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# **Inequality, legitimacy and the political system**

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# Impact of inequality on the political system

- Domestic political effects:
  - Political values
  - Trust in democracy
- Legitimacy of supranational governance
  - Euroscepticism
  - Anti-globalization

# Evidence

- GINI research papers
- GINI country reports - 30 countries/30 years
- Existing literature

# Domestic political effects (1)

- Inequality does not only affect values in the short run, but also in the long run.
  - Inequality measured during adolescence (a.o.).
  - Values negatively affected by inequality: **tolerance**
  - Values not clearly related to inequality: **altruism, civicism, obedience and honesty**
  - Values positively affected by inequality: **ethic towards hard work**
  - **And social trust?**

# Is generalized trust an important factor in the explanation for inequality effects?

Results from the GINI project data base with country-report data (DV: generalized trust)

	1	2	3	4
	gini effect	GDP controlled	gini effect	GDP controlled
Gini net disposable household income	-0.784* (-2.11)	-0.266 (-0.54)	0.369 (1.55)	0.037 (0.15)
GDP per capita, PPP current US\$		0.001 (1.49)		0.000*** (3.63)
Country fixed effects	yes	yes	yes	Yes
Year fixed effects	yes	yes	no	No

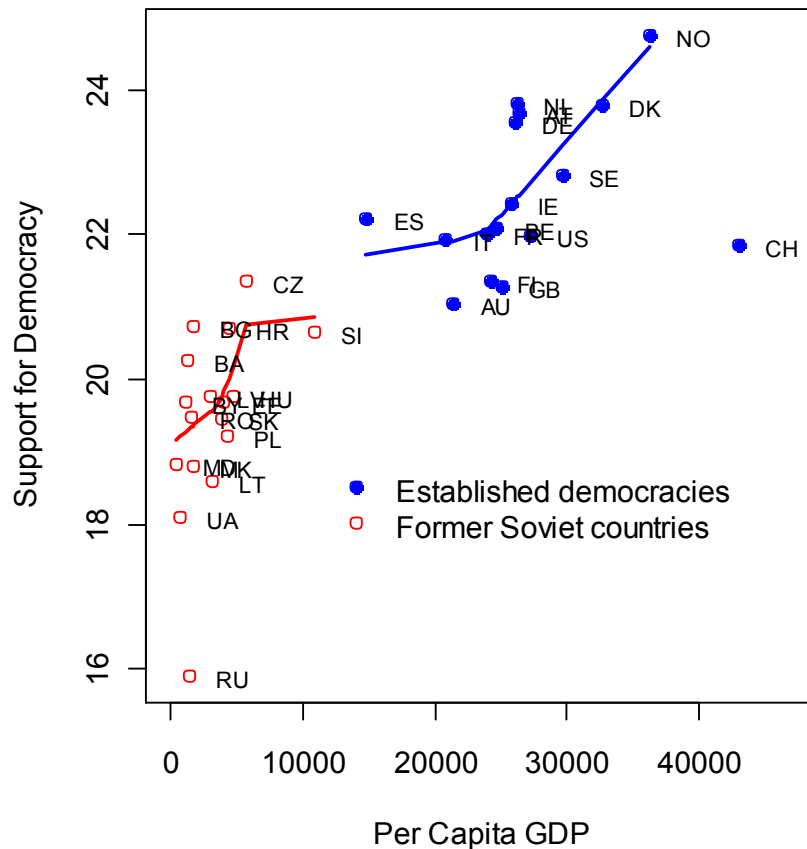
t statistics in parentheses

Source: Data from country chapters of the companion volume

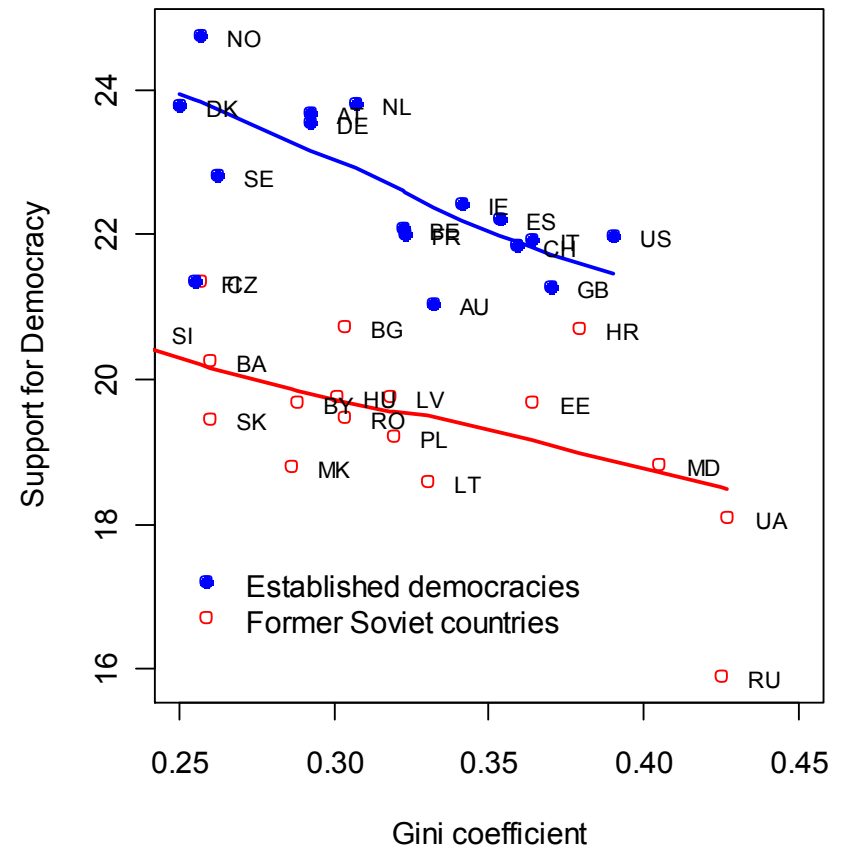
~p<0.10, \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

