Intro paragraph about political equality (Peters & Ensvik)

In recent years, academics have investigated to what extent policy outcomes reflect the preferences of different income groups to draw conclusions about political inequalities stemming from the influence of money on political power. The pioneering researcher at that time, Martin Gilens, was the first to gauge the preferences of different income groups towards proposed policy changes based on large amounts of survey data. Specifically, he applied a quadratic logistic regression technique to estimate the preferences for the respondents at tenth, fiftieth and ninetieth income percentile towards 1779 proposed policy measures which he used as independent variables to explain whether or not a policy was adopted (Gilens, 2005). He found that whenever the preferences of different income groups diverge, policy outcomes strongly reflect the preferences of the rich whereas they hardly ever reflect the preferences of the poor or middle-income US citizens. In his consecutive work, Gilens and Page (2014) contrasted alternative theoretical traditions to assess which set of actors have how much influence over public policy. Him and his colleague found that economic elites and organized business oriented interest groups have substantial impact on U.S. policy outcomes, providing support for the Economic-Elite Domination and Biased Pluralism Theory and against alternative explanations such as Majoritarian Electoral Democracy or Majoritarian Pluralism (Gilens & Page, 2014). Whereas the authors primary objective of the paper is to empirically unravel unequal income policy responsiveness within the U.S., the authors also point towards potential mechanism that explain why policy outcomes disproportionately reflect the interest of the rich. Namely, the structural dependence of political parties to finance political campaigns leading to a dependence of policymakers on donors and interest group as well as the lobbying by corporations and corporate interests that seem to be more aligned to the preferences of the rich (Gilens & Page, 2014). These findings substantially question the political equality of citizens living in the United States, a fundamental principle of democracy that requires each individual’s political influence to be equal, regardless of social status, income, educational degree, race, religion or any other characteristic. Political Equally is a necessary condition for ensuring that political power is fairly and justly distributed among all members of society and seen as essential for the functioning of democratic societies (QUOTE?). Whereas difficulties for any government to incorporate each citizens preferences at all times can be acknowledged, systemic biases in whose voices are being heard reflect fundamental flaws within any democratic states (Peters und Ensvik, 2015).

Given the severity of these findings a new branch of research has recently evolved led by political scientist who applied different variations of Gilen’s methodological approach, correlating the preferences of various social classes towards political outcomes (Elkj & Iversen, 2020.; Elsässer et al., 2020; Lax et al., 2019; Lupu & Warner, 2022; Schakel et al., 2020). The new wave of research has put forward further evidence of unequal policy responsiveness enriching the literature in terms of breadth and scope. Several studies have contributed to the breadth of the existing literature by analyzing whether unequal policy responsiveness exists in various countries outside the U.S. (Lupue & Castro, 2022; Lupu & Warner, 2022; Peters & Ensink, 2015; Schakel et al., 2020, Elsässer et al., 2020; Schakel, 2021) whereas other studies broadened the scope of the unequal policy responsiveness literature by focusing on educational and occupational inequalities (Elsässer et al., 2020; Schakel & Van Der Pas, 2021).

Examining the impact of the preferences of different social classes on the likelihood of a policy being adopted in Germany, Elsässar et al. (2020) find a strikingly similar pattern that show how policy outcomes correspond to the preferences of the richest ten and one percent of the income distribution, whereas the preferences of the median and the poor do not seem to be statistically significant in deciding whether a policy is implemented or not. Equally, the authors show that the likelihood of policy implementation is significantly associated with the preferences of higher-grade employees, civil servants, and the self-employed, whereas the correlation between the policy preferences of unskilled workers and policy change is small and insignificant (Elsässar et al., 2020). The authors conclude that institutional differences such as private campaign finance and the direct influence of private money in politics cannot solely explain why policy outcomes disproportionately reflect the preferences of the rich, since political campaigns are largely publicly funded in Germany.

Therefore, the representational bias must go way beyond large private donations, as previously has been continually argued for the U.S. (Elsässar et al., 2020).

Studies in other European countries including in Spain (Lupu & Castro, 2022) and in the Netherlands (Schakel, 2021) have found similar evidence that underlines the fact that.

representational bias is not a U.S. specific phenomenon and questions private campaign finance as the main causal driver behind unequal policy responsiveness.   
  
  
Given that all countries operate in political systems with heterogenetic institutional characteristics, the similarity of representational bias in favour of the rich is somewhat puzzling.

