



# Political Inequality

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# This project



- A perspectives paper for the Deaton Review
  - Taking a broad overview of some issues and not focused on any specific country
- Wider issues to be explored
  - What is political inequality?
  - Why does it matter?
  - How is it related to economic inequality?
  - How can it be measured?
- Levers of change
  - How do specific policies and institutional reforms affect it?

# What is political equality?

- **Equal consideration:** “In cases of binding collective decision, to be considered as an equal is to have one's interests taken equally into consideration by the process of decision-making” (Dahl 1991, p. 87)
  - **Resources**
  - **Opportunity costs**
  - **Beliefs**
  - **Power and influence**
    - **Sources:** money, status, collective action
    - **Consequences:** extra institutional influence

# Why does it matter?

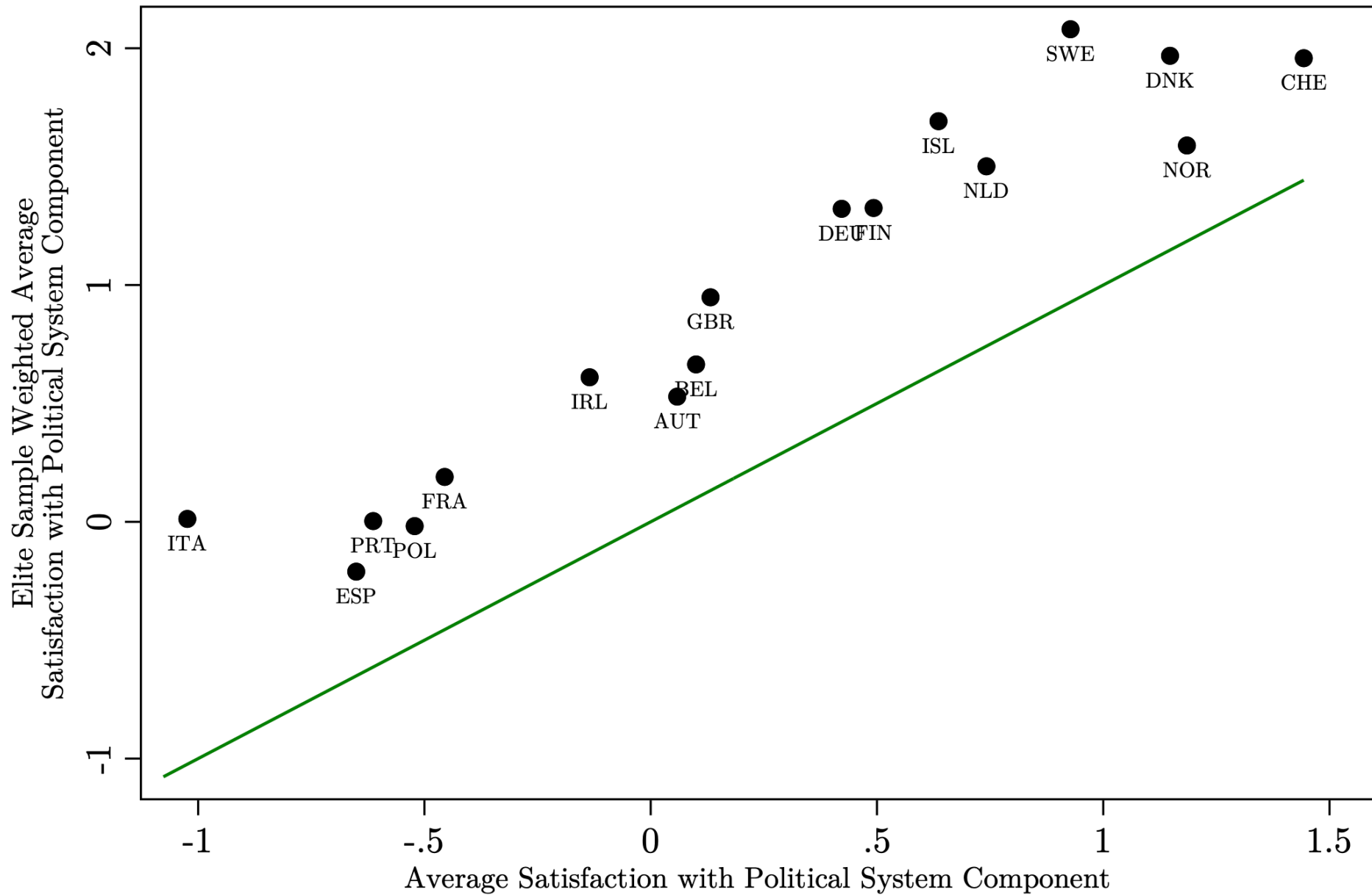
- Intrinsic view
  - It is a good in itself when defining a political community
  - Intrinsic to creating a sense of belonging/identity
  - Intrinsic to creating meaningful freedom
- Instrumental view
  - Creates a means to secure what is needed to promote “good lives”
    - Has been the main focus to date
  - But even on the intrinsic view, the goals should not be defined narrowly
    - Importance of building trust and engagement to enhance legitimacy and effectiveness

# Three Basic Facts about Political Inequality



1. Economic elites are more “satisfied” with the political system than the average citizen.

*Economic elite* – respondents in the European Social Survey (ESS) that are in the top two deciles of income distribution + highest educational attainment is tertiary level.



\*Note: satisfaction with political system component refers to the first principal component from the following four variables in the ESS dataset: satisfaction with democracy, interest in politics, trust in politicians, and the political system permits citizen voice in what the government does. Sample of countries refers to advanced capitalist (primarily W. European) democracies in the ESS dataset. Averages are pooled over available ESS rounds (2008-2018) with non-missing data across respondents per country.

