

Inequality and Political Parties

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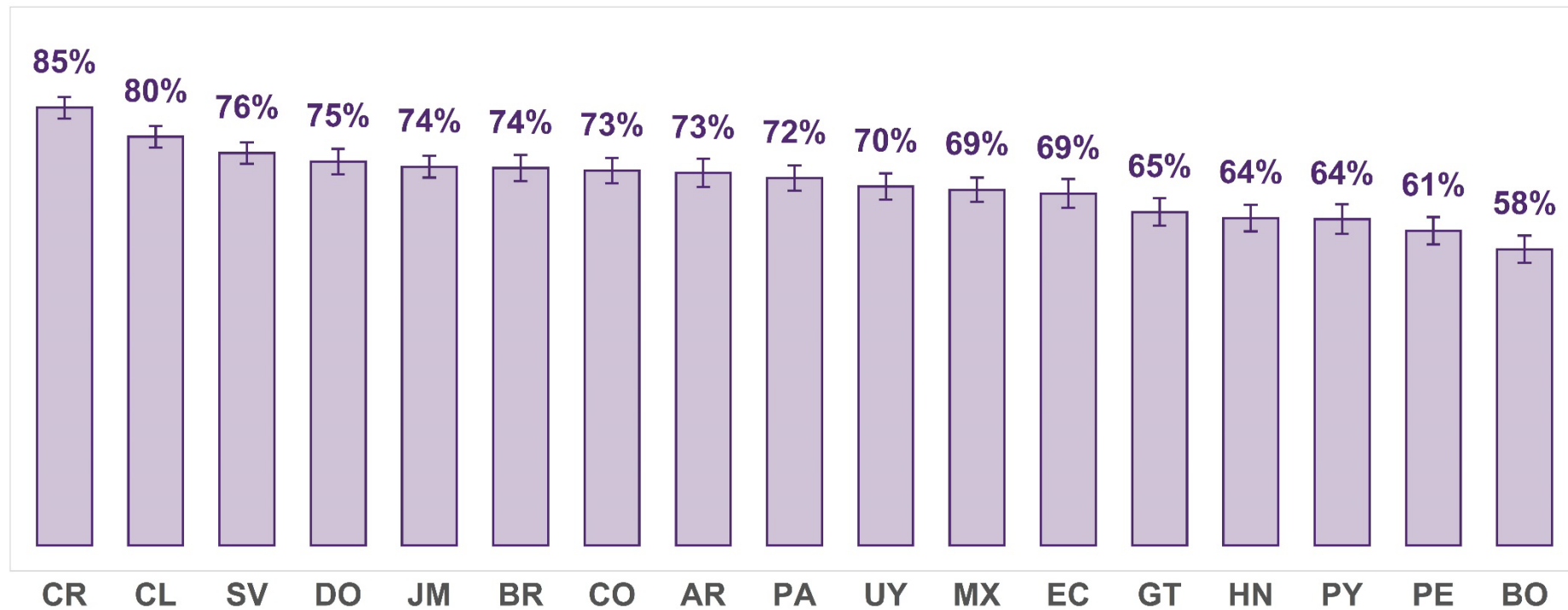
October 2022

Under-provision of redistribution

Support for redistribution

■ % agree (5-7)

