014: 192). Even on this issue, then, the imbalance between employers and employees was apparent.

5.10 POLITICAL PARTIES

Finally, we can say something about the role of political parties. As noted in the previous chapter, political parties are a major institution in democratic theory and practice, functioning as the primary vehicle that connects citizen demands to policy outcomes. For this reason, it is important to analyze their role in bringing about unequal representation. The basic hypothesis here is that left-wing parties represent the preferences of the low incomes over the high incomes, while the opposite should hold for right-wing parties (see the more elaborate discussion in chapter 4).

If we again look at party manifestos for the 2010 parliamentary elections, the different parties

⁹⁹ In a way, this mirrors the events of 2009, when the then-minister of Social Affairs, Piet-Hein Donner, told representatives of employers and employees that he would raise the retirement age unless they could come to an alternative agreement within six months (Gortzak, 2019; Jongerius, 2019).

position themselves largely in accordance with this hypothesis. The biggest right-wing party, the VVD, expresses a desire to raise the retirement age very quickly, starting in 2011 and reaching sixty-seven in 2023 (VVD, 2010, p. 12). Notably, it does want to make an exception for people who have worked for forty-five years by the age of sixty-five. D66, a liberal democratic party, offers a similar proposal as the VVD, but without the exception for people with long careers. Their platform also includes tying increases in the retirement age to increases in life expectancy from the 2020's onwards (D66, 2010, pp. 24–25). The Christian democratic party CDA proposes a slightly more gradual rise in the retirement age, but like D66, does not want to make exceptions for people with low incomes and/or demanding jobs (CDA, 2010, p. 44). The PvdA, the social democratic party, favors a more gradual increase still, from 2020 onwards, with provisions for early retirement for those who are “worn out” by the age of sixty-four (PvdA, 2010, pp. 36–37). The green party, GroenLinks, speaks of a flexible pension that allows those with low incomes and/or demanding jobs to retire earlier. Their way of achieving this – allowing people to retire after they have worked for forty-five years – is remarkably similar to the VVD (GroenLinks, 2010, pp. 21–22). Finally, there are a number of parties who are opposed to any increases in the retirement age, namely the socialist party SP (2010, p. 7), the right-wing populist party PVV (2010, p. 21), and the party for people above the age of 50, 50PLUS (2010).

Of all these parties, the PVV sticks out here as a party whose stance does not seem to align with their left-right position. Although the party did agree to raise the retirement age to sixty-six in the coalition agreement, which it supported as a junior coalition partner, it strongly opposed further reforms. This eventually led to the collapse of the coalition in April 2012. Their stance can be understood as a typical example of what is called “welfare chauvinism,” the defense of welfare state measures for native Dutch citizens (De Koster, Achterberg and Van der Waal, 2012). Since pensions mainly benefit older, native citizens, who form a large share of the party's base and who are seen as deserving recipients of welfare, the party staunchly defends generous pensions. This is notwithstanding the fact that the party holds right-wing positions on other economic issues, at least judging by its platform and voting behavior in parliament (Pellikaan, De Lange and Van der Meer, 2018).

Returning to the other parties, the statements made by parties, both in parliament and in the media, by and large echo their election platforms. Concerns about the reform's impact on people with lower incomes are voiced by left-wing parties, while right-wing parties downplay these concerns and focus on the need to balance the budget. Over time, however, most parties shift somewhat to the right. This is most apparent in the case of the SP, PVV and 50PLUS, who all abandon the position that the retirement age should remain sixty-five. CDA, PvdA and GroenLinks also shift their stance, in the sense that they start favoring quicker and more

sudden increases in the retirement age than put forward in their election programs. The VVD abandons the notion that people should be able to retire at age sixty-five if they have worked for forty-five years. Most striking of all is the fact that the policy which is adopted in 2012 combines the most austere parts of different parties' 2010 platforms: quick and sudden increases in the retirement age (VVD), no exceptions for people with long careers, low incomes and/or demanding jobs (CDA/D66) and a one-to-one link between the retirement age and life expectancy starting in the 2020's (D66). This shift between 2010 and 2012 could be explained by the other mechanisms discussed above: the weakness of unions relative to employers, the dominance of neoliberal views amplified in the context of an economic downturn, and biases in descriptive representation.

