

Social Heterogeneity, Political Competition, and Redistributive Demands: The role of programmatic linkages

Kent Freeze
Duke University
kef13@duke.edu

Abstract

This paper examines in greater detail the influence of ethnic heterogeneity on preferences for government-led redistribution of income. I find that ethnic heterogeneity does not always influence support for or against redistribution, even when large income differences may exist between ethnic groups. Instead, support for redistribution will only become a function of ethnic heterogeneity when there are incentives for parties to link the issue of redistribution with social identity. These incentives are more likely to arise when parties compete programmatically over the issue of redistribution. In order to remain electorally viable, right-wing parties must link redistribution with ethnic identities in order to prevent citizens from voting solely on the basis of individual pocketbook concerns. I find that it is generally in countries with highly programmatic linkages over redistribution where ethnic identity has an important effect on attitudes for redistribution.

This paper is based on a dataset collected under the auspices of the project “Political Accountability in Democratic Party Competition and Economic Governance”, implemented by a political science research group at Duke University (Principal Investigator: Herbert Kitschelt, Department of Political Science). We gratefully acknowledge funding for the data collection by the World Bank, the Chilean Science Foundation (research grant directed by Juan Pablo Luna and David Altman, Catholic University of Chile), and Duke University. Data analysis and conclusions of this paper are the sole responsibility of its author.

Introduction

During the 2010 national election in Sweden, the anti-immigrant Swedish Democrats prepared a controversial campaign ad, that was in the end pulled from TV for fear it would break Swedish hate speech laws¹. The ad depicted an elderly Swedish pensioner hobbling toward a government benefits desk in an effort to receive her pension. Suddenly a horde of burqa-clad women burst on to the scene, rushing toward the desk while pushing strollers and elbowing past the elderly Swedish woman. The ad ended with a mutually-exclusive choice posited toward the Swedish electorate: vote for pensions or for immigration. The message of the ad was a clear one: if immigration was allowed to continue, social spending would flow to non-Swedes.

The ad was an effective one, generating significant amount of controversy in the media (and later going viral online), and attracting attention to the Swedish Democrats campaign (which for the first time broke through the 4% threshold necessary for representation in the Swedish parliament). The ad effectively tied together the issue of social spending with that of ethnic identity, with the clear message that social benefits were primarily going to recent (and fecund) immigrants who would take social spending “away” from real Swedes.

The central contention of this paper is that the nature of democratic political competition in a country, in conjunction with between-ethnicity inequality, can create incentives for some politicians to use an “ethnic” frame with regards to social spending. Specifically, the likelihood that politicians will tie ethnicity to social spending via ethnic frames will rise as democratic competition in a country becomes increasingly programmatic. As ethnic framing becomes more prominent, a greater between-group divergence in preferences for redistribution is seen.

¹The ad can be viewed at: <http://www.youtube.com/watch?v=AYavOiI-8uY>

Ethnic Frames

The usage of ethnic frames with regards to social spending are not unique to the Swedish Democrats. There is a rich literature in the United States on how ethnic frames have shaped public opinion on welfare spending. Several scholars have noted that welfare spending in the United States has been “racialized” by both the media (Gilens 1999); (Neubeck and Cazenave 2001) and politicians (Quadagno 1994); (Winter 2008), with welfare in America having a black face. Although the United States has a long and sad history of poor race relations, Gilens (1999) notes that the racialization of welfare is a relatively recent phenomenon, beginning primarily in the 1960s. Prior to then, he notes that poverty and welfare tended to be associated with whites, specifically whites residing primarily in Appalachia. The racialization of welfare, argued Gilens, occurred as a backlash against the civil rights movement to the point that social spending in the United States today is seen in racial terms. Some studies have suggested that the United States has lower social spending because the American population is more heterogenous than other (primarily European) countries (Alesina and Glaeser 2004); (Alesina, Baqir and Easterly 1999). In these studies, ethnic heterogeneity is assumed to lower demand for redistribution, and therefore overall public spending. As heterogeneity increases and social spending becomes more concentrated among a particular ethnic group, support for such spending among other ethnicities will decrease.

While it seems clear that welfare and racial identity are intimately connected in the United States, how well does the logic above extend to other countries? The focus on the single country makes it difficult to know whether the American case is typical or exceptional. Are other countries with heterogeneous populations also susceptible to similar appeals linking social spending with ethnic identity? To put it another way, does ethnic identity *necessarily* shape preferences for redistribution in heterogenous societies, or are other factors necessary to link social spending with ethnicity?

Social identity has often been assumed to drive preferences for redistribution, but evidence to date has been limited to either randomized experiments (Klor and Shayo 2010), or the United States (Luttmer 2001) and have not yet been adequately tested on a cross-national scale. The results in this paper suggest that social heterogeneity does not necessarily drive preferences for redistribution—in many countries, social heterogeneity, even when accompanied by large gaps in income between different ethnicities, may not lead to comparable gaps in support for redistribution. Instead, interethnic differences in support for redistribution are primarily driven by the nature of how political elites interact with the electorate. Explicitly linking ethnic identities to social spending is a politically costly act that may constrain the behavior of politicians – that is, politicians face tradeoffs in the potential frames they may use. It is not possible for a party to be “all things to all people” and parties may not always find it electorally advantageous to link ethnic identities to social spending. In some countries, politicians have a clear incentive to link redistributive spending to social identity, whereas in other countries, ethnicity is not linked to the issue of redistribution. Drawing on data from the cross-national ESS and LAPOP surveys, I come to the conclusion that strong ethnic differences in support for distribution among different ethnicities is a phenomenon that tends to only be found in countries where political competition tends to be highly programmatic over economic issues. In these countries, stronger incentives exist for political elites to frame social spending in a manner that links it to ethnic identity.

Social Identity and Support for Redistribution

According to social identity theory, individuals who have self-identified with a particular social group will also adopt many of the norms and behaviors of that group (Tajfel and Turner 1979). This insight has been extended to attitudes towards redistribution, by assuming that individuals will begin to adopt the attitudes for redistribution that the prototypical group

member has – relatively wealthier social groups should tend to oppose redistribution that will predominantly help members of poorer groups. Luttmer (2001), examining metropolitan localities in the United States, finds that support for welfare spending decreased as the share of recipients receiving welfare spending from a different race increased. This provides evidence for what Luttmer terms as “interpersonal preferences”, namely preferences that are developed not only by one’s own characteristics, but also by the characteristics of other individuals in the population (pg. 500). With greater levels of social identification, support for redistribution should, therefore, be determined by the relative standing of the predominant social groupings found in society.

Baldwin and Huber (2010) extend this theoretical argument by examining the role of between-group inequality on aggregate social spending. They make an important contribution by recognizing that the ethnolinguistic fractionalization (ELF) index commonly used in cross-national studies does not contain any information on the relative differences between the ethnicities found in a society. When examining the role of between group inequality (BGI), they find that it serves a stronger predictor of public goods provision than other commonly used fractionalization scores.

