Economic Inequality and Legislative Agendas in Europe

Derek A. Epp
The University of Texas at Austin

Enrico Borghetto
New University of Lisbon

This article investigates the effects of economic inequality on legislative agendas. It considers two competing hypotheses: (1) that policymakers will act to counter rising inequality by renewing their focus on redistributive social policies, and (2) that rising inequality makes legislative agendas especially vulnerable to the influence of economic elites, and that these elites will attempt to keep redistributive social policies off the agenda. Empirical tests, which are designed to arbitrate between these hypotheses, use data on public laws and parliamentary bills introduced in the legislatures of nine European countries between 1941 and 2014. The evidence is supportive of the second hypothesis: as inequality becomes more acute, European legislative agendas become systematically less diverse and this narrowing of attention is driven by a migration away from social safety-net issues toward issues relating to law enforcement, immigration, and national defense.

5 February 2018

How does rising economic inequality affect policy agendas? One possibility is that as inequality becomes more acute governmental attention will gravitate toward traditional mechanisms for redistribution: social welfare, education, health care. That is, toward potential solutions to the problem. This is what traditional accounts of representation and public demand for redistribution might lead us to expect (Meltzer and Richard 1981). That while the link between the severity of social problems and government efforts to solve them is far from ironclad these concepts are nonetheless related (Mortensen and Seeberg 2015; Borghetto and Russo 2018), and that public concern about problems factors into the policy process. Scholarship from across the social sciences associates high levels of economic stratification with negative social consequences and polling indicates that the public is worried, so inequality would seem to be a prime candidate for government intervention.

But classic studies in agenda-setting suggest a more pessimistic answer. Schattschneider (1960) argued that wealthy interests exert a special influence over government agendas and use this influence to limit the scope of conflict, thereby protecting an advantageous status quo. Similar concerns are raised by Lowi (1969), Lindblom (1977), and Dahl (1983). In all likelihood, rising inequality increases the influence of economic elites as political parties become more dependent on the support of the rich (Bartels 2008), and lower-income groups that would benefit from redistribution become discouraged and less inclined to participate politically (Solt 2008; Rosenthal, McCary, and Poole 2006). This suggests that rising inequality would, counterintuitively, lead to government agendas that are more constrained and myopic at the expense of attention to redistributional issues such as welfare.

To find out which of these possibilities rings true, we assemble data on the policy agendas of nine European democracies. The primary source for this data is the *Comparative*

Agendas Project, which uses a uniform coding schematic to track the amount of legislative attention different policy areas have received over time. We discover that rising inequality is closely associated with government agendas that are less topically diverse. Compositional analysis further reveals that this concentrating of governmental attention is driven predominantly by a migration of attention away from traditional social-safety net topics toward other policy areas, such as law enforcement and national defense. Thus, our findings are consistent with theories that economic inequality is a particularly difficult problem for democratic governments to solve.

There has been a renewed focus on inequality in political science as economic stratification in the US reaches levels last seen during the Great Depression. What has received somewhat less attention (at least from political scientists) is that inequality is also rising quite dramatically throughout Europe.[1] A comparative focus is therefore highly appropriate. Many prominent studies of inequality in the US context have suggested that the failure of policymakers to meaningfully address rising inequality can be traced back to the outsized political influence of wealthy interests (Hacker and Pierson 2005; Bartels 2008; Winters and Page 2009; Page, Bartels, and Seawright 2013; Gilens 2014). This study provides evidence indicating that similar forces may be at work in Europe, and it therefore appears unlikely that the US results are being confounded by any latent sociopolitical factors.

Background

The dictates of responsible governance suggest that policymakers will care about issues relating to economic inequality. Certainly, acute levels of inequality can be deemed problematic; they

[1] An important exception is Beckfield (2009), who documents the rise of within-country inequality in the European Union. See also Kenworthy and Pontusson (2005).

have been linked to public health problems (Wilkinson and Pickett 2009), higher crime rates (Kaplan et.al. 1996), and sluggish economic growth (Cynamon and Fazzari 2014). Moreover, polling indicates that the public is concerned about inequality. A 2014 survey conducted by the Pew Research Center found that 65% of respondents agreed that the gap between the rich and everyone else had grown, and 69% thought government should do something about it (Gao and Drake 2015). Meanwhile, Pew's 2014 Global Attitudes survey revealed that 60% of Europeans see inequality as a "very big problem" and another 31% see it as a "moderately big problem" (Wike 2014). Finseraas (2008) found that rising inequality is positively associated with public demands for redistribution in a study of 22 European countries.[2]

