

*Fair Enough? Support for
Redistribution in the Age of
Inequality*

BY
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Fair Enough? Support for Redistribution in the Age of Inequality

ABSTRACT

The public's reaction to rising inequality has perplexed many, especially so in countries like the United States or Great Britain. Commentators find it surprisingly muted and ponder why support for redistributive policies has not increased. Following Donald Trump's election and *Brexit*, other pundits worry that the public's reaction is forceful, but misguided. According to this account, immigrants and racial minorities have become easy scapegoats for voters left behind by globalization and technological change. *Fair Enough?* seeks to advance our understanding of the public's multifaceted response to rising inequality.

Mass attitudes toward redistributive social policies, I argue, are shaped by at least two motives: material self-interest and fairness reasoning. On the one hand, people support (oppose) policies that, if implemented, would increase (decrease) their own expected income. On the other hand, people also support (oppose) policies that, if implemented, would move the status quo closer to (further from) what is prescribed by shared norms of fairness. Whether an outcome is perceived as fair depends on how well it fits the norms of reciprocity and proportionality. The reciprocity norm applies to institutionalized social solidarity and requires that cooperative behavior be rewarded more than uncooperative behavior (i.e. free riding). The proportionality norm applies to the marketplace and pre-distribution policies and prescribes that rewards be proportional to effort.

Because people hold different empirical beliefs regarding the fairness of the status quo, they also disagree over which policies to support or oppose. Only when policies are high stakes will individuals consider the benefits of deviating from

what is fair and express a self-interested policy preference instead. Given that beliefs about the fairness of the status quo are often disconnected from an individual's own position in the income distribution, fairness reasoning only incidentally produces the types of policy preferences political economists might otherwise expect, especially in times of rising inequality.

Contextual factors affect how material self-interest and fairness reasoning combine to affect policy preferences. *Fair Enough* focuses on three of these factors: elite discourse, social policy design and public finance. The resulting framework helps explain puzzling facts including high levels of attitudinal stability in most post-industrial democracies, a decline in support for redistribution in Great Britain and a decline in the income-gradient structuring support for redistribution in the United States.

In light of the book's argument and findings, can we expect an increase in support for redistribution in reaction to a rise in income inequality? I identify two factors that hinder any such thermostatic reaction from the public. One factor is fairness reasoning itself. Fairness reasoning, as previously mentioned, is two faceted and only one of these facets (proportionality) has significant egalitarian implications, particularly in the realm of pre-distribution policies. In many high-inequality countries, contextual factors favor the inegalitarian facet of fairness reasoning (reciprocity), resulting in particular in the erosion of support for institutionalized social solidarity. The other factor is fiscal pressure on existing social programs, which can further accelerate this erosion.

Fair Enough? is based on doctoral work that has received the 2016 Mancur Olson Prize for Best Dissertation in Political Economy, awarded by the APSA Political Economy Section. The award committee emphasized its pioneering

contribution "to our understanding of heterogeneity in public responses to the objective increase in inequality, a major policy and political issue of our time."

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Acknowledgments

1

Demand for Redistribution in the Age of Inequality

The sharp rise in income and wealth inequality is described by many as the defining problems of our times. This issue has repeatedly topped the World Economic Forum’s survey on global risk perceptions and the International Monetary Fund has made tackling inequality one of its main priorities. “Excessive inequality” experts lament “can erode social cohesion, lead to political polarization, and ultimately lower economic growth” (IMF, 2017). But consensus over the diagnosis of the problem has not translated into agreement over what to do about it. Among the reasons is the uneasy realization that solutions to the problem might involve re-writing the rules of capitalism,¹ something few political and economic leaders are currently willing to consider. Relatedly, political and economic elites fear that any corrective action

¹Factors behind the rise in economic inequality often appear inherent to globalized capitalism as we currently know it: technological innovation favors some skills over others (Brynjolfsson and McAfee, 2014); economic success stories happen in industries where labor’s income share is structurally low (Karabarounis and Neiman, 2014); financial crises following decades of de-regulation wipe out wealth in ways that further enhance its unequal distribution (Saez and Zucman, 2016).

could undermine already low levels of economic growth. How do we get out of this impasse?

According to Scheidel (2018), the options are limited: only violent events — specifically mass warfare, violent revolutions, state collapse and catastrophic plagues— significantly lessen inequality. Given the decrease in violence characteristic of the post-war period, high levels of economic inequality, he concludes, are here to stay. Yet Scheidel overlooks another feature of the postwar period, namely the spread and deepening of democratic institutions. Assuming voters welcome and even demand radical solutions to rising inequality, political systems today should be better equipped to respond to this demand and tackle, even if imperfectly, high levels of income inequality.

Much ink has been spilled on the second part of this more optimistic outlook, i.e. the claim that stable democracies are responsive to changes in mass attitudes. While some studies find evidence of a responsive democratic system (Brooks and Manza, 2008; Ansolabehere and Snyder, 2008; Caughey and Warshaw, 2016), others describe stable democracies as “plutocratic” and thus unlikely to translate mass policy preferences into egalitarian policies (Hacker and Pierson, 2011; Jacobs and Skocpol, 2005; Gilens, 2012). This book shifts the emphasis from the second to the first part of the original statement, i.e. the assumption that, separate from the political system’s capacity to translate mass preferences into policy, there is a high and growing demand for egalitarian and disruptive solutions to rising inequality.

The expectation that public opinion can act as a countervailing force to rising inequality is widely shared by both researchers and laypersons. Researchers expect people’s policy preferences to reflect their material interest. If true, then differences in support for redistributive social policies should be rooted in differences in how much people materially benefit from income redistribution. Under a set of simple and reasonable assumptions regarding welfare state design, as resources concentrate in the hands of a minority, it becomes increasingly advantageous for the majority to redistribute income by taxing the minority to fund transfers and public goods that benefit the rest of the population (Meltzer and Richard, 1981). As a result, support for income redistribution is expected to increase as inequality increases. Such increase should be especially large among people at the bottom of the income ladder who have the most to gain from progressive taxation and redistributive spending. Pundits and commentators share this baseline expectation, though the motive they

impute to voters is rarely well-understood material self-interest: left-leaning pundits point to voters' moral outrage in the face of "unfair" income differences² while right-leaning commentators tie growing support for income redistribution to envy and resentment.³ Whether due to self-interest, moral outrage or envy, scholars and political commentators alike expect demand for income and wealth redistribution to increase in the face of a sharp rise in inequality.

Yet, in spite of these strong expectations, there is little evidence that greater wealth and income inequality is partially offset by higher demand for egalitarian policy responses. As described in more detail below, the overall pattern is one of striking long-term stability. In the two countries with a sharp rise in income inequality, any evidence of attitudinal change goes against common expectations. In Great Britain, aggregate support for redistribution has *decreased*. In the United States, income has become *less* informative of who supports income redistribution and who opposes it. How can these contradictory empirical patterns be reconciled with reasonable assumptions about the economic determinants of redistributive preferences? What can we conclude regarding mass attitudes' role as a countervailing force to rising inequality?

Answering the first question occupies Part 1 of the book. Mass attitudes toward redistributive social policies, I argue, are shaped by at least two motives: material self-interest and fairness reasoning. On the one hand, people support (oppose) policies that, if implemented, would increase (decrease) their own expected income. On the other hand, people also support (oppose) policies that, if implemented, would move the status quo closer to (further from) what is prescribed by shared norms of fairness. Combined and studied "in context" (more on this below), these two motives help explain the mismatch between expectations and the existing evidence.

Part 2 of the book focuses on the second question, i.e. whether or not to expect an increase in support for redistribution in response to a rise in income inequality. In Part 1, I show that fairness reasoning is two-faceted and that only one of these two facets has strong egalitarian implications. In many high-inequality countries, I argue, factors such as the structure of political competition, fiscal stress, and to

²"Sorry Washington Post, Bernie Sanders Is Right About Economic Inequality" by John Nichols, in *The Nation*, July 2, 2019.

³"Income Inequality and Bullsh*t" by William Irwin, in *Psychology Today*, November 15, 2015.

a lesser extent ethnic diversity, have introduced a wedge between inequality and support for redistribution by increasing the relative importance of the inegalitarian facet of fairness reasoning. Furthermore, political elites face limited incentives to reverse this trend in favor of fairness reasoning's more egalitarian facet. The evidence provided in this book ultimately echoes Scheidel's pessimistic conclusion: addressing income inequality requires more than a well-functioning democracy responsive to voters' preferences.

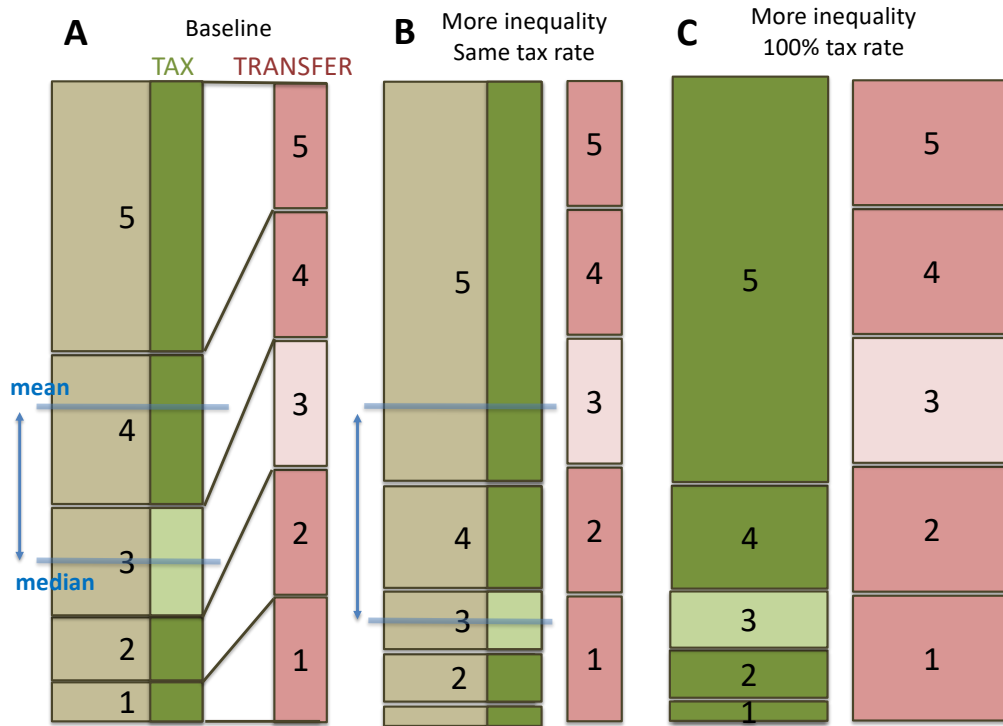
In this introductory chapter, I first present stylized facts regarding expected and observed trends in mass attitudes toward redistributive social policies. I then lay out the book's main argument, weighing it against existing research on the dynamics of redistributive preferences. The chapter concludes with a short discussion of the book's methodology of inquiry.

THE DYNAMICS OF SUPPORT FOR REDISTRIBUTION: EXPECTATIONS AND EVIDENCE

How might we expect people's reasoning about redistributive policies to change in times of growing inequality? A common expectation among political economists is that greater economic inequality will be partially offset by higher demand for policies that help redistribute from those who have more to those who have less (Meltzer and Richard, 1981). Figure 1.1 captures the basic intuition. In all three scenarios, income is unequally distributed: the top two quintiles' share of income is larger than their share of the population and the converse is true for the bottom two quintiles. In this set up, redistribution takes the form of a flat tax and a lump sum transfer. In scenario A, the tax rate is set so that taxes paid by people in the third decile are equal to the transfer they receive. People in the bottom two quintiles would prefer a higher tax rate: indeed, whatever additional amount they might pay in taxes, it would be less than the additional amount received in transfers. The opposite reasoning applies to people in the top two quintiles: they would prefer a decrease in taxes as whatever they lose in transfers, they gain in terms of cuts to their tax bill. In a majoritarian democracy, people in the third quintile represent the pivotal voting block: because a different tax rate would hurt them financially, they have no reason to join the 'rich' or the 'poor' in voting for a lower or higher

tax rate. Imagine that inequality increases (scenario B). Now the third quintile also stands to benefit from a tax increase. Their preferred tax rate increases up to the point where they cannot benefit any more from redistribution, i.e what they pay in taxes is equal to what they get in benefits. Given the new level of inequality, this tax rate is 100% (panel C).

Figure 1.1: Inequality and Redistribution: Stylized Approach (Meltzer and Richard 1981)



Each block represents an income quintile. The tax rate is the same for each quintile, the revenue generated is divided equally across quintiles.