What does this mean for the hypothesis? It is quite clear that left-wing parties are closer to low-income citizens than are right-wing parties, not only in their rhetoric but also in their policy stances. Among other things, left-wing parties pushed for a flexible pension that would allow people with demanding jobs to retire earlier, which mostly concerns low-income citizens. This did not make it into the bill because of opposition from centrist and right-wing parties. However, the expectation that left-wing parties would champion the demands of the poor over the rich is not borne out in the pension reform. Instead, the conclusion is the same as that of chapter 4: left-wing parties represent different economic groups more equitably than right-wing parties, but they are nonetheless biased in favor of higher incomes. This is most evident in the participation of GroenLinks in the agreement of April 2012 to make additional budget cuts, which included the rapid increase in the retirement age. And while the PvdA did not take part in this agreement, it supported important parts of the policy change.¹⁰⁰ As shown earlier, both parties embraced the need for austerity, rejecting traditional Keynesian policies. The SP partly differed in its stance, but it was too marginal to make much of a difference. In essence, political parties were more homogenous in their views than the general public, which was largely caused by the relative lack of parties defending less drastic and more generous reforms.

5.11 CONCLUSION

In this chapter, I have attempted to outline and evaluate different ways in which the demands of rich citizens receive more weight in the policy process than the demands of the poor. To this end I selected one of the observations from a quantitative analysis of unequal policy

¹⁰⁰ The decision to further increase the speed by which the retirement age is raised was taken while a member of the PvdA (Lodewijk Asscher) was the minister of Social Affairs and Employment (see the section on descriptive representation above). Roos Vermeij, then-representative for the PvdA, refers to this as the most painful moment of her political career and adds that, while many saw this as a necessary compromise in the context of coalition bargaining, there were also some PvdA MPs who supported it on its own terms.

responsiveness in the Netherlands (chapter 3), namely the increase in the retirement age in 2012. In the events and debates surrounding this policy change, I identified six potential causal mechanisms: party finance, descriptive representation, structural dependence on markets, the influence of neoliberal ideas, lobbying by organized interests and biases in party politics. There was no clear evidence to support the role of party finance and structural power, while the importance of neoliberal ideas, lobbying and party politics was corroborated. Finally, the evidence for descriptive representation can be described as suggestive.

In broad terms, this suggests the following summary narrative. The weakness of unions as the main organized interest representing the preferences of lower incomes, especially in 2012, explains the political feasibility of 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, which explains the timing of the reform and the remarkable speed with which the retirement age was raised. A bias in descriptive representation shows up through the fact that many people involved in the policy process had never worked outside of politics or academia, which potentially influenced their views towards work and retirement. Finally, and possibly as a result of the previous three mechanisms, most left-wing parties did not champion the demands of the poor, allowing the reform to pass through parliament with widespread support.

Much has happened since the 2012 policy change that was at the center of this chapter. As I briefly mentioned above, the pension law was reformed again in 2015 to increase the retirement age more quickly than was agreed upon in 2012. Perhaps the most noteworthy development came in the summer of 2019, when unions and employer organizations came to a new pension agreement after years of negotiations. This agreement – which was supported by a majority of political parties – represented a move away from welfare retrenchment. One important illustration of this is that, under the agreement, the retirement age will eventually increase by eight months for every one-year increase in life expectancy. In the long run, this makes for a much smaller skew between years spent in the labor force and years spent in retirement. While a full analysis of these recent events would require its own chapter, it is likely that this was influenced by the improved state of the economy and the continued pro-cyclical thinking of Dutch policymakers (De Haan, 2019; Jongerius, 2019). One other, suggestive fact deserves to be mentioned: labor unions organized a large-scale strike in May 2019, and an agreement with employers was reached soon afterwards. Such large-scale action was absent in 2012. Perhaps, then, this is further evidence of the importance of the balance of power among organized interests.