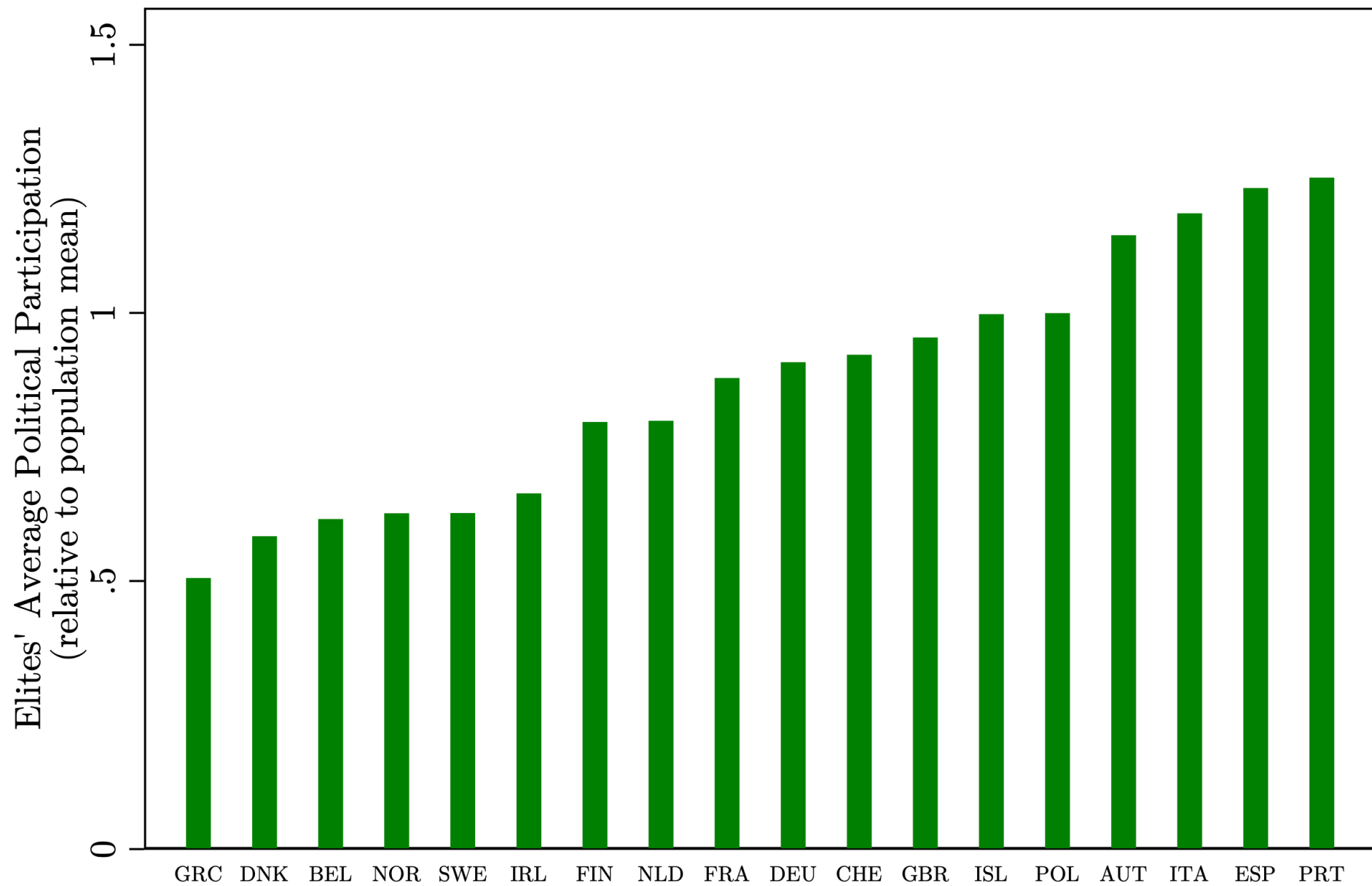
# Three Basic Facts about Political Inequality



1. Economic elites are more “satisfied” with the political system than the average citizen.
2. Economic elites participate more in politics than the average citizen.

*Participation* – additive summary per respondent of seven different “types” of political activities (dummy variables) from ESS dataset (i.e. 0-7 range):

- voted in last national election
- contacted politician/govt. official
- worked for political party
- work in other organization
- signed petition
- attended protest
- displayed political badge/campaign sticker



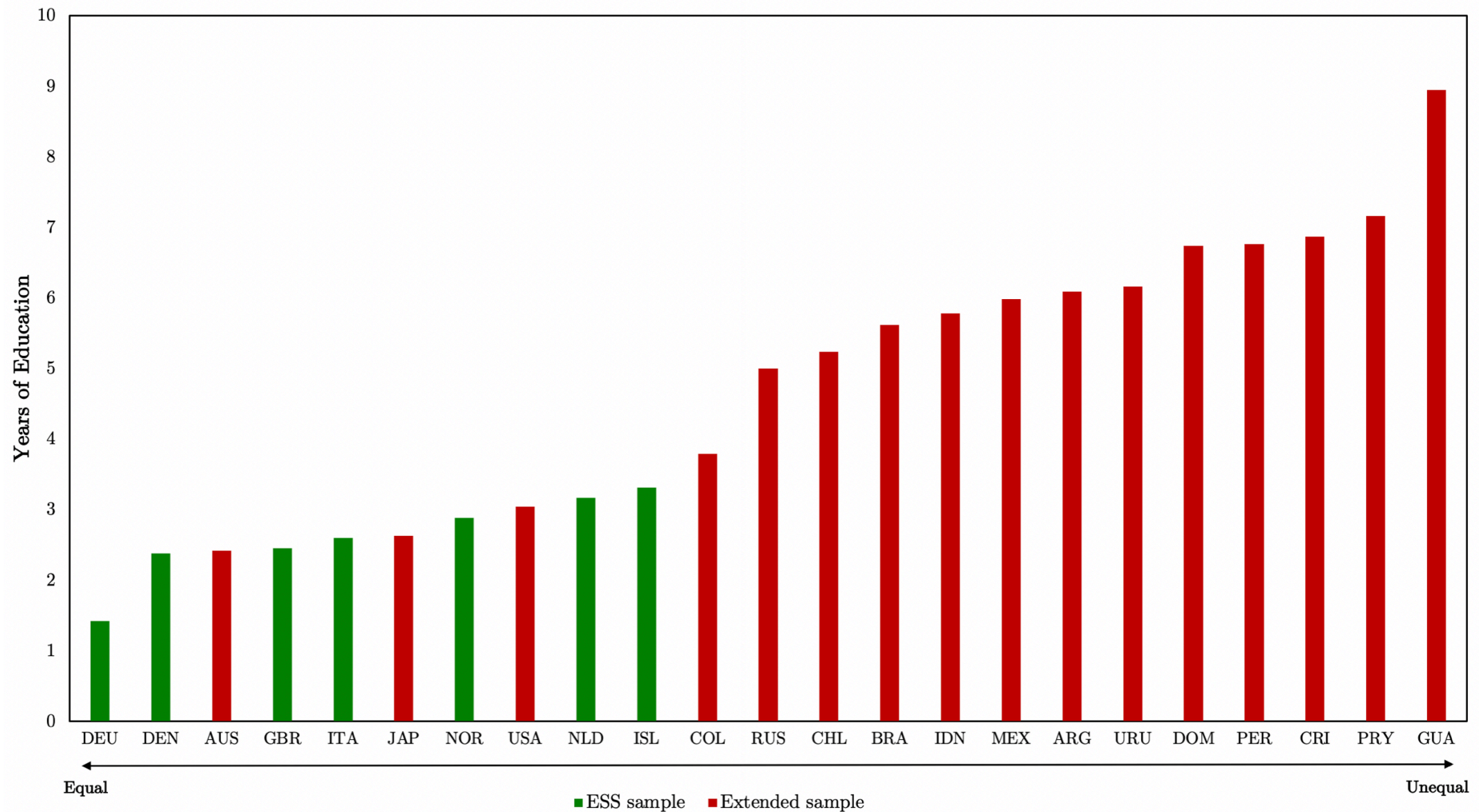
\*Note: dependent variable is calculated by taking the difference between elites' average participation versus population average participation. Sample of countries refers to advanced capitalist (primarily W. European) democracies in the ESS dataset. Countries are ordered from equal (smallest deviation of elites' participation from population average) to unequal (largest deviation of elites' participation from population average). Averages are pooled over available ESS rounds (2008-2018) with non-missing data.

# Three Basic Facts about Political Inequality



1. Economic elites are more “satisfied” with the political system than the average citizen.
2. Economic elites participate more in politics than the average citizen.
3. Economic elites are more “represented” in the legislature than the average citizen.

