Unequal Policy Responsiveness in Europe

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Abstract:

Government should respond to citizens’ preferences for policy. Whether this is indeed the case becomes all the more relevant in the context of the current financial and economic crisis. In Europe, policy solutions to the crisis, namely austerity, including budget and wage cuts that hurt the middle and lower classes, have been met with fierce public resistance. Popular dissatisfaction with policy raises the questions: Does policy respond to public attitudes towards policies? To which sub-constituency’s preferences does government policy respond? Do policy outputs reflect the preferences and attitudes of the rich rather than the low-income citizens? To answer these questions, we first examine variation in public attitudes across 15 policy issues throughout time. We focus on whether citizens’ attitudes towards income inequality, their preferences for government spending in key policy areas and their attitudes towards policy issues differ according to income. Second, we investigate whether government responsiveness differs across income groups and analyze responsiveness inequality over time and across countries. Third, we develop some new directions for research regarding variation in responsiveness inequality across countries.
Introduction

In democracies, responsiveness and equality are fundamental to political legitimacy (Dahl 1971; Saward 1994). Representatives should strive to respond to (changes in) the attitudes and views of the public. In doing so, government should consider the attitudes of all social groups, as there is no secure ground upon which it can be said that one group has better insights than another regarding the policy direction of the community (Saward 1994). The equal consideration of the preferences and interests of all citizens constitutes a foundation of democracy (Verba 2003) that distinguishes it from other possible forms of government, such as plutocracy - *the rule by the wealthy*. That is to say that the normative democratic ideal requires the absence of any systematic bias in the representation of citizens (Dahl 1971). A *systematic* bias towards certain segments of the citizenry implies discrimination against (or exclusion of) some social groups and thus generates inequality in political representation. The existence of bias is crucial given that policy outputs influence public trust in democratic institutions and policy congruence between citizens and elites and affects citizens’ satisfaction with democracy more broadly (e.g. Grönlund and Setälä 2011; Ezrow and Xezonakis 2011).

A key question for modern democracy is whether the voices of more affluent citizens are better ‘heard’, and consequently, have more impact on policy than those of relatively poor citizens (Schlotzman et al. 2012). Inequality in political representation can be generated by (combinations of) factors at contextual and individual levels (Lefkofridi et al. 2012). Despite *de jure* equality, modern democracies may be confronted with *de facto* political inequality, which concerns “structured differences in the distribution and acquisition of political resources” (Dubrow 2008: 4). According to historical analyses, more affluent citizens have more influence over policy (Ferguson 1995; Domhoff 2010; Block 2007). However, the fact that the affluent have more power and influence over policy is not enough to claim unequal responsiveness. A key ingredient for establishing inequality is the existence of different preferences between rich and poor over policy (Wlezien and Soroka 2008). Without variation in preferences across classes, differential responsiveness would be both harder to detect and less challenging for democracy.

Economic inequalities play a role in shaping individuals’ interests, views and preferences but also in empowering them to voice them, so that some citizens’ policy preferences may matter more in politics than others’. Citizens’ own political behavior (e.g. turnout, party membership, political interest) or other individual-level factors that influence
this behavior (e.g. gender, education) may also enhance unequal representation. Given that voters’ voices are heard more than non-voters’ (e.g. Griffin and Newman 2005) and the well-documented relationship between abstention and low income (Verba, Nie, and Kim 1978; Wolfinger and Rosenstone 1980; Verba, Schlozman, and Brady 1995; Gallego 2007), policy may not respond well to the attitudes and preferences of the poorer segments within constituencies. Beyond casting a ballot, the affluent are more politically “active” in-between-elections; surveys conducted recently in the US also show that higher income citizens are more likely to contact their representatives (Page et al. 2013). This is important because political and economic inequality may be closely related and the causal arrow may run both ways: “economic inequality causes political inequality, while at the same time, political inequality influences the form, duration, and magnitude of economic inequality” (Dubrow 2008: 4).

Our goal in this paper is to explore patterns of government responsiveness in Europe over the past few decades by examining the relationship between the policy preferences expressed by the European publics and the policies adopted by decision makers. Unequal responsiveness in Europe is all the more important in current times of crisis, which has shaken public trust in government institutions (Armingeon and Ceka 2013). Crucially, political economists studying the financial crisis and its management within the EU reveal broader transformations in the relationship between ‘democracy’ and ‘capitalism’. Streeck (2012: 29) even sees “a real possibility of a new, if temporary, settlement of social conflict in advanced capitalism, this time entirely in favour of the propertied classes now firmly entrenched in their politically unassailable stronghold, the international financial industry”.

With the present study, we contribute to the current debates on inequality and representation in three ways: first, we document substantial variation in policy preferences, both between classes and over time. Second, we examine the link between public opinion and policy outputs over time in a comparative European perspective; using a variety of existing data collections we build an innovative dataset to analyze the match between European citizens’ preferences and tangible policy outputs on income inequality, socioeconomic and sociocultural issues for the first time. Our analysis of the extent to which policy outputs match the preferences of the poor complements recent studies of the representation of the poor in Europe that analyze sub-constituencies’ congruence with parties’ and governments’ policy positions (Adams and Ezrow 2009; Rosset et al. 2013; Bernauer et al. 2014). Second, we extend knowledge of the US (e.g. Gilens 2012) and
Europe (Peters and Ensink 2013) by providing additional evidence on unequal policy responsiveness in advanced Western democracies. More specifically, we expand the scope of previous investigations of cross-class policy disagreement to a range of policy areas that have not been examined before, such as public spending on health and education and cultural and environmental issues (e.g. gay rights and nuclear power). We follow Page et al. (2013) in analyzing policy preferences on a sociocultural and a socioeconomic policy dimension (see also Kriesi et al. 2008). Last but not least, we explore factors that affect levels of unequal responsiveness across countries.

In the remainder of this paper, we first review evidence by studies of unequal responsiveness in the US and European countries. Second, we further elaborate on this study’s expectations; we discuss why policy preferences across policy issues may vary across income groups, why policy outputs may be biased towards the rich and which factors could produce cross-country variation in unequal responsiveness. Third, we explain the methodology we followed and describe the data we used for our analysis. Fourth, we present our empirical findings, showing that public policy in Europe is, in fact, unequally responsive to publics. In the final section, we discuss how these findings link to current political and scholarly debates, and reflect on how this research may be further developed.