Needless to say, this study is not without its limitations. First, I have not provided a full, in-depth process tracing analysis of the different causal mechanisms, as I mentioned near the beginning of this chapter. As a result, the analysis is somewhat exploratory and the evidence I present does little to produce a precise causal configuration of different mechanisms. Given the magnitude of the research question, this is only a first step towards answering it.

Second, there is the very real possibility that influential events in the policy process were hidden from view to anyone who was not close to them. For example, one can imagine backroom deals between employers and politicians where the latter promised to support the policy in exchange for favors from the former. Missing out on events like these would bias my account of the causal mechanisms. However, it is important to note that this would imply that I have underestimated the significance of lobbying by organized interests. Given that this already plays a large role in my account, this would alter the emphasis of the conclusion but not the general thrust.

Third, the analysis has focused on one instance of policy change, raising the obvious question of generalizability. On this point, I can only speculate, but it is likely that neoliberal ideas, biases in organized interest lobbying, descriptive representation and party politics affect more policy areas than the pensions issue explored here. For example, unions represent the lower incomes on a whole range of issues, and their declining influence should have broad repercussions accordingly. This is particularly true for socioeconomic issues – that is, questions of redistribution, taxation and social policy. It is likely that these mechanisms are less relevant for sociocultural issues like immigration. As for generalizability beyond the Netherlands, this is also an open question. Yet, across a range of established democracies, unions are in decline (Organization for Economic Cooperation and Development, 2019f), neoliberal ideas are influential (Blyth, 2013), there are skews in descriptive representation (Best, 2007; Bovens and Wille, 2017) and left-wing parties do not represent the poor better than the rich (chapter 4). This makes it plausible that the same account applying to recent Dutch social policy reform may apply to other countries. The bottom line, however, is that the generalizability of this chapter's narrative is an empirical question that future research should explore.

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 90th income percentile) but with the "truly rich" (e.g. the 99th or 99.9th 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.¹⁰¹ 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)

¹⁰¹ 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.¹⁰²

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

¹⁰² 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.¹⁰³ 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

¹⁰³ 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.¹⁰⁴ 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

¹⁰⁴ 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.¹⁰⁵ 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

¹⁰⁵ 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.¹⁰⁶ 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

¹⁰⁶ 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).¹⁰⁷ 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,

¹⁰⁷ 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.¹⁰⁸ 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

¹⁰⁸ 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.

Appendix

Table A2.1: Summary statistics (chapter 2)

	Mean	S.D.	Min.	Max.	N
<i>General preferences</i>					
All respondents	29.79	24.27	-35.79	83.01	130
50 th percentile	30.55	25.47	-37.45	87.45	130
<i>Low income preferences</i>					
5 th percentile	39.00	20.84	-16.33	80.77	130
10 th percentile	38.25	21.34	-18.53	82.64	130
Quintile 1	38.30	21.43	-17.12	83.72	130
Tercile 1	36.55	22.30	-23.09	86.90	130
<i>High income preferences</i>					
95 th percentile	18.23	26.69	-52.94	71.30	130
90 th percentile	19.79	26.63	-51.67	74.22	130
Quintile 5	18.47	26.87	-52.07	67.58	130
Tercile 3	20.95	26.45	-52.07	74.40	130
<i>Policy outcomes</i>					
Δ Generosity, t+1 – t+4	0.60	3.75	-22.50	12.61	130
Δ PC spending, t+1 – t+4	9.05	22.66	-41.91	141.17	130
<i>Controls</i>					
Generosity (t)	9.96	3.53	0	16.80	130
Per capita spending (t)	1562.44	1137.22	0	4927.20	130
GDP (t)	40965.32	14723.42	19427.19	89887.02	130
GDP growth (t)	2.38	1.34	-1.09	6.96	130
Unemployment rate (t)	7.19	3.47	3.35	22.14	130

Table A2.2: Country-years in survey and generosity data (chapter 2)