## Difference in Average Years of Education between National Legislators and the Population (2018)



\*Note: data on national legislators' education levels stems from Dal Bó and Finan (2018), which forms the sample of countries used above. Data on population average years of education stems from Barro and Lee (2013). Data is a cross-section for the year 2018. Countries are organised from "equal" (smallest difference in average years of education between legislators and population) to "unequal" (largest difference in average years of education between legislators and population).

# How does it relate to economic inequality?



- In what sense is political inequality a distinct dimension of inequality?
- Through which channels economic inequality shapes political inequality?

**Economic Inequality**  
(wealth and income)

**Citizens' Strategies**

**Elites' Strategies**

*Opportunity Cost of Political Action:*

Resources

Motivation

Mobilization

*Political Process and Aggregation:*

Regime

Engagement: who to mobilize and how

Representation (biased input: money & politics)

Responsiveness (biased output: capture)

*Defining Demos:*

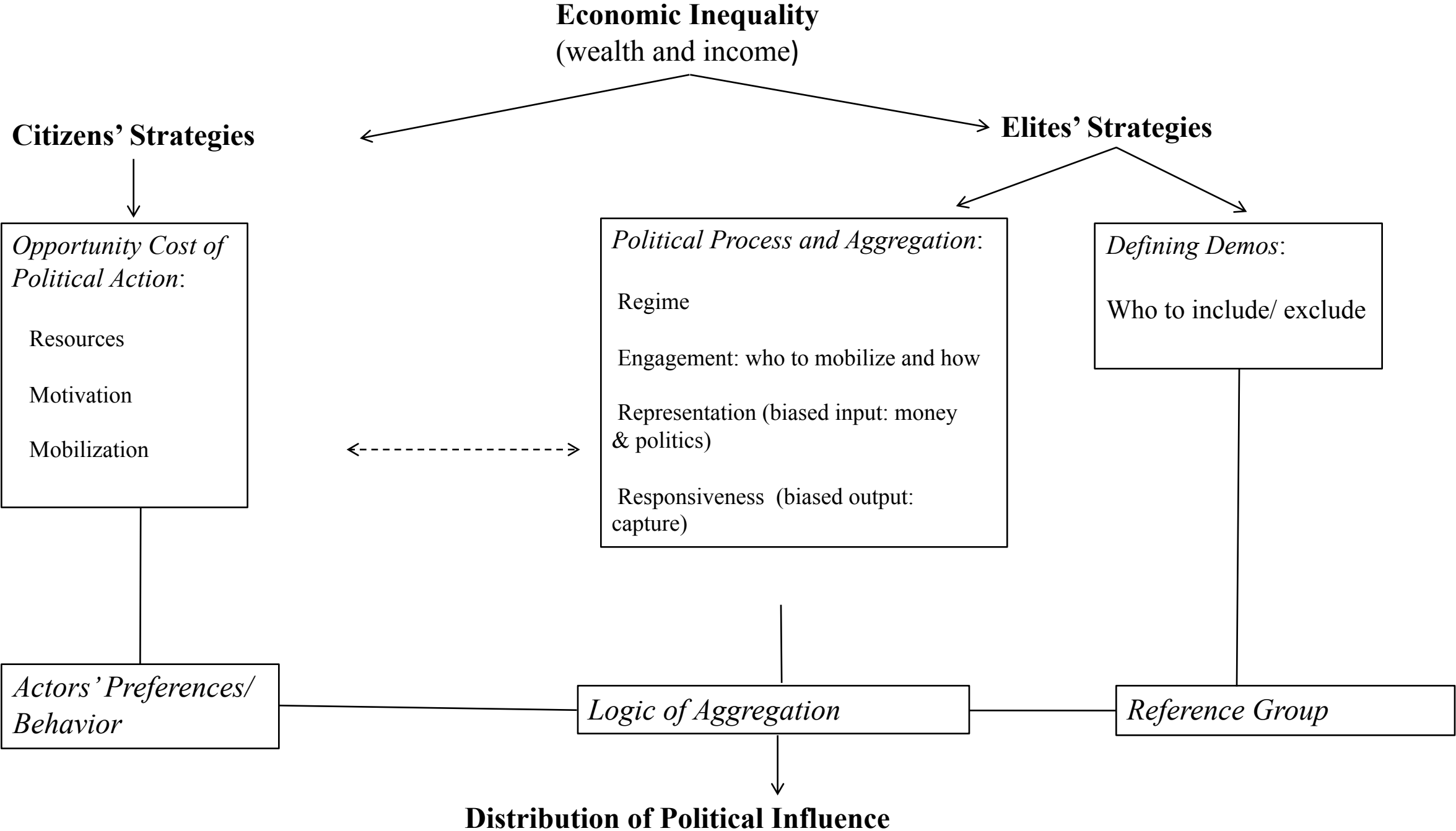
Who to include/ exclude

*Actors' Preferences/ Behavior*

*Logic of Aggregation*

*Reference Group*

**Distribution of Political Influence**



# How can it be measured?

- Comparison to debates about economic inequality
  - Is there is a single dimension that can be aggregated and related to changes in social welfare
    - Seminal Atkinson approach to integrating normative and positive
  - But things that matter are inherently multi-dimensional
    - So explore inequalities dimension-by-dimension
    - Messier but more realistic
- At best we get a quasi-order
  - Some polities do better or worse on specific dimensions
  - And we can consider how reforms act on specific dimensions