In this simple set-up, the extent to which someone stands to benefit from redistribution is captured by the difference between their market income and the lump sum transfer, itself equal to the average market income. The size of the popula-

tion that stands to benefit from redistribution is captured by the difference between the median income and the average income: the bigger the gap, the more people who stand to benefit. In other words, how many people (extensive margin) and the extent to which people (intensive margin) stand to benefit from redistribution increase as the share of market income captured by the ‘top’ increases. Consequently, assuming voters are self-interested income maximizers, rational, and fully-informed about the level of inequality and the effects of redistribution on their disposable income, support for a high tax rate that redistributes income from the ‘top’ to the ‘rest’ should increase as inequality increases.

This toy model captures people’s preferred tax rate in a highly simplified institutional context. To see how well this model performs when brought to the data, we first need to identify the real-world functional equivalent of such stylized preferences.

DEFINING SUPPORT FOR REDISTRIBUTION

In this model, voters’ policy preferences, conceptualized as a continuous variable bounded between 0 (no income is taxed and redistributed) and 1 (all income is taxed and redistributed), are most often described as either preferences over the size of the government (less versus more, see Meltzer and Richard (1981)) or preferences over income redistribution (less versus more, see Alt and Iversen (2017)), with the latter being most common. In practice, redistribution occurs through a bundle of heterogeneous policies that profoundly affect individuals’ material conditions by “taking” (e.g. through income or payroll taxes) or “not taking” (e.g. tax credits) on the one hand and “giving” (e.g. in-cash or in-kind benefits) or “not giving” (e.g. benefit conditionality) on the other. Under that definition, understanding mass support for redistribution implies understanding how people answer questions such as:

- How much should the government redistribute from the rich to the poor?
- Should the government financially support those who cannot provide a decent living for themselves? How generous should this support be and who should pay for it?
- Should health care be the same for all irrespective of income or is a residual system providing basic services enough?

- Are taxes too progressive? Not progressive enough?
- Can tax cuts come at the expense of social services, if so, which ones?
- Are social programs and the taxes that fund them too large? not large enough?

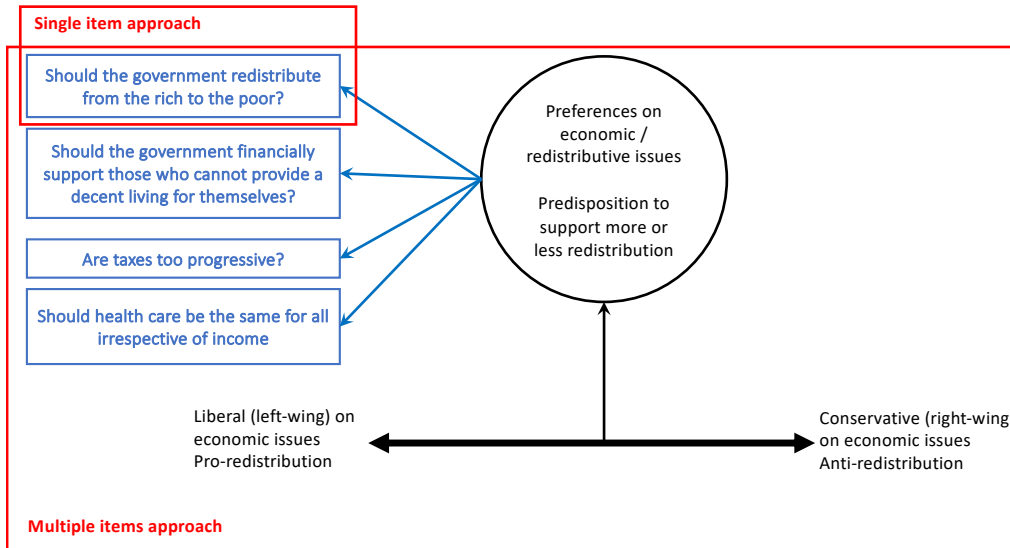
One possible approach is to pick, among all available survey items, the one that best captures policy preferences as defined in the model. One survey item, which I call the ‘traditional redistribution item,’ has become ubiquitous in that role. It asks respondents whether they agree with a version of the following statement: “the government should redistribute income from the better-off to those who are least well-off.” This item is also one of the few survey items that have been asked repeatedly over time in cross-national surveys. As often happens when researchers are constrained by past data collection decisions, this measurement tool has shaped researchers’ conception of the underlying concept of interest: support for redistribution is now most commonly defined as agreement with the policy principle that governments should redistribute income. In the analysis below, I follow this common practice.

A second measurement strategy is to posit the existence of a latent variable that shapes answers to most if not all of the questions listed above. This latent dimension is most often described as capturing left-right preferences on “economic issues,” “redistributive issues” or “government involvement in the economy” (Ansolabehere, Rodden and Snyder, 2008). Empirically, answers to the traditional redistribution item are very well predicted by one’s position on the previously mentioned left-right economic dimension (see Figure 1.2). As a result, the two measurement strategies are often assumed to capture the same thing, i.e. the extent to which people are inclined to support policies designed to take from those who have more to help those who have less, which Alesina and Giuliano describe as one of “the most important dividing line[s] (...)” in democratic politics (Alesina and Giuliano, 2011, 94).⁴ Given the disparate bundle of policies that redistribute market income, assuming only one

⁴Specifically, one’s position on the latent dimension (measured using multiple survey items) is expected to predict answer to the traditional redistribution item. Conversely, differences in answers to the traditional redistribution item are informative (if imperfectly) of individuals’ position on the latent ‘economic’ dimension. In practice, however, data availability often means relying on the traditional redistribution item.

latent dimension, I will show, is not enough.

Figure 1.2: Demand for Redistribution: Concept and Measurement Strategies



Before moving on, a note on the measurement strategy. The main outcome of interest takes the form of answers to a survey question. Researchers argue to no end about the pros and cons of survey data (see Cavaille, Chen and Van Der Straeten (2019) for a discussion). One concern is that answers to survey questions are mostly cheap talk and carry little information about real-world, and politically consequential, behavior. Instead, according to Bertrand and Mullainathan (2001), scholars should focus on costly behavior like voting, campaign donation or the decision to participate in a protest. This book's emphasis is on understanding how people *reason* about redistributive issues, I stop short from explaining whether or not their political actions align with their policy preferences. As a result, the main assumption is that the thought process that goes into answering a survey question is a good approximation of how people reason about redistributive issues more generally. More concerning for my endeavor is the claim that survey questions assume formed attitudes and preferences where there are none. As I will document through-

out the book, evidence convincingly shows (e.g. chapter 3) that there is structure to people's thoughts on redistributive issues: uncovering and conceptualizing this structure is the main goal of this book.

To sum up, based on the model sketched in Figure 1.1, aggregate support for income redistribution should increase as income inequality increases, starting with the bottom half of the income distribution. Empirically, this implies an increase in the share of individuals who agree with the statement provided by the traditional redistribution item. Over time, we can also expect attitudinal differences between the top and the bottom of the income distribution to also increase. One last step before examining these conjectures is to map the rise in income inequality and identify the countries most likely to experience these predicted changes in support for redistribution.

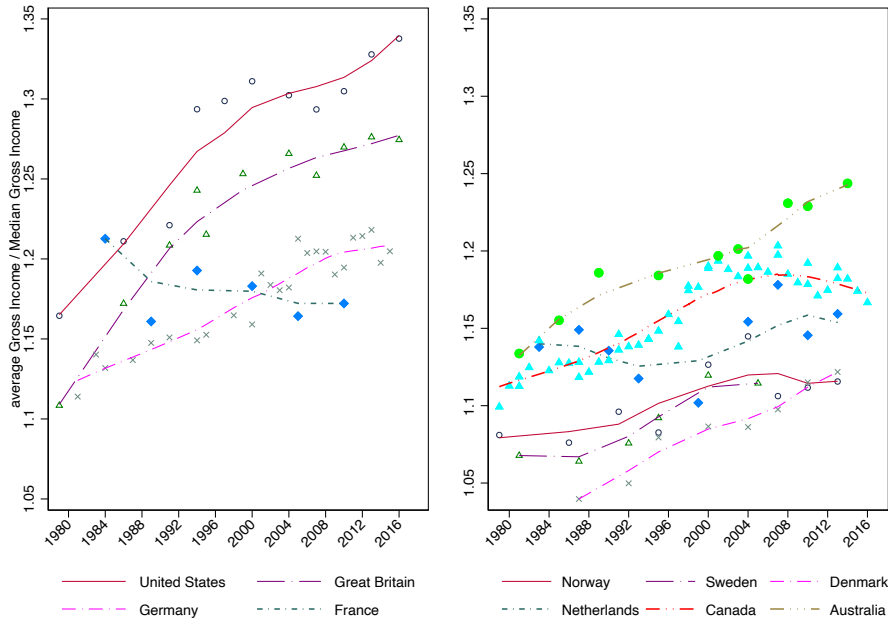
THE AGE OF INEQUALITY

Rising economic inequality is by now a well-known phenomenon and its origins the object of much research. It started in the 1970s, a decade which marked the end of the post-war economic boom resulting in a crisis of profitability, investment, and productivity, as well as stagflation. The policies adopted to address the crisis restored profits and crushed inflation but at the cost of rising economic inequality.

These developments have affected some countries more than others. Figure 1.3 plots overtime changes in market income inequality using the ratio of average to median gross income (equivalized) as the main summary statistic. An increase in the mean-to-median ratio indicates a growing gap between the average income and the median income. This means that, in line with the model sketched in Figure 1.1, a growing share of the population stands to benefit from an increase in income redistribution. The figure on the left plots this ratio for all the countries examined with some detail in this book, namely the United States, Great Britain, France and Germany (more on this choice of countries below). The figure on the right plots the same ratio for a mix of countries for which similar data is available. The increase in income inequality is most striking in the United States and Great Britain. While positive, the rate of increase in Germany is comparatively lower. France is an outlier: over the period, the ratio of average to median income is mostly stable. Overall, most countries (another exception is the Netherlands) are experiencing some increase in

market income inequality.

Figure 1.3: Trends in Market Income Inequality (Mean to Median Income)



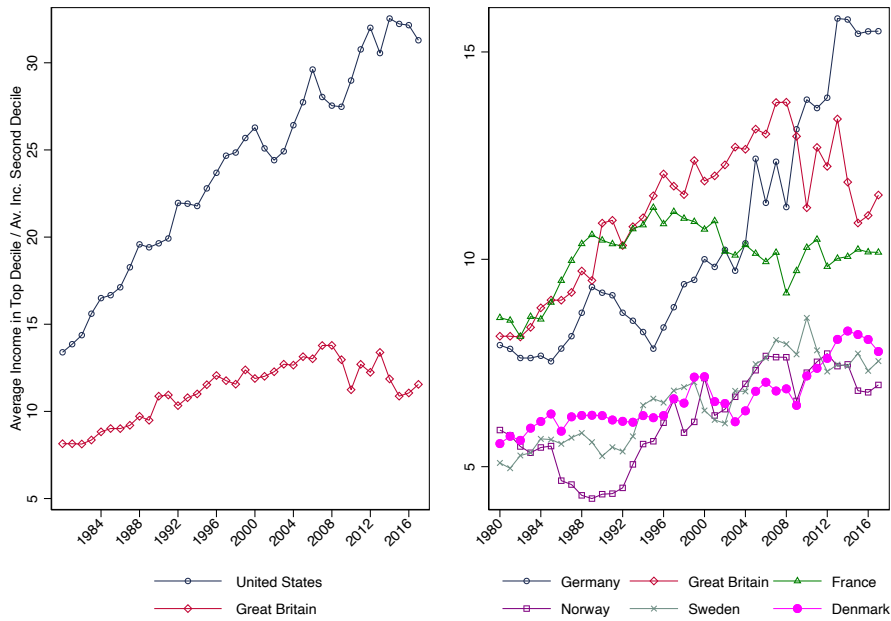
Plots the ratio of average market income to median market income. The definition of income only includes *private* pensions.

Data from UNU-WIDER, World Income Inequality Database (WIID). <https://www.wider.unu.edu>

The ratio of average to median income obscures what is happening at the two ends of the income distribution. Figure 1.4 shifts the emphasis to the top and bottom deciles: it plots the average market income (including public pensions) in the top decile divided by the average income in the second decile (P10 to P20). I focus on the second decile to address concerns that the first decile (P0 to P10) might consist of a very disparate group of individuals. As shown on the left-hand side, the United States is a clear outlier: today, the average income in the top decile is 30 times that of the average income in the second decile, more than doubling since the early 1980s. In that regard, the evolution in Great Britain is far less dramatic, with the ratio increasing by ‘only’ 50%. There is also a noticeable reversal starting with the onset

of the Great Recession. The figure on the right-hand side plots trends in France and Germany, as well as in three Scandinavian countries (notice the change in the y-axis). While most countries are experiencing an increase in income inequality, this increase is among the largest in Germany, with France as the stable outlier.

Figure 1.4: Comparing Average Market Incomes Among the Rich and the Poor



Plots the ratio of average market income in the top decile to average market income in the second decile.