However, there are also reasons to think that inequality may not receive the attention from policymakers that it deserves. The concerns voiced by Schattschneider and his contemporaries about the negative agenda power exercised by wealthy interests are newly salient as economic stratification intensifies. In the US case, researchers have noted with growing alarm that a small number of wealthy individuals now account for a majority of campaign financing (Winters and Page 2009; Bartels 2008; Drutman 2011). The fact that inequality in the US

[2] The same may not be true for the US. Kelly and Enns (2010) and Luttig (2013) showed that public policy mood (Stimson's [1999] aggregate measure of public preferences for more or less government) moves in a conservative direction as inequality becomes more acute. This raises the possibility that policymakers are inattentive to income inequality simply because they are responding to a public that has grown more skeptical about redistributive programs. Moreover, Kelly and Enns demonstrated that the preferences of lower- and higher-income groups appear to move in parallel on this issue. That is, both groups become less supportive of redistribution as inequality rises. And parallel movement in the public preferences of difference income groups has been noted in other contexts as well (Page and Shapiro 1992; Soroka and Wlezien 2008; Ura and Ellis 2008). These results, particularly in the context of economic stratification, are surprising. One possibility is that elites successfully frame redistribution in a negative light, or that the public fails to appreciate the beneficial redistributive effects of public policy (Bartels 2005, 2008). More research in this area is called for, especially of European countries where the Finseraas result suggest that different opinion dynamics may be at work.

continues to grow, even in the face of heightened public concern, raises the possibility that wealthy interests have been successful at keeping redistributive policies off the government agenda (Mettler 2011; Franko, Tolbert, and Witko 2013). Moreover, scholarship has suggested that where the preferences of the wealthy and everyone else diverge, policymakers are more responsive to the attitudes of those at the top (Gilens 2014). A series of comparative studies of Western Europe found that countries with relatively high levels of inequality spend less on welfare and other redistributive programs (Bradley et.al. 2003; Iversen and Soskice 2006; Moene and Wallerstein 2001). Iversen (2005, 85) remarks that this disconnect is "an important unsolved puzzle" as it is inconsistent with traditional political economy models.

Wealthy interests could influence the agenda through at least three channels, none of which are mutually exclusive and all of which may become more pronounced as inequality grows. First, many lawmakers are themselves economic elites, so simple self-interest may make them hesitant to pursue redistributive policies, or at least more ambivalent about inequality (Carnes 2013). Second, there may be a gatekeeping effect whereby economic elites donate disproportionately to the campaigns of candidates or parties with less disruptive, status-quo oriented agendas (Epp 2017). Third, economic elites and corporate interest groups are generally thought to have better access to lawmakers than average citizens or labor groups and may therefore be well-positioned to block redistributive policy proposals (Gilens and Page 2014). All three pathways of influence are relevant in both the US and European contexts.

Of course, even if economic elites have an advantage over average citizens that does not mean they always get their way or that redistribution is impossible. Erikson (2015) points out that major legislation often creates or expands government programs to the benefit of low-income citizens. Rather, the idea is simply that negative agenda power exercised by economic

elites imposes another layer of friction on the policy process, making efforts to solve inequality more likely to fail.

The effects on inequality on policy agendas

We see two competing ways in which rising inequality could affect agenda setting. The first is that lawmakers will recognize that rising inequality poses a social problem (and one that the public appears to be concerned about) and will prioritize possible solutions. We call this the problem responsiveness hypothesis. The second is that rising inequality will strengthen the political influence of the wealthy and they will use this influence to block redistributive policies. We call this the negative agenda power hypothesis.

Each hypothesis has distinct observable implications for legislative agendas and our empirical approach is designed to arbitrate between the two. Before lawmakers can solve a problem they must pay attention to it, so if the responsiveness hypothesis is true, then we should observe governmental attention migrating toward the types of social-safety net issues that can counter economic inequality; for example, education, health care, welfare, and housing programs. The negative agenda power hypothesis predicts exactly the opposite: that governmental attention should migrate away from these topics. Note, this is a stronger claim than simply stating that there should be no statistically meaningful increase in attention to social-safety net issues. Agendas are known to be path dependent, so it is not especially noteworthy that attention to an issue stays the same over time; support for the negative agenda power hypothesis requires a statistically meaningful decrease in attention to these topics.