The social identity approach contrasts sharply with the median-voter logic, formulated by Romer (1975) and Meltzer and Richard (1981), which has often served as a starting point examining preferences for redistribution, and has been central in models linking inequality to various macro outcomes (as in Acemoglu and Robinson (2006)). The advantage of the median voter model lies in its simplicity. To generate a prediction of preferences for redistribution, one only needs to know an individual’s income status relative to the mean of society. Unfortunately, evidence for the median-voter model is mixed. While micro-evidence within a single country-year supports the role of income in preferences for redistribution (Corneo and Gruner (2002) and Cusack, Iversen and Rehm (2006)), the theory appears to perform much worse in explaining changes in inequality over time, or between different countries

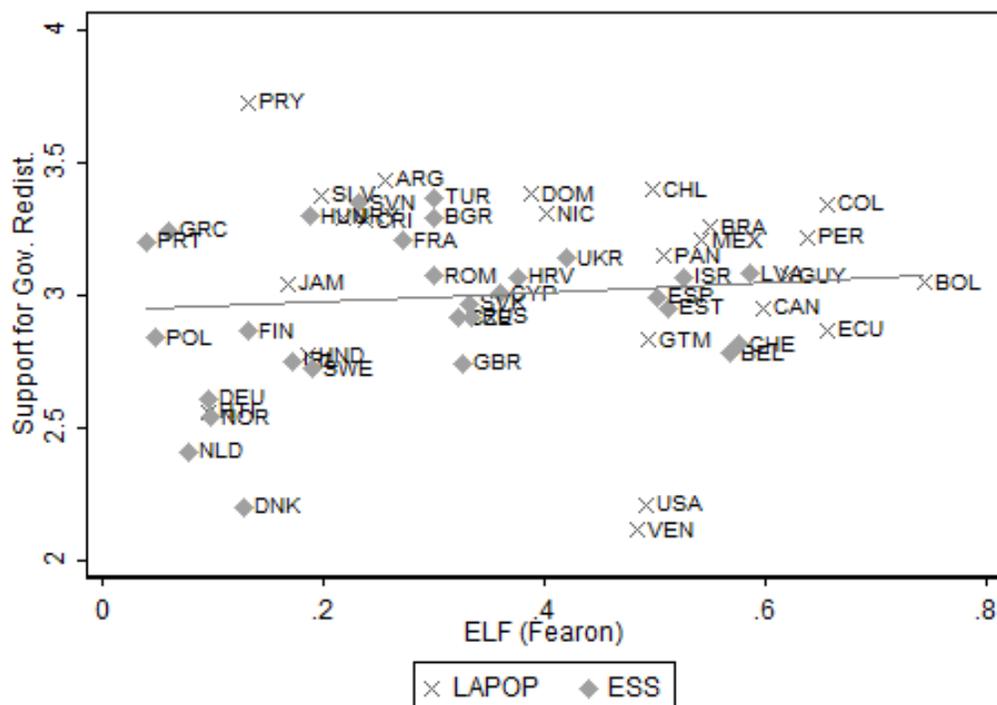
(Kenworthy and McCall (2008) and the “Robin Hood Paradox” coined by Lindert (1991)). It is reasonable to assume that other, societal-level factors such as social groups may potentially play a role in preferences for redistribution. For example, Dion and Birchfield (2010) find that income does not predict support for redistribution in poor countries or in countries with high levels of income inequality.

For many individuals in a population, the preferences for redistribution predicted by both the median voter model and the social identity model will likely be similar: for example, wealthier members of society will also tend to be found in wealthier social identity groupings, resulting in little conflict between their self-interested preferences and those of their social group. However, poorer members of wealthier social groups will experience a conflict between their economic self interest and those of their ethnic identity. When these individuals develop preferences for redistribution in line with their social identity, aggregate support for redistribution will be lower than predicted by the median voter model (Shayo 2009).

Unresolved by these studies is the question of when ethnic identities will become salient to individuals evaluating the issue of vertical redistribution. The assumption is that social identity will tend to shape how individual perceptions of redistribution, but it is unclear why ethnic identity will always tend to trump an individual’s class-based identity, or any other potential dimension of the redistribution issue. Individuals may have a strong ethnic identity, but they may not necessarily translate that identity into an “interpersonal preference” for or against redistribution. Some evidence of this is shown below in Figure 1, in which I examine whether or not social identity does actually influence aggregate preferences for redistribution. Using data from the 2008 wave of the European Social Survey (ESS) and the 2008 Latin American Public Opinion Project (LAPOP) surveys, I plot average support for redistribution (on a scale from 0 to 4, with 4 indicating greater support for government led redistribution) against the ethnolinguistic fractionalization (ELF) score from Fearon (2003). There is no obvious relationship between ELF and average support for redistribution, with a very slight

positive relationship between the two and a correlation coefficient of 0.096. This casts some doubt on the causal mechanisms specified above.

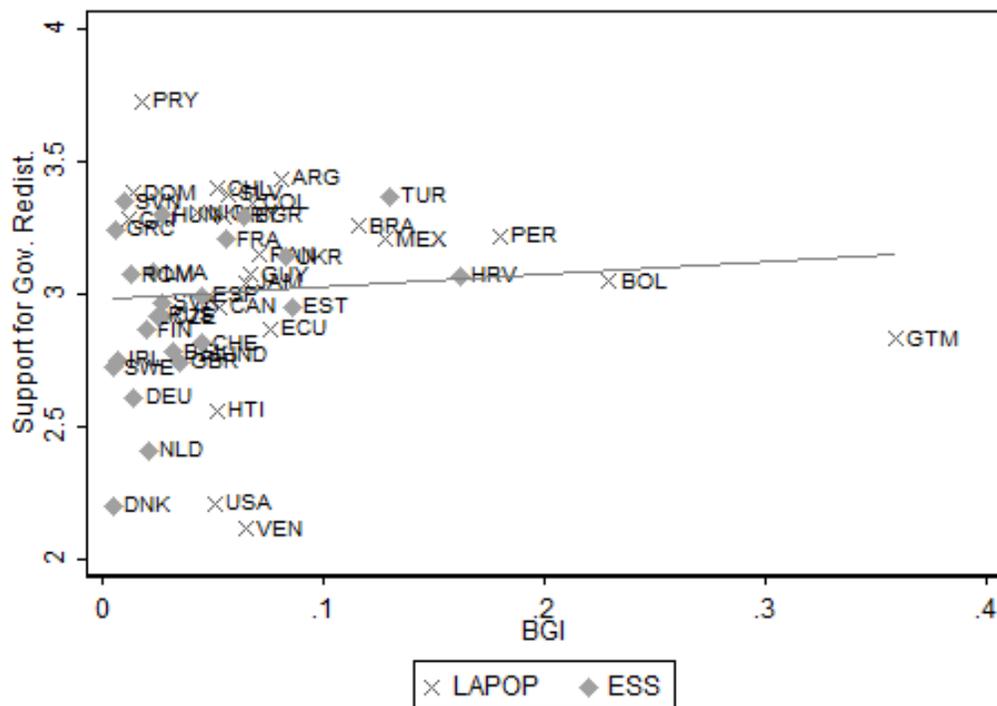
Figure 1: Ethnic Fractionalization and Support for Redistribution



Borrowing the insight from Baldwin and Huber (2010), I also examine whether between-group inequality (BGI) does a better job predicting average support for redistribution. The results for BGI are calculated from the LAPOP and ESS surveys for which I was able to code ethnicity to match Fearon’s classification of ethnicity.² If ethnic identity plays an important role in determining preferences for redistribution, greater between-group inequality should lead to less support for redistribution as poorer members of wealthier social groups oppose redistribution that would go to benefit members of relatively poor ethnic groups. However, the scattergram shown in Figure 2, reveals a result very similar to that of the ELF score, with a very slight positive relationship between the two and a correlation coefficient of 0.086.

²A more detailed description of all variables used in this analysis is provided in the appendix.

Figure 2: Between Group Inequality and Support for Redistribution



Framing, Political Competition and Identity

The lack of any clear relationship between the ELF or BGI measures and average preferences for redistribution suggests that other contextual factors may potentially be influencing how social identities influence the formation of these preferences and calls into question the implicit assumption that ethnic identity is always translated into preferences. In this section, I argue that in order to develop a preference for redistribution that is based on one's ethnic (or any other) social identity, individuals need to have identity and redistributive social spending linked together by political elites. Without the provision of this specific frame, it is unlikely that ethnic identity will shape preferences. Politicians will have a greater incentive to provide this frame as political competition over economic issues become sharper.

