

Task 7.2

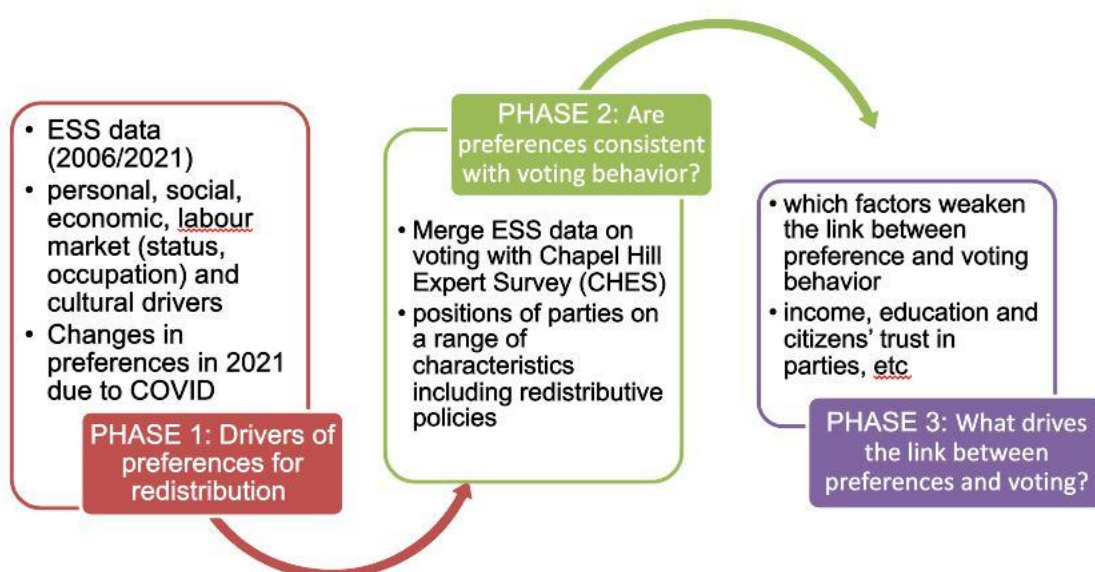
Preferences for redistribution and demand for redistributive policies

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1. Task description

This task aims at analysing the demand for redistributive policies by European citizens, in order to assess their political sustainability. We will link micro-data from ESS, EVS and WWS data on preferences for redistribution and self-reported voting behaviour of European citizens to the characteristics of the parties as described by the Chapel Hill experts survey. First, we investigate the individual personal, social, economic, labour market (status, occupation) and cultural drivers of preferences for redistribution. Second, we analyse to what extent such preferences are consistent with voting behaviour for parties supporting redistribution and for which the topic is most salient. Finally, we analyse which factors weaken the link between preference and voting behaviour, focusing on income, education and citizens' trust in parties.

Figure 1. Overview of Task 7.2



2. Background / Setting

During the COVID-19 crisis, the issue of redistribution has been put back as the main focus of academics and the general public. Extensive redistribution measures have been, almost without exception, implemented in almost all European countries, regardless of the political orientation of the party in power, however, they were met with different enthusiasm and support. This reaction is a significant contrast to the previous 2008 economic crisis, where the dominant dogma was austerity.

Key megatrends – demographic changes, globalisation, technological transformations and climate change are bringing changes to European labour markets, many of which have the potential to increase income inequality. Analysis within WPs 3 to 6 are expected to yield numerous policy proposals and interventions (including redistributive actions) aimed at keeping the levels of inequality under control and at preventing the consolidation of old, and the emergence of new, forms of social and economic marginalisation. This task aims to analyse European citizens' current demand for redistributive policies and the changes that the COVID-19 crisis could have caused. We will also link redistributive policies with voting behaviour, to assess their political sustainability.

3. State-of-the-art

A vast amount of literature has identified the number of micro and macro socio-economic characteristics associated with stronger/weaker preferences for redistribution (PFR). Previous research has indicated increasing preferences for redistribution in Europe in times of increasing inequalities, particularly in the times of the 2008 economic crisis (e.g. Olivera, 2014; 2015). However, other contributions provide opposite results (e.g., Roth and Wohlfart, 2018). Empirical evidence also confirms that more unequal countries redistribute relatively more (Aristei & Perugini, 2010). On the micro level, Melzer and Richards's median voter model (1981) suggests that individuals at the bottom of the income distribution would prefer more redistribution as they would gain from it. The evidence is still inconclusive (Piketty, 1995; Benabou and Ok 2001; Alesina and Giuliano, 2009; Haggard et al, 2013; Olivera, 2014, 2015).

However, support for such measures in different countries can depend on the political orientation of the party in power, i.e. the political orientation of their voters. The question of whether and how much the governments should redistribute is one of the main dividing issues between the political left and the political right, at least on the economic issues (Alesina and Giuliano, 2009). For persons who vote for left parties, preferences for redistribution are also connected with pessimistic views about intergenerational

mobility, while the same is not true for right-leaning individuals (Alesina et al., 2018). Boeri et al. (2021) suggest that with the collapse of social-democratic parties across Europe, people felt more open to voting for new parties arising from civil associations.

4. Advancement compared to the state of the art

We will study how PFR are connected to income inequality and especially focus on the 2008 economic crisis and the COVID pandemic period, to investigate how and if the new economic challenges changed the level of PFR and its determinants. We will also investigate if and to what extent higher PFR translates into voting behaviour for pro-redistribution parties, and if this has changed significantly between the recent major economic crises, when the fiscal policy reactions were opposite (restrictive in 2008 vs expansionary in Covid years).

5. Research to be done

We will link micro-data from ESS, data on preferences for redistribution and self-reported voting behaviour of European citizens to the characteristics of the parties described by the Chapel Hill experts survey. First, we investigate the individual personal, social, economic, labour market (status, occupation) and cultural drivers of preferences for redistribution. Second, we analyse to what extent such preferences are consistent with voting behaviour for parties supporting redistribution. Finally, we analyse which factors weaken the link between preference and voting behaviour, focusing on income, education and citizens' trust in parties.

6. Methodology

- Econometric methods
- Multilevel regressions

7. Data sources

We use data from the European Social Survey (ESS). ESS is a biannual survey measuring a diverse set of attitudes, beliefs and behaviour patterns (including voting), as well as a wide range of socio-demographic and economic variables. The latest, tenth wave of ESS was conducted in 2021, therefore enabling us to see how the COVID crisis has impacted redistribution preferences. Preferences for redistribution are defined with a question “*Using this card, please say to what extent you agree or disagree with each of the following*

statements.: the government should take measures to reduce differences in income levels". (1 - Agree strongly -5 Disagree strongly)

Chapel Hill Expert Survey (CHES) uses expert ratings on positions of parties on a range of characteristics such as support for traditional values, liberal lifestyles and multiculturalism, including economic characteristics such as the state of the economy and market deregulation. We will merge individual-level data on voting behaviour from ESS to CHES ratings of political parties and assess the link between PFR and voting behaviour.

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