Data from the World Inequality Database, <https://wid.world/data/>. This definition of market income includes pensions, thus allowing to consider income inequality beyond the working age population. Excluding pensions returns a roughly similar picture, with one exception: the increase in "pure" market income inequality in Great Britain is steeper (Atkinson, 2008).

In light of these trends, the United States and Great Britain are ideal candidates for testing the framework sketched in Figure 1.1. Do we observe the expected increase in mass support for redistribution? Have the preferences of the rich and the poor diverged over time, especially so in the U.S.?

THE DYNAMICS OF SUPPORT FOR REDISTRIBUTION: EVIDENCE

To answer these questions, I turn to the British Social Attitude Survey and the American General Social Survey. These surveys have repeatedly asked respondents a version of the traditional redistribution question.

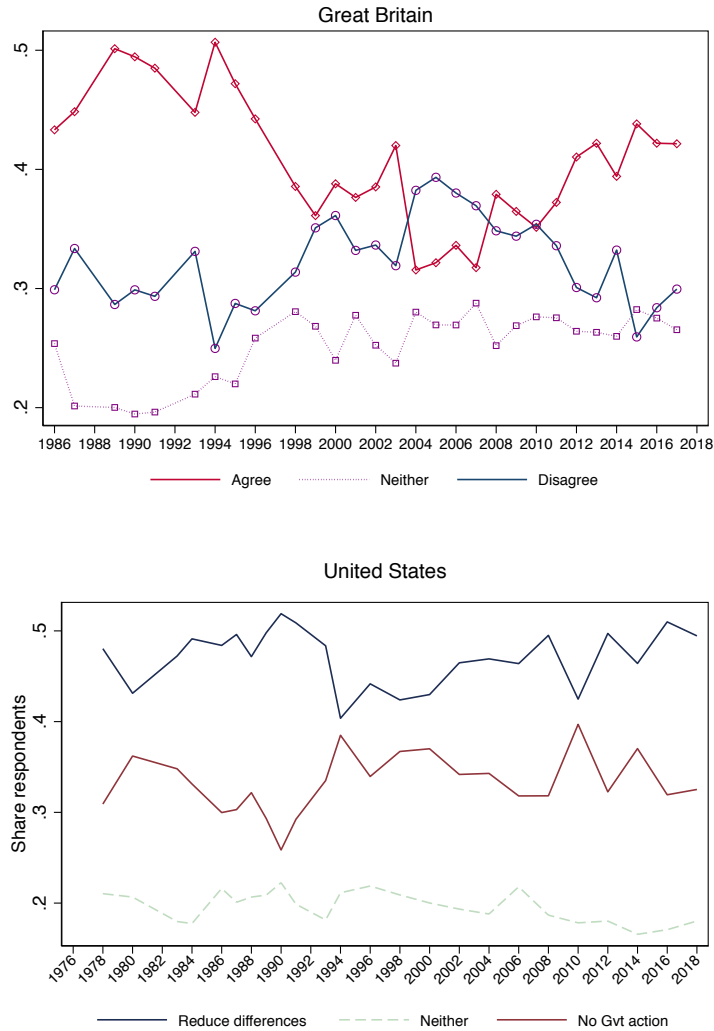
In the United States, the overall pattern is one of striking stability: despite a sharp growth in income inequality since the 1970s, support for redistribution has remained very stable. In Great Britain, and against all expectations, evidence points to a *decline* in support for redistribution (Grasso et al., 2019; Georgiadis and Manning, 2012).

More generally, as shown in Figure 1.6, attitudinal stability is not specific to the United States and appears to be the norm in most European countries. One exception is Germany, where support for income redistribution has gone up at the same time as income inequality has increased. Given similar trends in income inequality, why has support for redistribution increase in Germany and not Great Britain?⁵

As the rich (poor) increasingly stand to lose (win) from redistribution, is there any evidence of diverging attitudinal trends on each end of the income distribution? In other words, even if aggregate trends do not align with expectations, do income-specific trends do? Figure 1.7 plots the share of respondents in the top income quintile who oppose income redistribution minus the share in the bottom quintile who also disagree. In both countries, high-income respondents are more likely to oppose income redistribution than low-income respondents. In Great Britain, this difference is stable over time. Strikingly and against expectations, in the United States, the difference between the top and the bottom quintiles is *decreasing*.

⁵Other surprising patterns emerge from the data. Notice, for example, how Great Britain and traditional social democratic countries (NL, DK and NO) have comparatively lower levels of support for redistribution (with the exception of Finland): rarely do these countries end up on the same

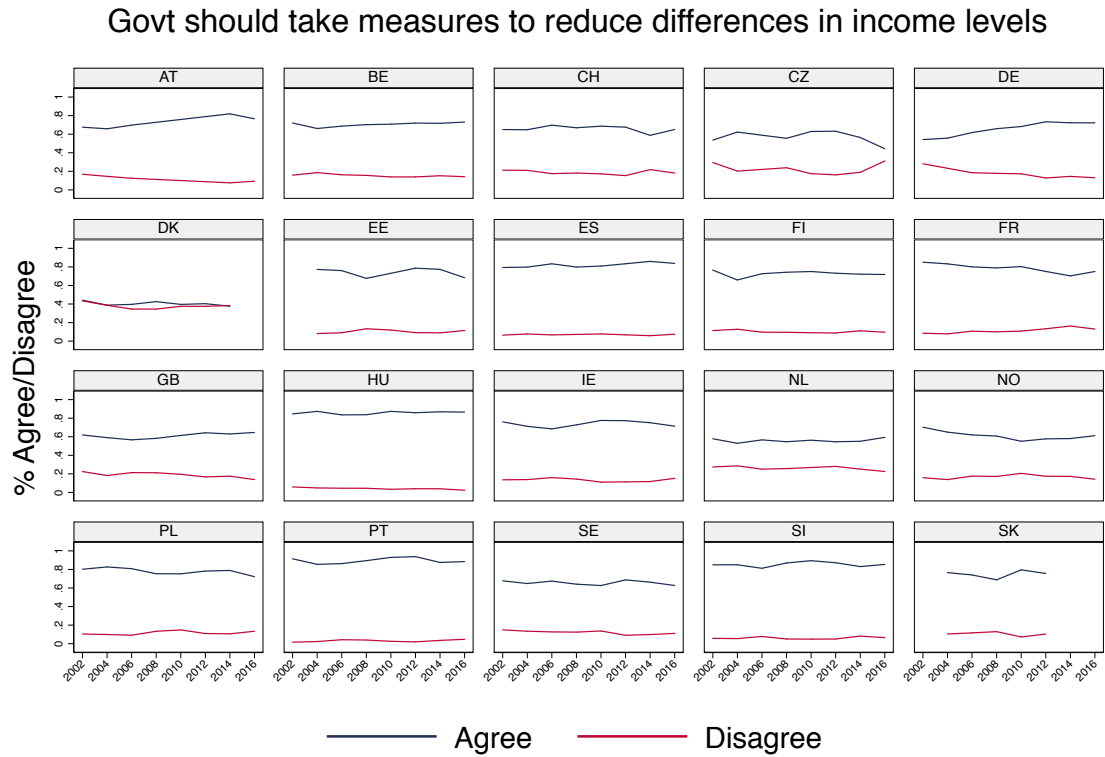
Figure 1.5: Support for Redistribution in Great Britain and the United States



Great Britain: BSAS, longitudinal dataset. “Government should redistribute income from the better-off to those who are less well off”

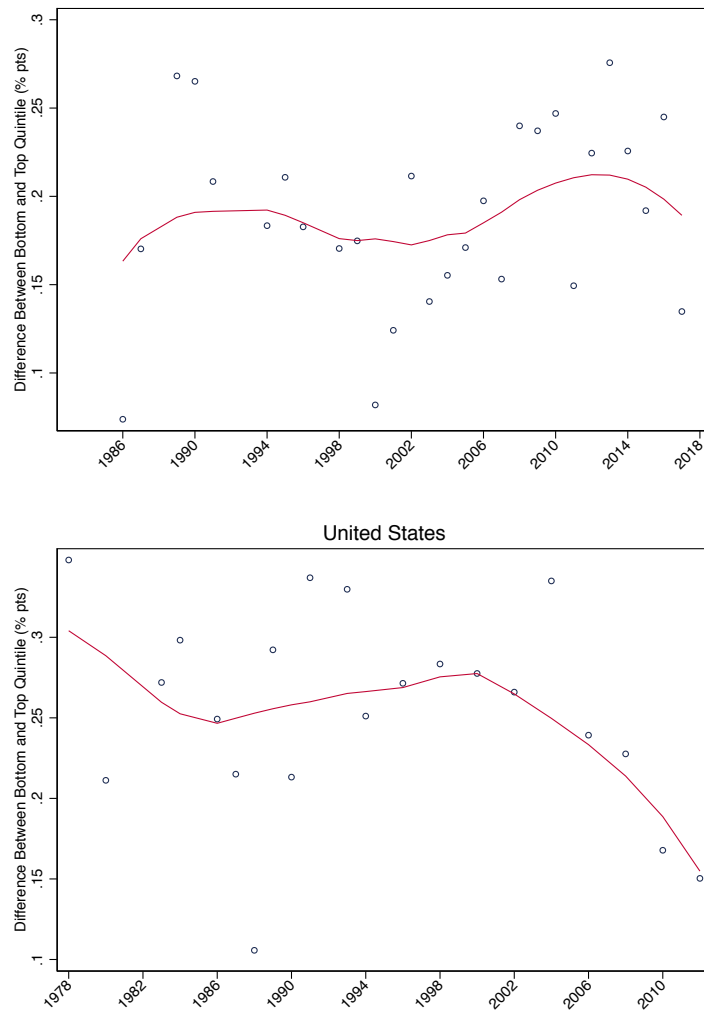
United States: GSS, longitudinal dataset. “Some people think that the government ought to reduce the income differences between the rich and the poor, perhaps by raising the taxes of wealthy families or by giving income assistance to the poor. Others think the government should not concern itself with reducing this income difference between the rich and the poor. Think of a score of 1 meaning that the government should not concern itself with reducing income differences, and a score of 7 as meaning that the government ought to reduce the income differences between rich and poor. What score between 1 and 7 comes closest to the way you feel?”

Figure 1.6: Support for Redistribution in Post-Industrial Democracies



ESS: "The government should take measures to reduce differences in income levels."

Figure 1.7: Income Difference in Opposition to Redistribution (G.B. and U.S.)

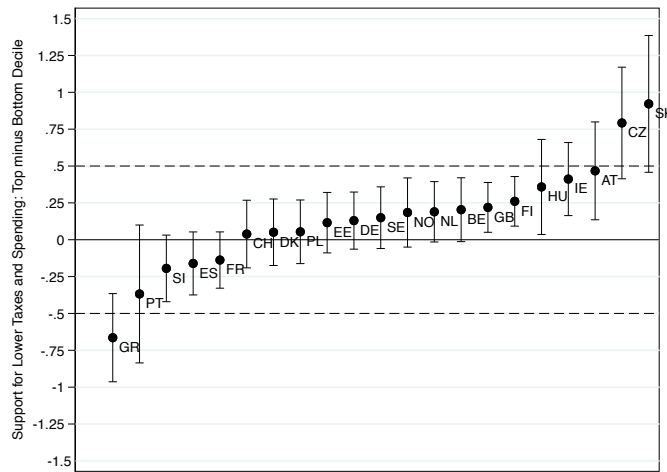


See Figure 1.5 for wording. Income measures are described in the appendix.

The expectation that inequality will result in higher support for redistribution rests on a set of behavioral assumptions, most importantly that people are informed and rational income maximizers whose policy preferences roughly reflect their material self-interest. Is there any evidence that redistributive preferences are at least partially reflective of individuals' own economic conditions and self-interest? Figures 1.8 and 1.9 examine whether, in line with the model described above, support for higher taxes and more income redistribution is higher among those who stand to benefit from such policy change. Figure 1.8 focuses on attitudes toward cuts in taxes and social spending: the outcome runs from 0 (no cuts) to 10 (cuts) and is standardized to facilitate interpretation. I subtract the average response given by bottom decile recipients from the average response given by top decile recipients. The difference captures the extent to which support for cuts in taxes and social spending is higher among those who stand to benefit more from these cuts given the redistributive implications of taxation and social spending. The difference is meaningful in only four countries (HU, IE, AT, CZ and SK, 0.5 standard deviations or more). In Greece, support for cuts in taxes and social spending is *higher* among low-income respondents. In most countries, income is a poor predictor of attitudes towards cuts in taxes and social spending.

Figure 1.9 returns to the traditional redistribution item examined in Figure 1.7. To enable comparison, I focus on the top and the bottom quintiles (instead of deciles). Specifically, I subtract the share in the bottom quintile that disagrees with redistribution from the share that disagrees in the top quintile. In more than half of the countries, the difference is less than 15 percentage points. The Czech Republic exhibits the highest income gradient, echoing here the pattern for the item asking about tax and spending cuts. Denmark and the Netherlands, countries that exhibited no income differences on the previous item are now among the countries with the highest income gap. What explains these differences across countries and across items? Is the glass half-full (income *is* predictive of support for tax cuts and opposition to redistribution) or half-empty (the differences between rich and poor end of any continuum having to do with income redistribution).