Recent years have seen a growing amount of research into the role of elite persuasion and framing effects on mass public opinion. In contrast to the assumptions of most models

of representation, this literature argues political actors are not simply waiting to take cues from an already informed public possessing concrete preferences, but are actively engaged in shaping and molding preferences through the creative use of frames. Individuals rely on the efforts of political elites in order to form opinions regarding a complex political environment. As Zaller (1992) argued, “When elites uphold a clear picture of what should be done, the public tends to see events from that point of view, with the most politically attentive members of the public most likely to adopt the elite position. When elites divide, members of the public tend to follow the elites sharing their general ideological or partisan predisposition...” (pg. 8–9). How an individual views inequality will therefore be strongly influenced by the nature of elite discourse on the issue, with politically informed individuals tending to adopt the positions of those elites with whom they identify.

In considering how individuals interpret frames, I borrow from Nelson and Oxley (1999), who discuss how certain frames adjust the weights individuals assign to different considerations of issues in what Chong and Druckman (2007) term the “conventional expectancy model of an individual’s attitude.” According to this model, an individual may have a variety of different beliefs around each political issue, which all have the ability to affect how individuals view that issue and the formation of preferences for or against that issue. For the issues of economic inequality and the need for a government role for redistribution, while an individual may consider how redistribution affects their ethnic standing, how redistribution will affect their own pocketbook, the role excessive inequality may have on crime rates or inequality of opportunity. In the end, whether or not an individual supports redistribution will depend on the cumulative sum of the weights they ascribe to the different dimensions of redistribution. The weights that individuals will assign to the different dimensions of redistribution will not always be constant, either, and can potentially be influenced by others. Political elites, for example, may engage in strategic attempts to shift the weights that individuals assign to the different aspects of government spending (Sniderman and Theri-

ault 2004). In some circumstances, politicians may find it advantageous to emphasize social identities with regard to social spending, but not in others.

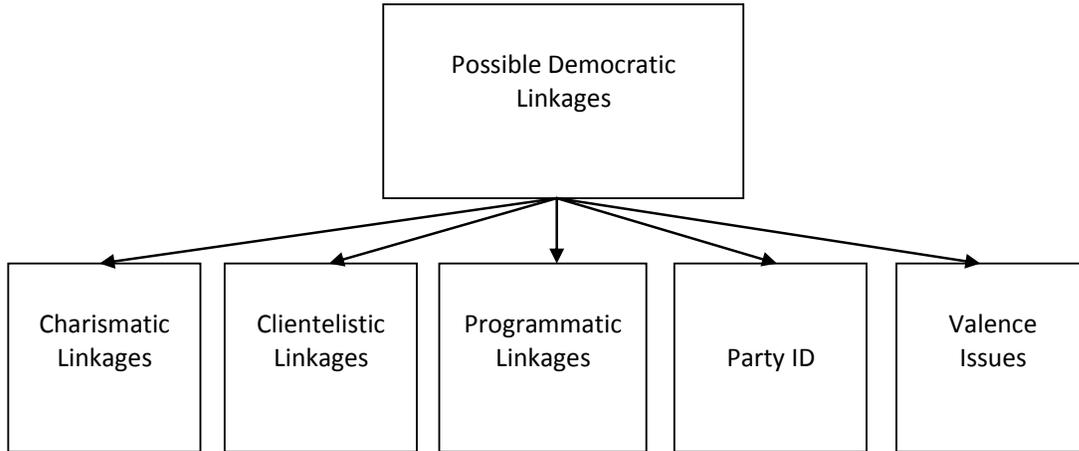
Less well understood, however, is the question of when elites will have incentives to use a particular frame. Specifically, when can it be expected for political elites to frame social spending in terms of ethnic identity? When will political elites prompt the group-based comparison necessary to generate between-group differences in support for redistribution? In this paper, I focus on the nature of political competition in a country, arguing that an increasingly programmatic political context will increase the incentives for political elites, especially on the economic right, to frame social spending in terms of ethnic identity. As this framing continues forward, I expect to observe greater polarization in support for redistribution along ethnic lines, with poorer ethnic groups exhibiting greater support for redistribution than members of wealthier ethnic groups.

Politicians may employ a wide variety of different appeals to voters to curry political support among the electorate. Politicians will use the linkage mechanism(s) which will provide them with the greatest probability of electoral success. The different linkage mechanisms as shown in Figure 3 include charismatic, clientelistic, and programmatic linkages, as well as partisan attachment and valence-based appeals.

Party ID is a linkage mechanism in which voters possess an affective attachment to a particular party, and has been identified as a critical tool to explain American voting behavior by Campbell et al. (1960). Politicians using this linkage mechanism will emphasize a party's history, and voters will also tend to be extremely stable in their support for a particular party even as policies may shift.

In contrast to these affective attachments between candidates and citizens, voters may also choose politicians based on the policy positions offered by the candidates. This assumption underlies Downsian models of voting behavior - politicians (or parties) offer policies on which the electorate then votes, with individuals choosing the politicians offering policy clos-

Figure 3: Different Possible Democratic Linkages



est to their ideal point. These are programmatic linkages, as citizens vote on the prospective program bundles advertised by politicians.

In addition, politicians may base their appeals not on policy, or party id, but on the linkage mechanism of charismatic appeal. In this linkage citizen voting on the basis of the strength of a politician’s personality and character and politicians will often campaign heavily using populist appeals to the electorate (Hawkins 2009).

Some political competition may also be valence-based, in which competition is not positional, but rather over valence goods (such as economic growth, security) which everyone agrees are desirable. This form of democratic competition and linkage has figured most prominently in the economic voting tradition, wherein citizens cast votes on the basis of whether or not the party in power has delivered economic growth (Erikson, MacKuen and Stimson 2002). Politicians using this linkage mechanism will base their appeals to citizens on how fit they are to govern rather than their particular policy programs.

Finally, citizens may vote for politicians on the basis of narrow, contingent exchanges, or clientelistic linkages (Kitschelt and Wilkinson 2007). Instead of offering broad policies

benefiting large groups of citizens as found in programmatic linkages, these linkages involve a direct private exchange between party and a voter. In exchange for electoral support, the voter receives some private good (such as food, cash, preferential access to government benefits such as housing, etc.). Given the difficulty enforcing clientelistic exchanges, significant local party organization is needed to monitor voters. Eventually this can potentially give rise to long-term clientelistic relationships between politicians and citizens.

Politicians are usually unable to employ all linkages with the electorate because there may be tradeoffs between the different mechanisms (Kitschelt 2000). Usage of a clientelistic linkage makes it more difficult for a party to use a programmatic linkage. Simply put, parties cannot become all things to all people – while they may creatively use certain forms of appeals and frames with voters, it is impossible to mix and match all linkage strategies to a heterogenous population.

I argue that when politicians primarily use crisp, programmatic policy appeals to the electorate, especially over redistribution and economic policy, there exists a strong incentive for some politicians, especially on the right, to emphasize social identities in an effort to link ethnic identities with social spending. In a situation where programmatic linkages on the redistribution issue are strongly emphasized, with politicians offering clear positions on redistribution to the electorate, and the electorate voting on the basis of those positions, leftist parties will tend to win elections if individuals only evaluate one's pocketbook. This is a result which follows from the standard median-voter model of redistribution: if citizens vote purely on the basis of individual economic concerns, economic policy will be determined by the median-voter who will have an income below the mean in the country and benefit from redistribution. Left parties will tend to be dominant in a polity where programmatic politics is only on redistributive issues.