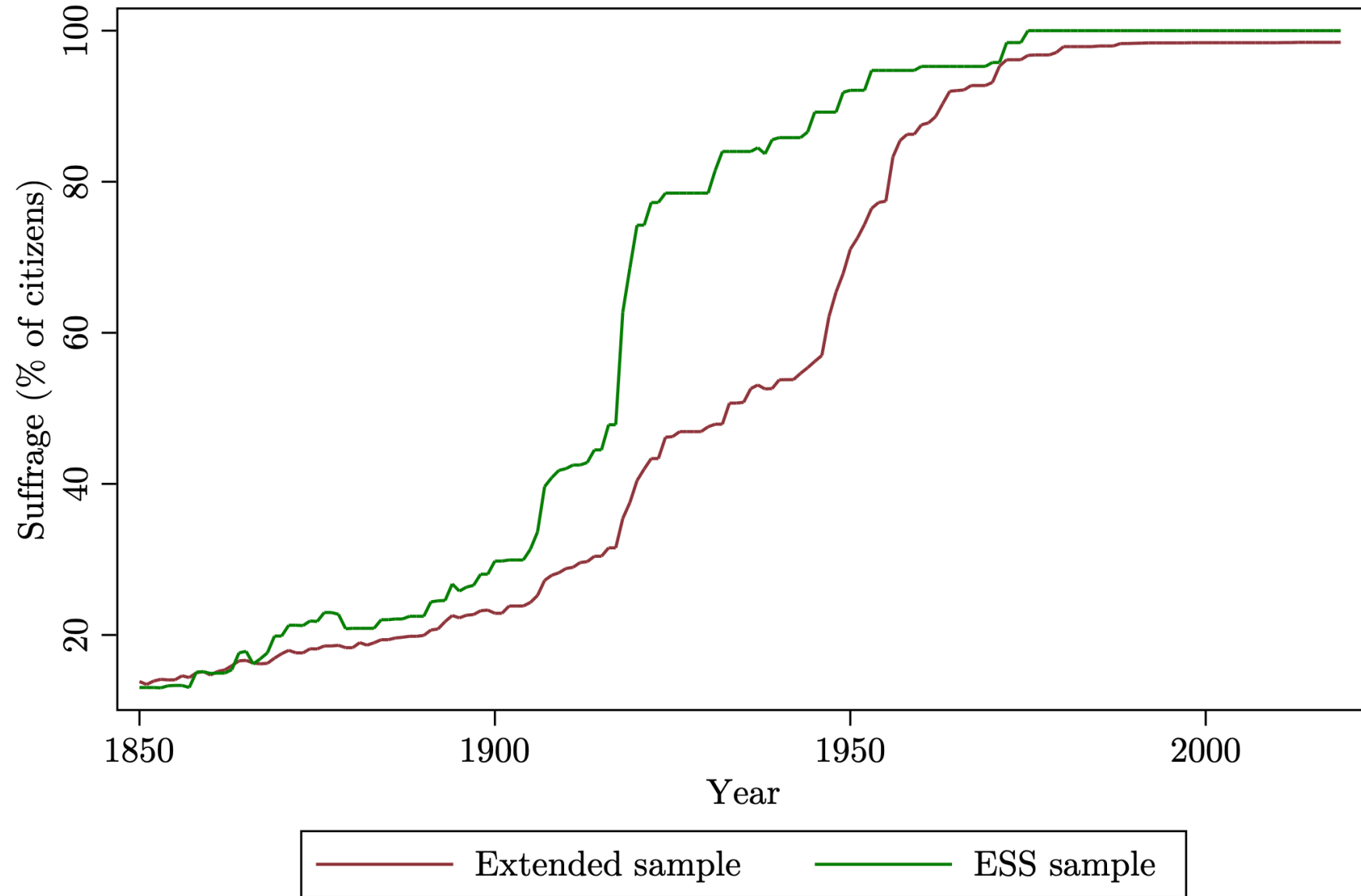
# How can it be measured?

- Forms of engagement as indicators
- Variables that affect engagement
  - *Micro Level*: Income, wealth, gender, education
  - *Rules of the Game*:
    - Logic of Aggregation/Representation
    - Reference Group: Race and ethnicity, ethnicity
- Methods
  - statistical and econometric
  - also some qualitative

# Levers of change?

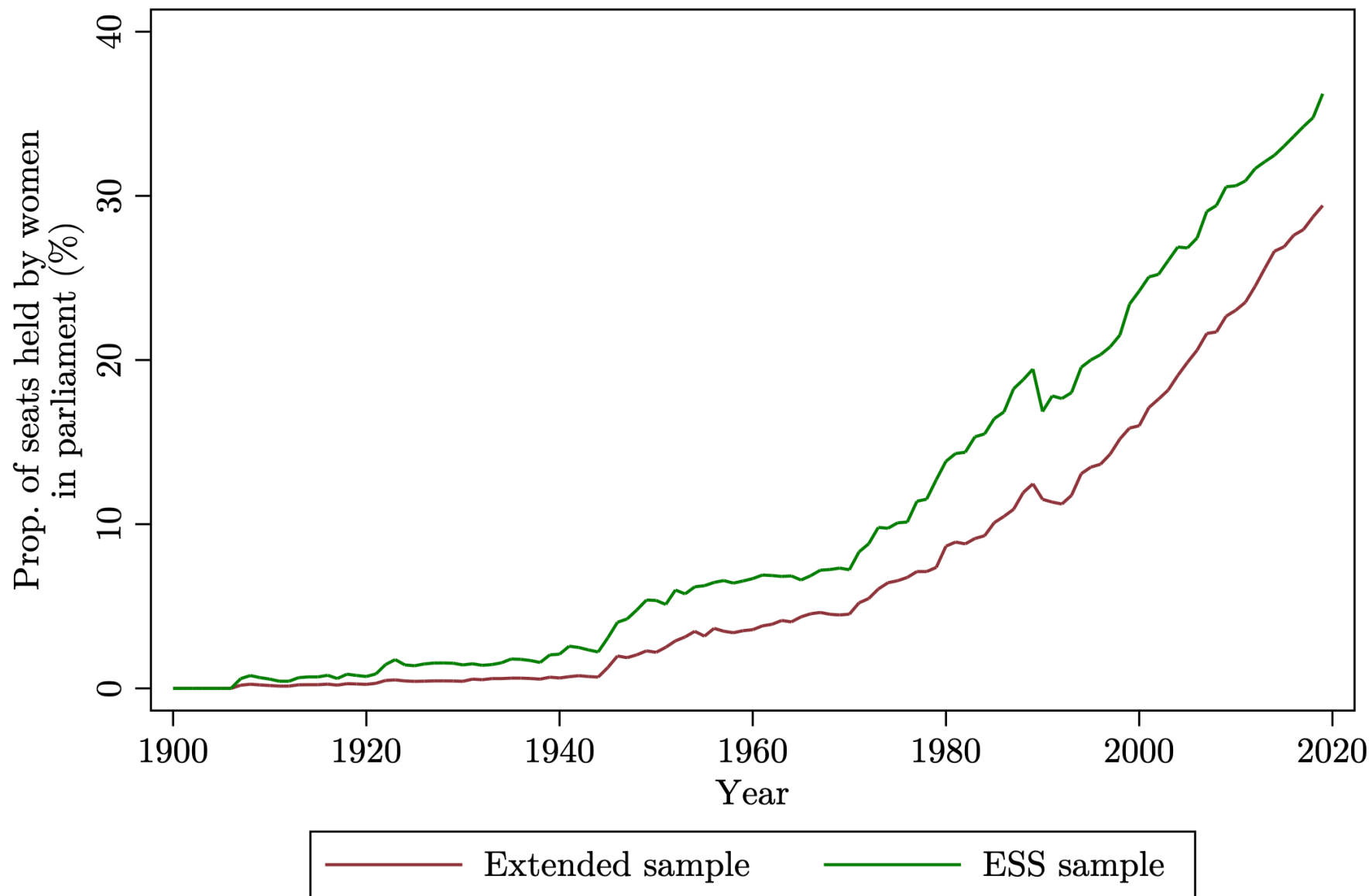
- Fiscal policy (taxes and transfer)
- Regulations to
  - Delimit political advantages that come from wealth
  - Ensure opportunities
  - Redistribute
  - Contain noxious markets
  - Pre-distribution and social investment
- Reforms of political system
- Laws that facilitate democratic organizing and organizations

## Extension of the Franchise since the mid-19<sup>th</sup> Century



\*Note: data stems from V-Dem's v2elsuffrage variable, outlining the proportion of citizens (as defined by statute) eligible to vote in national elections. Extended sample refers to 84 countries with non-missing data throughout 1850 to 2018. ESS sample refers to 22 countries from the ESS dataset with non-missing data throughout the 1850 to 2018 period.