— 95% confidence interval

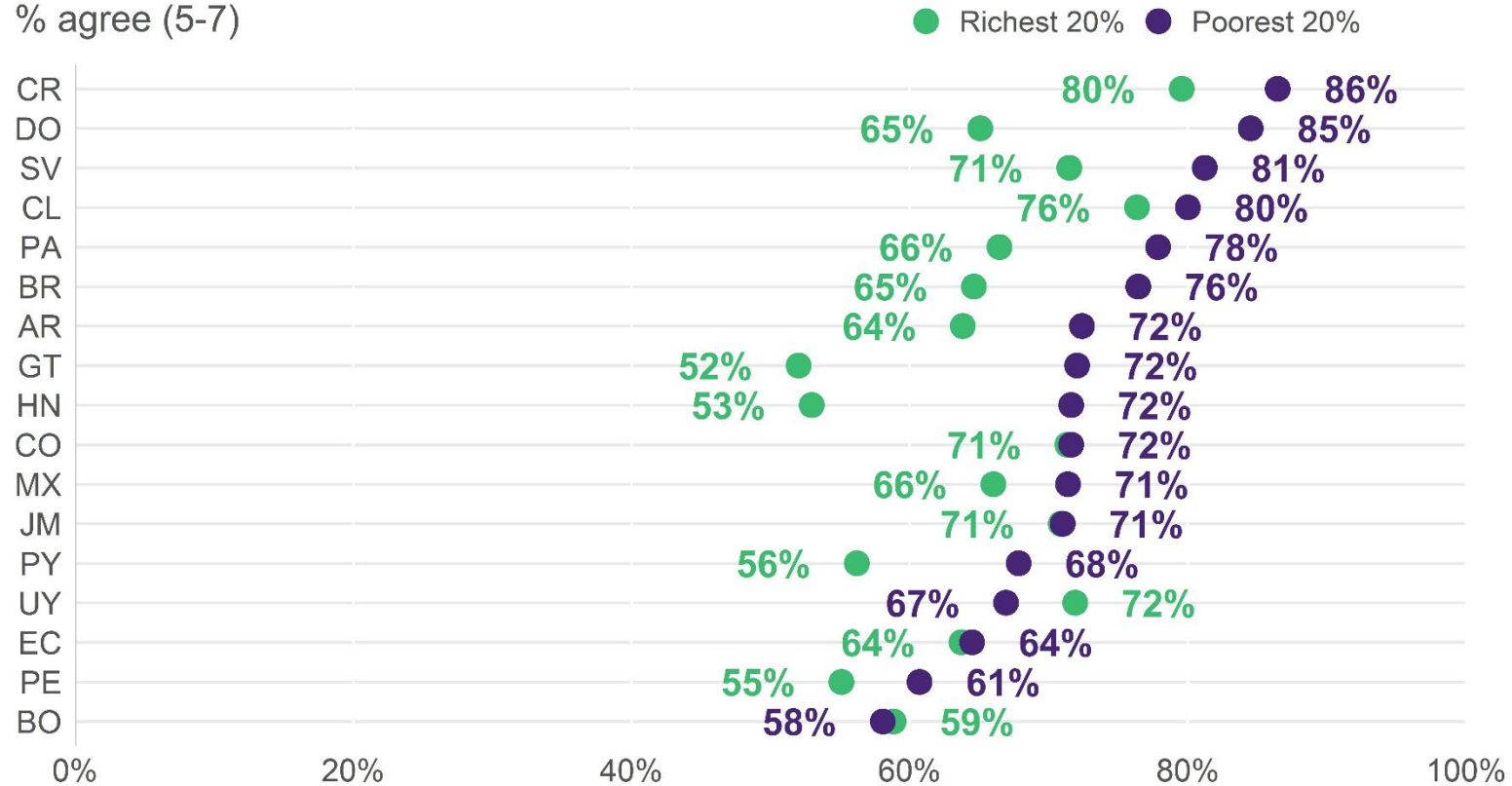


Source: AmericasBarometer 2018/19

Under-provision of redistribution

Support for redistribution, by wealth

% agree (5-7)



Source: AmericasBarometer 2018/19

Why so little redistribution?

- State capacity
- Electoral rules, government
- Weak labor movements
- Weak parties
- Political inequality