In order to be electorally viable in a highly programmatic party system, therefore, right-wing parties must change the weighting of different individuals assign to different aspects of

redistribution away from individual pocketbook issues. In countries with a more heterogeneous population, programmatic politics will result in an incentive for right-wing parties to emphasize social identities, especially with regard to social spending and to open up new dimensions of political competition as a “wedge issue” (Hillygus and Shields 2008) designed to peel off support from leftist parties. In an ethnically divided society, as competition becomes more programmatic, I expect there to be greater differences in support for redistribution by ethnic group to result. However, if political competition is not programmatic but clientelistic, or based on any other non-policy-based appeal (charisma of leader, party id, etc.) then politicians will lack incentives to link ethnic, religious, or linguistic cleavages to the redistribution issue in the hopes of electoral gain.

To be clear, this does not mean that ethnicity will be unimportant in non-programmatic countries. For example, ethnicity may play an important role in facilitating the successful spread of clientelistic networks (Lemarchand 1972); (Kolev and Wang 2010). Political competition may even increase the salience of ethnicity, causing more individuals to identify with their ethnic group (Eifert, Miguel and Posner 2010). However, I am arguing that ethnic identities are more likely to be linked to the issue of redistribution when there are programmatic politics over the redistribution issue. In short, when politicians compete over the issue of redistribution, individual citizens will be more likely to view the issue in how it relates to their social identity group, rather than their own pocketbook or any other possible aspect of redistribution. Between group differences in support for redistribution should become larger when citizens are voting for broad-based policy, as opposed to narrow, contingent private goods.

Data Sources

Data on preferences for redistribution come primarily from two cross-national surveys: the 2008 wave of the ESS and the 2008 LAPOP surveys. All variables used in this analysis are described in complete detail in Appendix A, but it is useful to discuss two of the most important variables used. The first variable is preferences for government-led redistribution. The ESS asks respondents to give their opinion on the following statement: “The government should take measures to reduce differences in income levels.” In the LAPOP survey, respondents are asked to give their assessment on whether “The government should implement firm policies to reduce inequality of income between the rich and the poor.” Both the ESS and LAPOP use a 5-point scale in response to the question, with a value of 0 indicating strong disapproval of government redistribution, and 4 indicating strong support of government-led redistribution. The distinction between government-led redistribution, as opposed to a general observation on inequality, is an important one, especially when preferences for such redistribution are a function of the nature of political competition in the society.³ An individual could potentially feel that inequality is too high in a country, but disagree that the government should be involved in reducing it. They may feel reductions are better accomplished through private charity, or simply that the potential costs of government-led redistribution outweigh the benefits.

Ethnicity is coded following the classification system outlined in Fearon (2003). While there are a myriad of different possible identities an individual may have, the Fearon classification of ethnicities attempts to identify how the average individual would answer the question “what are the main ethnic (or racial or ascriptive) groups in this country?” (pg. 195). The Fearon classification does not always map neatly into ethnic/racial categories that are included in LAPOP and the ESS. Coding of this category was somewhat tricky for the

³Studies that use data from the World Values Survey, for example, have this flaw.

ESS, as there is not a direct “ethnicity” question, but rather is coded through a series of questions on language spoken at home, religion, region, immigrant status, country of birth, country of birth for father and mother, and whether the respondent is a member of an ethnic minority. While I am confident that most groups are coded accurately, there are some groups which are greatly underrepresented in my coding scheme⁴. Because of these potential issues, I only include countries for which I am able to correctly classify at least 85% of respondents into one of the ethnicities included under the Fearon classification.⁵

Data on the nature of democratic linkages between politicians and citizens comes from a recent cross-national expert survey run by a research team based at Duke University, with Herbert Kitschelt as principal investigator⁶. This survey was carried out in 80 countries around the world which have had some measure of democratic political competition. In each survey, around 10–15 scholars and 2–3 journalists were asked questions relating to the structure, policy positions and different policy appeals employed of the major parties in each country. The primary measure that I use in this paper is an index of programmatic competition over economic issues. It is constructed as a multiplicative index of three attributes of programmatic competition developed out of the survey: the cohesion of expert judgments of party positions (indicating less disagreement among experts regarding party positions, and thus “crisper” policy stances by politicians), the polarization of party mean scores on economic issues (indicating that parties stake out distinct policies positions), and the salience of the issue (operationalized by the proportion of valid expert responses for the policy). This

⁴This applies especially to members of ethnic minorities whose native tongue has been marginalized, and who are not recent immigrants. Examples include Roma groups, Bretons in France, or the Romansh in Switzerland

⁵The following 45 countries are included in the analyses of this paper: Argentina, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Germany, Greece, Guatemala, Honduras, Hungary, Ireland, Jamaica, Latvia, Mexico, Netherlands, Nicaragua, Panama, Paraguay, Peru, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, United States, Uruguay, Venezuela.

⁶A full description of the project can found online at <http://www.duke.edu/web/democracy/index.html> as well as in Kitschelt et al. (2009)

measure is developed and explained in greater detail in Kitschelt and Freeze (2010).

Measuring Heterogeneity of Preferences across Social Groups

The dependent variable I calculate is a concentration index of preferences across different ethnic groups. Concentration indices have been prominently used in public health research, examining how various health outcomes (such as infant mortality, immunizations or access to health care) are distributed across an income spectrum (see for example Kakwani, Wagstaff and Van Doorslaer (1997) and Van Doorslaer et al. (1997)). The concentration index has also been used to calculate measures of tax progressivity, such as that proposed by Kakwani (1977).

Concentration indices are based on the concentration curve, a graphical representation of which is shown in Figure 4. Similar to the Lorenz Curve used to calculate the gini coefficient, the concentration curve graphically illustrates the cumulative share of some variable held by the cumulative share of the population (ranked by income). The value of the concentration index is equal to one minus twice the area under the concentration curve. Values of the concentration index can range from -1 to +1, with lower values indicating a greater concentration of the variable of interest among the poor. A concentration index with a value of -1 indicates that the variable of interest is completely held/received by the poorest member of society, while +1 indicates it is completely held/received by the wealthiest member of society. To calculate a concentration index using discrete data such as I do with ethnic groups, equation 1 is used (O'Donnell et al. (2008), pg. 96).⁷

⁷The computation of the concentration index, was also greatly assisted by the Stata code provided by O'Donnell et al. (2008), pg. 101

$$C = \frac{2}{N\mu} \sum_{i=1}^n h_i r_i - 1 - \frac{1}{N} \quad (1)$$

The concentration index is quite similar to the gini coefficient – the gini coefficient is simply the concentration index that results when the variable of interest is also used to rank order the population. While concentration indices provide a good summary of how social expenditures and taxes are distributed across an entire country, they suffer from many of the same problems that afflict the gini coefficient. As an aggregate measure, it is difficult to determine how the variable of interest may be distributed at specific portions of the income distribution. Concentration indices which have very similar scores may result from quite different concentration curves – for example, a concentration index of zero may indicate that the variable of interest is held equally by all members of the population (i.e. the concentration curve will be drawn along the line of equality), or it could also mean that movement of the concentration curve above and below the line of equality cancel out to produce the value of zero.

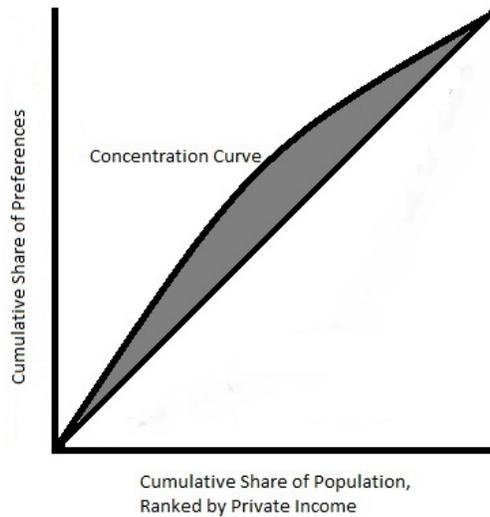


Figure 4: Concentration Curve and Index

The concentration index that I calculate measures the degree to which preferences for redistribution are concentrated among poorer ethnic groups. To calculate it, I first obtain the average support for redistribution for each ethnic group in a country. Mean support for redistribution in a group (on a scale of one to three) ranges from 1.76 (whites in the United States) to 3.97 (indigenous population in Paraguay). Because the calculation of between group inequality of preferences requires at least two ethnic groups, I restrict ethnically homogenous countries from the analysis. Using the formula from equation 1, and weighting by group size from the Fearon classification system, I obtain a measure of between group concentration of preferences. If a country's concentration index is negative, it indicates that poorer ethnic groups tend to have greater support for redistribution than wealthier ethnic groups.