Unequal responsiveness in the US and Europe

Although since the seminal work of Miller and Stokes (1963) there is a burgeoning literature on policy congruence and responsiveness, as well as their determinants (e.g. Page and Shapiro 1983; Bartels 1992; Hobolt and Klemmensen 2008; Schmitt and Thomassen 1999; Golder and Stramski 2010; see also Burnstein 2003), the relationship between economic and political inequality has received little attention until recently. Typically, studies on representation analyse the linkage between citizens and political actors or government policies by comparing the median citizen position to the position of the government or government policies (e.g. Huber and Powell 1994; McDonald et al. 2004; Powell 2004). These studies have produced invaluable insights into the quality of political representation and how institutions affect overall responsiveness; however, with few exceptions (Jacobs and Page 2005; Griffin and Newman 2005; Gilens 2004) research has not looked at “differential responsiveness”. As most studies have almost invariably treated constituents in

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2 We have not yet conducted the cross-country empirical analysis, but it will be included in the future version of this paper.
an undifferentiated way, they shed little or no light on the fundamental issue of political equality (Bartels 2008).

Faced with increasing economic inequality in the advanced capitalist world, the American Political Science Association’s (APSA) Task Force on Inequality and American Democracy (2001) sought to direct attention to sub-constituencies asking whether the linkages between public opinion and political elites’ policy choices, policy positions, behavior and/or policy output vary across income groups. Their conclusion that elites are “much more responsive to the privileged than to average citizens and the less affluent” (Jacobs and Skocpol 2005:1) inspired further research on unequal responsiveness (e.g. Gilens 2005; Bartels 2008; Gilens, Lax and Philipps 2011). In the case of the US, where inequality is observed, it is at the disadvantage of the segments located on the lower end of the societal strata (e.g. Bartels 2002; Bartels 2008; Enns and Wlezien 2011; Griffin and Newman 2007; Gilens 2005; Kelly and Enns 2010; Soroka and Wlezien 2008; but see also Ura and Ellis 2008). More recently, research on the representation of sub-constituencies was extended to Europe.

A pioneer study on sub-constituency representation in Europe by Adams and Ezrow (2009) analyzes whether parties respond to opinion leaders more than the rest of the electorate by using voters’ and parties’ left-right placements (Eurobarometer and Comparative Manifesto Data respectively). They find that parties do respond disproportionally to opinion leaders; more specifically, they offer programs that are more left-wing than the rest of the electorate. They also report that albeit “opinion leaders were modestly better educated and more affluent than other voters [...] parties’ disproportionate responsiveness to opinion leaders is not due to these education- and income-related differences” (Adams and Ezrow 2009: 210). Subsequent case studies and comparative analyses of European countries (e.g. Weakliem et al 2005; Harkhverdian 2010; Rosset 2010; Rosset et al 2013), however, produce a different picture of inequality and representation. To illustrate, a recent study by Giger et al. (2013) documents a consistent pattern of under-representation of the preferences of citizens with low incomes. Combining mass and elite level data on left-right ideology (voters’ positions and expert judgments of party positions, Comparative Study of Electoral Systems), this study finds the poor systematically under-represented by political actors – be they political parties or governments – in comparison to middle-income and high-income citizens.
The aforementioned comparative studies, which produce different findings, focus on the left-right dimension of political conflict and the related positions of parties and governments. Examining responsiveness inequality based only on left-right positions, however, is not enough; first, the left-right constitutes a crude measure of representation, especially for issues that are poorly related to this dimension (Thomassen 2012); second, party and government *positions* tell us half of the story regarding unequal responsiveness. The other half concerns actual policy *outputs*, such as government spending on key policy areas. Peters and Ensink (2013), who employ a longitudinal research design to study social policy responsiveness based on mass survey and policy data (collected by the European Social Survey and the Organization for Economic Cooperation and Development), find that the welfare preferences of the poor are under-represented compared to those of the rich, and that this responsiveness inequality is more pronounced when turnout is low. More research is needed so as to identify how often, across a wider range of policies in Europe, the rich and the poor differ and whether government policy responds to them unequally. Does policy respond to public attitudes towards policies? To which sub-constituency’s preferences does government policy on socioeconomic and sociocultural issues respond? Do policy outputs reflect the preferences and attitudes of the rich rather than the low-income citizens? In pursuit of these questions, in the next section we formulate related hypotheses.

**Research Hypotheses**

Parties seek reelection, and this is most likely if they appeal to the median voter; government responsiveness to the median may thus occur as a somewhat “natural” byproduct of politicians’ vote-optimization strategies (Downs 1957; Powell 2000; Huber and Powell 1994; McDonald and Budge 2005; Stimson et al. 1995; Erikson et al. 2002; Adams et al. 2004, 2006). Approaching responsiveness from this perspective, parties envisaging office would always strive to remain in sync with the median or mean in the constituency. Importantly, the more uncertain reelection is, the more the government policy should be in line with the public preferences (Hobolt and Klemmensen 2008). Quantitative studies of responsiveness thus typically examine the effects of country- or district-level majority public opinion, or changes in opinion, on policy outputs.

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3 A different application of the same logic replaces the median voter with the median party supporter (Dalton 1985).
The focus on the median voter, however, makes strong assumptions about the shape of preferences and their relationships to voting, and also assumes that governments respond to who cast ballots (and are likely to cast again) rather than those who do not. Citizens who do not understand, or feel they are unable to make correct judgments and informed choices among parties and their policy programs, may systematically abstain from the electoral process. Education and income – two closely related concepts – are key determinants of turnout (e.g. Gallego 2007). If government parties neglect those least likely to participate, and these are at the same time the least privileged, then we could expect a systematic policy bias in favor of the preferences of the other classes (middle class and affluent). Although we have little knowledge about whether this is the case across Europe, the expectation regarding unequal responsiveness is also based on empirical evidence about varied congruence between left-right positions of parties or governments on the one hand, and different income groups on the other (Rosset et al. 2013) – at the expense of the poor.