We can formulate another predication as well. Diverse government agendas are thought to be a leading indicator of institutional capacity for engaging with social problems (Williams 1998; Baumgartner and Jones 2015). Hacker and Pierson (2005) emphasize that entrenched

economic interests protect the status quo by keeping new issues off the agenda, and Drutman and Teles (2015) argue that this type of negative feedback can severely undermine a government's ability to solve problems. Thus, if the negative agenda power hypothesis is correct, then we can expect to see more myopic government agendas as inequality becomes more acute; indicative of governments that are less concerned with addressing social problems. To summarize our expectations:

Problem responsiveness hypothesis: as economic inequality grows there will be a corresponding increase in legislative attention to social-safety net issues.

Negative agenda power hypothesis: as economic inequality grows there will be a corresponding decrease in legislative attention to social-safety net issues and the overall legislative agenda will become less topically diverse.

Scholarship looking at inequality in the US has been more supportive of the negative agenda power hypothesis than its alternative. As discussed in the previous section, there has been little evidence that US lawmakers are prioritizing solutions to inequality, and growing evidence that they are doing precisely the opposite (although there remains uncertainty about why exactly this is the case).[3] Our focus is on Europe, where economic inequality is also on the rise. It is possible that European cultures or institutions provide some bulwark against the influence of economic elites on policy agendas that is absent in the US, or that European publics are more likely to favor redistributive social policy as a mechanism for addressing inequality. Furthermore, one might wonder if the US results are really about the influence of wealthy interests, or simply reflective of broad sociopolitical currents such as the rise of neoliberalism in the 1990s. By taking a comparative approach we can better understand the extent of inequality as a social problem and place the US results in context. Of course, an important admonition is that

[3] In December of 2017, the US government passed a massive tax overhaul that is expected to make the gap between rich and poor grow even wider.

our data does not allow for the kind of "smoking-gun" evidence that would directly identify economic elites as blocking the passage of any particular policy proposal, rather, we are simply looking for agenda-level effects that would be consistent with this type of behavior.

Data and methods

We use data available from the *Comparative Agendas Project* (CAP) to measure the legislative agendas of nine European countries: Belgium, Denmark, France, Hungary, Italy, the Netherlands, Portugal, Spain, and the United Kingdom. CAP is an international data-sharing endeavor that codes policy activities conducted by lawmakers into twenty-one mutually exclusive topic categories. We focus on activities deriving from two distinct stages of the policy process: bills introduced in parliament and enacted public laws. The chances of a bill becoming law vary extensively within and across countries, but they are generally low for MP-sponsored bills. As a result, there is only a partial overlap between the two datasets. Each bill or public law is manually coded by analysts from each country into only one category and it is therefore possible to compare trends in political attention to different issues both cross-sectionally and over time. Because of the decentralized process of data collection and coding, available time series are not identical across countries. Furthermore, data on parliamentary bills is available for only five countries. However, these differences should not affect the results and we conduct tests in the appendix to demonstrate that our findings are robust.

An advantage of the CAP data is that it covers the legislative agendas of a variety of European countries, allowing analysts to test their hypotheses with heterogeneous cases (at least within Europe). While we are aware that cross-country institutional and political differences may affect our hypothesized relationships, our goal is to detect average patterns. Therefore, by using dissimilar cases, we decrease the likelihood of our results being confounded by specific country

characteristics. The nine countries featured in our analyses vary in terms of political and welfare systems, as well as levels of income inequality, making them a representative sample of European democracies. They span the majoritarian-consensus continuum (using the executives-parties dimension) developed by Lijphart (2012), with Spain and the UK closer to the majoritarian pole and Denmark and the Netherlands closer to the consensus pole. Previous studies have found that the configuration of political institutions in industrialized democracies matters for the distribution of income, with consensual democracies displaying lower levels of income inequality (Birchfield and Crepaz 1998). Our cases also feature variation in Esping-Andersen's welfare regime typology (1999), with five cases falling in the continental category (France, Belgium, Italy, Spain and Portugal), one in the liberal (the UK), two in the Social-democratic (Denmark and the Netherlands), and one in the Central and Eastern European category (Hungary). Finally, our data exhibit considerable cross-country variation in income inequality, our main independent variable.