Other factors that could potentially explain what has been driving such bias have been explored by several authors. Peters und Ensink (2015) explored the effect of electoral participation on unequal policy responsiveness, testing whether higher participation in elections promotes more equal policy responsiveness. The idea behind this is that citizens that do vote are better represented than those who don’t, consequently policy outcomes are more likely to correspond to the preferences of voters. Assessing what determines political participation, scholars have found structural inequalities in who participates in elections with income being a central determinant in deciding turnout (Marien et al. 2010). Other structural inequalities that have been found include factors such as education gender and age (Marien et al. 2010). Logically, one might assume that policy outcomes might reflect the structural inequalities that determine participation. Accordingly, Peters und Ensink (2015) tested whether higher levels of turnout is associated with more equal responsiveness using a time series dataset with 25 European countries. Specifically, the authors regressed the preferences of low- and high-income groups interacted with the overall level of turnout on the total social expenditure as percentage of GDP as well as the change in social expenditure as percentage of GDP. The authors finds that the overall level of turnout can indeed partly explain the degree to which policy responsiveness is biased, although the systemic difference of the overrepresentation of high-income citizens does not disappear (Peters & Ensink, 2015).

Several studies have questioned the methodological approach of studies such as Peters & Ensink (2015) to draw robust conclusions about unequal policy responsiveness, since aggregate levels of social spending are highly influenced by economic as well as political factors that are beyond the reach of political decision making (Elsässar et al., 2020; Schakel, 2020; Elkjær & Iversen, 2020). When countries experience economic downturns that potentially result in high levels of unemployment, government spending on unemployment benefits will rise, making it difficult to understand whether a rise or drop in spending is linked to policymakers being responsiveness to the preferences of citizens or related to other exogenous factors. Scholars refer to this as the ‘dependent variable problem’ (Schakel, 2020, p.132).

Based on the similarity of unequal responsiveness that has been observed in countries with heterogenous institutional settings as well as the inability of existing literature to provide robust explanations for the causal mechanisms behind what might drives such unequal responsiveness, scholars have brought forward strong evidence that questions the overall interpretation behind the strong correlation between the preferences of the rich and policy outcomes. These authors argue that the reason why policy outcomes heavily reflect the preferences of the rich is not due to any kind of instrumental or structural power that wealthier citizens enjoy and use to impact political decision making, but instead, that the wealthier peoples preferences tend to be based on more accurate information about political and economic conditions and that are generally more aligned to the overall political situation of the state, leading to coincidental representation (Elkjær & Iversen, n.d.).

Elkjaer and Iversen (2020) illustrate, through simulations, that if political knowledge differs among groups, one might receive biased findings when investigating preferences for change and policy changes, which is what most research look at. Even though the middle class is politically significant and determines the long-run level of a policy, statistical models can yield the outcome that only the affluent's choices matter, if the rich are more informed than the lower and middle classes. To eliminate bias, they advise investigating long-run policy levels rather than short-term adjustments. Elkjaer and Iversen (2020) use data from 21 advanced democracies to test their claim on redistribution and social expenditure preferences. The findings are consistent, indicating that while short-term variations in spending appear to have been driven by the choices of the wealthy, long-run levels appear to have been determined by the preferences of the middle class.  
In attempt to understand the underlying mechanism that drives policy responsiveness, Elkjær (2020) investigates to what extend economic elites are dominating the democratic decision making in Denmark, one of the most equal countries in the world, and found a puzzling similarity to previous studies in the United States and Europe that shows how political representation increases monotonically with income. The Danish political system bears the most favourable condition for political equality based on some of the highest levels of redistribution and economic equality, a high turnout rate in elections averaging around 86% as well as state funded political parties; therefore, the author rules out such causal mechanism that were previously assumed to be driving unequal responsiveness, but instead, argues that unequal responsiveness may only reflect asymmetries in information (Elkjær, 2020). The author elaborates that the affluent are more involved in political decision and face a higher incentive to be well informed on political and economic issues in comparison to their peers. Specifically, Elkjaer finds that the affluent are much more likely to engage in political discussions in comparison to the poor, even after controlling for the overall level of education. Additionally, the affluent are more informed about the general spending flows of the government household (Wlezien & Soroka, 2011). Proponents of the informational asymmetries consequently argue that when government adopt optimal fiscal policies, the affluent will update their preferences more in line to such policies, leading to coincidental representation of the rich, instead of a causal mechanism higher income of citizens with more power as many scholars do claim. As previously mentioned, scholars that studied educational inequalities in representation have also shown how political outcomes are also much more aligned to the preferences of the highly educated (Elsässer et al., 2020; Schakel & Van Der Pas, 2021), something that Elkjaer and Iversen interpret as further evidence in favour of the informational asymmetry hypothesis.   
Concluding, the authors state that information conditions preferences, and as long as information is rising with higher income, informational asymmetries will ultimately translate into unequal policy responsiveness, which also explains how scholars have found such similar degree of economic-elite domination across countries with such heterogenous political landscapes (Elkjær & Iversen, 2020; Elkjær, 2020).