However, to understand unequal responsiveness in substantive terms, we need to “unpack” the general left-right dimension of political conflict (which constitutes the major principle for the organization of politics). Drawing on previous research (e.g. Wlezien 2004) that shows that representation varies across domains, we need to explore policy responsiveness on a series of more specific issues related to the general left-right. A fundamental assumption underlying this study is that political attitudes and preferences of West European voters are well-summarized by an economic and a socio-cultural dimension (Hooghe et al. 2010; Kriesi et al. 2008; van der Brug and van Spanje 2009; Kitschelt 1994; Finer 1987; Flanagan 1987; Inglehart 1977).

That the strength of the linkage between elites and publics may vary across policy areas had been identified by the seminal study on constituency influence in Congress conducted by Miller and Stokes (1963). They analyzed the correlation of constituency opinion and roll call voting in several areas of politics, and found considerable variation according to issues. Miller and Stokes (1963) speculated that these differences might reflect the relative salience of the policy areas. To be sure, salience of economic and cultural issues changes over time, and this matters for policy responsiveness because salient issues are more “constraining” for politicians – they are more under pressure to respond to the public’s mood (e.g. Lax and Philips 2009). Similarly, policy-making on issues not tightly embedded in the main political conflict dimensions, such as the smoking ban, is influenced by many more factors than just public opinion (Toshkov 2013). While Europe was going through periods of economic prosperity, cultural and post-materialist (e.g. green) issues
became more and more important – to the extent that they even led to new party formations (e.g. Greens) or the strengthening of existing extreme parties (e.g. far right parties) to respond to the public demand for policy on these issues. Issues of redistribution, income inequality and government spending become all the more central in political debates during periods of recession, like the one Europe is currently going through.

At the individual level, policy preferences on socioeconomic and sociocultural issues are shaped by one’s background. Few scholars of politics would think to examine the determinants of attitudes toward welfare and redistribution, for instance, without accounting for differences between men and women, young and old, and, of course, rich and poor (e.g. Kulin and Svalfors 2013; Owens and Pedulla 2013; Guillaud 2013; Blekesaune and Quadagno 2003); yet, socio-demographic differences cannot be excluded from analyses of liberal versus authoritarian attitudes towards cultural issues, such as divorce and abortion (which, in turn, relate to women’s issues), or homosexuals’ rights either. What is less clear is on which issues the affluent, middle class, and working class are likely to agree. We thus focus on the nature of the income-policy relationship to examine whether income inequality translates into divergent socioeconomic and sociocultural policy preferences across Europe.

Our most basic expectation is that public attitudes on the two aforementioned dimensions will vary according to income. In capitalist societies, income is one of the most important social characteristics, influencing many aspects of an individual’s life. These aspects, in turn, surely shape attitudes toward public policy and there is evidence about divergence within the public. Our related hypothesis suggests not only that the rich and poor will differ, but also that the effect of income will usually be monotonic:\footnote{We make no prediction about the relative distances.}

\textit{Hypothesis 1: Policy attitudes vary by class.}

The existence of preference differences on these issue dimensions by class raises the possibility of unequal representation. Even in democracies, the greater resources of the affluent may translate into greater influence on public policy (for a discussion, see Peters and Ensink 2013; Giger et al. 2012). It suffices to consider that parliaments are not composed of low-income citizens and that wealthy citizens can invest greater resources in lobbying political party organizations, the government, and/or the EU institutions.
One might expect the clearest relationship between income and public policy preferences to pertain to socioeconomic issues. This does not require us to assume that individuals are purely self-interested, only that they experience the tax and transfer system very differently, and therefore have different attitudes toward it. Contrary to affluent citizens, we expect lower-income citizens to be strongly in favor of a bigger government, redistribution, and the reduction of inequality. Affluent citizens do not need state services as much as the poor do, so we would expect them to oppose high public spending in key policy areas (e.g. health, education, unemployment, or pensions).

That said, attitudinal differences on issues pertaining to the sociocultural dimension issues are also likely. In many countries there is a close link between income and religiosity (Inglehart, 1977; Pollack, 2008), and many religious organizations have taken strong stands on issues such as abortion, divorce, and LGBT rights. It may also be the case that preferences on non-religious issues vary by income. Inglehart (1977) and Abramson and Inglehart (1995) put forward the post-materialism thesis, which argues that in the context of economic security, individuals place greater value on environmental conservation and personal freedom. However, due to the fact that cultural issues have become more important only in recent decades (see, e.g. Kriesi et al. 2008), differences between rich and poor may not to be as strong and clear-cut as on economic issues.

Of course, before hypothesizing responsiveness inequality, we must assume (or test) responsiveness to any large part of the public. In this way, our study engages in the classic debate on responsiveness, not just the more recent discussion on unequal responsiveness. Even if public and government may not be always in line with one another, the latter should always strive to remain in sync with the former. Elections provide some important information about what the public wants, but they do so only periodically. Pioneer survey research was, inter alia, motivated as a means to contribute to elites’ better information over citizens’ attitudes and preferences in-between elections. With the professionalization of politics, parties paid increasing attention to the results of surveys and opinion polls and considered them as a valid source of information about changing public moods. Given that contemporary governments have at their disposal very rich information that help them follow the public’s changes closely, we expect public preferences and policy output to evolve in concert.

While our related knowledge on Europe is minimal (e.g. Peters and Ensnick 2013), the literature that focuses on macro-opinion in the US (rather than the opinions of subgroups)
has produced mixed findings (for a review, see Manza and Cook 2002; Bernstein 2003). While Brooks and Manza (2006) find evidence of social policy responsiveness, Kenworthy (2009) shows that this is primarily the result of between-country differences, making the causal claim weaker. Erickson et al. (2002) show that public opinion and policy in the United States respond to one another. Soroka and Wlezien (2004) extend this analysis to include Canada and the UK, with roughly similar results. We thus expect policy to respond to changes in public preferences:

- **Hypothesis 2a: Public policy responds to changes in public preferences.**

Assuming that government responds to changes in public preferences and that public preferences vary according to income, to whose preferences does government policy respond more strongly? Pioneer work by Gilens (2005, 2012) and Soroka and Wlezien (2010) has investigated this question, but while Soroka and Wlezien are more sanguine (Chapter 8), Gilens’s results suggest substantial inequality. In Europe, Peters and Ensink (2013) find differential responsiveness on redistributive issues, whereby the rich get over-represented and the poor get under-represented. Following these works, we hypothesize that in Europe policy is likely to match the preferences of the rich, but we also expect variation across countries (see below).