For most countries in the analysis, BGC of preferences is quite close to zero, either because there is little variation in preferences between different groups, or the country is relatively homogenous. An example of the concentration curve for the United States is shown in Figure 5, which has the highest BGC of preferences index (indicating that preferences for redistribution are concentrated among lower income ethnic groups) of all countries included in the analysis. Although the overall value of the BGC index may appear negligible, it does reflect important differences in support for redistribution ⁸. It is important to note that the measure calculated here says nothing about the *relative* gaps in income between the different groups: the groups are simply ranked according to their mean income from the surveys. As a result, in the analyses, I also use BGI to control for between-group income differences.

⁸In the United States, average support for redistribution is 1.76 (out of a possible 4), indicating on average disagreement with the policy of redistribution. In contrast, Blacks have an average support of 2.52, indicating an average support for redistribution

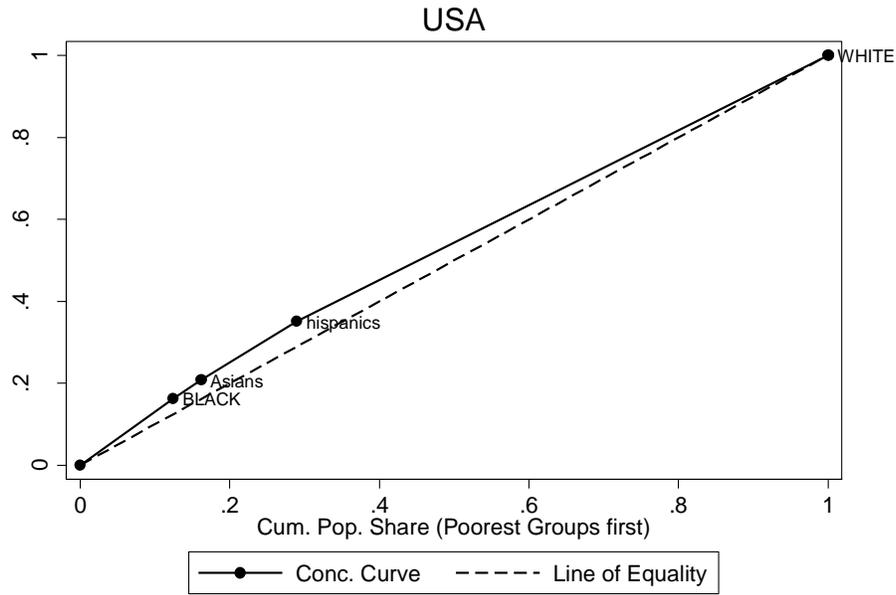


Figure 5: USA Concentration Curve

Data Analysis and Results

Figure 6 presents a simple scatterplot between average preferences for redistribution in a country and the level of programmatic linkages over economic issues. The correlation between programmatic politics and aggregate redistributive demand is -0.45 , indicating that support for redistribution falls as parties began to compete more explicitly on the redistribution issue. This is not an entirely surprising result – clearer partisan competition over redistribution may simply increase the salience of the redistribution issue. When parties stake out clear competing claims on the issue of redistribution, individuals will be less likely to view it as a valence issue and more likely to view it as a positional one (and resulting in more people opposed to redistribution). However, it is worth comparing this chart to Figures 1 and 2. It is telling that the nature of domestic linkages appears to have a much stronger influence on attitudes toward redistribution than social heterogeneity.

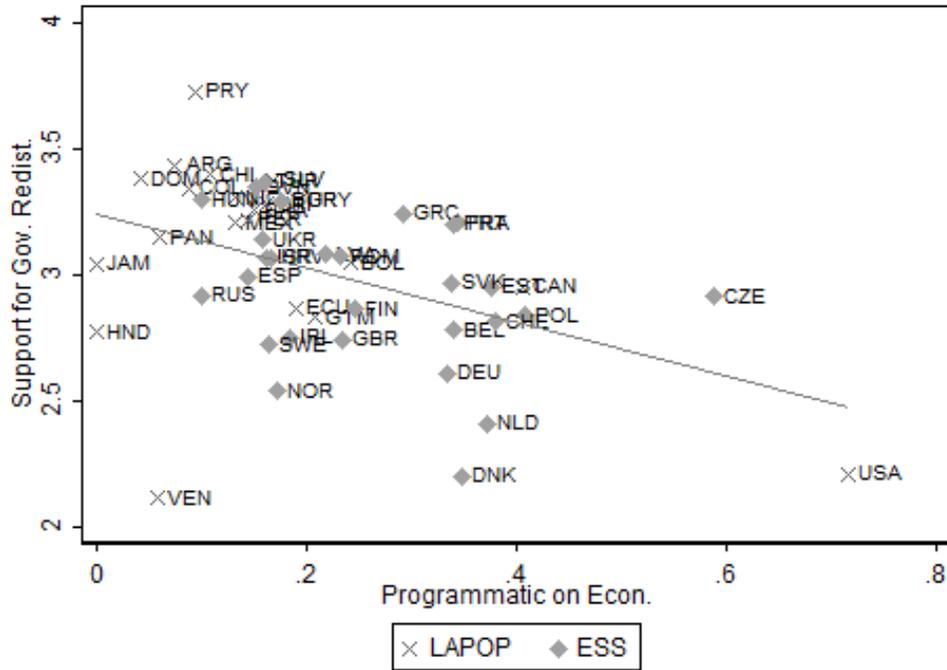


Figure 6: Support for Redistribution and Programmatic Linkages

In addition, it is also worth comparing how well BGI predicts between-group differences in support for redistribution. If the social identity model of preferences for redistribution is correct, it would be expected that greater BGI should correlate with greater between group concentration of preferences (BGC of preferences). However, the scatterplot between BGI and BGC of preferences (figure 7), shows the exact opposite relationship! The greater the between group inequality in a country, the greater the concentration of redistributive preferences among WEALTHY groups (the correlation between the two is about 0.23). As is apparent in figure 7, this result is primarily being driven by a small group of countries (Guatemala, as well as the few English settler colonies in the sample), I am hesitant to draw any strong conclusions on why this somewhat surprising result occurs, but I offer up three tentative hypotheses on why this may result.

First, it is possible that in some countries, greater between-group differences in income

are associated with many other factors that are crucial for the development of preferences for redistribution. As a first step, individuals need to actually observe inequality and feel that it is unjust (Sen 2000). Differences in knowledge of, or access to information about inequality may make it so that poorer groups actually possess less knowledge of inequality. One possible reason why countries such as Guatemala have a positive concentration of preferences (indicating greater demand for redistribution among wealthier ethnic groups) is that wealthier ethnic groups tend to be urban, where income gaps are made more stark through the proximity of wealthy and poor and individuals possess greater information than in the countryside (Majumdar, Mani and Mukand 2004).

A second possibility is that individuals in some ethnicities may be performing within-group comparisons, as opposed to between-group comparisons. This possibility is suggested in the social psychology literature on relative deprivation (Runciman 1966), where individuals become more likely to compare themselves with those with whom they share important characteristics. If inequality is lower among poorer ethnic groups than in wealthier income groups, within-group comparisons of income will likely lead to greater support for redistribution among the wealthier income groups.