(MAYBE it’s the other way around, rich people align their preferences more to political outcomes)

Whilst there is reason to believe that political information does rise with income, the results of studies that have investigated the impact of partisanship, heavily question whether differences in information can solely explain why policy outcomes heavily reflect the interest of the rich (Mathisen et al., 2021; Schakel & Burgoon, 2022). Given that all studies that examine unequal policy responsiveness investigate such within representative democracies, in which elected officials ultimately decide political outcomes, the political orientation of the elected would intuitively seem a deciding factor that conditions which specific policies are being implemented. Arguably, one might assume that left leaning parties that are generally associated with a higher preference for redistribution might be more aligned to the preferences of the lower income population, since the core constituencies of Left parties have often been characterised as risk-exposed wage-earners with relatively low incomes (Garret, 1998). Assessing the impact of partisanship on representational income bias, Lax et al. (2019) discover that wealthy influence is overestimated and dependent on partisanship—when senators must choose sides, party trumps the wallet. Republicans are more likely to give the wealthy what they want, but only if Republican people support the wealthy. As a result, the authors conclude that partisanship generates, modifies, and constrains rich influence (Lax et al., 2019).

Investigating the effect of government partisanship in Germany Sweden Norway and the Netherlands, Mathisen et al. (2021) find that the representational gap between the preferences of the richest 10 percent and the poorest 10 percent is heavily mediated by the number of cabinet seats that left-wing parties hold. Specifically, the authors observe that when Left parties hold all cabinet seats, there seems to still be a slight bias in favour of the wealthier citizens, however, when Left parties hold no cabinet seats, the bias in favour of the affluent grows substantially (Mathisen et al. 2021). The authors additionally question whether the 1990s reorientation of Social Democratic parties resulted in a decline in policy responsiveness to the desires of low- and middle-income individuals under Left government involvement. The reorientation of social democratic parties during the 1990s, often referred to as the 'Third Way', was characterised by a move away from traditional left-wing ideologies towards a more liberal, market-friendly approach, associated with greater reliance on market mechanisms to promote economic efficiency, limiting public deficits, making the labour market more flexible and less redistributive policies (Green-Pedersen et al., 2001). Interestingly, Mathisen et al. (2021) found that Left-leaning governments were equally reponsive to the preferences of the low- and middle income citizens in economic and welfare issues before the reorientation of the Social Democratic parties (between the years 1960-1998), however, the effect of partisan conditioning on policy responiveness nullifies after the 1998 period with regards to economic and welfare issues. The evidence brought forward brings in to question to what extend unequal policy responsiveness is merely driven by asymmetries in information. As the authors argue, why should the wealthy be less informed to elite discourses under Left-leaning governments, and particularly, if it would be information that drives policy responsiveness, why would low- and median-income citizens be better informed about economic and welfare issues before the 1990s (Mathisen et al. 2021)?

In sum, partisanship and political orientation does seem to play an important role in conditioning the effect that income has on political outcomes. However, whilst the representational bias in favour of the affluent seems to be mediated by partisanship, it continues to exist even under left-leaning parties. The question therefore arises as to why such a bias should persist, even among left-wing parties that cater to the policy preferences of their core constituencies (Garret, 1998)?

In a meta-study of 25 studies with over 1163 estimates of responsiveness, Elkjaer and Klitgaard (2021) find that the collective research generally suggests that policy outcomes are more in line with the preferences of the rich, but that the results of the estimates vary quite significantly explained partly by partisanship, but more crucially by model specification: differences in responsiveness are far more pronounced when analyzed in a statistical model that combines the preferences of various income groups, rather than using separate models for each income group. Specifically, when the preferences of high- and low-income groups are incorporated in the same statistical model, the most severe types of differential responsiveness, where the coefficient of the affluent is positive (and significant) and that of the lower-income group is negative, are twice as likely to be detected, suggesting that the multivariate model is inadequate for accurately representing degrees of differential responsiveness when preferences are closely highly correlated (Elkjaer and Klitgaard, 2021).