	ISSP I	ISSP II	ISSP III	ISSP IV
Australia	1986	1990	1997	2007
Austria	1986	.	.	.
Canada	.	.	1996	2006
Denmark	.	.	.	2008
Finland	.	.	.	2006
France	.	.	1997	2006
Germany	1985	1990	1996	2006
Great Britain	1985	1990	1996	2006
Ireland	.	.	1996	2006
Italy	1985	1990	1996	.
Japan	.	.	1996	2006
Netherlands	.	.	.	2006
New Zealand	.	.	1997	2006
Norway	.	1990	1996	2006
Portugal	.	.	.	2006
South Korea	.	.	.	2006
Spain	.	.	1996	2007
Sweden	.	.	1996	2006
Switzerland	.	.	1998	2007
United States	1985	1990	1996	2006

Note: ISSP = International Social Survey Programme

Table A3.1: Summary statistics (chapter 3)

	Mean	S.D.	Min.	Max.	N
<i>Dependent variable</i>					
Policy adopted	0.27	0.45	0	1	291
<i>Independent variables (percent in favor)</i>					
Income, P10	48.06	22.06	2.42	93.77	291
Income, P50	48.00	21.97	1.74	97.12	291
Income, P90	47.52	20.81	2.13	97.11	291

Table A3.2: Data sources for the survey questions, sorted by frequency (chapter 3)

Survey	Year(s)	N
EenVandaag Survey Panel	2006-2012	77
Cultural Changes in the Netherlands	1979-2012	61
NIPO Weekly Surveys	1982-1994	29
Centerdata Telepanel	1993-1999	25
Public Opinion on Social Security and Labor in the Netherlands	1995	21
Dutch Parliamentary Election Studies	1981-2012	19
LISS Panel	2008, 2010	16
Citizens' Outlooks Barometer	2008, 2012	11
International Social Survey Programme	2006	9
Individual Freedom of Choice in the Field of Social Insurance	2001	6
Eurobarometer	1984, 1991, 1993, 1996	5
Justice Criteria and Income Inequality	1987	4
Family Survey Dutch Population	2000, 2003	2
Income Inequality, Income Politics and Redistribution Preferences	1982	2
Socioeconomic Developments in the Netherlands	1998	2
European Values Study	2008	1
Sociocultural Developments in the Netherlands	1995	1

Table A4.1: Summary statistics (chapter 4)

	Mean	S.D.	Min.	Max.	N
<i>Dependent variables</i>					
Overall party attention, logged (t+1)	1.52	0.86	-0.95	3.70	493
Left party attention, logged (t+1)	1.39	1.28	-2.94	3.89	493
Right party attention, logged (t+1)	1.46	0.97	-1.59	3.77	473
<i>Independent variables</i>					
Overall preferences	23.14	27.31	-63.59	79.29	493
50 th percentile preferences	23.32	27.97	-63.80	78.04	493
10 th percentile preferences	24.29	26.91	-64.33	81.14	493
90 th percentile preferences	21.61	28.13	-65.06	77.61	493
1 st quintile preferences	24.34	27.00	-62.22	81.26	493
5 th quintile preferences	21.52	28.07	-65.78	77.27	493
<i>Control variables</i>					
GDP per capita, logged (t)	10.20	0.69	8.25	11.41	493
GDP growth (t)	2.59	2.14	-2.87	10.88	493
Unemployment (t)	8.10	4.60	3.10	27.47	493

Table A4.2: Country-years in survey and manifesto data (chapter 4)