A final possibility is that members of wealthier ethnic groups may be weighting alternative aspects of redistribution beyond pocketbook or even ethnic dimensions: for example, members of wealthy ethnic groups may be more concerned with the effect of inequality on crime. This could potentially be of greater salience in certain countries that have had growth in criminal activity in recent years, and may have some relevance for the somewhat puzzling result in Guatemala.

It is also of interest to note that among the countries included in the analysis, the United States exhibits by far the greatest divide between different ethnic groups in terms of support for redistribution. On one hand, this may seem to support the “American Exceptionalism” of the theory linking social identities to redistribution attitudes – the racial divides in support

for redistribution in the United States are unparalleled in other countries around the world. One advantage of this paper is that it can begin to explain why that may be the case.

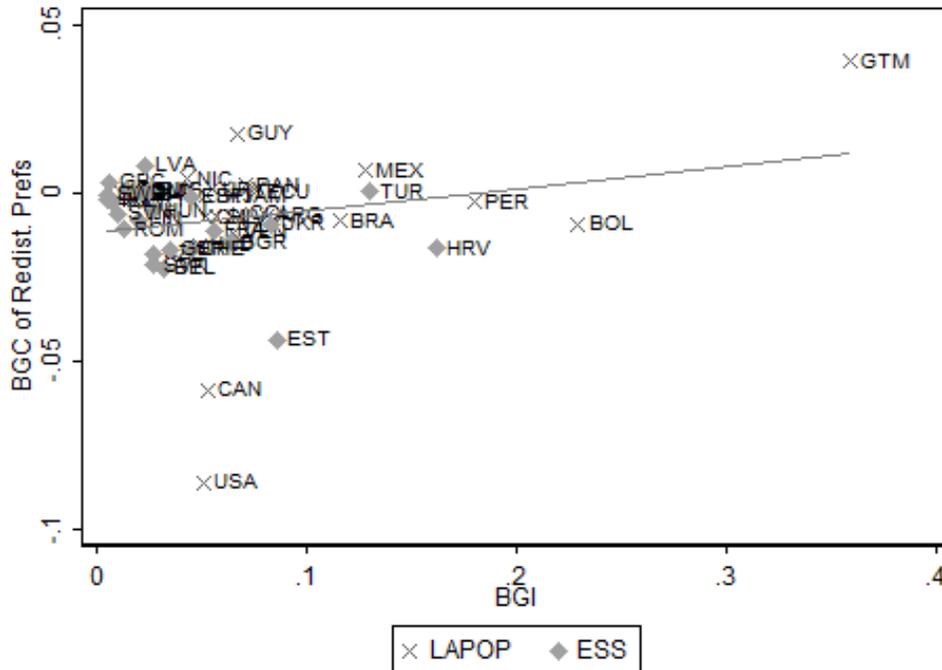


Figure 7: Between Group Concentration of Preferences and BGI

Looking explicitly at the relationship between programmatic politics and between group differences in preferences, I find a generally negative relationship, shown in figure 8, and with a correlation coefficient of -0.61. While this might seem to be evidence for my theory, of more importance will be the *interaction* between BGI and programmatic politics. As a country becomes more programmatic, and as between-group differences in income become larger, individuals will become more susceptible to ethnic frames to redistributive social spending. That is, I expect that between-group differences in preferences will be largest as programmatic politics interacts with high BGI. The evidence for this is shown in figures 9.

Examining all countries in figure 9, I discover that there is a very weak downward relationship between the programmatic X BGI interaction and concentration of preferences,

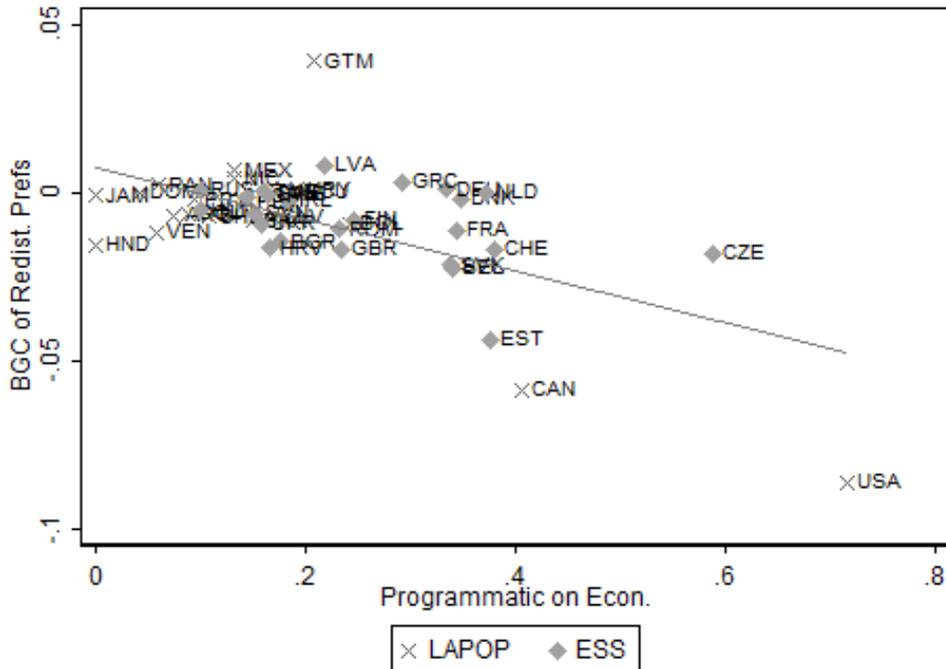


Figure 8: Support for Redistribution and Programmatic Linkages

with a correlation coefficient of about -0.1. However, it is important to note two important outlier cases, Guatemala and Bolivia, which significantly weaken the relationship. Dropping these cases yields a correlation coefficient of -0.65, which suggests a strong relationship. Looking only at countries within the ESS, the relationship becomes even stronger, with a correlation coefficient of nearly -0.7. In contrast, however, looking only at LAPOP countries, the correlation drops away entirely, to 0.028, primarily due to the outliers of Guatemala and Bolivia⁹. Of course, I cannot simply drop cases that do not seem to agree with my theory – further investigation is obviously needed to understand what is driving results in these countries.

While the scattergrams presented are suggestive, it does not serve as an adequate analysis of between group redistribution preferences. The between-group concentration of preferences may not actually indicate ethnicity matters at all – individuals may be developing prefer-