We use this data to develop two sets of dependent variables. The first is an entropy measure, and we calculate this separately for laws and bills. Entropy measures the spread of events or information across categories (in this case the spread of laws or bills across topic categories). If, in a given year, every law was on the same topic, then the system would have a very low entropy score for that year, reflecting a uniform signal. Conversely, if the same number of laws were enacted for each of the twenty-one topic categories, then the system would have a very high entropy score. There are a variety of ways to calculate entropy; we use Shannon's diversity index because it is sensitive to changes in systems that tend to have higher levels of entropy (Shannon 1948; Boydstun, Bevan, and Thomas 2014). We apply a normalized version of

the Shannon's index ranging from zero, the least entropic possible system, to one, the most entropic. This is our measure of agenda diversity.

The second set of dependent variables is compositional in nature. We take the twenty-one topic categories used by CAP coders and assign them to one of four groups: economic, social order, social safety-net, or other. Any bill or law having to do with macroeconomics, labor, domestic commerce, or foreign trade is assigned to the economic group. Bills or laws addressing law and crime, immigration, or national defense form the social-order group. Legislation on health care, social welfare, public housing, and education form the social safety-net group. The remaining topics are assigned to the other group and this includes legislation addressing technology, public lands, or government operations, among a few additional categories.[4] We then calculate the annual percentage of total bills or laws from each of the four groups for each country. These variables allow us to measure if legislative attention to social safety-net topics is increasing or decreasing relative to the other groups as inequality becomes more pronounced.

Our analyses also include a number of independent variables. The most theoretically important of these is the Gini index, which is a common measure of inequality. This data is available from the *World Inequality Database* and, among the different available indicators of inequality, we opt for the Gini index because it features the most complete time series.[5] The index can vary between zero and one hundred, with higher values indicating a greater

[4] The CAP master codebook is available online: http://www.comparativeagendas.net/pages/master-codebook. It includes details on each of the twenty-one topic categories.

[5] A simple test of the difference of means in the Gini index between our sample of nine countries and the population of European countries shows no statistically meaningful difference (p-value = 0.97, 99% confidence interval).

concentration of income.[6] The mean values ranges from the lowest of 22.9 in Denmark to the highest of 35.8 in Portugal.

Other independent variables are extracted from the *Comparative Political Data Set* (CPDS) (Armingeon et al. 2017). These include an index variable that measures the number of effective parties with representation in parliament in a given year (Laakso and Taagepera 1979). We expect that the more parties in parliament (the higher the index value), the more voices contributing to set the agenda, which may result in more diverse legislative agendas overall. This variable ranges from an average of 7.98 in Belgium to 2.21 in the United Kingdom.

A similar logic underlies our second control variable, a dichotomous indicator coded 1 for years of single-party government. We expect multiparty governing coalitions to host more diverse interests and represent distinct partisan constituencies. As a result, they should be more inclined to enact a more differentiated agenda to secure support from coalition partners. For the period under investigation, we have majoritarian democracies such as the UK and Spain operating almost exclusively under single-party governments and more consensual cases such as the Benelux countries and Italy where single-party governments are never a viable option.

Third, we control for the ideological composition of the legislature by including a measure of the relative weight of socialdemocratic and other left-wing parties in the governing coalition. The yearly index included in the CPDS dataset represents the percentage of parliamentary seats these parties control, out of the total parliamentary seat share of all governing parties (weighted by the number of days in office in a given year). We expect left-wing governing coalition to pay more attention to social safety-net issues and to engage more robustly with social problems, which should contribute to diversify the legislative agenda. The

[6] The Gini index is a normalized measure of the Gini coefficient.

country with the highest and lowest mean yearly scores are respectively Portugal and the Netherlands.

Finally, our models include two variables meant to measure important contextual factors that might affect legislative agenda setting. The first is a dichotomous control for an election year (coded as one in years when there is an election), based on the logic that the demands of electioneering might systematically affect the diversity of the agenda. The second is a version of the "misery index," a commonly-used measure of economic hardship that additively combines a country's unemployment rate with its currency inflation rate, with higher values indicating greater misery. The resulting index was normalized by country to account for the different standards of economic health exhibited by the studied democracies. This is an important element to account for when testing our hypotheses because, in period of economic recession, crisis-related concerns can dominate legislative agendas, leaving little room for other topics.