	ISSP I	ISSP II	ISSP III	ISSP IV	AB	CSES4
Australia	1986	1990	1997	2007	.	2013
Austria	1986	2013
Bulgaria	.	.	1997	.	.	2015
Canada	.	.	1996	2006	.	2011
Croatia	.	.	.	2006	.	.
Cyprus	.	.	1996	.	.	.
Czech Republic	.	.	1996	2006	.	2013
Denmark	.	.	.	2008	.	.
Finland	.	.	.	2006	.	.
France	.	.	1997	2006	.	2012
Germany	1985	1990	1996	2006	.	2013
Great Britain	1985	1990	1996	2006	.	2015
Greece	2013
Hungary	.	1990	1996	2006	.	.
Iceland	2013
Ireland	.	.	1996	2006	.	2011
Israel	.	1991	1996	2007	.	2013
Italy	1985	1990	1996	.	.	.
Japan	.	.	1996	2006	2003	2013
Latvia	.	.	1996	2007	.	2011
Mexico	2012
Montenegro	2013
Netherlands	.	.	.	2006	.	.
New Zealand	.	.	1997	2006	.	2011
Norway	.	1990	1996	2006	.	.
Poland	.	.	1997	2008	.	.
Portugal	.	.	.	2006	.	.
Romania	2013
Russia	.	.	1997	2007	.	.
Serbia	2013
Slovenia	.	.	1995	2006	.	2012
South Africa	.	.	.	2006	.	.
South Korea	.	.	.	2006	2003	.
Spain	.	.	1996	2007	.	.
Sweden	.	.	1996	2006	.	2014
Switzerland	.	.	1998	2007	.	2011
Turkey	2015
United States	1985	1990	1996	2006	.	2012

Note: ISSP = International Social Survey Programme; AB = Asiabarometer; CSES = Comparative Study of Electoral Systems

Table A5.1: List of abbreviations (chapter 5)

	Dutch	English
<i>Political parties</i>		
CDA	Christen-Democratisch Appèl	Christian Democratic Appeal
D66	Democraten 66	Democrats 66
PvdA	Partij van de Arbeid	Labour Party
PVV	Partij voor de Vrijheid	Party for Freedom
SGP	Staatkundig Gereformeerde Partij	Reformed Political Party
SP	Socialistische Partij	Socialist Party
VVD	Volkspartij voor Vrijheid en Democratie	People's Party for Freedom and Democracy
<i>Employer organizations</i>		
LTO Nederland	Land- en Tuinbouworganisatie Nederland	Netherlands Agricultural and Horticultural Association
MKB-Nederland	Midden- en Kleinbedrijf Nederland	Small and Medium-Sized Enterprises Netherlands
VNO-NCW	Verbond van Nederlandse Ondernemingen - Nederlands Christelijk Werkgeversverbond	Confederation of Netherlands Industry and Employers
<i>Union federations</i>		
CNV	Christelijk Nationaal Vakverbond	National Federation of Christian Trade Unions in the Netherlands
FNV	Federatie Nederlandse Vakbeweging	Federation of Dutch Trade Unions
MHP	Vakcentrale voor Middengroepen en Hoger Personeel	Federation of Managerial and Professional Staff Unions

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English 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. 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

This summary largely overlaps with chapter 6, section 6.1 of the main text.

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 unequal representation? 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.

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.

The dissertation's findings have important implications for our understanding of the relationship between capitalism and democracy. In particular, the inequalities that are inherent in the former are at odds with the equality towards which the latter strives. To all those who value the ideal of political equality, this should provide an impetus to conduct additional analysis and consider political reforms to bring this ideal closer to reality.

Nederlandse Samenvatting

Politieke gelijkheid is een van de fundamenteën van de democratie. Het is tegelijkertijd een rechtvaardiging voor democratisch bestuur en een doel waar het naar streeft. Het is echter niet een erg makkelijk doel om te bereiken. Politieke gelijkheid, wat ik zie als de afwezigheid van systematische vertekeningen in beleidsvertegenwoordiging, wordt ernstig bedreigd door het bestaan van sociale en economische ongelijkheden. Een van deze ongelijkheden is gebaseerd op inkomensverschillen, en dit is een bijzonder relevante vorm van ongelijkheid, gezien de flexibiliteit waarmee geld potentieel kan worden omgezet in politieke invloed.

Ondanks het belang van politieke gelijkheid weten we weinig over de mate waarin het in de praktijk wordt verwezenlijkt. Het is zeker een veelbesproken onderwerp onder burgers, politici en onderzoekers, waarbij sommigen beweren dat een rijke en machtige minderheid dominant is in het beleidsproces terwijl anderen volhouden dat rijke en arme burgers in gelijke mate worden vertegenwoordigd. Tot voor kort werd dit debat echter gevoerd op basis van weinig data en analyse.