# Domestic political effects (2): support for democracy (Andersen 2012)

(a) Economic Development

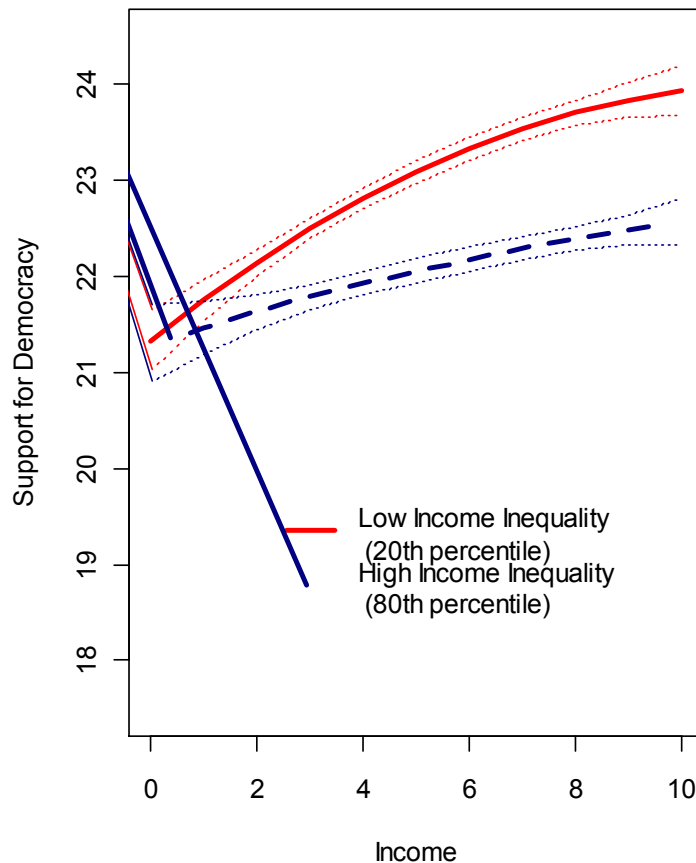


(b) Income Inequality

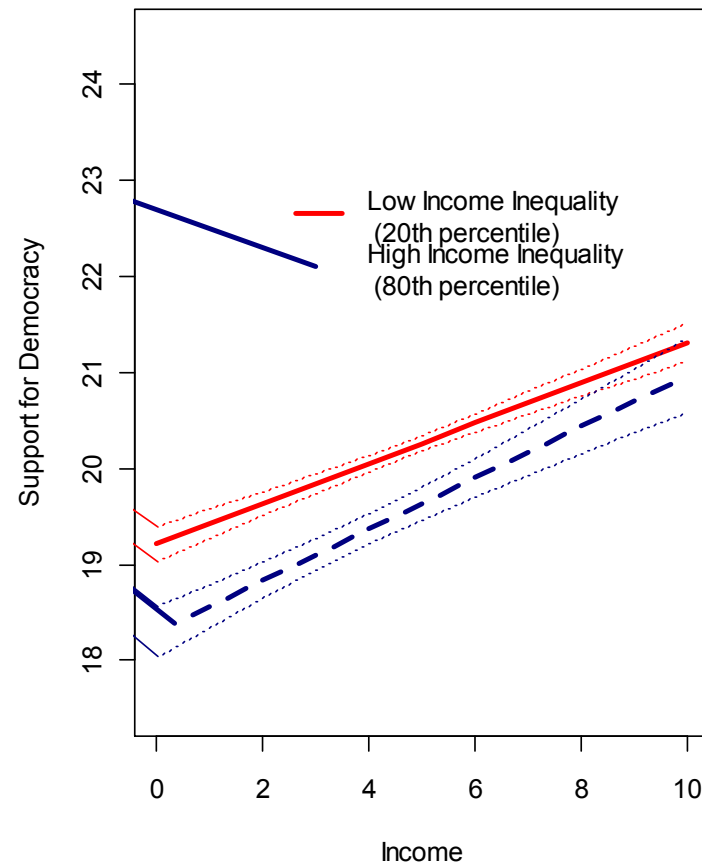


# Larger support for democracy in egalitarian societies especially among the rich (Andersen 2012)

(a) Established Democracies



(a) Former Soviet Countries



# The legitimacy of supranational governance

- ‘Winners’ and ‘losers’ of globalization
- Educational categories:
  - Growing education gaps in euroscepticism
  - Inequality magnifies education gaps
  - See Van Elsas in parallel session
- Political party standpoints:
  - Does inequality increase anti-globalization standpoints of political parties? Yes it does. See Burgoon in parallel session.
  - Does the willingness to contribute to development aid reduce in more unequal societies? No. (Haas).
  - The one-way street of anti-globalization? Protective to insiders, but not hostile to poor countries



# The legitimacy of politics: An overarching view

- The **salience** of redistributive preferences:
  - If redistributive preferences are not salient in the political arena, even if they are there in the population, this may threaten the legitimacy of politics.
- **Salience:**
  - Differential **turn-out at elections** by income groups/ social classes. Lower classes refrain from politics, so their views on distributive issues are not heard. (Pontusson, Rueda).
  - In addition: if redistributive issues are relatively unimportant for **people's political identification**, then the issue is unimportant in politics even if social classes would participate equally, leading to larger inequality (or fewer policies to reduce it).
- Political participation is more strongly stratified in unequal societies; and lower salience of redistribution magnifies inequalities.