- **Hypothesis 2b: Public policy responds more strongly to the preferences of the relatively wealthy than to the preferences of others.**

Most previous work on responsiveness and responsiveness inequality has focused on the Anglo-Saxon world, namely the US, Canada and the UK. Extending these analyses to continental Europe raises a number of theoretical issues. Different electoral and political institutions, trade union density and turnout rates may lead to different levels of responsiveness inequality. Though research on the constitutional determinants of income inequality has produced mixed findings (for a discussion, see Birchfield and Crepaz 1998), it provides us with valuable insights into how policy may succeed or fail to respond to the preferences of middle and low-income groups. In what follows, we discuss how electoral rules, union density, turnout and veto points may affect policy responsiveness to sub-constituencies.

The proportionality of electoral systems is a key factor affecting which voices can be expressed and represented in the political process (Sartori 1968); proportional electoral systems are typically associated with a higher number of parties in the system, as well as
with multi-party coalition governments. Hobolt and Klemmensen (2008) argued that disproportional systems provide weak incentives for parties to respond to the wider public, as satisfying a narrow constituency of pivotal voters may suffice for their re-election. On the contrary, multi-party governments in proportional systems need to respond to a wider variety of public policy preferences. In this regard, Iversen and Soskice (2006) argue that proportional representation may allow the middle class to vote for parties that will increase redistribution to a level they prefer, without threatening more extreme action. This could mean that countries using PR may be more responsive to the middle class and the poor than the majoritarian systems in the Anglo-saxon world.

That said, coalition governments, more common in Europe than in the Anglo-saxon world, may disguise responsibility for policy, reducing accountability (Powell and Whitten 1993; Becher and Donnelly 2013). This could, in turn, affect the degree to which multi-party governments indeed respond to the lower and middle classes; if the affluent are better able to understand the sources of policy and lobby accordingly, politicians may be more responsive to them. That said, lower levels of market inequality might produce smaller disparities in political resources. Although no country in Europe lacks differences between the rich and the poor, and many of these differences can translate into increased political power, stronger unions may better translate working and middle class preferences into effective political action. Drawing on research (Sran et al. 2013) that shows that the decline in union density has been strongly associated with the rise of income inequality, we anticipate that different rates of unionization may account for variation in policy responsiveness to the lower and middle classes.

Another source of variation in responsiveness inequality is electoral participation. We know from previous works that the poor are more likely to abstain (Verba, Nie, and Kim 1978; Wolfinger and Rosenstone 1980; Verba, Schlozman, and Brady 1995; Gallego 2007) and that voters’ voices are more likely to be taken into account into the policy making process than those of the non-voters’ (e.g. Griffin and Newman 2005). The effect of turnout is analyzed by by Peters and Ensink (2013) who show that differential responsiveness on redistributive issues is more pronounced when electoral participation is low.

Finally, constitutional variation regarding the quantity and power of institutional actors (federal/centralized, parliamentary/presidential, the strength of bicameralism, and the degree of executive dominance) may also matter for unequal responsiveness. Policy may be more/less responsive to the general public and/or sub-constituencies because the
quantity of veto points entrenched in the political system affect the degree of government discretion over policy (Brooks and Manza 2006; Lijphart 1999).

In summary, we hypothesize that policy attitudes will vary by class (H1) on both socioeconomic and sociocultural issues; and that policies will respond to public preferences (H2a), though more strongly to the rich than to others (H2b), while we anticipate variation across countries. In the next section, we elaborate on the methodology we follow and the data we use to test our hypotheses.

Methodology & Data

This study extends previous work on the link between public opinion and policy in Europe by adding data on policy outputs and outcomes. To do this, we combine 15 measures of public policy - each observed in at least 8 European countries during at least 2 time periods – with a battery of survey questions that tap, as directly as possible, the relevant policy attitudes in the general public and for subsets of the public. This matching procedure is necessarily inexact, though we restrict our data-gathering to issues on which we are confident the policy measure and the survey question match closely. Due to availability constraints, the current dataset focuses primarily on Western Europe.

Following a long literature on the dimensionality of politics in Europe, we categorize our issues into two dimensions (e.g. Inglehart, 1977; Kriesi et al., 2008; see also Lefkofridi et al. 2013): one that concerns the state’s intervention in the economy and crystallizes in the ideological conflict between economic socialism and economic liberalism; and another that refers to issues touching upon cultural and green issues. Our analysis examines seven issues that fit the socioeconomic or redistributive dimension of political conflict (presented in Table 1), and eight that fit the socio-cultural dimension (presented in Table 2). In both Tables 1 and 2, the first column presents the policy measures and the third column the attitude measures; the far right column displays the number of country-years for which we have both a policy and an opinion measurement. Each of the policy estimates concern the first available year after the public opinion is measured, with a maximum lag of 7 years.

5 We focus on policy outputs, though, as discussed below, two of our more general measures are better thought of as outcomes.
The seven items presented in Table 1 together capture many of the most important ways that the state intervenes in the economy to redistribute income and wealth. In some ways, of course, they overlap. The first two items (redistribution and government size) tap attitudes to inequality and the actual the income distribution of the country’s residents; and preferences regarding government ownership and the actual government consumption. These two are, to some extent, functions of the other items (preferences for and actual government spending on health, education, pensions, unemployment). For this reason, we do not emphasize questions of statistical significance below, but focus on point estimates.

Where appropriate (and possible), the policy variables have been constructed to reduce the most obvious possible confounders. For example, unemployment spending is normalized by the share of the population that is unemployed, and pension spending by the share of the population that is retired. Whereas the four spending variables are almost perfectly designed to capture the preferences we have in mind, the tax progressivity measure (i.e. whether the rich should pay “much less”–“much more” taxes than the middle class) is a little bit different from the capital-labor tax ratio. We would prefer a more general progressivity measure, but it is not available for a wide range of countries and years.

**Table 1 about here**

Table 2 displays the issues typically associated with the second dimension of European politics (sociocultural). The table includes three religious/cultural issues (LGBT, abortion and divorce), two law and order issues (police and military), and three green issues (environmental taxes and regulation; nuclear policy). The interrelatedness of these issues suggests the possibility of combining them into either one or three indices of policy but for the moment, we treat them as independent.