Figure 1.8: Income and Support for Cuts in Taxes and Social Spending



Item wording: *Many social benefits and services are paid for by taxes. If the government had to choose between increasing taxes and spending more on social benefits and services, or decreasing taxes and spending less on social benefits and services, which should they do?* Answers are recorded using a scale from 0 (Government should increase taxes a lot and spend much more on social benefits and services) to 10 (Government should decrease taxes a lot and spend much less on social benefits and services).

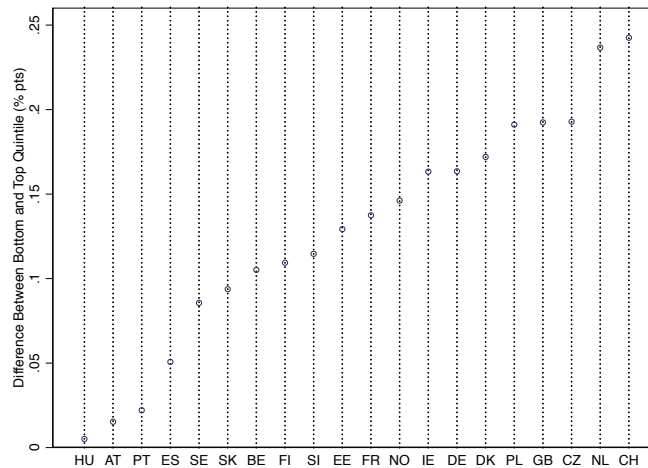
Source: ESS, 2008.

are small or inconsistent across countries and survey items)?

These empirical patterns align with findings from previous studies that show that proxies of material hardship, such as unemployment risk or income, are often poor predictors of attitudes toward redistributive policies (Sears and Funk, 1990). Studies using panel data to better isolate the role of material self-interest find only weak and temporary effects of a change in individuals' material conditions (Margalit, 2013, 2019).⁶ Recent studies have revisited these questions using experimental data. For example, Sands and de Kadt (2020) find that exposure to conspicuous goods such as an expensive car in a street increases people's support for redistribution. Relatedly, Cruces, Perez-Truglia and Tetaz (2013) show that individuals who are

⁶As pointed out by Margalit in his review piece, even this temporary effect might be over-stated: “[p]ublication bias” implies that “the set of papers that are published may overstate the true extent to which economic shocks” affect preferences.

Figure 1.9: Income and Support for Redistribution (traditional item)



Item wording: *The government should take measures to reduce differences in income levels.*
 Answers are recorded using a 1 (Strongly Agree) to 7 (Strongly Disagree) Likert ordinal scale.
 Source: ESS, pooled 2008, 2010, 2012, 2014, 2016

told about their true position in the income distribution increase their support for redistribution: the increase comes from people who are told that their position is lower than what they originally thought. Both studies' show that people, with the right information or in the right context behave in ways that align with workhorse models' assumptions. Still, other experimental studies have found no evidence that experiences of inequality (Trump, 2016) or information on inequality (Kuziemko et al., 2013) increases support for redistribution as traditionally defined.

Overall, the evidence that trends in mass social policy preferences align with theoretical expectations is scant. In most countries, despite generational replacement, major recessions, large shifts in unemployment and changing policy paradigms (Hall, 1993), support for redistribution is surprisingly stable. In Great Britain and the United States, any evidence of attitudinal change point in directions that go against common expectation: a decline in aggregate support in Great Britain and a decline in the attitudinal income gradient in the United States. Also interesting is the difference between Great Britain and Germany, two countries with similar increases in income inequality but with opposite attitudinal trends. Relatedly, there is no systematic evidence that support for redistribution is rooted in material self-interest, with the picture changing depending on the survey item used or country

under consideration. The argument presented in this book seeks to make sense of these puzzling patterns. Another interesting case is France. Despite no increase in income inequality (see Figure 1.4), it is one of the few countries (with the possible exception of Spain) to have experienced a nation-wide year-long social movement —*Les Gilets Jaunes*— focusing on economic issues and asking for more income redistribution. The argument presented in this book seeks to make sense of these puzzling patterns, focusing on Great Britain and the United States, with an eye to the German and French cases.

THE ARGUMENT

What explains the mismatch between empirical evidence and theoretical expectations? Studies that speak to this question focus on the contextual factors believed to interfere with the hypothesized causal chain. One example is residential segregation, which affects perceptions of inequality (Cruces, Perez-Truglia and Tetaz, 2013; Sands, 2017; Sands and de Kadt, 2020). Another is policy design, which shapes the extent to which individuals understand their position as net-beneficiaries of redistribution (Mettler, 2011; Beramendi and Rehm, 2016). According to a second set of contributions, most of the mismatch between expectations and the data stems from the behavioral assumptions underpinning expectations of a pro-redistribution swing in times of growing inequality. Simply put, voters do not behave like rational actors seeking to maximize their own income (Sears and Funk, 1991; Bartels, 2005). As a result, there is no reason to expect higher inequality to translate into higher levels of support for redistribution because of material self-interest. President Trump’s successful electoral bid in the U.S. as well as mass support for Brexit in Great Britain have fueled this second line of reasoning. Faced with economic hardship and inequality, voters draw utility not from future economic transfers but from symbolic rewards derived, among other things, from the activation of ethnic hierarchies or call to national pride. Income inequality’s main implications for democratic politics — if any — is to provide a favorable breeding ground for anti-immigrant right-wing populism, not economic left-wing populism (Shayo, 2009; Gidron and Hall, 2017).

Note however, that empirical puzzles do not only follow from faulty theory. They can also stem from poor conceptualization or a mismatch between a concept and the way it is operationalized. As I will demonstrate in this book, better understanding

changes in demand for redistribution, requires we fix both our theories and concepts. Theoretically, revisiting behavioral motivations and modeling preference formation with an eye to interfering contextual factors are central to understanding the public's muted response to rising inequality. Conceptually, we need to better unpack the concept of 'redistribution.' In the remainder of the chapter, I provide a detailed overview of the argument and evidence. To help the reader navigate the book, I have mentioned the chapters most relevant to each component of the argument.

UNPACKING 'REDISTRIBUTION' (CHAPTERS 2 AND 3)

The umbrella expression 'redistributive social policies' applies to any policy that decreases levels of consumption inequality relative to existing levels of market income inequality. This emphasis on redistributive outcomes obscures important distinctions between two types of inequality-reducing policies. One type includes policies that directly affect how much people earn as individual market actors. The other includes policies that affect how much people ultimately consume, not only as market actors but also as stakeholders in a risk pooling endeavor of unprecedented scope, i.e. the welfare state (Moene and Wallerstein, 2001). I propose a conceptualization of demand for redistribution that explicitly engages with this distinction.

I distinguish between 1) support for policies that prevent (enable) income and wealth accumulation by "economic winners" and 2) support for policies designed to prevent destitution and hardship among "economic losers." Examples of the first type include policies that regulate labor markets, the distribution of profits across stakeholders, and the taxation of income and capital.⁷ These policies are often described as pertaining to the realm of "pre-distribution" in that they directly interfere with market actors' capacity to accumulate market income. Examples of the second type include social transfers targeted to the temporarily or permanently unemployed (e.g. unemployment insurance or means-tested transfers) as well as social programs designed to provide benefits to all in ways that are only weakly tied to prior contributions (e.g. the National Health Service in Great Britain). In this book, I refer to these policies using the umbrella term of 'institutionalized social solidarity' (ISS).⁸

⁷In this framework, income taxes, when considered in isolation from transfers, belong to the realm of pre-distribution.

⁸This expression seeks to better account for the central role of social insurance programs that,

Jointly, pre-distribution policies and ISS redistribute resources from the most to the least well-off. As I document throughout the book, how people reason about pre-distribution and how they reason about ISS differ quite dramatically, something the existing literature routinely overlooks be it for theoretical reasons⁹ or due to path dependency in measurement strategies.¹⁰

THE ROLE OF FAIRNESS REASONING (CHAPTERS 2, 3, 4 AND 5)

As previously discussed, the default assumption when discussing attitudes toward redistributive policies broadly defined is that people are self-interested. This assumption is most helpful when economic stakes are quantifiable and large.¹¹ In countries with mature welfare states, this is rarely the case. First, the redistributive implications of policy change are far from straightforward and politicians, fearing a backlash from affected populations, have only limited incentives to provide clarifying cues. In addition, in countries with mature welfare states, many policy reforms have ambiguous implications (i.e. diffuse costs or benefits), meaning that, for many voters, redistribution is an uncertain (or low-stakes) issue, with few incentives to acquire the correct information regarding the implications for one's pocketbook. In such a context, the assumption that voters are fully informed income maximizers is heroic at best, requiring researchers to think more creatively about core behavioral motives guiding attitude formation and change.

In this book, I emphasize fairness reasoning as a behavioral motive well suited to the low-stakes, high-uncertainty realm of redistributive politics. Indeed, when it comes to preferences over broad categories of redistributive policies, it is often easier and more rewarding to reason according to fairness principles than to reason based on hypothetical implications for one's own pocketbook. People consequently support policies that move the status quo closer to what is prescribed by widely shared norms of fairness and oppose policies that move the status quo further away

while not explicitly redistributive in intent, play a central role in decreasing the consumption gap between “winners” and “losers” (Korpi and Palme, 1998).

⁹Trying to estimate one parameter t^* , the equilibrium tax rate, is more tractable than estimating demand for pre-distribution and ISS separately.

¹⁰As I discuss above, the traditional “redistribution” item has become the default way of capturing support for inequality-reducing policies in both longitudinal and cross-national studies.

¹¹See Rueda and Stegmueller (2019) for a similar statement.

from what is fair. Because people hold different empirical beliefs regarding the fairness of the status quo, they also disagree over which policies to support or oppose. Given that beliefs about the fairness of the status quo are often disconnected from an individual's own position in the income distribution, fairness reasoning only incidentally produces the types of policy preferences political economists might otherwise expect. Only when policies are high stakes will individuals consider the benefits of deviating from what is fair: in a world of high uncertainty and low personal stakes, fairness considerations, come first and self-regarding considerations about one's own pocketbook second.

The distinction between agreement over shared norms of fairness and disagreement about the fairness of the status quo is often overlooked in existing work, leading to misleading empirical designs and conflicting results.¹² Another source of confusion is the failure to clearly identify the subset of shared norms of fairness that structure social policy attitudes and the political debate more generally. Reasoning about the fairness of redistributive social policies, I argue, implies two types of fairness evaluation: (1) how fair is it for some to make (a lot) more money than others in the marketplace, (2) how fair is it for some to receive more in benefits than they pay in taxes? Each question calls to mind a different norm of fairness. One is the proportionality norm, which prescribes that individual rewards be proportional to effort and talent. The other is the reciprocity norm, which prescribes that cooperative behavior be rewarded more than uncooperative behavior.

The proportionality norm is most prevalent when reasoning about the fairness of pre-distribution policies. Pre-distribution policies that interfere with the 'natural' allocation of income across economic actors are justified if this allocation is 'unfair.' In this context, 'unfair' implies the belief that market rewards are not proportional to merit. The reciprocity norm is most prevalent when reasoning about the fairness of institutionalized social solidarity. ISS, which redistributes resources to those who cannot provide for themselves (whether temporarily or not), is justified if pooled resources are allocated in a 'fair' way. In this case, 'fair' means the belief that ISS does not reward free riding. People supportive of income redistribution as a whole (both pre-redistribution and ISS) are more likely to find market mechanisms unfair

¹²Studies that use items that measure agreement with the norm generate different results from studies that use items that ask about empirical beliefs regarding deviation from the norm.

and believe that ISS benefits people who are not intentionally trying to ‘abuse the system.’ Relatedly, those opposed to income redistribution as a general principle are more likely to find market mechanisms fair *and* believe that free riding among net-beneficiaries is highly prevalent. As I show in this book, only a plurality of the population exhibits such combinations of consistently pro/anti-redistribution fairness beliefs. Most people hold a mix of beliefs, making them more likely to hold liberal (conservative) preferences toward pre-distribution policies and conservative (liberal) preferences toward ISS.

Why such disconnect between proportionality beliefs and empirical free riding, or reciprocity, beliefs? Empirically, I show that proportionality beliefs are correlated with one’s labor market position (income, occupation and skill-level). Free riding beliefs in contrast, are correlated with an individual’s likelihood of being described as culturally and morally liberal¹³ or culturally and morally conservative (Haidt, 2012).¹⁴ This evidence is consistent with the claim that proportionality beliefs are self-serving, while beliefs about the prevalence of free riding are not.