⁹The correlation without Guatemala and Bolivia for LAPOP countries is -0.66

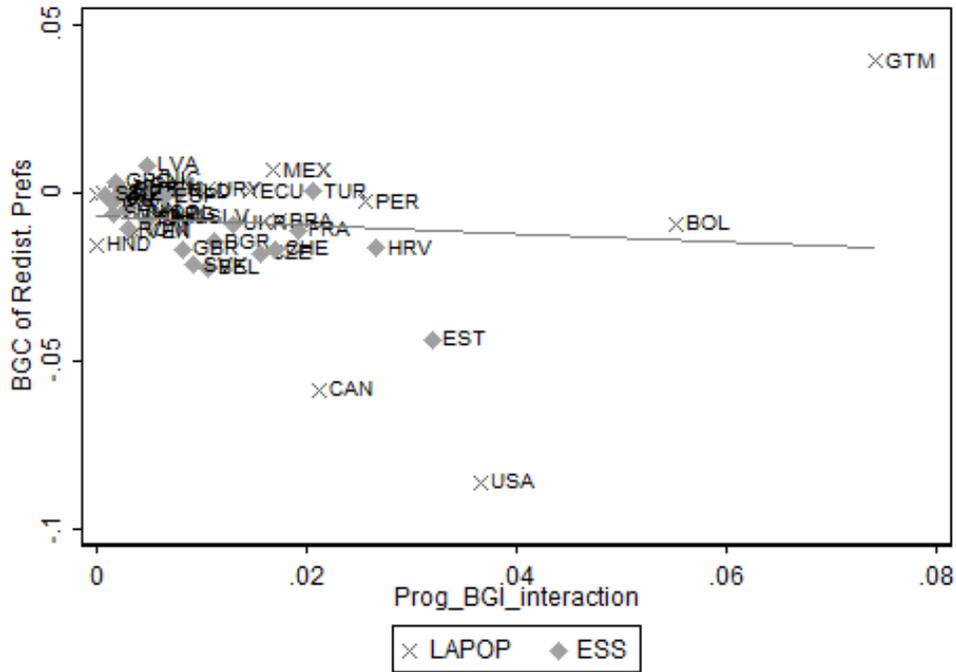


Figure 9: BGC of Preferences and Prog X BGI interaction: all countries

ences for redistribution based on some other factor that happens to coincide with ethnicity. For example, individuals may be basing their preferences for redistribution on individual “pocketbook” factors, that correlate with social group. In an effort to control for these other variables, I run some rudimentary OLS regressions. In future iterations of this paper, I plan to run a stronger hierarchical model that will allow me to better control for individual-level attributes that may be correlated with ethnicity. As a result, the results presented are not intended to be taken as a robust hypothesis test, but rather as suggestive of evidence in favor of my theory.

Table 1, provides the results from several different models. Model 1 examines the relationship between programmatic linkages on the redistribution issue, BGI and the between-group concentration of preferences. As expected, based on the scattergrams drawn above, more programmatic politics results in greater concentration of preferences for redistribution among

poorer ethnic groups, while BGI reduces it, although the coefficient on BGI is not significant. In model 2, I add the interaction term between programmatic politics and BGI. As expected, this has a negative effect, but is only marginally significant at the 0.1 level. In Models 3 and 4, I run the same regression as in model 2, but split the sample by survey, following the results suggested by the scattergram in figure 9. Model 3 is only using LAPOP countries, while Model 4 only takes ESS countries. As can be seen, the results match my theory much more strongly in Model 4 (That is, the interaction term is strongly significant in the expected direction).

I run Models 5 and 6 on all countries, adding in a handful of other control-variables. In model 5, I add the control of GDP per capita at PPP – this measure is very highly correlated with programmatic politics, with programmatic countries also having a higher level of economic development and a correlation coefficient of 0.57 among the countries in this sample. Despite this multicollinearity, the interaction term remains marginally significant at the 0.1 level. In model 6, I add the rural proportion of the population. The reason I chose this control is because it could potentially have some explanatory power behind the outlier status of Guatemala and Bolivia. With an ethnic minority concentrated in rural areas, members of that minority could be performing between-group comparisons or have less information on inequality (that is, the gaps in income found in the urban core are much less salient or obvious to them), that in turn results in lower demand for redistribution. Of course, the rough aggregate measure I employ here does not get at the ethnic concentration in rural or urban areas, and as a result it is a crude control¹⁰. The addition of this control does not significantly adjust the primary results of the model, although it does move the interaction term to the cusp of statistical significance at the 0.05 level.

¹⁰In future iterations of this project, I hope to include a more appropriate control developed from the LAPOP and ESS surveys themselves

Table 1: OLS on BGC of Preferences

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	b/t	b/t	b/t	b/t	b/t	b/t
ProgEcon	-0.074** (-4.82)	-0.022 (-0.68)	-0.161** (-3.38)	0.029 (1.27)	-0.029 (-0.79)	-0.022 (-0.59)
BGI	0.047 (1.41)	0.277* (2.05)	-0.003 (-0.02)	0.305* (2.75)	0.282* (2.06)	0.317* (2.30)
PrEc*BGI		-1.136+ (-1.75)	0.717 (0.88)	-2.197** (-4.10)	-1.123+ (-1.71)	-1.300+ (-1.97)
GDPPC-PPP					0.001 (0.42)	0.002 (0.78)
Prop. Rural						0.025 (1.36)
Constant	0.004 (0.91)	-0.007 (-0.92)	0.007 (0.68)	-0.008 (-1.39)	-0.008 (-1.00)	-0.019 (-1.67)
R^2	0.392	0.435	0.778	0.645	0.437	0.462
N	45	45	21	24	45	45
Legend:	+ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$					

Conclusions

In this paper, I explore the role of social heterogeneity on preferences for redistribution, and find that empirically the relationship between ethnic heterogeneity and preferences does not actually hold in many countries. I suggest that social identity will become salient with regards to individual evaluations of redistribution of income by the government only when there is an incentive for politicians to prime that identity. In countries where political competition tends to be programmatic, especially on economic issues relating to redistribution, a strong incentive exists for right-wing political parties to link ethnicity and the redistribution issue. To be clear, this does not mean that ethnicity is not relevant in non-programmatic contexts, and that heterogeneity will not affect public goods provision in these countries. However, the causal pathway likely does not lie in preferences for or against redistribution – in non-programmatic countries the lack of variation in preferences for redistribution is striking. Instead, the causal pathway may have more to do with clientelistic networks, with are often

assisted by ethnic groups, and will reduce public good provision.

Finally, this paper is able to extend the logic of many studies in the United States which examine the “racialization” of welfare to other countries and regions. Although the United States remains distinctive in this analysis, exhibiting the largest between-group differences in support for redistribution, the comparative analysis here provides some insight into *why* the United States is so distinctive. Many other countries in the analysis exhibit BGI that is on par with (and higher) than that found in the United States, including much of Latin America, Turkey, Estonia, Croatia and Ukraine. However, none of these countries come close to the between-group differences in support for redistribution that are found in the United States. The reason for “American Exceptionalism” can be seen in the contrasting nature of democratic linkages between these other countries and the United States – the United States has highly programmatic linkages over economic policy.

Moreover, the argument helps to explain why welfare has become “racialized” in the United States over time. As Gilens (1999) noted, in the 1960s the face of welfare was white, not black. Although portrayed as a backlash against the civil rights movement, another possibility may be that the left had begun to link more successfully with the poor on the issue of redistribution, creating clear political incentives to change the face of welfare to become African-American. Bartels (2008) noted that “over the past half-century economic status has become more important, not less important, in structuring the presidential voting behavior of white Americans” (pg. 73), noting a slight *rise* in the number of poor whites supporting the Democratic party (and a greater decline in wealthy whites). Although we do not have access to the counterfactual world in which welfare was never racialized, it seems likely that poor whites would have exhibited even greater support for the left in the United States had the issue remained focussed entirely on the economic dimension. Instead of a situation where poor white Americans are being enticed by alternative issue dimensions (such as race or religious issues) away from the economic dimension (Frank 2004), it is

precisely *because* of the importance of the economic dimension that political elites have an incentive to “racialize” welfare spending.

Appendix A: Description of Variables

Variable	Range	Description
Support for Redistribution	0=Strongly Disagree; 1=Disagree; 2=Neither agree nor disagree; 3=Agree; 4=Strongly Agree	In ESS, the question wording is “The government should take measures to reduce differences in income levels.” In LAPOP, the question wording is “The (Country) government should implement firm policies to reduce inequality in income between the rich and the poor. To what extent do you agree or disagree with this statement?”
Income	Stated income for the year in local currency units	LAPOP and ESS use only predetermined categories for income. I have recoded the respondents income to the mean of the range they selected (for example, if the respondent chooses “between 8000 and 9000 lcus a year”, they are given an income of 8500. Top-level incomes are coded at 1.5 times the top level (so “more than 15000 lcus a year” would be coded as 22500.
Social Identity	n.a.	Categorization of ethnic identity using the classification system outlined in Fearon (2003).
Programmatic Linkages on Economic Issues	Theoretically Possible Range from 0 to 1; Actual Range from 0 to 0.72	Multiplicative index taken from an expert survey carried out by a research team at Duke University. Described completely in Kitschelt and Freeze (2010), it measure the cohesion of expert scores (mean sd of expert judgments for each party, aggregated to national level by weighting by party size), the polarization of party positions (sd of mean party positions) and salience (operationalized by the proportion of valid expert responses) of three economic issue positions.
GDP per capita	n.a.	At purchasing power parity in 2005 USD, taken from the World Bank
Rural Proportion of Population	0-100	Percentage of the population living in rural areas (2005), from the World Bank.