## Female Representation in Parliament over the 20<sup>th</sup> Century

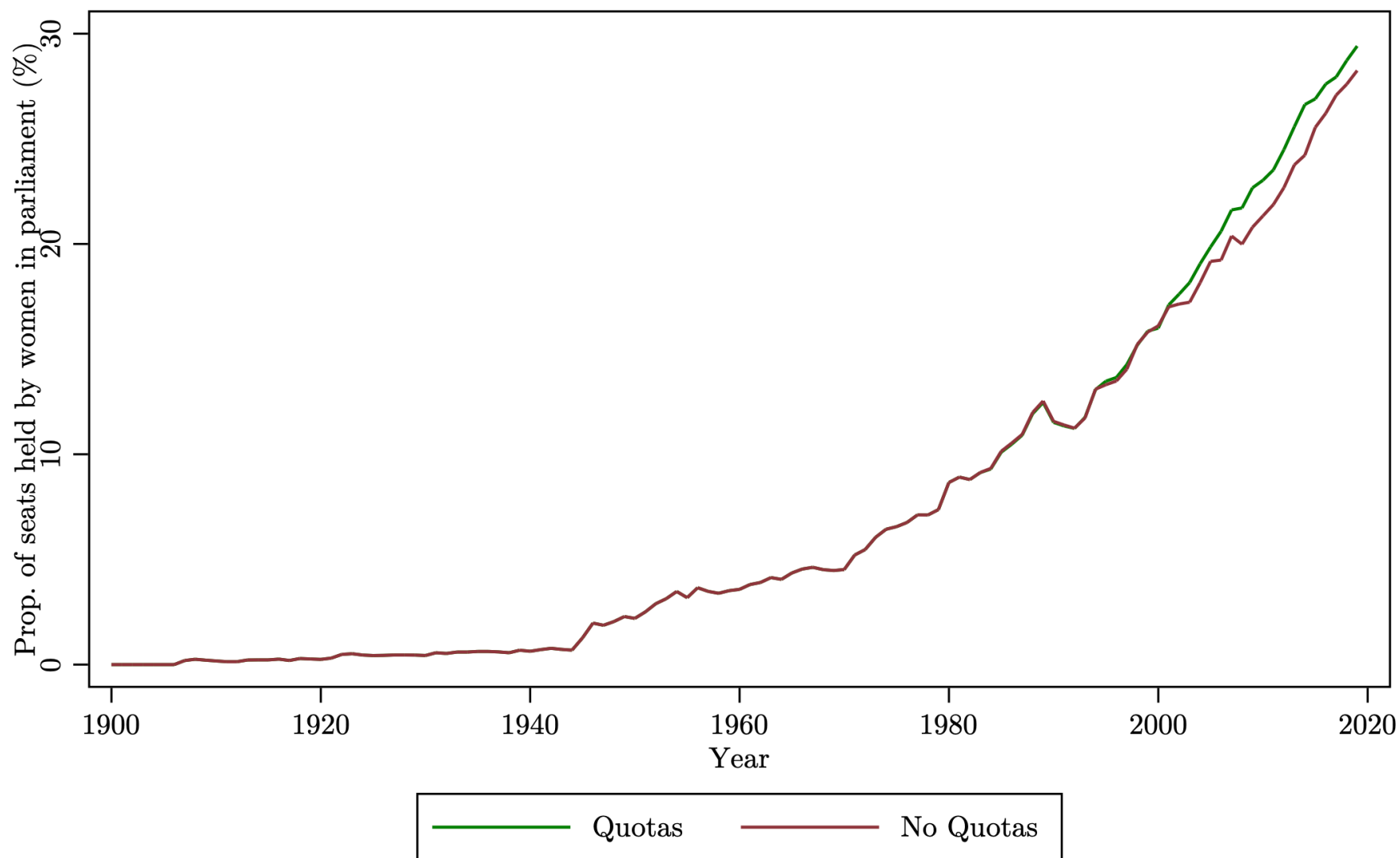


\*Note: data stems from V-Dem's v2lgfemleg variable, outlining what percentage of the lower (or unicameral) chamber of the legislature is female. Extended sample refers to 50 countries with (mostly) non-missing data throughout 1900 to 2018. ESS sample refers to 16 countries from the ESS dataset with (mostly) non-missing data throughout 1900 to 2018.

# Levers of change

- Gender equality
  - Voting and participation
  - Representation
- Many efforts to change this
  - Quotas
  - Reservations
- Good evidence that this makes a difference to policy
  - Although not all empirical evidence is causal

# Female Representation in Parliament and Gender Quotas over the 20<sup>th</sup> Century



\*Note: sample refers to 84 countries that have (mostly) consistent non-missing data throughout 1900-2019. Quotas refers to countries that have introduced seat reservations for women in the lower (or unicameral) chamber of the legislature or there exist national-level party female candidate nomination thresholds by statute with harsh sanctions for non-compliance. No quotas means countries have neither of the two aforementioned provisions for female representation, or do have quotas by statute but these are either weakly enforced or there exist no sanctions at all (i.e. are not enforced by the government). This quotas measure stems from V-Dem's v2lgqugen variable.

# Understanding Dynamics and Constraints

- *Levers of change point to a new political equilibrium*
  - To rebuild confidence in government willingness and capacity to support political and economic equity, if not full equality
  - To build an encompassing “community of fate”
  - To redesign the institutions that make both political equality and flourishing possible
- *What is needed:* Coordination within and between states + bold institutional changes
- *Limits to Coordination:*
  - Changing classes and representation: intermediate organizations as agents of political equality (unions, parties)
  - Spatial polarization and representation
  - (Endogenous) Preferences and Beliefs and support for interventions. The increasing importance of the social media-political information link
  - Spatial Polarization and Interdependencies at the international level: capacity, migration, mobility