Dit proefschrift had als doel om een deel van de ontbrekende informatie aan te vullen. Het is onderdeel van een groeiende literatuur over het effect van inkomensongelijkheid op politieke vertegenwoordiging. Deze literatuur heeft duidelijk bewijs gevonden van een

vertekening van politieke uitkomsten in het voordeel van de rijken, maar eerder onderzoek is in verschillende opzichten beperkt. De belangrijkste van deze beperkingen is de geografische focus, aangezien het overgrote deel van de studies zich richt op de specifieke, *most-likely* context van de Verenigde Staten. In deze studie heb ik verder gekeken dan deze ene casus en heb ik ongelijke vertegenwoordiging geanalyseerd in meerdere gevestigde democratieën. De leidraad van mijn analyse was de volgende vraag: reageert overheidsbeleid in gevestigde democratieën sterker op de wensen van rijke burgers dan op de wensen van burgers met midden en lage inkomens, en zo ja, hoe kunnen we zulke ongelijke vertegenwoordiging verklaren? Om deze vraag te beantwoorden ben ik nagegaan wat het effect is van publieke opinie onder verschillende inkomensgroepen op beleidsuitkomsten en partijposities. Ik heb zowel vergelijkende studies (hoofdstuk 2 en 4) als casusstudies uitgevoerd (hoofdstuk 3 en 5), waarin ik gebruik maak van zowel kwantitatieve analyse (hoofdstuk 2, 3 en 4) als kwalitatieve illustratie en *process-tracing* (hoofdstuk 5).

Deze analyses hebben drie hoofdbevindingen opgeleverd. De eerste bevinding is het goede nieuws, namelijk dat er in het algemeen responsiviteit is op publieke opinie in gevestigde democratieën. Er is duidelijk bewijs dat publieke voorkeuren gezamenlijk worden vertaald in beleidsveranderingen (hoofdstuk 2 en 3). Zulke responsiviteit is ook zichtbaar in de verkiezingsprogramma's van politieke partijen (hoofdstuk 4). We kunnen daarom zeggen dat beleid en partijen in gevestigde democratieën in het algemeen het volk vertegenwoordigen, wat goed nieuws is voor iedereen die dit ziet als een essentieel onderdeel van de democratie.

De tweede hoofdbevinding is het slechte nieuws: dat beleidsvertegenwoordiging consequent sterker is voor de hoge inkomens dan voor de lage en middeninkomens. Kort gezegd, hoe meer geld iemand verdient, hoe waarschijnlijker het is dat beleid diens wensen volgt. Dit komt naar voren uit een vergelijkende studie van beleidshervormingen in de verzorgingsstaat wanneer we gebruik maken van de meest valide meting van beleid in de vorm van de generositeit van sociaal beleid (hoofdstuk 2). Het blijkt ook uit een analyse van een veel breder scala aan beleidskwesties in Nederland (hoofdstuk 3). Nederland is een onwaarschijnlijke context om ongelijke vertegenwoordiging te vinden vanwege de lage inkomensongelijkheid, de kleine geldbedragen die omgaan in de politiek en het zeer proportionele kiesstelsel. Zelfs hier is beleidsresponsiviteit echter veel sterker voor de rijken dan voor andere inkomensgroepen. Hoewel beleid vaak aansluit op de voorkeuren van burgers met lage en middeninkomens, omdat deze voorkeuren vaak overlappen met wat de hoge inkomens willen, hebben de eerste twee groepen weinig tot geen onafhankelijke invloed op beleid wanneer ze het oneens zijn met de laatsten. Bovendien zijn dergelijke meningsverschillen verre van zeldzaam, vooral niet op het gebied van economisch beleid, waar rijke en arme burgers sterk verdeeld zijn.

Dit betekent dat ongelijke vertegenwoordiging concrete gevolgen heeft voor het beleid dat wordt gevoerd in gevestigde democratieën.