A functionalist approach to fairness reasoning, explored in chapters 4 and 5, suggests one reason for this difference. It posits that fairness reasoning helps members of a group cooperate and settle on uncontested allocations of valued goods (Barrington Moore, 1978; Graham et al., 2013). Paraphrasing Michael Walzer, there exists distinct ‘spheres’ of fairness, each with its own socially valued good and distributive principle (Walzer, 1983). In Western societies with mature welfare states, the “economy” and “markets” produce one type of good —market income— whose allocation is to a significant extent regulated (and contested) through the principle that rewards should be proportional to merit (i.e. the proportionality principle).¹⁵ On average, people who are on the losing end of this allocation are more likely to want to challenge it by arguing that it is unfair. This explains why beliefs about

¹³Throughout the book, I use the word “liberal” in the sense of philosophically liberal loosely defined as putting high value on individuals autonomy and freedom, and thus putting more emphasis on tolerance and less emphasis on group membership.

¹⁴The knowledgeable reader will recognize the ubiquitous distinction between authoritarian and non-authoritarian predispositions. I refrain from using this concept as it focuses exclusively on one side of the spectrum, failing to theorize the behavior and attitudes of ‘non-authoritarians.’

¹⁵This principle has recently been the object of much scrutiny and criticism by economists (Piketty, 2019) and philosophers (Sandel, 2020) alike.

the fairness of market income inequality¹⁶ correlate with income and class.

“Society”, through the “welfare state,” also pools resources to produce a second type of good —social solidarity in the form of social benefits— whose allocation is partly regulated through the reciprocity principle, which rewards prosocial members and punishes free riders. I show that moral conservatives (liberals) experience the most (the least) disutility from free riding broadly defined, i.e. whether or not it applies to redistributive social programs. Ultimately, moral conservatives (liberals) put more (less) weight on evidence of free riding in the realm of social benefits, explaining why beliefs about the prevalence of free riding are correlated with liberal-conservative differences in moral predispositions and cultural attitudes. Empirically, the higher the income, and especially, the higher the skill-level, the more likely one is to hold liberal cultural values and the less likely one is to be concerned about the prevalence of free riding, while also believe that market income is distributed fairly. Conversely, low-income and low-skill individuals are more likely to believe that ‘ISS mostly benefits free riders’ and that ‘the economy only works for the rich.’ As a result, this latter group is pre-disposed to support egalitarian pre-distribution policies and oppose generous ISS. The reverse is true for the culturally liberal rich, whose fairness beliefs make them pre-distribution skeptics and ISS enthusiasts.

Fairness beliefs, which function as an *anchoring* proto-ideology, generate and magnify the disconnect between objective income inequality and attitudes towards redistributive policies. Furthermore, because of fairness reasoning, information about income inequality or experiences with economic hardship affect policy preferences in convoluted ways. For example, in the realm of pre-distribution, information about inequality is filtered through fairness beliefs, limiting the observable impact of growing inequality on policy preferences (people most affected are already likely to support income redistribution). However, this does not imply that people’s economic conditions or experiences with inequality have no effect on their policy preferences or that the latter only coincidentally align with their income levels. Instead, by carefully modeling the interaction between experiences of economic hardship and existing fairness beliefs, we can enrich our understanding of *when* and *how* economic conditions affect mass attitudes.

¹⁶Or to put it differently, beliefs about the extent to which income differences align with what the proportionality norm prescribes.

COMBINING THE TWO MOTIVES (CHAPTER 6)

Fairness reasoning helps explain individuals' baseline level of support for pre-distribution or ISS. Yet, to fully understand why individuals ultimately form different attitudes vis-a-vis redistributive policies, we need to bring self-interest back into the picture. As previously argued, assuming voters are self-interested is unhelpful if economic stakes are small and uncertain. In such a context, understanding people's attitudes toward redistribution requires clear expectations regarding which rule of fairness applies (proportionality or reciprocity) and regarding people's empirical beliefs about the extent to which the status quo deviates from what these rules prescribe. As discussed above, policy preferences will vary in systematic ways depending on the issue area (pre-distribution or ISS), labor market status and moral predispositions.

Yet, for some people and in some contexts, redistributive policies do have large and quantifiable material effects. In such cases, assuming that individuals behave in ways that maximize their income can yield important predictive power. One simple way of conceptualizing the interaction between fairness reasoning and material self-interest is to think of attitudes as forming following a two-step reasoning. First, fairness beliefs help people decide whether to support or oppose a status-quo-changing policy. Second, material self-interest helps predict how much individuals ultimately deviate from what fairness reasoning prescribes. As a result, the policy preferences people ultimately 'settle' on is a function of the type of fairness belief they 'start' from on the one hand, and the policy's effect on their own disposable income on the other. This is particularly relevant for preferences toward ISS. Remember that large portions of the morally conservative poor (morally liberal rich) believe that ISS benefits undeserving (deserving) recipients and that the prevalence of free riding is high (low). Because more low-income individuals benefit from ISS, they are also more likely, relative to high-income individuals, to adjust their support in a self-serving way. As a result, on these issues, the rich appear more 'ideological' than the poor.¹⁷

¹⁷A quick note on how this approach compares to previous work on social insurance is required. My definition of support for ISS is different from the concept of demand for insurance found in contributions by Karl Moene and Michael Wallerstein, as well as those by Torben Iversen and David Soskice. In this literature, demand for insurance is a behavioral motive defined as self-serving support for income-smoothing policies, itself shaped by one's own risk aversion and risk exposure. In this book, demand for insurance as a behavioral motive is subsumed under the umbrella concept of material self-interest. It affects support for ISS alongside other motives, most importantly, fairness reasoning.

The converse is true for pre-distribution policies, which in many cases represented a credible threat to the market income of the rich. This implies that, on some issues like a wealth tax, the poor will be comparatively more divided than the rich in their support and opposition, reflecting differences in proportionality beliefs. However, in this case, the pre-existing correlation between income and the underpinning fairness beliefs means that self-serving adjustment has less dramatic consequences: the rich are already inclined to oppose policies that interfere with their economic potential as high-income earners, and consequently, have less to adjust for.

A lot has been said about the irrational poor who vote against their interests. The argument and framework presented in the book show that this statement does not easily extend to redistributive preferences: the poor more often than the rich, express policy preferences in line with their economic interest. This is most relevant in the realm of ISS. On the one hand, low-income respondents are more likely to find the status quo unfair (i.e. a high prevalence of free riding). On the other hand, they are less likely to translate these beliefs into support for less generous ISS and express self-serving support for ISS instead.

This two-step approach describes well what we know about the temporary effects of an income shock (Margalit, 2019) or the election-specific increase in the correlation between income and attitudes toward taxation or social spending (Sears and Funk, 1990). An income shock increases self-serving adjustment, resulting in a temporary deviation from what fairness reasoning prescribes. Election messaging can increase the attention paid to the cost of redistribution (e.g. taxes) in a given election-year, also resulting in more people answering a given survey question in a more self-serving way. Once these temporary effects wane, people revert to their original preferences, as defined by *anchoring* proto-ideological fairness beliefs. This two-step approach also speaks to group-level differences (across countries and income groups) in the correlation between income, fairness beliefs and policy preferences. Social policy design shapes the extent to which social spending and taxes are interpreted as something that affects the self, or something that affect others. In the former case, policy preferences are more likely to deviate for self-serving reasons from what fairness reasoning prescribes. In the latter case, fairness beliefs do most of the heavy lifting. As a result, in some countries and for some policies, policy preferences are more likely to deviate from what fairness reasoning prescribes. Empirically, this means that the covariance between fairness beliefs and policy preferences varies in

predictable ways with policy design.

Fairness reasoning and self-interest can also combine in a more straightforward fashion: economic conditions affect how fairness beliefs form, which in turn affects policy preferences. Such mechanism is incremental and plays out over a longer period of time. A fully developed theory of belief formation is beyond the scope of this book but with the data at hand, I am able to explore a few low-hanging fruits, most importantly, the interaction between the discursive context people live in and their own material conditions. Simply put, people are routinely exposed to a mix of fairness claims that they can either incorporate into their own belief “bucket” or resist doing so. Self-interest, I show, helps explain who incorporates merit-related claims and who does not. With regards to beliefs about the prevalence of free riding, and in line with the argument sketched earlier, the best predictor is not economic well-being or hardship but individual differences in moral predispositions. I come back to this issue when discussing over-time change in mass attitudes towards redistributive policies.

EXPLAINING STABILITY AND CHANGE

Ultimately, the goal of this book is to explain patterns of attitudinal stability and change in times of rising income inequality. Based on the argument sketched above, attitudinal change¹⁸ results from the activation of one or more of three possible causal pathways (see Table 1.1). One pathway is a change in the fairness rule people rely on when answering a given set of survey questions. This causal mechanism is best known in the literature under the umbrella expression of “framing effect.” A second pathway is a change in fairness beliefs. The latter implies a shift in people’s starting point (i.e. predisposed to favor versus predisposed to oppose) when reasoning about existing and new redistributive issues. Unlike framing effects, which often have temporary implications, a change in fairness beliefs has lasting and substantive consequences. A third pathway is a change in the mix of motives, i.e. in the share of the population self-servingly adjusting how they answers questions about redistributive issues. This type of change is most consequential when it af-

¹⁸As a friendly reminder, in this book, attitudinal change is a change in patterns of answers to *survey questions* about redistributive social policies, questions that have been asked repeatedly over time in large national and cross-national surveys.

Table 1.1: The Pathways for Mass Attitudinal Change

Pathway	Contextual trigger examined in the book	Country case (Chapter)
Change in fairness frames	Item ordering in a survey Issue salience	G.B. and U.S. (Chap. 7)
Change in fairness beliefs	The neo-liberal turn in elite messaging	G.B. and Germany (Chap. 8)
Change in the mix of motives (self-interest versus fairness)	Fiscal stress	France (Chap. 9)

fects cross-pressured individuals, i.e individuals whose fairness maximizing response differs extensively from their self-interested one.

To theorize aggregate attitudinal change, we need to understand the contextual factors that activate each of these mechanisms. Furthermore, if our goal is to capture changes in *aggregate* attitudes, we also need to focus on contextual factors that activate these mechanisms at the *same time* among a *large enough* share of the population. Absent such activating factors, attitudinal change will not be picked-up in aggregate quantities of interest, and we can expect mass attitudes to be relatively stable, with cross-national differences reflecting enduring country-differences in average fairness beliefs and a stable combination of motives within the population. Below, I briefly review the activating factors discussed in the book, namely item ordering in a survey, supply-side factors affecting issue salience and the discursive context, and public finance. These activating factors, examined in combination with the relevant individual-level pathways, shed a new light on the puzzling patterns highlighted in Figures 1.5 through 1.6 and on the dynamics of mass demand for redistribution more generally.

COMPETING FAIRNESS FRAMES (CHAPTER 7)

There is by now a large literature on framing effects: how a question is asked, and the context in which it is asked affect how people answer this question. Specifically, item wording and contextual primes activate some mental maps at the expense of others, ultimately shaping how individuals interpret and respond to survey questions. In this book, we are interested in frames that activate proportionality and free riding (or reciprocity) beliefs. As a rule of thumb, reliance on proportionality beliefs is most common when discussing policies that redistribute market income away from those who have more relative to others. Reliance on free riding beliefs is most common when discussing policies that help those who cannot provide for themselves. As a result, policy debates about income redistribution are inherently multi-faceted. Debates that emphasize fairly (unfairly) taking from the undeserving (deserving) rich, divide the public according to their proportionality beliefs and we can expect income, itself correlated with proportionality beliefs, to be a good predictor of which side people fall on. Debates that emphasize fairly (unfairly) giving to the deserving (undeserving) welfare recipient divide the public based on their free riding beliefs: in this case income is a very poor predictor of which side people fall on.¹⁹ Empirically, this dualism has the most implications for the traditional ‘redistribution item,’ which ask about redistribution from the rich and redistribution to the poor in the same question. Because beliefs that make it fair to redistribute from the rich are distinct from the beliefs that make it fair to redistribute to the poor, answers to this question can change depending on contextual primes.