Our hypothesis testing proceeds in two parts. The first step is to model the entropy of laws and bills as a function of inequality and the control variables. A lagged dependent variable (LDV) specification was deemed appropriate as there are strong theoretical reasons to expect legislative agendas to be path dependent. (The supplemental materials consider a variety of alternative estimation strategies, including single-equation error-correction models. Substantively, the results are always the same.) Second, we use an estimator developed by Philips, Rutherford, and Whitten (2015) for compositional analysis.[7] Their technique uses seemingly unrelated regression to describe the tradeoffs among compositional data series when a predictor variable is "shocked" to stimulate a sudden increase or decrease. In our case, we

[7] See also Lipsmeyer, Philips, Rutherford, and Whitten (2017) and Lipsmeyer, Philips, and Whitten (2017).

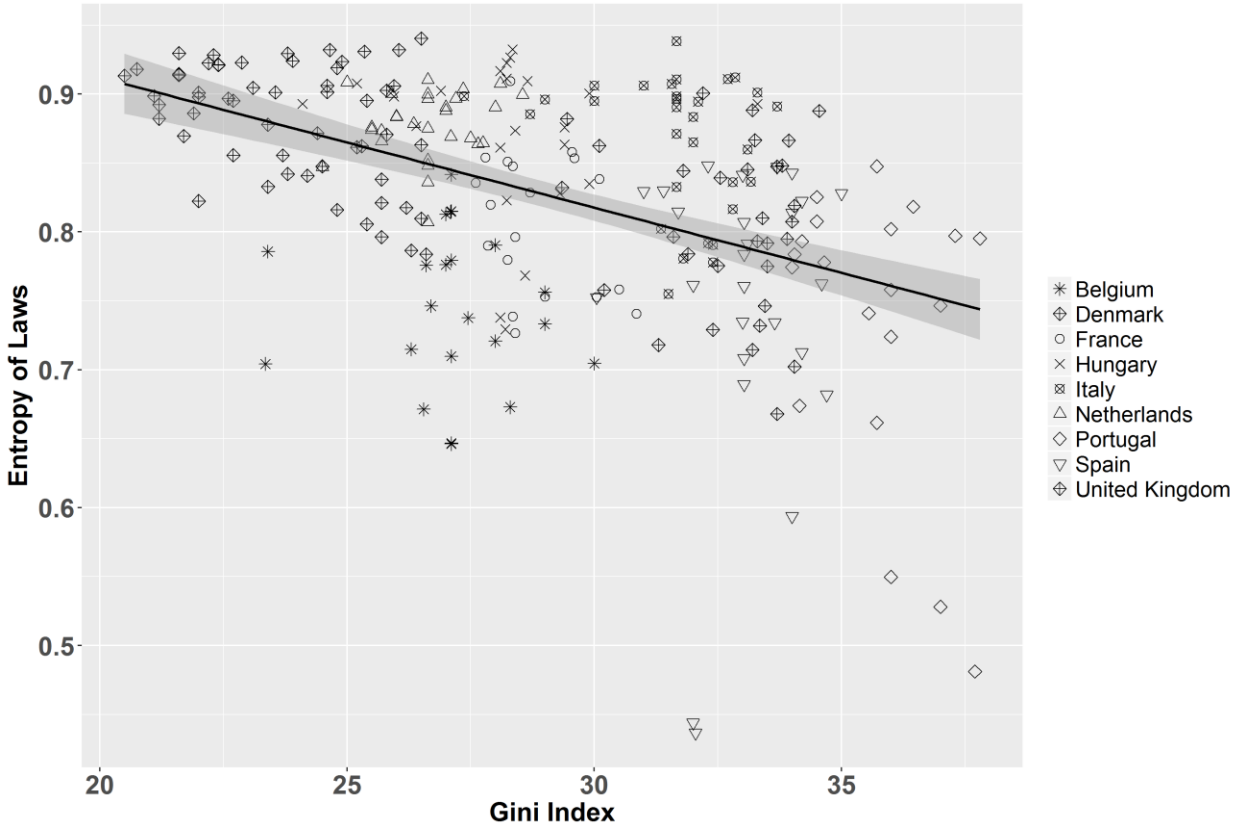
stimulate a one standard deviation increase in the Gini index and then observe how legislative attention migrates across the four compositional groups (described above), holding other covariates at their means and dichotomous variables at zero.