# References



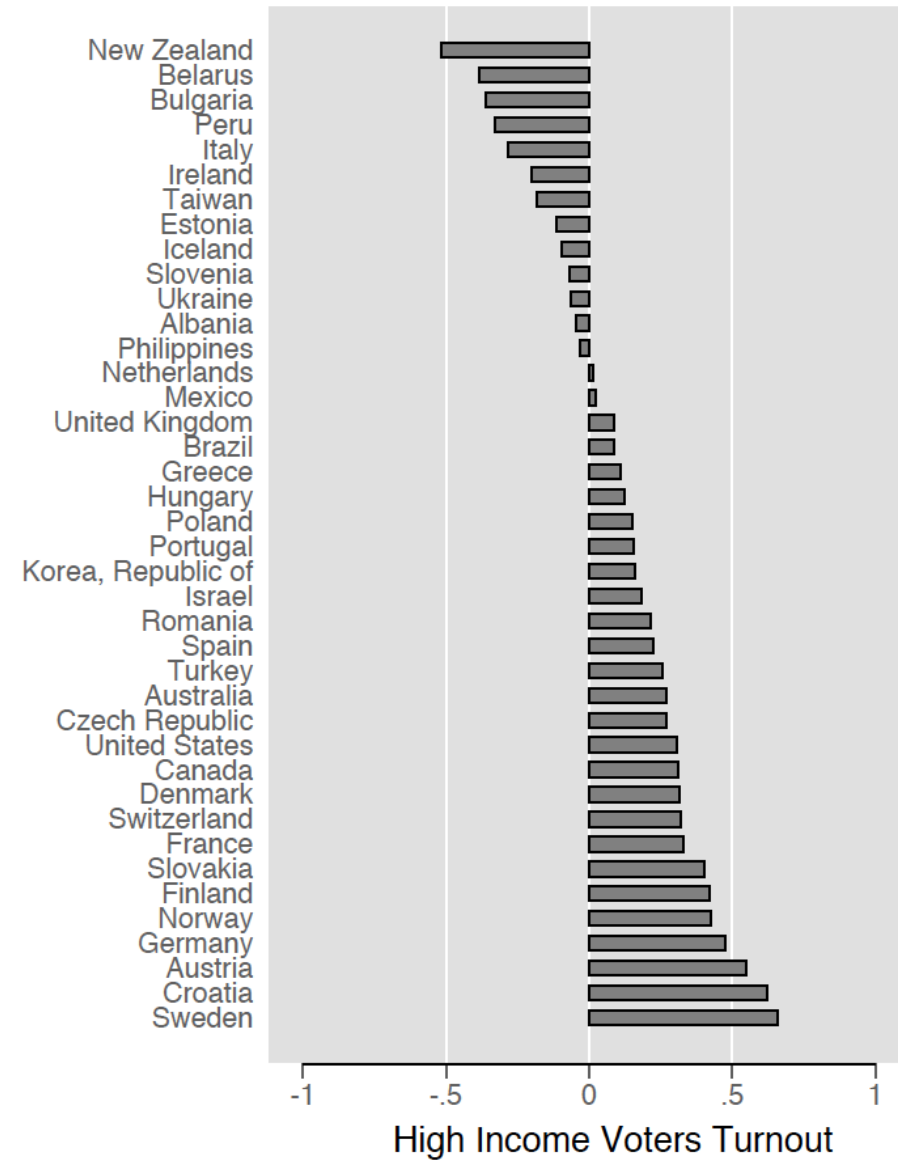
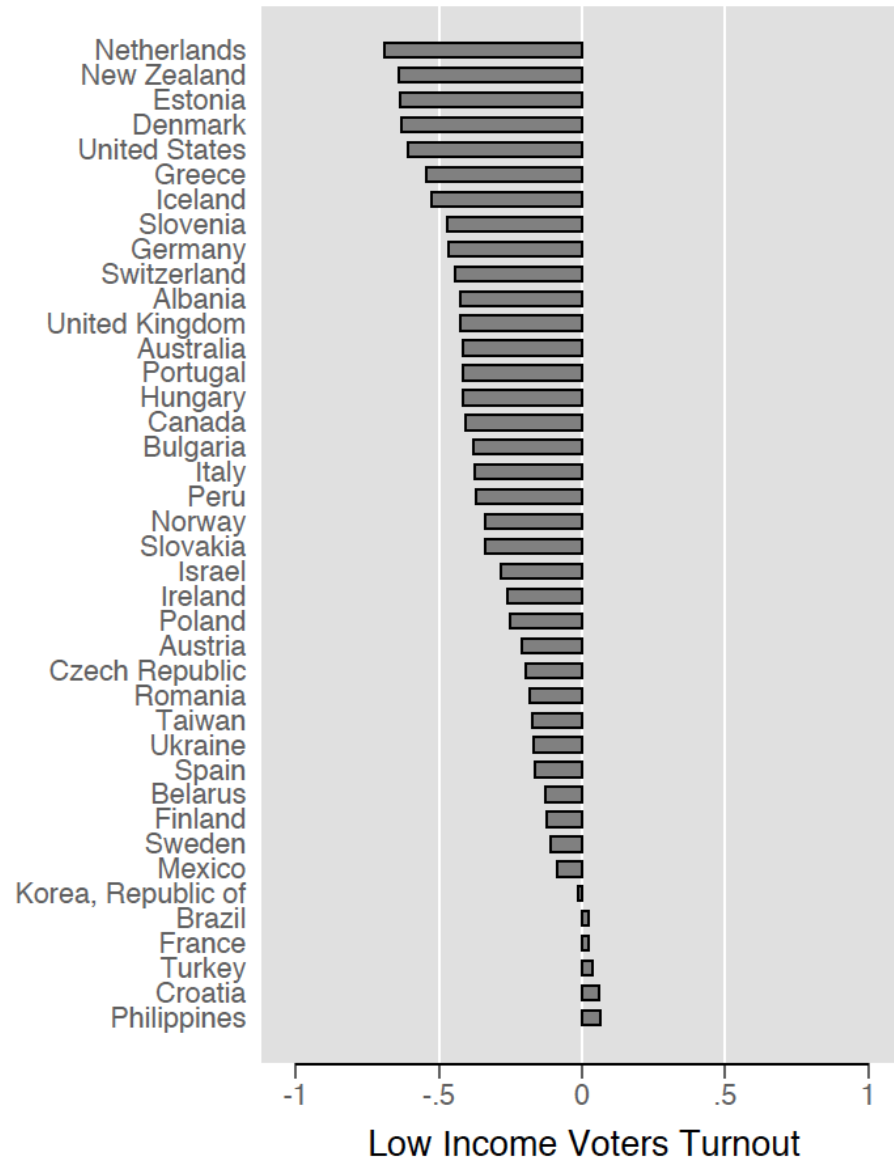
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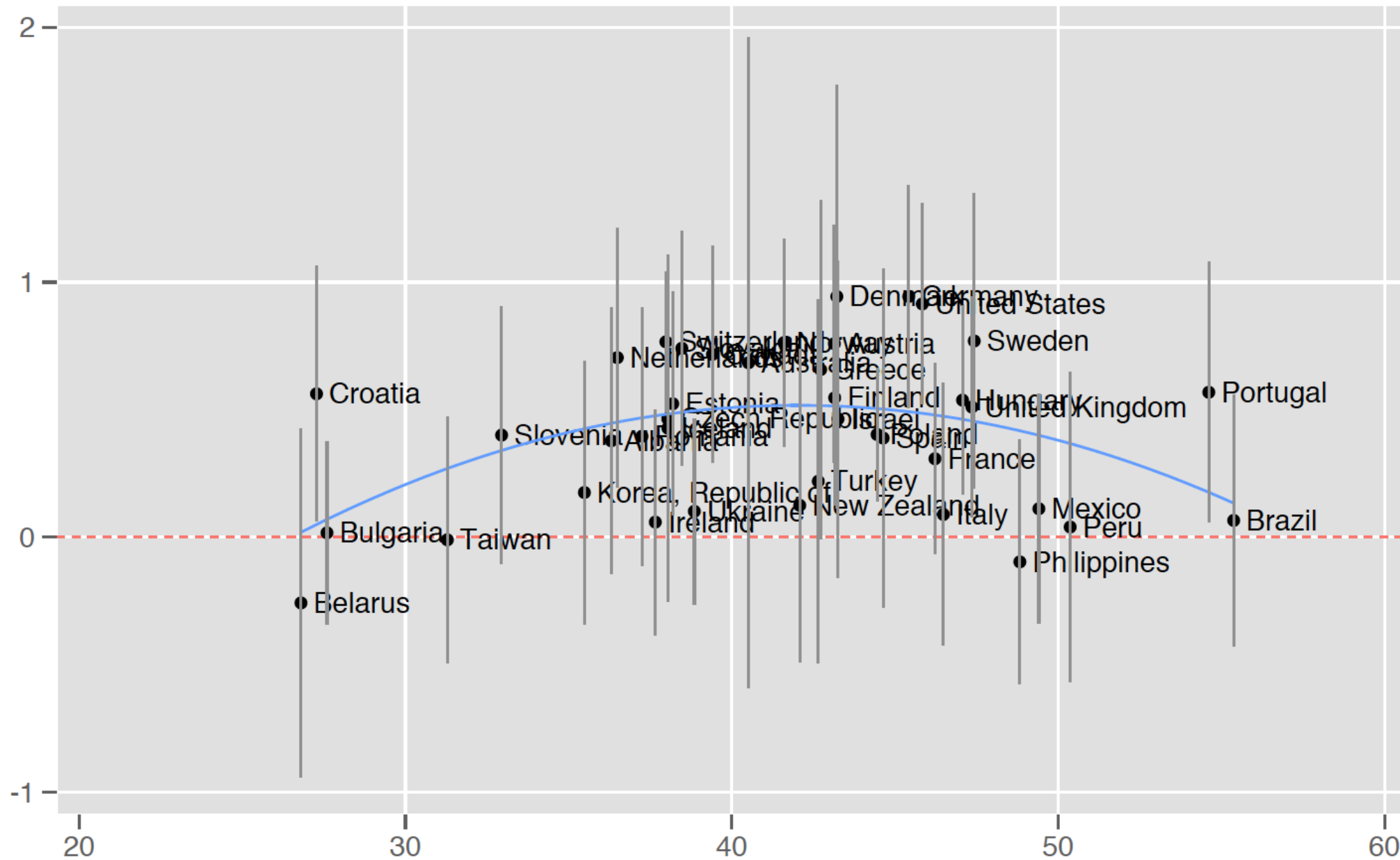
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Dal Bó, E., Finan, F., Folke, O., Persson, T., & Rickne, J. (2017). Who Becomes A Politician? *The Quarterly Journal of Economics*, 1877-1914.