**Table 2 about here**

Note that due to the formulation of the survey questions available, the first three of our sociocultural measures require an extra step in the process of linking the attitude to the policy. In detail, the questions are phrased as “whether you think it can be always justified...never justified,” measured on a 1-10 scale. It is conceivable that responses to a “justification” question would differ substantially from responses to a policy question. A

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6 These policies do not include any measure of regulatory action. In many European countries, labor market regulation is a key tool for the state to influence economic outcomes, so future versions of this data set will include additional measures of regulation and corresponding preferences.

7 In future versions of this paper, we will create indices combining these measures in order to make stronger claims about statistical significance.
similar concern could arise with the nuclear attitude, which is measured using a question about attitude toward the anti-nuclear movement. It is reasonable to suppose that some people might dislike the movement while agreeing with the goals. On the whole, though, we believe the link is tight enough to treat these responses as good indicators of whether the respondent would prefer a more liberal or conservative policy.

After normalizing each of the policy and attitude variables above (using the unweighted sample mean and standard deviation, and scaling them so that higher values represent always more left-liberal positions), we calculate the mean opinion for each country-year-issue, as well as the mean opinion for each country-year-issue-group, where groups are defined by gender, income tercile, and education tercile. To illustrate, for Italian attitudes toward inequality in 1990, we have a mean of 5.8 on a 10 point scale from “Incomes should be made more equal” (0) to “We need larger income differences for incentives” (10), which is reversed (so that higher values represent more left-wing, pro-equality positions) and normalized to 0.02 standard deviations below the sample mean. The poorest third of Italians in 1990 are much closer to the socialist end of the scale (0.23 SD above the mean) than are the richest (0.22 SD below the mean), while the middle class falls closer to the poor (0.13 SD above the mean). Moreover, the breakdown by education tercile follows a similar pattern, while women (0.06) are more opposed to inequality than are men (-0.1). In 1991, the Italian tax and transfer system reduced the Gini by just a quarter of its market value. This is 0.33 SD less redistributive than the sample mean, suggesting that, in this case, the Italian rich seem to get their way more than the poor or middle class. The question for the rest of the paper is whether this pattern holds across countries and over time.

**Cross-Class Disagreement over Policy**

Recall that Hypothesis 1a posited that policy preferences are likely to vary by income. In other words, classes will disagree. In empirical terms, we would expect the affluent staking out one end of most policy scales and the poor the other end. As demonstrated in the

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8 Note also that while we use the national-level SD for policy when normalizing, we use the respondent-level SD for attitudes. That is, we do not use the SD of the means, but the SD of the entire sample (which is larger).

9 In a few cases, the direction of left-liberal position may be unclear. In particular, we choose to code opposition to law enforcement spending, opposition to military spending, and opposition to nuclear power as liberal positions. This choice has no effect on the responsiveness estimates below.

10 Future versions will also examine urban-rural distinctions and ethnic majority-minority differences.

11 We are well aware that ‘class’ cannot be measured solely with income, but for the sake of comparability across surveys, countries, and time, we will use income terciles to measure class.
American case (Bartels, 2008; Gilens, 2009) classes do sometimes have different preferences in the case of specific policies\textsuperscript{12}. However, we do not know how often, across a wide range of policies in Europe, the rich and the poor differ.

Figure 1 displays the class gradient in our data for the most recent year available in each country. The top row is made up of issues that primarily concern redistribution. There are large and predictable slopes on most of these lines. The rich are largely opposed to redistribution, while the poor are largely in favor, and in almost all cases, the middle class falls somewhere in between. The middle row includes all the items in our dataset that concern preferences for government spending on different policy areas. The poor are more in favor of spending on health than the rich are, whereas the rich are more in favor of spending on defense and environment compared to the poor. The affluents’ preferences for defense spending may be related to the fact that the key beneficiaries of more spending on national defense are the (highly affluents’) large industries (vehicles, weapons, etc.). The finding about the environment seems in line with the post-materialist expectation, with economically secure citizens being more concerned about the environment. Differences between rich and poor are weaker and less consistent when it comes to education and law enforcement spending. The three panels on the bottom right display socio-cultural attitudes by class, showing that there is substantial disagreement across classes on the acceptability of divorce, abortion, and homosexuality,\textsuperscript{13} with the rich generally more liberal than the poor. Altogether, Figure 1 provides strong support for Hypothesis 1a. Classes vary and they do so in systematic ways.

**Figure 1 about here**

We additionally examine whether class differences are greater on redistributive issues than on socio-cultural issues. Figure 1 suggests some support for this claim, since the strongest and most consistent slopes are found in the top half; however, there are some fairly steep slopes in the bottom right too. The mean absolute difference between the rich and poor in any particular country-year on first dimension issues is 0.29, while the mean on sociocultural issues is 0.25. The mean differences between the rich and the middle class are

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\textsuperscript{12} For cross-class differences in attitudes on the socioeconomic dimension, see Svalfors 1997; Donnelly 2013; Kulin and Svalfors 2013; Bernauer, Giger and Rosset (2014) and on the sociocultural dimension see: Lipset 1959, 1966; Svalfors 2006; Andersen and Fetner 2008; see also Lefkofridi et al. 2013.

\textsuperscript{13} Readers may notice that the average of these values is greater than 0. This is because these are from the last year in which this country-question pairing is included in the data and there is a strong over-time trend toward more liberal responses to these questions.
smaller (0.18 and 0.14), but again are larger on economic issues.\textsuperscript{14} On the other hand, the differences between the middle class and the poor do not appear to vary by issue. Class gradients are larger on redistributive issues in the top half of the income distribution, but not in the bottom half. We do not yet have enough data to examine this claim at the country level, but future work should examine the relationship between the size of these gaps and factors such as inequality and religion.\textsuperscript{15}

**Figure 2 about here**

This variation is necessary for detecting differences in responsiveness. If the rich and poor consistently agreed, then there would be no way to detect variation in policy responsiveness across classes. A slightly more subtle issue arises from the fact that both the survey questions and the policy measures we use are continuous and there is no precise mapping between attitudes and policies (that is, if a respondent places herself as a 6 on the 0-10 scale of the inequality question, it does not correspond with a specific state reduction in inequality of, say 40%).\textsuperscript{16}

We therefore need to make very strong assumptions about comparability across countries and issues or to take advantage of differential change over time by class in order to capture differential responsiveness. Figure 2 displays attitudinal change for four country-issue pairs. It shows that while movements are often parallel, they are not universally so. The analyses below use this fact to examine the extent of policy responsiveness by class.