Results

Figure 1 shows the relationship between the entropy of public laws and the Gini index. Figure 2 does the same for parliamentary bills. Note, the data points associated with each country are assigned a different geometric shape so that comparisons can be made across and within countries. In both figures, the relationship on display is negative; higher values of the Gini index correspond with less topically diverse legislative agendas. For laws the correlation is -0.481 and for bills it is -0.358. Each figure also displays the estimated best-fit line, which, in both cases, is statistically significant at the 0.05 level.

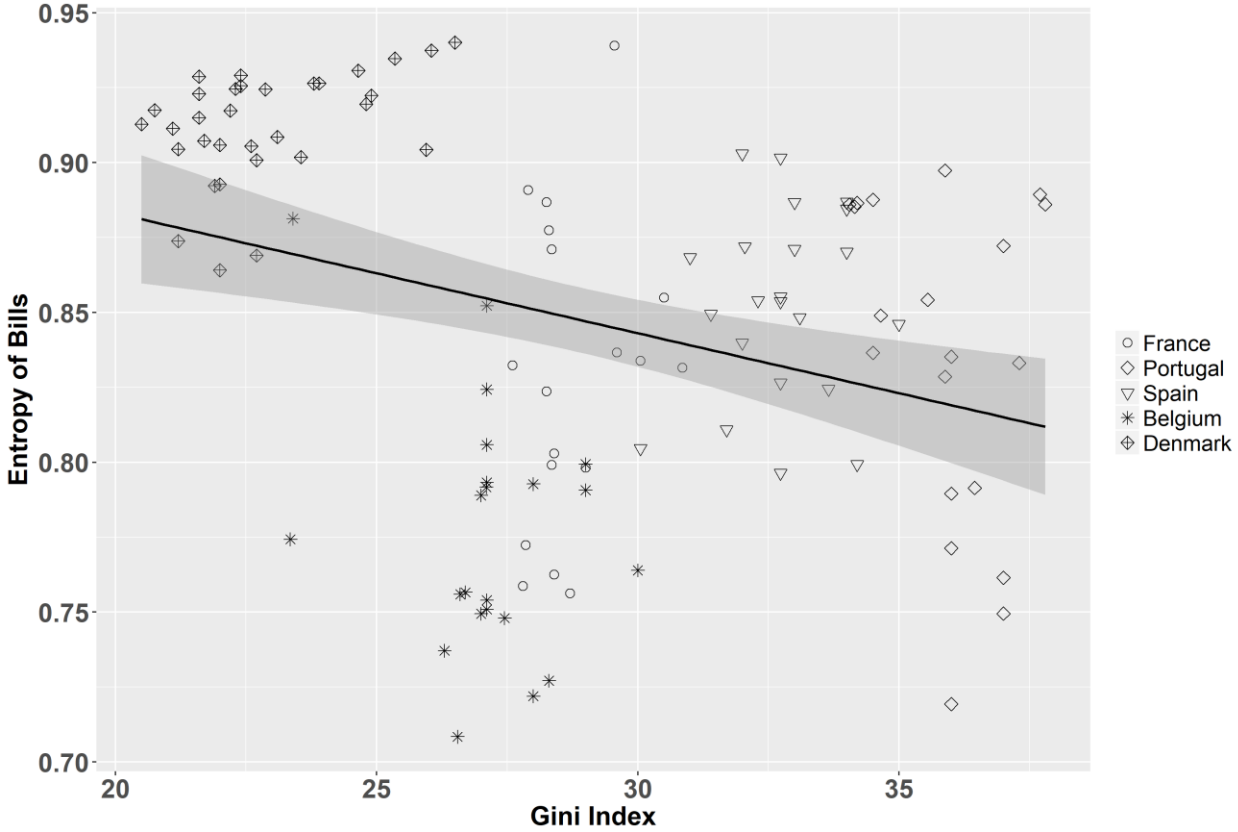
The figures also reveal that while there is some evidence of a negative relationship between inequality and entropy looking at the data points associated with only one country, the strongest evidence emerges cross-sectionally. In large part, this is because there is not always very much within-country variance in either the entropy or inequality measures. Parliamentary bills in Denmark, for example, are always relatively diverse and inequality in Denmark is never very high, so it makes sense that the data points associated with Denmark should be clustered in the upper-left of Figure 2. But when there is variance on both measures, their relationship to one another tends to be strongly negative. Consider the UK, where inequality has fluctuated considerably over our period of study, and higher levels of inequality are associated with markedly lower levels of topical diversity in public laws.