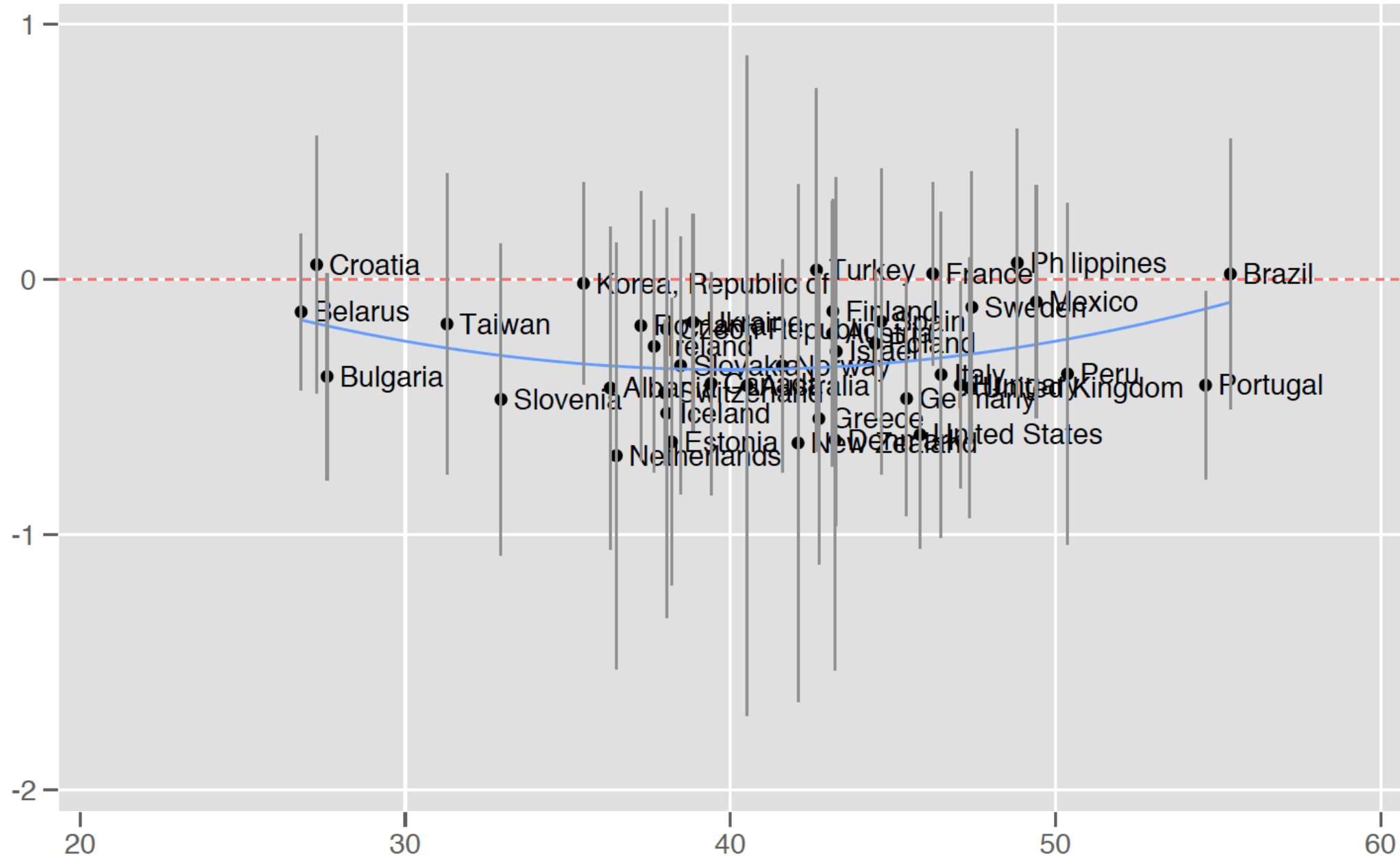
# Income - Turnout Relationship across Countries by Income Groups