**Methodological Issues**

There are two major challenges in analyzing these data to test theories of responsiveness and responsiveness inequality. First, we must account for the possibility that any association we might observe between attitudes and policy is driven primarily by attitudes responding to policies, rather than the other way around. This issue is helped somewhat by the fact that we deliberately chose to measure policy outcomes in the year following our measurements of attitudes, but it remains a potential problem. Second, we must deal with the fact that income groups may not always disagree, or may change in parallel ways, leading to multicollinearity problems.

\textsuperscript{14} Both of these differences across dimensions are statistically significant at the 0.01 level.

\textsuperscript{15} We also have some evidence that gaps on the first dimension are increasing over time, but holding constant on the second dimension. Future work should explore this question in the context of the literature on polarization (e.g. Ura and Ellis 2012).

\textsuperscript{16} Gilens (2005) sidesteps this issue by focusing on dichotomous change/no change policy questions.
Below, we present very simple OLS regressions of policy outcomes on public and group preferences (with clustered standard errors) and three other types of models in order to overcome the challenge of reverse causation. Taking advantage of the time-series nature of our data, we reduce the possibility of reverse causation by controlling for the previous measurement of our policy measure (see Keele and Kelly 2006; Wilkins 2013). This lagged DV set-up reduces the number of observations, of course, but it is nevertheless useful.

A second approach to the same problem is to include lags of both the independent and dependent variables, allowing us to rule out the possibility that reverse causation occurring during a period before we observed either attitudes or policies causes us to mistake correlation for causation. Finally, we introduce country-policy fixed effects. In other words, we include a dummy variable for each of the country-policies. This means estimating a much larger number of parameters, but, like the lagged DV, focuses on change over time, so that reverse causation in the period predating our data is less of an issue.

In order to deal with multicollinearity, which arises when there are very strong correlations between two independent variables, such as the attitudes of two different groups, we have estimated the models below on subsets of the data, focusing on those cases where groups do, in fact, disagree, or on those cases where opinions change at substantially different rates in different groups. This, too, reduces our number of observations, but it produces similar results.

Most of the policies in our data are, for all practical purposes, continuous measures. However, some of our policies (pre-normalization) are measured with relatively short scales. For instance, divorce is measured on a four point scale from not allowed to allowed without the assignation of blame (no-fault) and initiated by one spouse (unilateral). This four-point scale is relatively truncated, and under normal circumstances, most scholars would prefer models that take into account the limited nature of this dependent variable. Since we are pooling across policies, this is not possible. Future versions of this paper will include tests for any bias that this might introduce.

(Unequal) Responsiveness in Europe?

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17 Equivalently, we demean both sides of the regression equation at the group level.
18 We have done this for the first set of inequality models, but future versions of the paper will do so for all models.
Before turning to the question of unequal responsiveness, we first look at responsiveness in general (H2a). We specifically examine whether changes in policy evolve in congruence with public opinion (without differentiating for sub-constituencies). This is the first test of political responsiveness in European societies that includes a wide range of public policies and focuses on actual policy outputs, rather than political party positions (Rosset et al. 2013; Giger et al. 2013).

Table 3 displays our estimates of responsiveness across five regression specifications. The estimates range from 0.29 to 0.65, indicating that, on the whole, public opinion and policy are strongly associated. The strongest effect appears in the model that contains country-policy fixed effects, while the weakest appears in the model that includes lags of both the policy and the opinion measure.19 The first model, which simply pools the observations (using standard errors clustered by country-policy), treats over-time and between-country variation equally, while the rest of the models focus attention on the time dimension. To recall, the inclusion of a lagged dependent variable is meant to account for the possibility of reverse causation, while the fixed effects allow for unobserved confounders that are constant within a country-policy.

Table 3 about here

These results are encouraging for those who care about democratic responsiveness. At least on average within our sample, policy and preferences seem to move in concert. This adds to the scarce comparative research on responsiveness in European countries, which is confined to economic issues. A comparative study by Brooks and Manza (2006) found a strong influence of public preferences on welfare policy especially in social (Sweden and Norway) and Christian (Austria, France, Germany, Italy, the Netherlands, and Switzerland) democracies (compared to liberal democracies such as Australia, Canada, Ireland, New Zealand, the United Kingdom, and the US). A more recent study of responsiveness (in terms of expenditure) regarding welfare, health, social issues, and education also found varied responsiveness across both time and space (Hobolt and Klemmensen 2008). These scholars found budgetary policy changes in the US to be highly responsive to public preferences (especially defense and social services) but responsiveness was lower in the UK (see also Soroka and Wlezien 2005) and Danish cases. Our evidence on Europe thus portrays a positive picture regarding government responsiveness when examining policy issues of

19 Note that for all of the models, the ‘time’ dimension is simply the ranked observation, rather than the year, so Lagged Policy indicates the policy at the most recent year for which we have data, not the previous year.
economic and cultural-green nature. To be sure, the evidence presented here is by no means confirmation that democracy works as it is supposed to work, but at least on its face, it does appear that changes in attitudes lead to changes in policy. The magnitudes are quite large, since the standard deviation of mean opinions is around 0.35. These coefficients, then, are large enough to imply substantial policy variation whenever mean attitudes change dramatically.

The primary objection to this is that political elites are part of society, and so they may well undergo attitude changes in parallel with society. Thus, the national mean attitude may be associated with policy not through a causal process, but because political decision-makers change their minds at the same time as the population. Since we do not have data on the attitudes of the very elite, we cannot rule this explanation out. Similarly, we lack data on the positions taken by interest groups, who, as Gilens and Page have shown, may be substantially more influential than the general public. On the other hand, this is only a problem for democracy if there are some groups whose preferences differ from those of political decision-makers systematically. Above, we hinted that this is the case, showing that preferences do, in fact, vary across class. We turn now to examining whether and to what extent those preference differences translate into responsiveness differences.