This difference between support for ‘redistribution from’ and support for ‘redistribution to’ helps explain the puzzling decline in the share of British respondents who agree with the traditional redistribution question. In the BSAS (used in Figure 1.5), the traditional redistribution item is asked right after a block of survey items asking

¹⁹Note that which frame gets activated is partly endogenous to program design. When programs are targeted to the worse off (i.e. conditional cash-transfer programs), people reason about the fairness of redistributing income to a given group of recipients. Contrast this with unemployment insurance programs funded through payroll contributions by both employers and employees and benefiting the bulk of the employed population. In this case, people reason not only about the fairness of redistributing resources to the unemployed but also the fairness of taking more or less resources from employers. Whether or not one believes employer contributions are “unfairly” low is itself a function of whether or not one believes that employers “unfairly” reward their employees in the market place. In other words, different policy design prime different types of fairness norms, which, in turn, activates different types of beliefs about the fairness of the status quo.

about free riding among the unemployed and the poor. Comparing across surveys, I find that support for redistribution measured using the traditional item is higher by roughly 20 percentage points in surveys that do not have such item ordering. Further analysis shows that, absent such item ordering, most respondents interpret the traditional redistribution question through the proportionality lens. In other words, in the BSAS, item ordering primes people to think about ‘redistribution to’ the poor and ISS, instead of ‘redistribution from’ the rich and pre-distribution, thus increasing the share of respondents who rely on their free riding beliefs to provide the ‘fair’ answer. As a result, agreement with the claim that “the government should redistribute income from the most to the least well-off” is lower in the BSAS than in other surveys. Relatedly, I show that the decline in support for redistribution documented in Figure 1.5 needs to be interpreted with caution: it reflects a conservative shift in free riding (reciprocity) beliefs and, as a result, a decline in support for redistribution to those who cannot provide for themselves but should not be interpreted as a decline in support for pre-distribution and for taxing those who have more. Over the same period, proportionality beliefs remain very stable, explaining why, in surveys that do not suffer from such item-ordering effects, support for redistribution measured using a similar survey item appears very stable. This re-interpretation of the British data further highlight the pitfalls of conceiving of demand for redistribution in the singular, as often done in the existing literature.

Framing effects can also help explain attitudinal trends in the U.S.. As previously shown (see Figure 1.7) there is an unexpected decline in the income gradient. This decline can have one of two sources: low-income voters becoming less likely to agree with income redistribution as worded in the item used in the GSS, and high-income voters becoming increasingly more likely to agree with income redistribution similarly worded. The GSS item used in this analysis explicitly asks about both pre-distribution (“reduce the income differences between the rich and the poor (...) by raising the taxes of wealthy families”) and ISS (“giving income assistance to the poor”). I argue that the decline in the income gradient is due to the growing salience of ISS and the reciprocity norm. Indeed, with Obama’s election, the passage of the ACA, and the rise of the Tea Party, debates about redistribution have primed respondents to think through the lenses of reciprocity and free riding. Based on the two-step framework, the activation of reciprocity beliefs should have larger implications for high-income individuals than for low-income individuals. I

trace the decline in the size of the income gradient to a relatively recent (late 2000s) pro-redistribution shift in patterns of answers among higher-income Democrats, a group more likely to find African Americans,²⁰ and low-income individuals in general, deserving recipients of ISS. High-income Republicans have shifted in the other direction though not enough (due to a ceiling effect) to counter the decline in the income gradient. I show that low-income respondents are, as a baseline, and in line with the two-step argument presented above, much more supportive of policies that redistribute to the poor: in their case, self-interest overrides their fairness beliefs. One implication is that, while the income gradient underpinning support for redistribution should be small and declining among Democrats, it should be large and enduring among Republicans. This is exactly what I find.

Traditional models struggle to explain empirical patterns documented in Great Britain and the United States: what is observed empirically is the exact opposite of what is expected theoretically. Part of the reason is that traditional models are looking under the wrong lamppost: they implicitly focus on pre-distribution (and ‘redistribution from’ the rich) when most of the action appears to be in the realm of ISS (and ‘redistribution to’ the poor). Once we distinguish between the two facets of redistributive preferences, the trends in Great Britain and the United States become less puzzling. In Great Britain, they result from a combination of belief change and framing effects tied to the ambiguous wording of the traditional redistribution question. In the United States, they are due to a change in issue salience, which activates partisan differences in free riding beliefs.

HOW DO FAIRNESS BELIEFS CHANGE? (CHAPTER 8)

Why are proportionality beliefs much more stable than free riding beliefs in Great Britain? How do fairness beliefs change? A comprehensive theory of belief formation and change is beyond the scope of this book. Nevertheless, as a first step in that direction, I propose and test in Chapter 8 a model of belief formation and dis-

²⁰It is by now well-documented that in the U.S., beliefs about the fairness of ISS are highly racialized: people disagree over the extent to which minorities, especially African Americans, are deserving of the benefits of collective resource pooling. Students of American politics have studied these beliefs under the umbrella term of symbolic racism (also called racial resentment). As shown by Enders and Scott (2019), and in line with the argument presented in this book, symbolic racism exist separately from adherence to liberal-conservative principles about government intervention and the fairness of market forces.

cuss the model's implications for the dynamics of fairness beliefs in post-industrial democracies.

To do so, I start from a modified version of Zaller and Feldman's "simple theory of the survey response." When it comes to making sense of the fairness of the world, people hold in their heads "a mix of " more or less "consistent ideas and considerations." For example, for some individuals, most considerations point to a view of the status quo as unfair because it rewards free riders. For others, the status quo might be unfair in the opposite direction, meaning that individuals who deserve to be helped are not being included in institutionalized social solidarity. People who find the status quo fair hold neither sets of considerations in their own "bucket" of fairness considerations. A fourth group, is comprised of people who hold a mix of considerations. To answer a survey question asking about the fairness of the status quo, people sample from this bucket. People with homogeneous buckets provide similar answers across items and across surveys. In contrast, people with heterogeneous buckets might appear to be changing their mind depending on which consideration they sample when answering any particular survey question on the fairness of the status quo.

According to Zaller, the discursive context, as shaped by elite competition and the media landscape is central to understanding when and how these buckets change. In the process of building electoral coalitions, political elites competing for political power change the nature and range of perspectives and arguments available in voters' discursive context. In doing so, they appeal to shared norms of fairness and make competing claims about the fairness of the status quo. By altering the range of considerations available to citizens, political elites increase the likelihood that people will be exposed to new fairness messaging, ultimately incorporating new considerations and thus altering the mix of considerations from which they sample. But people are not passive recipients of elite discourse. According to Zaller, people resist some consideration and accept other considerations in predictable ways. For example, the considerations already 'stored' matters: the more homogeneous the existing bucket (the more "ideological"), the less likely the acceptance of a consideration that runs in the opposite direction. The source of each new considerations also matter: claims made by individuals associated with one's party or ideology (or a trusted source like a parent or friend) are more likely to be incorporated into one's own reasoning, and claims from actors associated with the opposite side of the

ideological spectrum more likely to be resisted.

To this well-known list of mediating factors I add two: self-interest and moral predispositions. Self-interest is most relevant for proportionality beliefs. I show that people experiencing economic hardship are less likely to accept as their own considerations that make them feel worse about their own lack of material stability and success. This result aligns with the cross-sectional evidence documenting a positive correlation between income and the likelihood of believing that income differences reflect differences in effort and talent. Free riding beliefs, in contrast, are not narrowly self-serving. In the cross-sectional data, they co-vary with moral predispositions: individuals with philosophically liberal (conservative) values are more (less) likely to trust that everyone is trying their best and believe that the prevalence of free-riding is low. I consequently hypothesize that elite messaging about ISS will be similarly mediated by moral predispositions. In Chapter 5, I discuss one possible reason namely moral conservatives higher sensitivity to free riding and a pessimistic set of priors on human nature. I test these arguments using British longitudinal survey data and find evidence for the combined role of the discursive context, self-interest and moral predispositions.

According to this framework, belief change happens when contextual and individual factors reinforce each other (e.g. uni-directional messaging that echoes people economic experiences or moral predispositions). I identify two reasons why, in the case of proportionality beliefs, such reinforcing dynamics are currently the exception not the norm. The first reason is the shift from a Keynesian to a ‘neo-liberal’ consensus among policy elites in response to stagflation and lower growth rates. “Market mechanisms” have been presented as a solution to lower growth rates on both sides of the Atlantic. This turn has often been presented as an amoral individualist victory of “markets over society.” In practice, it was underpinned by claims that markets are fair (on the right of the political spectrum) or can be made fair through investment in education and independent regulatory agencies (on the left of the political spectrum). The consequence has been a combination of decreasing exposure to left-wing proportionality considerations (status quo unfair) and increasing exposure to more right-wing considerations (status quo fair). Based on this argument, one reason why we have not witnessed a right-wing shift in mass proportionality beliefs is that voters have mostly resisted incorporating this messaging into their own considerations about the fairness of the status quo. This resistance partly originates in individuals’

experiences with economic hardship.

The second reason for stable proportionality beliefs is the absence of a strong electoral incentives to re-politicize the fairness of pre-distribution by “swinging-back” to left. The main reason, I show is that mainstream parties’ voters are divided on these issues, especially so on the left of the political spectrum. In contrast, parties are much less divided in terms of their trust in social insurance and their free riding beliefs: low-skill voters with conservative free riding beliefs are much more likely to vote for the right than for the left, increasingly so over time. This increases the likelihood that political elites politicize fairness concerns in the realm of ISS. In Great Britain, the shift started when Thatcher famously campaigned on welfare abuse. In the 1990s, the New Left tried to build a new coalition of voters by, among other things, pledging to reform ISS and make it ‘fair’ as defined by the reciprocity norm. Yet, in doing so they explicitly argued that the existing status quo was unfair, exposing voters to further considerations of welfare abuse and moral hazard, which were amplified by tabloid newspapers. Coincidentally, this shift occurred at a time during which people, especially younger people, were less likely to resist incorporating such considerations into their own “bucket.” Indeed, the secular inter-generational trend toward more liberal moral worldviews came to a sharp stop with generations coming of age in the 1980s, decreasing the overall resistance to negative messaging on welfare recipients.

The comparison between Great Britain and Germany is here instructive. In both countries, disagreement over how to better foster economic growth generated important tensions between the traditional left and the pro-market “Third Way” (Great Britain) and “Neue Mitte” (Germany). These tensions played out very differently in each country. The German proportional electoral system enabled the traditional left, backed by strong unions, to pursue its agenda outside of the SPD and consequently advance a clear left-wing agenda on economic issues following the break with the SPD in 2005. In Great Britain, in contrast, the first-past-the post system meant that the traditional left had to fight its war within the New Labour Party. It only recently gained political visibility following Jeremy Corbyn’s election as party leader, which occurred close to two decades after Tony Blair’s victory. The consequence was a de-politicization of redistributive issues in favor of a center right bi-partisan consensus on social and economic policies. This divergence in the discursive context could help explain the different attitudinal trends between the two countries: in

a context where egalitarian considerations about the unfairness of market reforms are added to the discursive environment, low-income (high-income) individuals are more likely to accept (resist) these new considerations and change (maintain) their policy preferences accordingly. Overall, the evidence in Germany aligns with this interpretation: the increase in support for redistribution documented in Figure 1.6 could be due to Germany's more favorable discursive context, which primed proportionality considerations and did not experience a sensing of left-wing fairness considerations.

MOTIVE MIX AND SUPPORT FOR ISS (CHAPTER 9)

The third mechanism underpinning changes in mass attitudes toward redistributive social policies is a change in the mix of fairness versus self-interested reasoning. As discussed above, the mix of motives is a function of economic stakes: the higher the stakes, the more important material self-interest. Stakes are a function of both one's personal situation and policy design. The role of policy design has been extensively studied by the policy feedback literature. According to this literature, social programs, as they expand, create conditions inhospitable to retrenchment: they become politically "locked-in" as "the very expansion of the welfare state itself changes the rules of the political game by changing the preferences and expectations of voters and interest organizations" (Häusermann, Picot and Geering, 2013). Interpreted in light of the model presented in this book: as they expand, programs increase the share of respondents that self-servingly adjust to support programs they personally benefit from. As a result, politicians are reluctant to support cutbacks that would negatively impact a large shares of the electorate.²¹ Defense of the status quo rooted in well-understood self-interest and buttressed by loss aversion (Tversky and Kahneman, 1991) is consequently an important factor behind stable support for public pensions and public healthcare (Kenworthy, 2009; Breznau, 2015).

Yet, the feedback literature overlooks the ways in which self-interest, while it prevents large policy retrenchment can also, in a context of high fiscal stress, result in

²¹The Variety of Capitalism literature provides a more sophisticated version of the "policy make politics" argument but with similar implications. Existing redistributive policies survive not so much through successful labor mobilization or inertia but because they are rooted in preferences and politics whose resilience and strength stem from the strong complementarities between the institutions that anchor national production systems.

the erosion of support for generous ISS, and thus erode the redistributive features of the welfare state. The intuition is simple. Voters experience fiscal stress as a threat to social programs' long-term sustainability. They react to fiscal stress by choosing to concentrate financial efforts on programs they directly benefit from. This comes at the expense of programs that cover concentrated risk such as long-term unemployment or under-employment. Second, while committed to maintaining benefit generosity for programs that cover universal risks, voters nevertheless increasingly favor tying benefit access to past contributions. In both cases, voters are acting as rational self-interested actors seeking to improve the long term sustainability of the social programs they rely on.