References

- Acemoglu, D. and J. Robinson. 2006. *Economic Origins of Dictatorship and Democracy, 2006*. Cambridge University Press.
- Alesina, A. and E.L. Glaeser. 2004. *Fighting poverty in the US and Europe: A world of difference*. Oxford University Press, USA.
- Alesina, A., R. Baqir and W. Easterly. 1999. “Public goods and ethnic divisions.” *Quarterly Journal of Economics* 114(4):1243–1284.
- Baldwin, K. and J.D. Huber. 2010. “Economic versus Cultural Differences: Forms of Ethnic Diversity and Public Goods Provision.” *American Political Science Review* 104(4):644–662.
- Bartels, L.M. 2008. *Unequal democracy: the political economy of the new gilded age*. Princeton University Press.
- Campbell, Angus, Philip E. Converse, Warren E. Miller and Donald E. Stokes. 1960. *The American Voter*. New York: Wiley.
- Chong, D. and J.N. Druckman. 2007. “Framing theory.” *Annual Review of Political Science* 10:103–126.
- Corneo, G. and H.P. Gruner. 2002. “Individual preferences for political redistribution.” *Journal of Public Economics* 83(1):83–107.
- Cusack, T., T. Iversen and P. Rehm. 2006. “Risks at work: The demand and supply sides of government redistribution.” *Oxford Review of Economic Policy* 22(3):365.
- Dion, M.L. and V. Birchfield. 2010. “Economic Development, Income Inequality, and Preferences for Redistribution¹.” *International Studies Quarterly* 54(2):315–334.

- Eifert, B., E. Miguel and D.N. Posner. 2010. "Political competition and ethnic identification in Africa." *American Journal of Political Science* 54(2):494–510.
- Erikson, Robert S., Michael B. MacKuen and James A. Stimson. 2002. *The Macro Polity*. New York: Cambridge University Press.
- Fearon, J.D. 2003. "Ethnic and Cultural Diversity by Country." *Journal of Economic Growth* 8(2):195–222.
- Frank, Thomas. 2004. *What's the matter with Kansas?: how conservatives won the heart of America*. New York: Henry Holt and Company.
- Gilens, M. 1999. *Why Americans hate welfare: Race, media, and the politics of antipoverty policy*. University of Chicago Press.
- Hawkins, K.A. 2009. "Is Chavez Populist?: Measuring Populist Discourse in Comparative Perspective." *Comparative Political Studies* 42(8):1040.
- Hillygus, D.S. and T.G. Shields. 2008. *The persuadable voter: wedge issues in presidential campaigns*. Princeton Univ Pr.
- Kakwani, N., A. Wagstaff and E. Van Doorslaer. 1997. "Socioeconomic inequalities in health: Measurement, computation, and statistical inference." *Journal of econometrics* 77(1):87–103.
- Kakwani, N.C. 1977. "Measurement of tax progressivity: an international comparison." *The Economic Journal* 87(345):71–80.
- Kenworthy, L. and L. McCall. 2008. "Inequality, Public Opinion and Redistribution." *Socio-Economic Review* 6(1):35.

- Kitschelt, H. 2000. "Linkages between citizens and politicians in democratic polities." *Comparative Political Studies* 33(6-7):845.
- Kitschelt, H., K. Freeze, K. Kolev and Y.T. Wang. 2009. "Measuring Democratic Accountability: An initial report on an emerging data set." *revista deficiencia Politica* 29(3):741–773.
- Kitschelt, H. and S. Wilkinson. 2007. *Patrons, clients, and policies: patterns of democratic accountability and political competition*. Cambridge Univ Pr.
- Kitschelt, Herbert and Kent Freeze. 2010. Programmatic Party System Structuration: Developing and Comparing Cross-National and Cross-Party Measures with a New Global Data Set. APSA Annual Meeting, Washington, DC.
- Klor, E.F. and M. Shayo. 2010. "Social Identity and Preferences Over Redistribution." *Journal of Public Economics* 94(3-4):269–278.
- Kolev, Kiril and Yiting Wang. 2010. Ethnic Group Divisions and Clientelism. APSA Annual Meeting, Washington, DC.
- Lemarchand, R. 1972. "Political clientelism and ethnicity in tropical Africa: Competing solidarities in nation-building." *The American Political Science Review* 66(1):68–90.
- Lindert, P.H. 1991. Toward a Comparative History of Income and Wealth Inequality. In *Income Distribution in Historical Perspective*, ed. H. Kaelble and M Thomas. Cambridge Univ Pr pp. 212–231.
- Luttmer, E.F.P. 2001. "Group loyalty and the taste for redistribution." *Journal of Political Economy* 109(3).
- Majumdar, S., A. Mani and S.W. Mukand. 2004. "Politics, information and the urban bias." *Journal of Development Economics* 75(1):137–165.

- Meltzer, A.H. and S.F. Richard. 1981. "A Rational Theory of the Size of Government." *Journal of Political Economy* 89(5):914.
- Nelson, T.E. and Z.M. Oxley. 1999. "Issue framing effects on belief importance and opinion." *The Journal of Politics* 61(04):1040–1067.
- Neubeck, K.J. and N.A. Cazenave. 2001. *Welfare Racism: Playing the Race Card against America's Poor*. Routledge.
- O'Donnell, O., E. Van Doorslaer, A. Wagstaff and M. Lindelow. 2008. *Analyzing health equity using household survey data: a guide to techniques and their implementation*. World Bank Publications.
- Quadagno, J. 1994. *The Color of Welfare: How Racism Undermined the War on Poverty*. Oxford University Press, Inc.
- Romer, T. 1975. "Individual welfare, majority voting, and the properties of a linear income tax." *Journal of Public Economics* 4(2):163–185.
- Runciman, W.G. 1966. *Relative deprivation and social justice: A study of attitudes to social inequality in twentieth-century England*. University of California Press.
- Sen, Amartya. 2000. *Handbook of Income Distribution, vol. 1*. Amsterdam: Elsevier Science chapter Social Justice and the Distribution of Income, pp. 59–85.
- Shayo, M. 2009. "A model of social identity with an application to political economy: Nation, class, and redistribution." *American Political Science Review* 103(02):147–174.
- Sniderman, Paul and Sean Theriault. 2004. The structure of political argument and the logic of issue framing. In *Studies in public opinion: Attitudes, nonattitudes, measurement error, and change*, ed. Willem Saris and Paul Sniderman. Princeton University Press pp. 133–65.

- Tajfel, H. and J.C. Turner. 1979. An integrative theory of intergroup conflict. In *The social psychology of intergroup relations*, ed. Henri Tajfel. Brooks/Cole pp. 33–47.
- Van Doorslaer, E., A. Wagstaff, H. Bleichrodt, S. Calonge, U.G. Gerdtham, M. Gerfin, J. Geurts, L. Gross, U. Hakkinen, R.E. Leu, Owen O’Donnell, Carole Propper, Frank Puffer, Marisol Rodriguez, Gun Sundberg and Olaf Winkelhake. 1997. “Income-related inequalities in health: Some international comparisons.” *Journal of Health Economics* 16(1):93–112.
- Winter, N.J.G. 2008. *Dangerous frames: How ideas about race and gender shape public opinion*. University of Chicago Press.
- Zaller, J. 1992. *The nature and origins of mass opinion*. Cambridge University Press.