**Responsiveness Inequality**

Table 4 examines Hypothesis 2b, which suggests that state policy is more responsive to the preferences of the rich than to preferences of the middle class or poor. The first three columns show each possible class comparison in an OLS framework. In each case, the coefficient on the richer class is much larger than the coefficient on the poorer class – the preferences of the rich are more closely tied to policy than those of the middle class or the poor, and the preferences of the middle class are more closely tied to policy than those of the poor. The same is true in the fixed effects models and in the models that include a lagged policy measure. This very much in line with what US-focused research that examines both economic and cultural-religious issues shows (Gilens 2012 APSA 2004). Our findings from Europe resemble closely those of Gilens (2009, 2005), who finds preference gaps across income groups, and that policy responsiveness to the poor is weak, while responsiveness to the poor is strong.

**Table 4 about here**
Since policy preferences of different classes tend to move together, and since cross-country variation is often as large or larger than between class variation (see Figure 1), multicollinearity is clearly an issue. To account for this, Table A in the appendix displays regressions similar to those in Table 4, but using subsets where policy preferences are less closely associated. In particular, those models drop the quarter of observations with the most similar group preferences (for the first three and last three models) and where the change over time in group attitudes is most similar (for the fixed-effects models). The results are very similar, suggesting that these estimates are robust.

Of particular interest in Table 4 are the comparisons between the middle class and the poor (the 3rd, 6th, and 9th models). When we ignore the preferences of the affluent, the middle class appear much more likely to get their way than the poor (see also Gilens 2005 for a similar finding in the US case). This is an illusion of influence, though. As we saw in Figure 1, it is almost always the case that the middle class falls between the rich and the poor. This apparent monotonocity of the income-attitude gradient leads us to estimate strong responsiveness to the middle class when compared to the poor, but this is simply driven by the fact that middle class attitudes serve as something of a proxy for the attitudes of the wealthy.

**Variation in responsiveness across policy issues**

To examine responsiveness across issues, we use the two-dimensional framework introduced above. We fit models identical to those in Tables 3 and 4, but subset the data by dimension. Table 5 contains the results. The first two models test whether responsiveness exists on first dimension (redistributive) and second dimension (cultural) issues. The result for the first dimension is quite weak. The same is true for the fifth model, which tests the same question with a different specification. The second and sixth models are more optimistic. It does appear that policy is responsive to public opinion on cultural issues, while we have no evidence for responsiveness (at the macro level) on economic policies. This finding highlights the necessity of exploring responsiveness across different policy issues. When the concept of “left-right” is broken down into two separate policy dimensions, we get a more fine-grained picture of how government policy responds to the public, as well as whether it is biased towards the preferences of certain income groups within society.

Table 5 about here

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20 Variance Inflation Statistics for the coefficients in the models above are generally below the typical rule-of-thumb danger level of 5, but a few are higher, and many are quite close.
The third and fourth models return to the question of responsiveness inequality, again showing that the responsiveness at the macro-level is primarily the result of a close association between the attitudes of the affluent and policies. There is little, if any, relationship between the attitudes of the middle class and public policy when the attitudes of the rich are held constant. Even on the second dimension, where macro-responsive is quite strong, the middle class seems to have little influence.

The sizes of the coefficients vary by substantial margins in these models, but they are again quite large on the second dimension. This is true both for the national mean opinion and for the attitudes of the rich. Even at the smaller level (0.3 for the national mean and 0.34 for the rich), a modest change in attitudes is associated with noticeable policy change. These findings shed new light on policy responsiveness in Europe, by demonstrating that responsiveness is stronger on sociocultural and green issues that have become increasingly salient in recent decades by social movements. The weakness of responsiveness on economic issues also suggests that European governments are constrained by commitments to non-majoritarian institutions; that governments’ hands are “tied” on such issues has been most clearly manifested during the crisis that began in 2008. Our findings based on data collected long before the crisis suggest that economic policy has not been evolving very much in sync with what the public wanted, and certainly not with what the economically less secure classes preferred.

Discussion and Conclusion

When citizens change their minds, European states respond. That is the good news. The bad news is that they respond only some of the time, on some issues and to some citizens. Large changes in preferences are associated with modest changes in policy. Changes in overall attitudes toward redistribution have very little effect on redistributive policies. Changes in socio-cultural policies are driven largely by change in the attitudes of the affluent, and only weakly (if at all) by the middle class or poor. This is a challenge for believers in democracy and equality.

The magnitudes of the responsiveness estimates in Table 3 are substantial. A standard deviation change in public attitudes leads to a 10-20 percent of a standard deviation change in policies. This is real, if modest responsiveness. Whether it is causal or

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21 Since the unit of the opinion data is sample standard deviations, a standard deviation change in the national mean is much smaller (about 0.35).
not, it is not a weak association, and the effect is large enough that, on the evidence of just Table 3, we would say that democracy works.

The problem, though, is that this responsiveness is driven largely, if not entirely, by the close association between the attitudes of the affluent and policy outputs. Most crucially, when the attitudes of the wealthy are held constant, there is little, if any, association between the attitudes of the poor or middle class and policy. If democracy requires responsiveness equality, then democracy is not working well in Europe – at least in the countries under study here. This more pessimistic take resembles the take of scholars who have studied policy responsiveness in the US and those who have examined the responsiveness of party positions to European publics. Given these similarities, we, too, take a skeptical view of the current performance of democracy in Europe, but hope that scholars of European politics will begin looking for exceptions to this rule. If there are such exceptions, they could provide ideas for reforms that would mitigate the problems we have identified.

Differences in responsiveness by dimension provide an even worse picture. There seems to be very little responsiveness of redistributive policy to the national mean attitude. Since cross-class differences are largest on the first dimension and the differences between the rich and the middle class are larger than those between the middle class and the poor, it is not surprising that the mean attitude has little influence. Instead, the attitudes of the rich seem to have influence, while the attitudes of the middle class (and the poor) display a consistently negative association with policy (when controlling for those of the rich). It is on cultural issues where the national mean seems to have a strong impact. Opinions of all classes are positively associated with these policies. Again, though, it is the affluent that have the strongest effects.