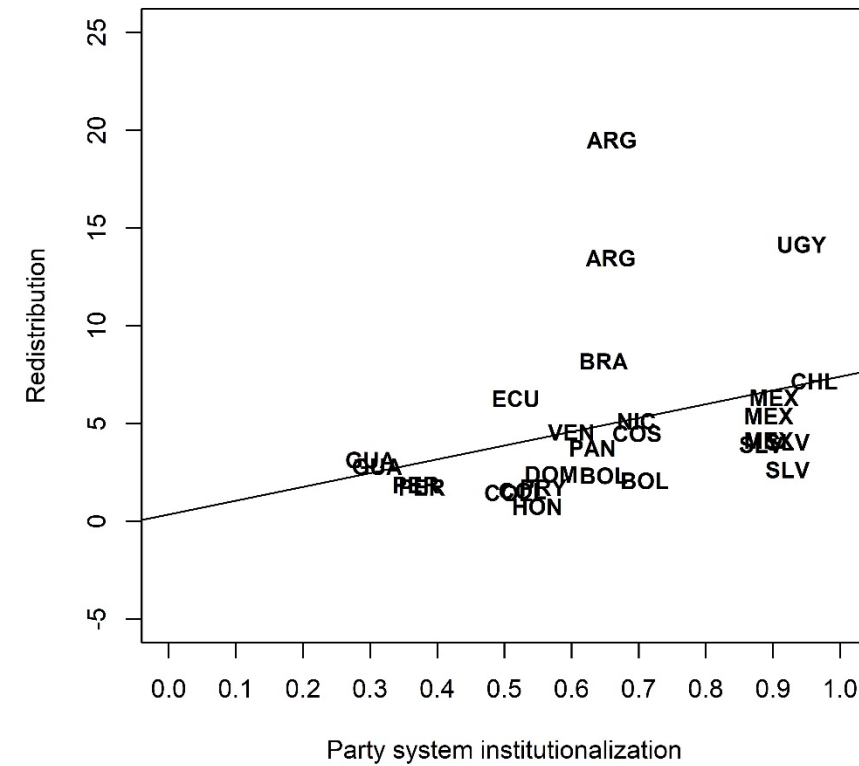
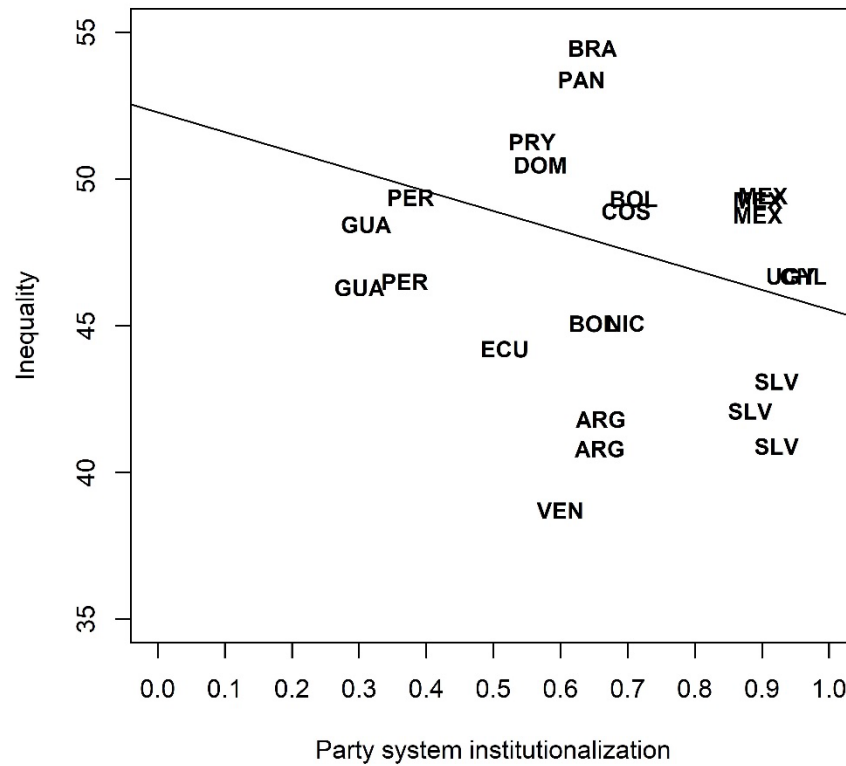
Why strong parties matter

- Predictable patterns of party competition and voter bases (institutionalization)
- Redistribution requires building broad-based coalitions
- Targeted rewards are less costly for weak parties

Measures

- Party system institutionalization: electoral volatility, V-Dem
- Inequality: Disposable income inequality
- Redistribution: Percent change in Gini

Party systems, inequality, and redistribution



Where do strong parties come from?

- Electoral rules
- Legacies of conflict, dictatorship
- Market reforms
- Not obviously endogenous to inequality in the short run

Parties, redistribution, and inequality

	Redistribution		Inequality	
	(1)	(2)	(3)	(4)
Electoral volatility	-9.64 (2.23)		7.74 (1.37)	
Party system institutionalization		8.11 (1.53)		-11.27 (0.89)
Controls	✓	✓	✓	✓
Country fixed effects	✓	✓	✓	✓
Countries	20	20	20	20
Observations	441	481	441	481