To understand how these dynamics play out politically, let's consider how the latter interacts with fairness reasoning. In most countries, majority support for ISS is achieved through a combination of self-interested support among beneficiaries of ISS and 'altruistic' support among those who, while not benefiting from ISS, nevertheless support it because it is the 'fair thing to do.' Fiscal stress triggers a reversion to self-interest among these 'altruistic' supporters: as the threat of fiscal adjustment becomes more credible, people consider the implications for their own pocketbooks and increasingly favor letting ISS mechanically erode. Absent fiscal stress, and because of fairness reasoning,²² risk exposure and income are poor predictors of attitudes toward ISS. However, in times of fiscal stress, reversion to self-interest implies the re-emergence of a relationship between risk and income on the one hand and support for ISS on the other. I test this argument using data from France, where I have access to a unique longitudinal survey that explicitly asks about willingness to pay for generous ISS and support for making access to ISS conditional on prior contributions. Using this dataset, I am able to document this phenomenon playing out over time. I complement this observational analysis with a survey experiment testing the reversion to self-interest pathway.

The erosion of support for ISS in France has gone hand-in-hand with a social movement, *Les Gilets Jaunes*, asking for more redistribution from the rich to the rest of the population. The framework presented in this book helps make sense of these opposite trends. France stands out as a country extremely critical of markets

²²Indeed, a large subset of high income and low risk individuals trust that ISS benefits 'deserving' recipients and is consequently fairness maximizing.

and much more likely to perceive income inequality as unfair. These beliefs introduce a disconnect between trends in income inequality (mostly stable, see Figures 1.3 and 1.4) and mass preferences. Proportionality beliefs help sustain a social movement like *Les Gilets Jaunes* without protecting against the erosion of support for ISS discussed above.

TO SUM UP (CHAPTER 10)

Attitudes toward redistributive social policies are shaped by two behavioral motives, fairness reasoning and material self-interest. When answering a question about redistributive policies, most people try to maximize fairness, i.e. pick a survey response that signals to themselves and to others their intent to do what is fair. Only when stakes are high do people deviate from the fair answer and pick the self-interested answer instead. While people agree on norms of fairness, they disagree on the extent to which the status quo deviates from what these norms prescribe. Because of the importance of fairness reasoning, demand for redistribution is best conceptualized as at least two-faceted: attitudes towards policies that increase the fairness of market income differences are different from attitude toward policies that increase the fairness of institutionalize social solidarity on the other. Indeed, each set of policies prime different fairness norms and, consequently, different beliefs regarding the fairness of the status quo. Using this simple set up, I explore the ways in which contextual factors such as item ordering, issue salience (i.e. pre-distribution versus ISS), long term changes in the types of fairness considerations available in one's discursive context, and public finance can affect the dynamics of mass attitudes toward redistributive social policies.

Based on this argument, I identify several important reasons for the disconnect between rising inequality and support for redistribution. First, for most people, income inequality is an abstract reality meaningful only through the lenses of fairness reasoning and prior fairness beliefs. Specifically, only a subset of the population (the one that already finds market income unfair) will experience a rise in income inequality as something needing to be addressed. At the country level, this introduces a wedge between changes in the market income distribution and support for redistribution, specifically pre-distribution. Indeed, countries with institutions most favorable (unfavorable) to an increase in income inequality are also those most likely

to believe that income inequality is fair (unfair) and less likely to increase their support for policies that interfere with this distribution (Benabou and Tirole, 2006). Second, and relatedly, there are important ceiling effects: people most likely to react to a rise in inequality by increasing their support for pre-distribution are likely already supportive of it. Thirdly, a personal experience with hardship is not enough to disrupt this pattern. As I argued above, people experiencing economic hardship become more likely to find the status quo unfair. However, given the anchoring role of fairness reasoning, absent a disruptive long-term economic shock reinforced by a discursive context rich in egalitarian claims, the overall effect on mass attitudes is minimal. Finally, remember that attitudes towards income redistribution are two-faceted. In practice, existing debates over the missing link between inequality and demand for redistribution, as traditionally conceptualized and measured, are focusing on support for pre-distribution and overlook support for ISS. As I argued above, support for ISS is only tangentially related to income inequality. This disconnect further increases the wedge between trends in income inequality and trends in support for redistribution as traditionally measured. In other words, in the realm of redistributive preferences, the central role of fairness reasoning implies a disconnect between aggregate attitudinal trends and changes in the income distribution.

The framework developed in this book helps generate new expectations regarding the dynamics of mass support for redistributive social policies in the Age of Inequality. The rise in income inequality has been connected by many scholars to a coordinated shift among post-industrial democracies from a Keynesian to a neo-liberal policy consensus. I use the expression neo-liberal to describe a growth model built on the assumption that increasing the reach of market mechanisms, both geographically and in terms of what counts as tradable goods and services, can help improve paltry growth rates. Note that this definition does not include the dismantling of the welfare state: if anything, many left-wing parties joined the consensus thinking it would provide enough tax revenue to maintain the type of ISS inherited from the Keynesian era. Increasing the reach of market mechanism does not imply de-regulation. Instead, it requires a state-driven process of institution building, the paragon being the European single market. My findings suggest that in the process of crafting more markets (Vogel, 2018), elites have affected the discursive context in ways unfavorable to egalitarian fairness beliefs. Indeed, over the past few decades, disagreement over the merits of markets (and the fairness of market income inequal-

ity) has become less common, decreasing the likelihood of mass changes in the belief that the status quo deviates from what the proportionality norm prescribes. Overall, the findings suggest that rising income inequality and stable aggregate support for pre-distribution are likely jointly determined.

In contrast to pre-distribution, ISS has been a realm of rhetorical and policy innovation (“from welfare to workfare”, “flexicurity”, welfare chauvinism). Using secondary literature and survey evidence, I argue that the re-structuring of electoral cleavages (from being centered on income and class to being centered on education and status) has made it electorally less risky to focus on ISS than to focus on pre-distribution, further contributing to attitudinal stability on the realm of pre-distribution. In Europe, the creation of the single market under the coordinated impulse of center-left and center-right parties provides additional incentives to decrease the salience of pre-distribution issues in favor of debates over fair ISS reform.

Today, stable support for pre-distribution in the midst of rising market inequality, combined with the erosion of support for ISS put actors wishing to move the status quo to the left at a disadvantage. In the United States, debates on the left over policy solution have mostly concentrated on proposals such as Universal Basic Income (UBI). It is interesting to note how UBI reflect an underlying set of fairness beliefs representative of highly educated supporters of center-left parties: the belief that markets are fair according to the proportionality norm (the “winners” of technological change are fairly rewarded for their skill set), alongside the belief that the main beneficiaries of UBI are deserving because poor due to no fault of their own, and no concerns for moral hazard induced by an unconditional transfer. The taxation side of UBI has remained interestingly under-discussed, something that could be due to the general sense that such taxation would be potentially unfair based on the proportionality norm or to the fact that honest discussion of the taxation level required for such program would trigger a quick shift in motive mix toward (self-interested) opposition to UBI.

Based on the argument presented in this book, the Covid crisis opens contradictory possibilities. On the one hand, there is little doubt that recipients of ISS are not opportunistic free riders. Yet large levels of public debt, if they become politicized, could further accelerate the erosion of support for ISS. In the realm of pre-distribution, stock market rallies and successes of companies such as Amazon

raise sharp fairness concerns that echo those heard after WWII against profiteers. Yet absent entrepreneurial politicians willing to play this populist left-wing card, we are unlikely to witness any sharp change in how people reason about pre-distribution.

COMPETING ARGUMENTS

I am not the first person to emphasize the importance of fairness reasoning. Three lines of work are most relevant to this project. One examines the role “beliefs in a just world” in generating support for the status quo (Lerner, 1980; Benabou and Tirole, 2006), another focuses on perceptions of welfare recipients as “deserving” or not (Gilens, 1999; Petersen et al., 2011), and a third, most prevalent in studies of American public opinion, discusses the impact of ‘egalitarian values’ on social policy preferences (Jacoby, 2006; Feldman and Steenbergen, 2001; McClosky and Zaller, 2013). Despite speaking to similar cognitive and social mechanisms, these literatures have rarely engaged with each other. The book makes two contributions. First, it helps organize the evidence generated by these three lines of work into a coherent framework. Second, I apply this framework to post-industrial societies as a whole²³ and in doing so, reveals the need to revise past conclusions. I will discuss these points in more detail later in the book but let me provide two illustrative examples.

One example is the claim made by the “beliefs in a just world” literature that people have a need to find the world just to avoid the cognitive costs of believing one is getting the short end of the stick (Jost, 2006). A key prediction is that low-income individuals should be *more* likely to “find the world just.” My argument and results show that this claim is incomplete at best. Indeed, there is no clear understanding in the literature of what people mean by a “just” world. In contrast, I emphasize two principles of fairness, and identify the institutional spheres in which they are most relevant. I show that, with the correct measurement strategy, predictions are reversed: low-income individuals should be *less* likely to “find the world just.” For example, if low-income people believe that market inequality is fair according to the proportionality norm, then they have to accept that they are low in talent and merit. Assuming people seek to maximize self-esteem, I predict that low-income

²³indeed, most of this existing work is U.S. centric.

individuals should be *less* likely to find the world fair according to the proportionality norm. Relatedly, high-income individuals from high-skill occupation, because of their moral predispositions, are also more likely to find ISS fair according to the reciprocity norm. As a result, low-income individuals are often less likely to find the status quo fair, irrespective of the norm under consideration. Overall, the evidence overwhelmingly aligns with these new predictions.

A second example follows from the literature on deservingness and social policy preferences. This line of work has produced two main findings: first, recipient deemed responsible for their plight (made the wrong decision, are too lazy) are less entitled to social benefits than recipients who are in need for reasons out of their own control; second immigrants are less ‘deserving’ of benefits than citizens. In the American literature on deservingness, the first finding is racialized: as convincingly demonstrated by Fong and Luttmer (2009), race is used by white respondents as a cue to infer personal responsibility and effort. This has led many researchers to conclude that immigrants are also less deserving because believed to be “lazy” and responsible for their plight. Except that for immigrants, all the evidence points in the exact opposite direction: the stereotype is that they work harder than citizens meaning that, on this metric, they are actually *more* deserving than citizens. These results are only contradictory if one overlooks the existence of at least two fairness principles, one relevant for assessing how deserving one is of pre-distribution, the other for assessing how deserving one is of ISS. Because immigrants are hard-working they are deserving of policies such as a ‘fair wage.’ That does not imply that they are deserving recipients of ISS. Indeed, as I discuss in some detail in chapters 2 and 4, the reciprocity norm is more than mere tit-for-tat. It implies boundaries, i.e. a definition of who one owes cooperation to.²⁴ As shown by Enke, Rodríguez-Padilla and Zimmermann (2020), people differ in fundamental ways in terms of what, in the book, I call their boundary of cooperation, i.e. the extent to which they are willing to behave reciprocally with people socially distant from them.

These results suggest an alternative interpretation of my argument and findings: free riding beliefs are mostly capturing hostility to immigrants, a group perceived to be over-represented among net-beneficiaries. Relatedly, the conservative shift documented in Great Britain follows from growing hostility toward immigration,

²⁴This was articulated by Michael Walzer in a famous chapter on membership in Walzer (1983).

which famously culminated in the Brexit vote. This interpretation of the empirical evidence suggests a different argument than the one presented in the book, one popularized by Alesina and Glaeser (2006). Alesina and Glaeser start from the assumption that people are parochial altruists. Put differently, the state's ability to redistribute, i.e. extract large sums of money in taxes and pay it out in benefits, is conditional not only on the belief that market income is unfairly distributed but also on most people thinking that recipients are people like themselves. When the share of immigrants among net-beneficiaries increases, we can expect support for ISS to go down.

As I discuss in chapter 5, this interpretation, and the argument that underpins it, obscure more than they reveal. They are rooted in past attempts to explain the United State's position as a welfare state laggard. In light of convincing evidence that racial animosity plays a central role, researchers have sought to transpose this argument to the other side of the Atlantic, hypothesizing that low-skill immigration, both past and present, has and is undermining 'support for redistribution' broadly defined.²⁵ However, despite a flurry of research, researchers have made very little progress in understanding how immigration affects the demand-side of redistributive politics in post-industrial democracies. Indeed, the types of robust cross-sectional correlations found in the U.S. are less easy to come about using data from Europe (Finseraas, 2008; Brady and Finnigan, 2014). More generally, one is at pain to find robust evidence that social policy reforms are tied to such parochial concerns (see Stichnoth and Van der Straeten (2013) for a review). The main reason is timing. In the U.S., the politicization of racial boundaries and prejudice hindered the *creation* of a generous welfare state, something still visible in cross-sectional correlations. In Europe, immigration-induced ethnic diversity became politically visible at least two decades *after* welfare states had matured into generous and all-encompassing institutions. As famously shown by Paul Pierson, mature welfare states are politically "locked-in" and very hard to rollback. In other words, for many voters, support for retrenchment rooted in prejudice conflicts with opposition to retrenchment stemming from their own position as beneficiaries of social transfers. Few studies have explicitly modeled this tension to understand how it affect support for redistribution.

²⁵The default in most studies is a uni-dimensional conception of demand for redistribution.