The data on which this paper are based have many limitations, but are likely to prove quite fruitful in developing and testing additional hypotheses. For instance, a quick glance at the data suggest that educational responsiveness inequalities may be as strong as those based on income, and gender inequalities may vary across issues. We have also only begun to examine cross-country variation in responsiveness. The large number of countries included in the analyses above should allow us to address some of the oldest questions in comparative politics including the effect of electoral institutions (e.g. Hobolt and Klemmensen 2008; Golder and Stramski 2010) as well as the sources of democratic legitimacy.
Before concluding, we would like to highlight this last concern. Democratic legitimacy would seem to depend on at least the appearance of equality representation. While our analysis here has not revealed the mechanism of inequality, it has demonstrated its existence. If the mechanism is perceived as fair, perhaps democratic legitimacy is secure. That is, procedural fairness may provide sufficient regime legitimacy for the public to accept the current state of affairs. On the other hand, it is worth noting that the people we have shown to be most disadvantaged are precisely the groups that are least likely to agree with the statement that "We need larger income differences for incentives." In other words, the losers in the political process appear to be the same groups that reject the premise that formal equality (as embodied by the market) is sufficient. It seems unlikely, then, that those same individuals would accept formal equality at the expense of realized inequality in the political process. Indeed Ceka and Magalhães (2014) have shown that it is primarily the rich who define democracy procedurally and do not see social justice or direct democracy as important elements.

This raises the issues of responsiveness perception. Despite substantial work, this paper can only tentatively conclude that responsiveness inequality is real and appears in most countries in Europe. Work remains to be done to show in which countries and under what conditions this is true. Perhaps, then, public perceptions of fairness in the political process are more optimistic than ours. If so, then the legitimacy of the status quo may not be in danger. Given the crisis, though, it seems unlikely that current governments will be able to lean on, for instance, macroeconomic performance, as a response to those who critique their responsiveness to the public. This issue is likely to continue to be at the heart of public debates in Europe for the next decade, and beyond. We hope our paper, and those of others who will use these data, contribute to this debate.

REFERENCES


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Unequal Policy Responsiveness in Europe

Tables & Figures

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&

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### Tables

#### Table 1 Socioeconomic issues

<table>
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<th>Attitude Measure (Source)</th>
<th>Measure (Source)</th>
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<td>Government consumption as a share of GDP (Eurostat)</td>
<td>Government ownership preferences (WVS)</td>
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<td>Education</td>
<td>Education spending normalized by the share of the population under 19 and GDP (Eurostat)</td>
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<td>Health</td>
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<td>Pensions</td>
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<td>Unemployment</td>
<td>Public sector unemployment spending normalized by share of population unemployed and GDP (Eurostat)</td>
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<td>Tax progressivity</td>
<td>Ratio of implied tax rate on capital to implied tax rate on labor (Eurostat)</td>
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<td>Abortion</td>
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<td>Divorce</td>
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<td>Police</td>
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<tr>
<td>Military</td>
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<td>Spending on military (ISSP RoG)</td>
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<td>Nuclear policy</td>
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### Table 3: Policy Responsiveness at the Macro-level

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<td>0.29</td>
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<td></td>
<td>(0.11)</td>
<td>(0.14)</td>
<td>(0.11)</td>
<td>(0.11)</td>
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<td>0.67</td>
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<td>(0.03)</td>
</tr>
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</tr>
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<td></td>
<td></td>
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<td>(0.12)</td>
</tr>
<tr>
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<td>-0.03</td>
<td>0.11</td>
<td>0.11</td>
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<tr>
<td></td>
<td>(0.04)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>(0.03)</td>
</tr>
<tr>
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<tr>
<td>N</td>
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Note: This displays the results of regressing our standardized policy index on the mean attitudes for each country-year-policy.

### Table 4: Responsiveness Inequality

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<th>OLS</th>
<th>OLS</th>
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<th>Fixed Effects</th>
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<td>(0.25)</td>
<td>(0.14)</td>
<td>(0.10)</td>
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<tr>
<td>Middle</td>
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<td>1.23</td>
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</tr>
<tr>
<td></td>
<td>(0.33)</td>
<td>(0.31)</td>
<td>(0.34)</td>
<td>(0.32)</td>
<td>(0.16)</td>
<td>(0.19)</td>
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<td>Poor</td>
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<td>(0.18)</td>
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Note: This Table displays the results of regressing our standardized policy index on the mean attitudes for each country-year-group-policy. OLS and Lag DV models include standard errors clustered at the country-policy level. Fixed effects are also at the country-policy level.
Table 5: Responsiveness and Inequality by Issue Dimension

<table>
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<tr>
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<th>FE 1st Dimension</th>
<th>FE 2nd Dimension</th>
<th>Lag DV and IV, 1st Dimension</th>
<th>Lag DV and IV, 2nd Dimension</th>
<th>Lag DV, 1st Dimension</th>
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<tr>
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<td>1.00 (0.54)</td>
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<td>Middle</td>
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<td>0.60 (0.05)</td>
<td>0.73 (0.04)</td>
<td>0.63 (0.05)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lagged Opinion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.20 (0.17)</td>
<td>0.35 (0.14)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>-0.01 (0.02)</td>
<td>-0.08 (0.04)</td>
<td>0.01 (0.06)</td>
<td>-0.18 (0.07)</td>
<td>-0.08 (0.04)</td>
<td>0.28 (0.05)</td>
<td>0.01 (0.05)</td>
<td>0.24 (0.07)</td>
</tr>
<tr>
<td>R-sq.</td>
<td>0.00</td>
<td>0.15</td>
<td>0.01</td>
<td>0.17</td>
<td>0.71</td>
<td>0.60</td>
<td>0.71</td>
<td>0.59</td>
</tr>
<tr>
<td>N</td>
<td>311</td>
<td>315</td>
<td>302</td>
<td>308</td>
<td>178</td>
<td>170</td>
<td>173</td>
<td>167</td>
</tr>
</tbody>
</table>

Note: This table displays the results of regressing our standardized policy index on the mean attitudes for each country-year-policy or country-year-policy-group. OLS and Lag DV models include standard errors clustered at the country-policy level. Fixed effects are also at the country-policy level.

Figures
Figure 1: Class Differences in Policy Preferences
Figure 2: Selected Preferences over Time

[Graph showing trends over time for various economic indicators and attitudes across different socioeconomic groups.]