Figure 1. Entropy of public laws



Note: Correlation = -0.481

Figure 2. Entropy of parliamentary bills



Note: Correlation = -0.358

This preliminary evidence is supportive of the negative agenda power hypothesis. European countries that have higher levels of inequality tend to have less diverse legislative agendas, and, when there is enough variance, we observe the same pattern within countries over time. To find out if the relationship displayed in the figures is robust to the inclusion of controls we estimate LDV models predicting the entropy of laws and bills. Recall that independent variables are the Gini index, a measure of the number of effective parties active in the legislature, a dichotomous variable for elections years, the misery index, a measure of left-wing government control, and a dichotomous variable for single-party government. The variables for the Gini index and misery index are lagged by one year because it is unlikely that legislators would be

able to immediately react to these factors.[8] We also include random effects for country and estimate robust standard errors. The results are shown in Table 1.

Table 1. Predicting agenda diversity

Variable	Laws	Bills
$Entropy_{(t-1)}$	0.25 (0.20)	0.66* (0.06)
$Gini\ Index_{(t-1)}$	-0.07* (0.03)	-0.02* (0.00)
Number of Parties	-0.00 (0.01)	-0.00* (0.00)
Left-wing Government	-0.00 (0.00)	-0.00* (0.00)
Election Year	-0.02* (0.01)	0.00 (0.00)
$Misery\ Index_{(t-1)}$	0.00 (0.00)	-0.00 (0.00)
Single-party Government	-0.00 (0.01)	0.00 (0.00)
Constant	0.85* (0.25)	0.59* (0.13)
N	216	95
R^2 Within	0.016	0.399
R^2 Between	0.762	0.979
R^2 Overall	0.298	0.777

Note: models include random effects for country and robust standard errors. A 1-unit change in the Gini index variable is coded as a 10-point change in the Gini index, which has a hypothetical range from 0 to 100.
* = p-value $\leq$ 0.05

The results suggest that the relationship shown in Figure 1 and 2 is not confounded by the usual political suspects. Even controlling for aspects of governmental control and contextual factors that might affect agenda diversity, the models still predict a negative and statistically significant effect for the Gini index. Recall that the Gini index has a hypothetical range of 0 to 100, although in our data it varies only between 20 and 38. Moving from the lowest to highest observed level of inequality is therefore associated with a 0.12 reduction in the entropy of laws and a 0.03 reduction in the entropy of bills. The observed range of entropy for laws is 0.43 to 0.94 and 0.51 to 0.94 for bills, so the size of the effects, while not large, is substantively meaningful.

[8] The appendix shows that including these variables at their levels rather than lagged does not substantively alter the results.

As income in Europe becomes more stratified, government agendas become more myopic. From this analysis it is not clear that higher levels of inequality are causing the reduction in agenda diversity, but there are theoretical reasons to think that this is the case. Agenda diversity can be thought of as an indicator of a government's capacity to seek out and respond to social problems, and scholarship on inequality suggests that economic elites try to undermine this capacity. If their ability to do so increases as inequality grows, then the relationship revealed in Table 1 is unlikely to be a statistical coincidence.

Compositional analysis

Agendas become less diverse as income inequality grows, meaning that some issues receive more legislative attention and others less. We can track the migration of attention across issues using compositional analysis. Recall that the problem responsiveness hypothesis is that attention will gravitate toward social safety-net issues as inequality increases and the negative agenda power hypothesis is the opposite.

The methodology for compositional analysis developed by Philips, Rutherford, and Whitten (2015) generates a lot of parameters, making interpretation difficult. We therefore follow their recommendation to present the results of the simulations graphically. Figure 3 shows the estimated percentage of total laws on economic, social order, social safety-net, and other topics over twenty simulated years. The first five years in the figure serve as the baseline; this is the percentage of attention each group of laws commands holding predictor variables at their mean (and dichotomous variables at zero).[9] Then, at year six, we simulate a shock to the Gini index, increasing it by one standard deviation, while still holding the other independent variables