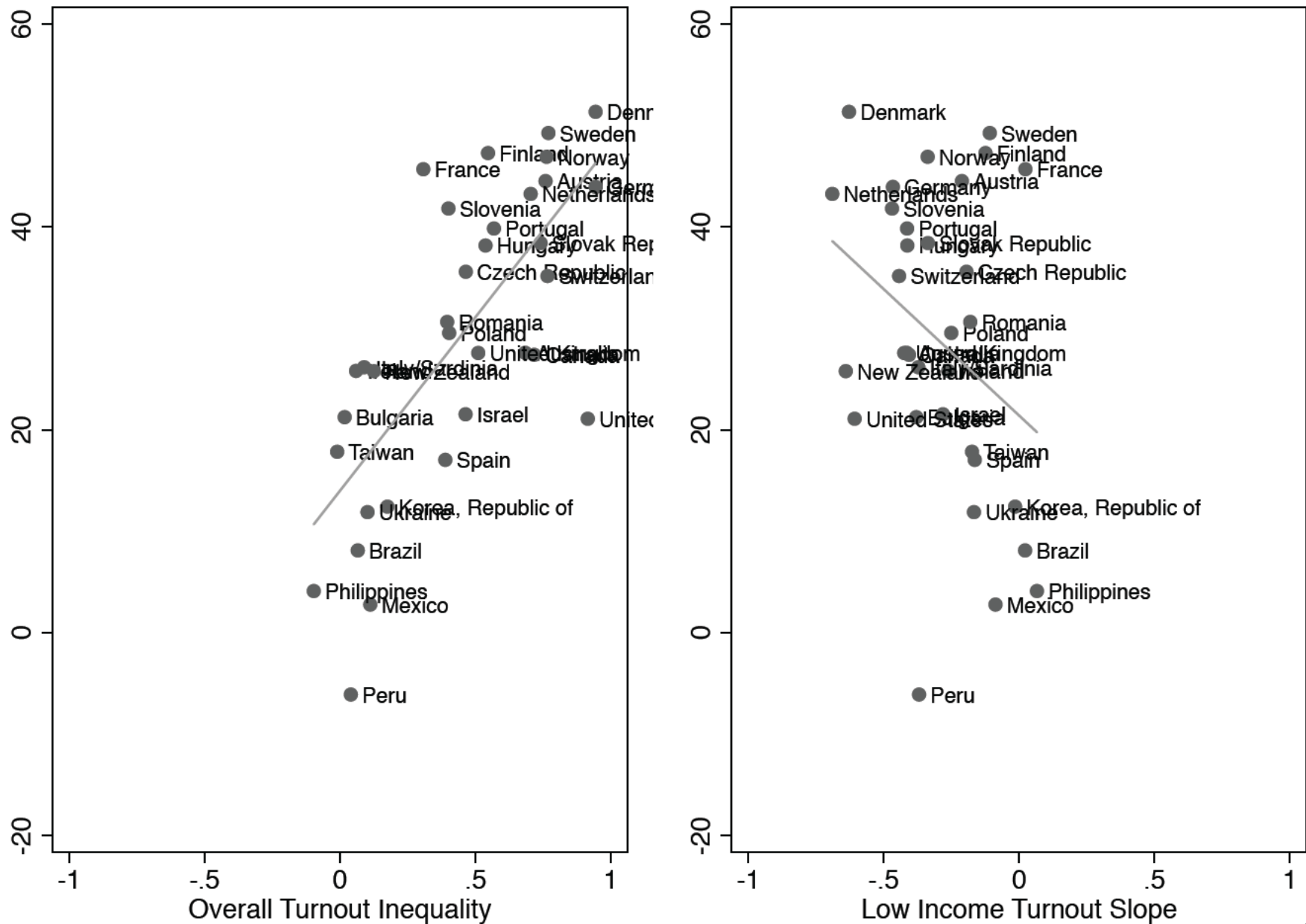
# Turnout Inequality and Economic Inequality



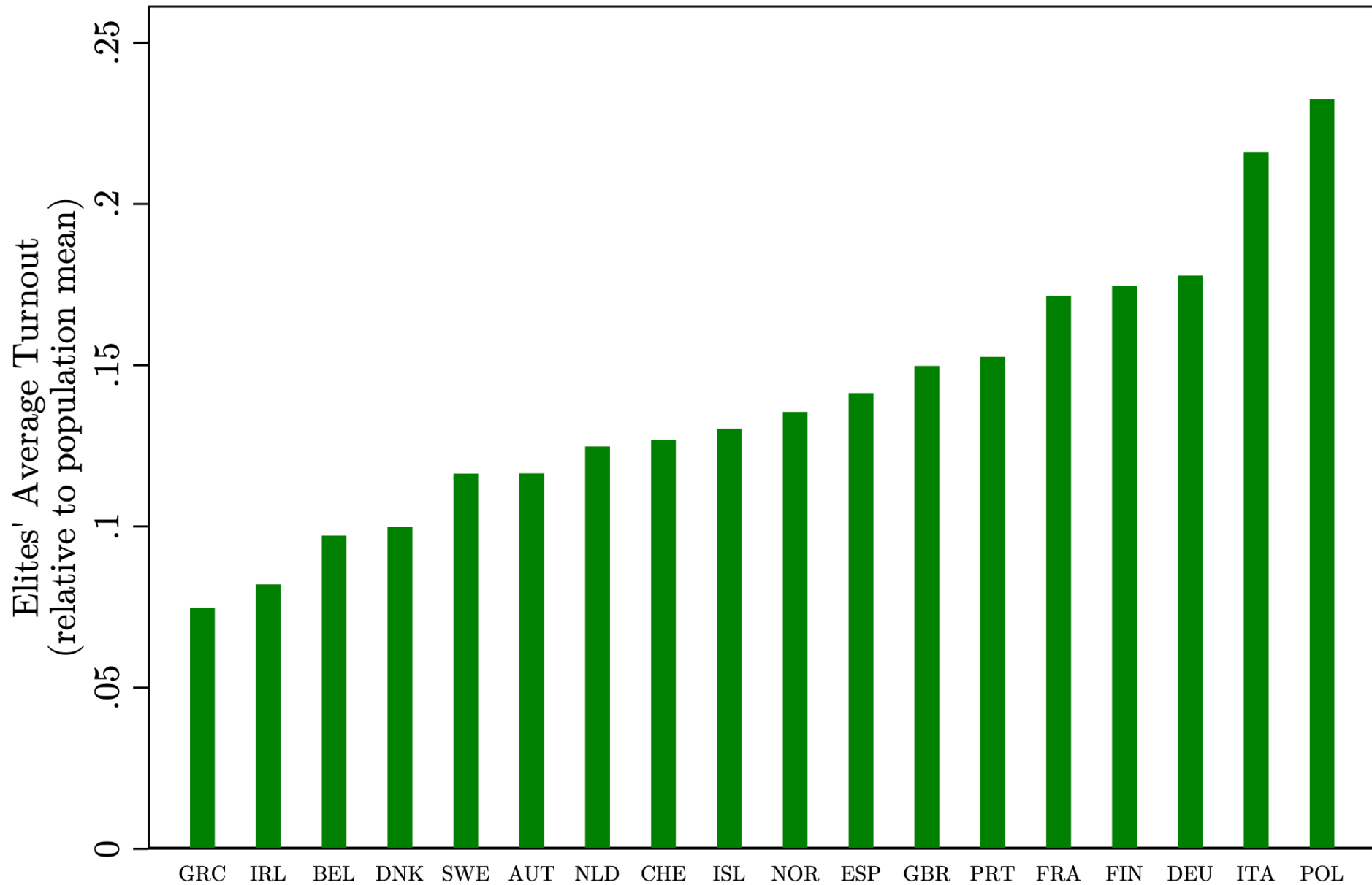
# Low Income Voters Turnout and Economic Inequality



Turnout Inequality and Redistribution (Proportional reduction from Gini\_m to Gini\_dpi)



Source: Amat and Beramendi (2021)



\*Note: dependent variable is calculated by taking the difference between elites' average turnout versus population average turnout. Sample of countries refers to advanced capitalist (primarily W. European) democracies in the ESS dataset. Countries are ordered from equal (smallest deviation of elites' turnout from population average) to unequal (largest deviation of elites' turnout from population average). Averages are pooled over available ESS rounds (2008-2018) with non-missing data.