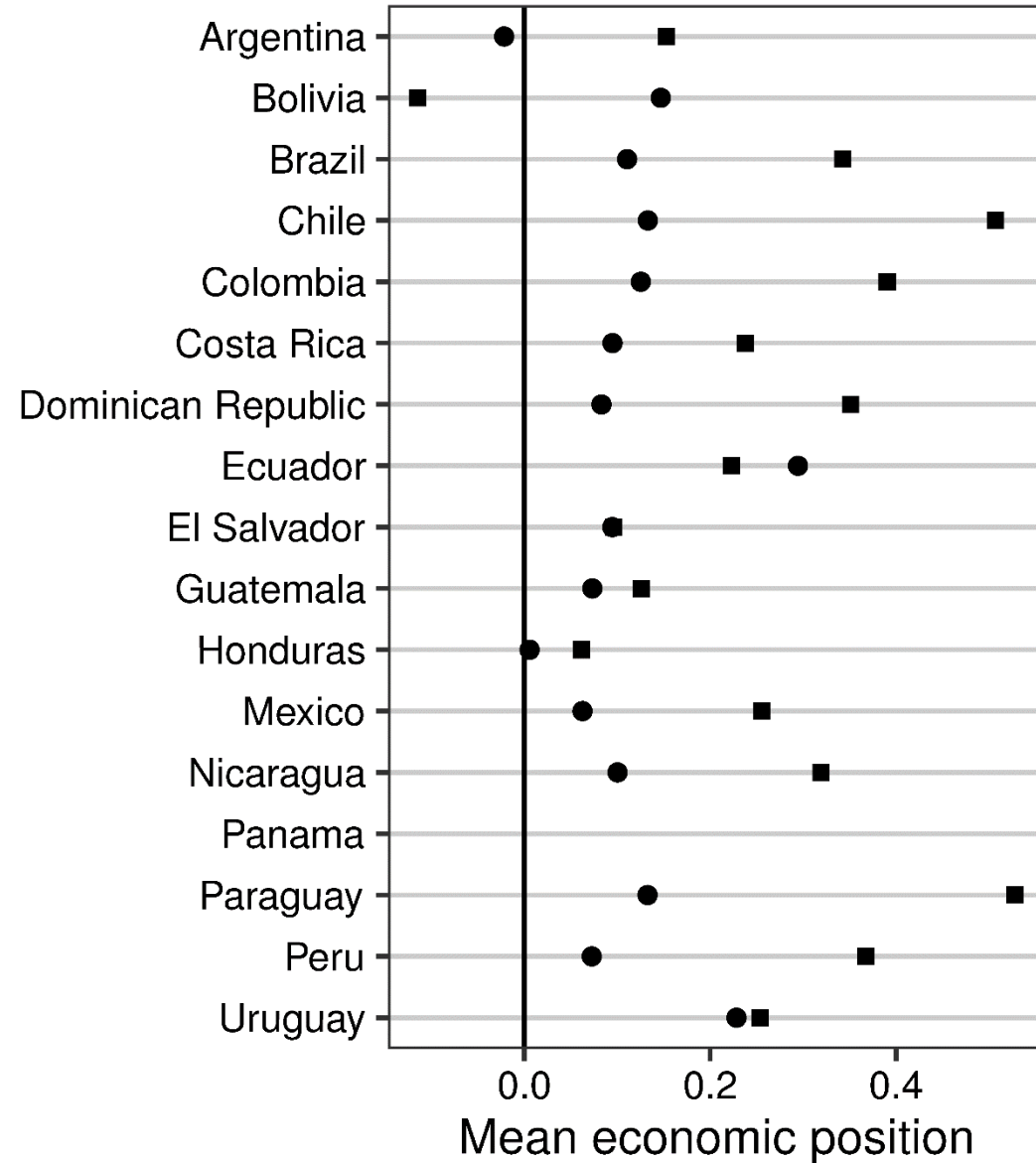
Growing evidence of political inequality

- Congruence: across 50+ countries
- Policy responsiveness: Germany, Netherlands, Norway, Spain, Sweden, Switzerland, US
- Elected representatives reflect/respond the preferences of the rich

Survey data

- Mass surveys: AmericasBarometer 2010, 2012, 2014
- Elite surveys: USAL, matched legislative term
- Factored index of four items on economic policy
- Compare citizens by index of household wealth

Elite economic
preferences closer
to those of the rich



Discussion

- Weak parties and political inequality may help to explain persistent inequality (under-provision of redistribution)
- Implications for public opinion
- Next steps:
 - Subnational analysis?
 - Political inequality by party