The argument presented in this book suggests at least two friendly addenda to this work. First, ‘support for redistribution’ is not the best way to conceptualize how mass preferences are affected by ethnic diversity. Instead, we can expect support for pre-distribution and taxes to be unaffected, with most of the effect concentrated on support for generous ISS and most importantly support for unconditional access irrespective of citizenship and/or prior contributions. Second, only rich voters will have the “luxury” to express their parochial inclinations when asked about ISS, unless the question is explicitly about who gets access to ISS (see Dimick, Rueda and Stegmueller (2014) for a similar argument). Low-income voters who are net-beneficiaries of redistributive social policies might oppose ISS as a baseline because it benefits minority groups but for pocketbook reasons, we can expect them to self-servingly adjust their level of expressed support for more generous spending. A closer look at the existing evidence suggests strong support for these two conjectures.²⁶

Yet, even with an attention to periodization and with adequate scope conditions, this line of reasoning still under-performs both empirically and theoretically. Empirically, a necessary condition for net-contributors to withdraw their support for ISS is that they perceive immigrants as over-represented among beneficiaries. However, there is little correlation between the latter and support for redistribution. One reason is that the perception that the modal recipient is an immigrant does not imply the belief that immigrants do not ‘deserve’ to benefit from ISS. This is best demonstrated by Larsen’s comparison of Great Britain Denmark and Sweden (Larsen and Dejgaard, 2013). In Great Britain, where a casual observer of British politics might assume immigrants to be undeserving beneficiaries of ISS, “most of the poor and welfare recipients are perceived to be white.” In Denmark and Sweden, with much lower levels of diversity, “the poor and welfare recipients increasingly have come to be perceived as non-white” (Larsen and Dejgaard, 2013), *without un-*

²⁶The effect of being primed to think about immigration is larger on items that have to do with ISS than items that have to do with pre-distribution, including the traditional redistribution survey item (Muñoz and Pardos-Prado, 2019). Studies that fail to disaggregate social spending and social preferences according to policy design (universal versus targeted) find no relationship between immigration and spending trends (Finseraas, 2008; Brady and Finnigan, 2014; Stichnoth, 2012). Soroka et al. (2015), take a disaggregated approach and document spending trends that align with the expectation that immigration will affect only a subset of ISS-like social programs. With regards to the second conjecture, Dahlberg, Edmark and Lundqvist (2012) find using a natural experiment that increasing diversity has no effect on the policy preferences of low-skill survey respondents in Sweden.

dermining the beliefs that the modal recipient is deserving of ISS. Instead, as shown by Sniderman et al. (2014) in the case of Denmark, only a subset of immigrants recipient are met with hostility namely Muslim women who are perceived to have a weak labor market attachment. The parochial altruism framework cannot for these results and researchers are back to the drawing board.

The argument presented in this book advances our understanding of the relationship between immigration and social policy preferences in several ways. First, as already discussed, it offers important scope conditions, identifying whose preferences and which type of preferences will be most affected. Second, it suggests way to overcome the theoretical dead-end described above. In chapter 5, I propose a new framework to explain why moral conservatives (liberals) are less (more) likely to find immigrants deserving, and more (less) concerned about moral hazard and free riding. From this argument, I generate and test new empirical predictions that a framework emphasizing parochial altruism fail to explain. For example, I predict, and show experimentally, that faced with scarcity, individuals with conservative moral predispositions are not only more supportive of excluding immigrants from public health care but also more supportive of excluding smokers. The assumption that people are parochial altruists cannot explain this result while an emphasis on fairness reasoning and reciprocity can. Furthermore, I document that moral conservatives are much more aware than moral liberals of an objective change in local levels of ethnic diversity. Yet, among moral conservatives, these perceptions do not explain who is most likely to oppose immigrants' access to the welfare state: the opposition is high across the board. Again, these results do not align with expectations derived from the parochial altruism framework which assumes that perceptions of the size of the immigrant population matters for shaping social policy preferences. In contrast, the claim that moral conservatives have narrower boundaries of cooperation helps explain why they are more attuned (relative to moral liberals) to changes in their environment and oppose immigrant access as a matter of principle.

While the argument presented in this book is far from the last word (see for example Shayo (2009) for a fruitful and non-competing line of research), it does a much better job at explaining empirical patterns than the traditional parochial altruism argument. Arguing that people oppose programs that benefit immigrants is not enough. Instead, we need to understand why only some people reason in such a fashion, why others do not, how to identify each group and how exactly this

affects mass attitudes, while explaining why the connection to immigration is so convoluted. The argument presented in the book is one step in this direction.

THE METHODOLOGY

Having described the argument, I now turn to a brief overview of the type of evidence presented in the book. Each part of the book relies on different methodological traditions in political science. For those interested in how one might try to square the circle in a methodologically divided field, read on. Non-social scientists might prefer to skip this section.

A THREE CORNERED FIGHT

Part 1 seeks to identify what it is that stylized models are missing and how to best amend them to better account for known, and less well-known, empirical facts. Methodologically, I proceed through a “three-cornered fight among a theory, a modified version of this theory, and a set of empirical observations” (Hall: 27, Lakatos 1970). If the modified version of the theory can account for more empirical facts than the original theory, then it ends up winning the ‘fight,’ this until the next, more encompassing theory comes along. The strength of the demonstration hangs on the number of empirical facts better accounted for by one theory over the other, with an emphasis on empirical patterns that align with one theory but not the other. One can alternatively think of this approach as providing a new interpretative framework, selected by comparing how well this framework ‘fits the data’ relative to how well existing interpretative frameworks fit the same data. This way of doing research has recently been eclipsed by the causal inference revolution which seeks to identify beyond doubt the average “effect of a cause” and, ideally, to understand why and how effect sizes vary across situations and contexts. The argument in this book can be tested using such approach, yet only at a large cost for the researcher and only up to a point.

Econometric tools and clever research designs, such as relying on “natural experiment” that randomly assign individuals to different institutional and cultural contexts, produce reduced-form estimates that are extremely valuable to researchers. To be tested according to this research paradigm, the argument presented in this book would require quite a few such studies, each one data intensive and time con-

suming to implement. In other words, reduced-form estimation, while necessary to best test existing theories, is poorly suited to theory development. The three corner fight approach, in contrast, help weigh the advantage of theoretical advances against the status quo, pointing to new directions for “causally-minded” research to investigate.

Also important is the fact that the mechanisms I am interested in cannot be neatly unpacked into a succession of causal estimates. For example, at the individual-level I am interested in the two-way relationship between policy preferences and beliefs about the fairness of the world: people “invest” (Bénabou and Tirole, 2011) in beliefs that make them more likely to agree with some policies over others and, given prior beliefs and policy preferences, are more likely to discount evidence in favor of alternative interpretations of the world. This two-way relationship unfolds overtime, resulting in beliefs and attitudes change that are difficult to examine in isolation from one another. Instead of focusing on causal estimates, I prefer to focus on theoretically-informed predictions regarding how these beliefs and attitudes correlate differently for different people, on different issues, and in different countries.

Note that the three cornered fight assumes enough empirical evidence to rely on to ‘score’ each competing theory. As a result, this book would have been impossible to write without an accumulation of evidence across the social sciences. Specifically, I rely on two decades of findings in behavioral economics (Fehr and Schmidt, 1999; Fischbacher and Gächter, 2010; Charness and Rabin, 2002; Rabin, 1993), as well as interdisciplinary research on moral reasoning (Tomasello and Vaish, 2013; Tomasello, 2016; Ostrom and Walker, 2003; Henrich et al., 2001; Gintis et al., 2005). Additional contributions by Alesina, Glaeser and Sacerdote (2001), Fong (2001), Gilens (1999) and Oorschot (2000) provide me with the needed robust empirical patterns to build from. The framework developed in Part 1 of the book has also benefited from the rich ethnographic work by Schwartz (2011) on French bus drivers, Sherman (2009) on a rural community in California, Lamont and Molnar (2002) comparing members of the working class in France and the United States and Chan and Goldthorpe (2007) discussing of the concept of status and culture in Great Britain. I do not want to overwhelm my reader and do my best throughout the book to limit detailed accounts to the most relevant or illustrative studies.

What are the theoretical models I am picking up a fight with? My main emphasis is on the family of canonical models sketched at the beginning of this opening chapter

(e.g. Meltzer and Richard (1981)) .²⁷ For the three-cornered fight approach to be of any use, the ‘opponent’ theory needs to be more than a straw man. For some scholars, this type of stylized models do not meet this bar and are not worth engaging with (e.g. Achen and Bartels (2017); Lynch (2020)). I see at least two good reasons to disagree. One reason is analytical tractability. The assumptions central to this line of work — a Homo Economicus confronted with some combination of a flat tax rate and a lump sum transfer — are useful abstractions. In their simplicity and clarity, they set a clear benchmark for assessing the value of alternative theories. Scholars might nevertheless object that these assumptions are too unrealistic to be helpful and that researchers could surely find a more helpful benchmark. Unfortunately, as a field, political scientists are far from agreeing on what such alternative framework might look like, thus leaving the one highlighted above to provide much needed structure. In addition, stylized models explicitly seek to model behavior in context focusing on the role of institutions such as the welfare state (Meltzer and Richard, 1981) or supply-side dynamics (McCarty, Poole and Rosenthal, 2008), something many scholars who criticize these models fail to notice and emulate.²⁸

The second reason for engaging with this family of models speaks to the “political” in political science. Western societies are, for better or for worse, societies built on the ideal of equal dignity. In this context, a model whose main prediction is that more inequality will feed into higher demand for more equality-inducing policies provides an intuitively appealing starting point. Could it be that democracies have a built-in inequality moderator? Could this moderator be rooted in voters’ self-interest, voters whom, to paraphrase Adam Smith selfishly pursue more equal outcomes? In other words, the stylized model sketched above not only provides a theoretical anchor for a systematic investigation of the demand side of redistributive politics, it is also a way for researchers to join the public conversation over one of the major policy and political issues of our time.

²⁷When discussing the case of the United States, I refer to a specific version of these models developed in McCarty, Poole and Rosenthal (2008).

²⁸One example is the recent turn in American politics toward a strong emphasis on partisan identity. This begs the question of what explains partisan identity in the first place. Most importantly, such emphasis carries little explanatory power in countries where partisan identification has decreased and where traditional party systems are collapsing.

CAUSAL INFERENCE (AND IT LIMITS)

In the second part of the book, I discuss individual-level mechanisms and contextual factors that, in combination, can foster attitudinal change than can be picked up in aggregate survey data. While Part 1 focuses on the ‘best fit’ between competing theories and the data, Part 2 examines causal relationships between individual-level hardship, moral predispositions, elite discourse, welfare state design and public finances. As a result, part 2 partly relies on methods whose target estimates can be, with some caveats, interpreted causally. These methods include survey experiments and regression models that leverage within-individual variation. In addition, I build on existing research that has already extensively documented some of these causal relationships (e.g. framing effects).

Ultimately, the goal is to speak to country-level attitudinal trends in post-industrial societies. Once we move to this level of analysis, causal inference becomes tricky: for example, elite discourse is partly endogenous to mass attitudes; there is also a two-way relationship between mass moral predispositions and welfare state design. Even more challenging is trying to make causal claims about the overtime trajectory of a specific country: e.g. why a decline in average support in Great Britain? why a decline in the income gradient in the US? In which country might we expect to observe an increase in support for pre-distribution or generous ISS? The latter questions are not suitable to causal inference and there is no way of getting around this.

For this part of the analysis, I consequently tread with caution and rely on a third methodological tradition in political science, namely case studies and process tracing. Instead of breaking down a general macro-macro relationship into stand-alone meso or micro causal relationships that are “true on average,” researchers engaging in process tracing examine how individual actors, whose behavior is shaped by a specific context, interact over a period of time (Pierson, 2004) to explain a specific outcome. The final output is a case-specific and time-sensitive narrative structured by a succession of logic-based “tests” (Mahoney, 2012; Collier, 2011). Chapters 7 through 9 provide plausible accounts of changes in social policy preferences in the United States, Great Britain, Germany and France. Plausibility is assessed by leveraging longitudinal data (causal arguments have clear implications for the sequencing of events), qualitative accounts of important critical junctures (e.g. a

change in elite discourse following Tony Blair's election) and addressing alternative explanations (as discussed above with the role of immigration). This emphasis on time, historical context and alternative explanations situates this part of the project in the small-N, qualitative side of social science (Mahoney and Goertz, 2006).

By the end of the book, I hope to have convinced my reader that an emphasis on fairness reasoning in a low stakes context can help explain the disconnect between inequality and redistributive preferences. My argument also provides a framework to understand the ways in which different types of contextual factors can affect mass attitudes toward redistribution. Some of these factors are trivial (survey item ordering), others less so (public finance). Some have mostly temporary effects (issue salience), while others have long-term consequences (a discursive shift in fairness considerations). Jointly, they provide a new perspective on well-known and less-well known trends in redistributive preferences in post-industrial democracies.

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