*The first form emphasizes that*

*the high degree of similarity of preferences creates a natural*

*limit to unequal representation: even if the rich drive*

*public policies, the preferences of lower-income groups*

*will still be represented, albeit coincidentally (Soroka and*

*Wlezien 2008; but see Gilens 2009). Enns (2015) argues*

*that, even when preferences differ, considerable “coincidental*

*representation” of lower-income groups can occur*

*because all groups tend to rank policies similarly in terms*

*of popularity. Several studies that use bivariate models to*

*show that political outcomes align about equally with the*

*preferences of all income groups provide evidence in favor*

*of this argument (Soroka and Wlezien 2010; Ura and Ellis*

*2008; see also Wlezien and Soroka 2011).*

*Stimson (2011) further points out that because higher income*

*individuals tend to be better informed about*

*politics the preferences of high-income groups are likely*

*to be estimated with less measurement error than those of*

*low-income groups. In combination with high levels of*

*multicollinearity in multivariate models, such differential*

*measurement error can generate the finding that only the*

*preferences of the rich matter—because the group whose*

*preferences are estimated with least error will dominate the*

*regression—even if political responsiveness were in fact*

*equal (for technical treatments of how multicollinearity*

*can compound model misspecification and measurement*

*error bias, see Winship and Western [2016] and Kalnins*

*[2018]).*

**Build an argument on, that the Left Way was a Response to Globalization… therefore its Globalization that has triggered a decline a reponsivness.** The proponents of the Third Way argued that the old-style social democratic policies of the past were no longer effective in addressing the challenges of globalization, economic liberalization, and social change.

1. Globalization: The Third Way acknowledges the realities of globalization and the interconnectedness of economies. It seeks to navigate globalization's challenges and opportunities, striving for a balance between economic competitiveness and social cohesion.
2. Interestingly, Mathisen et al. (2021) found that Left-leaning governments were equally reponsive to the preferences of the low- and middle income citizens in economic and welfare issues before the reorientation of the Social Democratic parties (between the years 1960-1998). Additionally,

Andere Paragraph building on Elsässar et al. that the interest burden has severely hampered the unequal policy responsiveness, financial globalization excallerates fiscal discipline, due to a fear of capital flight.

One argument against this is that there has not been any scientific proof of how political outcomes relate to information, consequently, by now this is more theoretical then empirical.

However,

Indeed regarding the famility of the results ELKS

might result in high

*Studies focusing on the link between constituents’ preferences and policy outcomes also*

*point to representational biases in Europe, but their findings do not allow for robust*

*conclusions about unequal policy responsiveness, either. Peters and Ensink (2015).*

*example, compare preferences on redistribution with aggregate levels of social spending*

*(as a percentage of GDP).*

*Yet, as indicators such as social spending are highly influenced*

*by factors beyond the immediate reach of political decisions – such as GDP growth or*

*the unemployment rate –, it is hard to distinguish whether a preferred change in social*

*expenditure was affected by responsive behavior or by exogenous factors.*

*Dependent variable problem.*

Paragraph über Preference Difference ??

*Gilens*

*(2011, 2012) argues that a preference overlap between the rich and the poor*

*makes policies more responsive to the poor by chance: ‘any association*

*between preferences and policy outcomes is likely to reflect the extent to*

*which their preferences coincide with those of the affluent’, and finds that a*

*bigger preference gap is associated with a bigger gap in responsiveness to the*

*extent that ‘responsiveness to the less well-off Americans is virtually nonexistent’*

*(Gilens 2011: 254). Thus if the government systematically follows one*

*group over the other, any responsiveness to the disadvantaged group is mostly*

*due to coincidental correspondence in preferences. This would only be true,*

*however, if the difference in income indeed matters in levels of responsiveness*

*– if income does not matter, we expect a responsiveness gap between the rich*

*and the poor to increase only when one of these groups is closer to the preferences of the middle-income group.*

*However, as argued above, we theorise that income matters and therefore*

*expect that with greater preference heterogeneity, the gap in responsiveness*

*also becomes greater. This leads to the following (conditional) expectation:*

*The models in this table now also include the interaction effects between*

*support for redistribution and the difference in preferences between the two*

*income groups. It shows that when this difference is non-existent neither of the*

*income groups has a significant influence on levels of social spending. In this*

*situation, we thus do not observe differential responsiveness. The interaction*

*effects suggest, however, that when the preference gap between the two groups*

*increases, the effects of both groups increase: the effect of support of the*

*lower-income group increases negatively, while the effect of support within the*

*higher-income group increases positively*

*due to coincidental correspondence in preferences.*

*to what extent the preference gap between the rich and the poor*

*any association*

*between preferences and policy outcomes is likely to reflect the extent to*

*which their preferences coincide with those of the affluent’, Thus if the government systematically follows one*

*group over the other, any responsiveness to the disadvantaged group is mostly*

We examine the effects of popular support for government

welfare effort on social expenditure (policy output), and thus focus on social

policy as a political issue.

Multicollineratiy