De derde bevinding betreft de normatief neutralere maar politiek cruciale kwestie van de causale mechanismen die tot ongelijke vertegenwoordiging leiden, dat wil zeggen de manieren waarop inkomen kan worden omgezet in politieke invloed. Er zijn veel mogelijke mechanismen; de rijken kunnen oververtegenwoordigd zijn omdat ze meer geld schenken aan partijen en kandidaten, omdat ze vaker stemmen tijdens verkiezingen, omdat veel politici een welvarende achtergrond hebben, omdat hun eisen beter worden vertolkt door belangengroepen of omdat ze structureel bevoordeeld zijn als investeerders en werkgevers in de economie, om enkele prominente mogelijkheden te noemen. Uit mijn analyse van vertegenwoordiging in Nederland bleek dat beleidsresponsiviteit sterker is voor kiezers dan voor niet-kiezers op alle inkomensniveaus, wat betekent dat verschillen in verkiezingsdeelname tussen rijk en arm bijdragen aan ongelijke vertegenwoordiging. Tegelijkertijd is er nog steeds een grote kloof in responsiviteit tussen arme kiezers en rijke niet-kiezers, wat suggereert dat er andere verklaringen nodig zijn voor dit fenomeen (hoofdstuk 3). Daarnaast vond ik dat de verkiezingsprogramma's van politieke partijen - voor een groot aantal beleidskwesties en landen - vertekend zijn in het voordeel van de rijken, vergelijkbaar met beleidswijzigingen. Bovendien vertegenwoordigen zelfs de standpunten van linkse partijen de armen niet beter dan de rijken; het omgekeerde lijkt eerder waar te zijn (hoofdstuk 4). Tezamen suggereren deze bevindingen dat de verklaring voor ongelijke vertegenwoordiging niet alleen aan de vraagzijde van de electorale politiek kan worden gelegd. Dat wil zeggen, ongelijke vertegenwoordiging is niet alleen te wijten aan het feit dat burgers met een laag of middeninkomen niet vaak genoeg stemmen, of misschien niet stemmen in overeenstemming met hun beleidsvoorkeuren.

Een diepgaande, kwalitatieve casusstudie over pensioenhervorming in Nederland bouwt voort op deze inzichten (hoofdstuk 5). Uit deze analyse bleek dat, hoewel er duidelijke verschillen zijn tussen linkse en rechtse partijen, de gevestigde linkse partijen zich niet inzetten voor de eisen van de armen, aangezien deze partijen voorstander waren van snelle stijgingen van de pensioenleeftijd. Bovendien droegen vertekeningen in de invloed van belangengroepen - in het bijzonder de zwakke van vakbonden - en de dominantie van neoliberale ideeën onder politieke elites bij aan de doorvoering van het beleid. Steun voor een ander mechanisme, gebaseerd op de persoonlijke sociaaleconomische achtergrond van politici, was gemengd, aangezien een kwantitatieve analyse hier geen bewijs voor vond (hoofdstuk 4), terwijl een kwalitatieve analyse suggestieve steun vond (hoofdstuk 5).

Samenvattend concludeer ik het volgende: er is algemene beleidsvertegenwoordiging in gevestigde democratieën, maar deze vertegenwoordiging is bijzonder ongelijk. De eisen van burgers met een hoog inkomen krijgen veel meer gewicht in het beleidsproces dan de eisen van burgers met lage en middeninkomens. Ik concludeer ook dat ongelijke vertegenwoordiging in gevestigde democratieën een veelzijdig fenomeen is, waarbij vertekeningen in de invloed van belangengroepen, politieke participatie, partijpolitiek en dominante ideologieën allemaal een rol spelen.

De bevindingen van dit proefschrift hebben belangrijke implicaties voor ons begrip van het verband tussen kapitalisme en democratie. De ongelijkheden die inherent zijn aan de eerste staan op gespannen voet met de gelijkheid waarnaar de laatste streeft. Voor iedereen die het ideaal van politieke gelijkheid belangrijk vindt is dit hopelijk een stimulans om aanvullende analyses uit te voeren en politieke hervormingen te overwegen om dit ideaal verder te verwezenlijken.