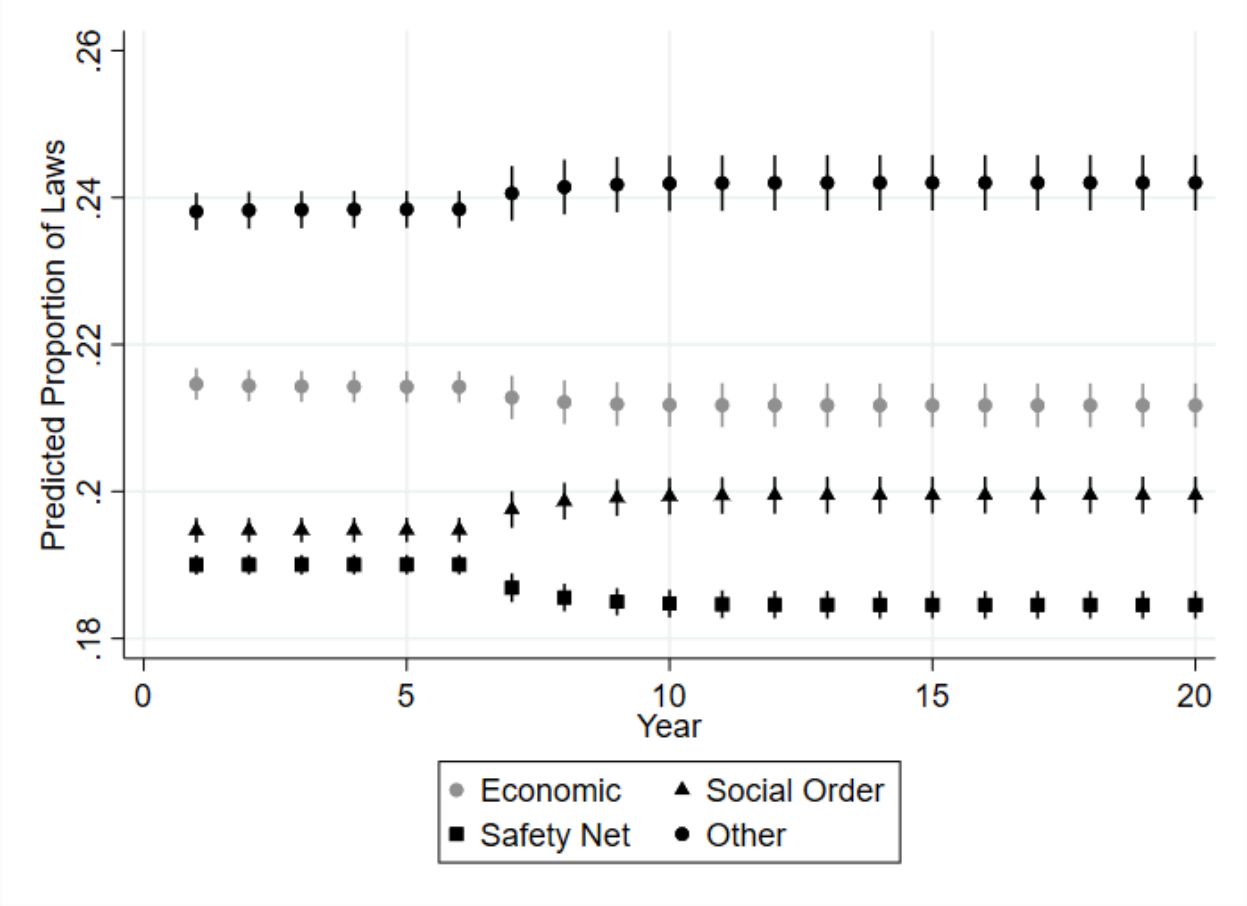
[9] The estimator is running seemingly unrelated regressions for the four compositional series (the dependent variables) using a LDV specification. Independent variables include controls for the misery index and the ideological composition of the legislature.

constant. We can then observe how the four compositional data series deviate from the baseline following this shock.

Notice that the model predicts a rapid decline in the percentage of total laws on social safety-net topics. By the tenth year, attention to these topics has stopped declining, but it never recovers to pre-shock levels. We also observe an increase in the percentage of laws dealing with social order topics in the aftermath of the shock to the Gini index. Likewise, attention to economic topics increases, although this effect is just shy of statistical significance, and attention to other topics deviates only marginally from the baseline.[10]

[10] In the appendix, we provide ladder plots showing the point estimates for each compositional data series averaged out over all twenty simulated time points. This allows us to determine, if, overall, a compositional series shows a statistically meaningful deviation from the pre-shock baseline. In the model for public laws, only the data series for social safety-net and social order topics show a meaningful effect taking all twenty time points together.

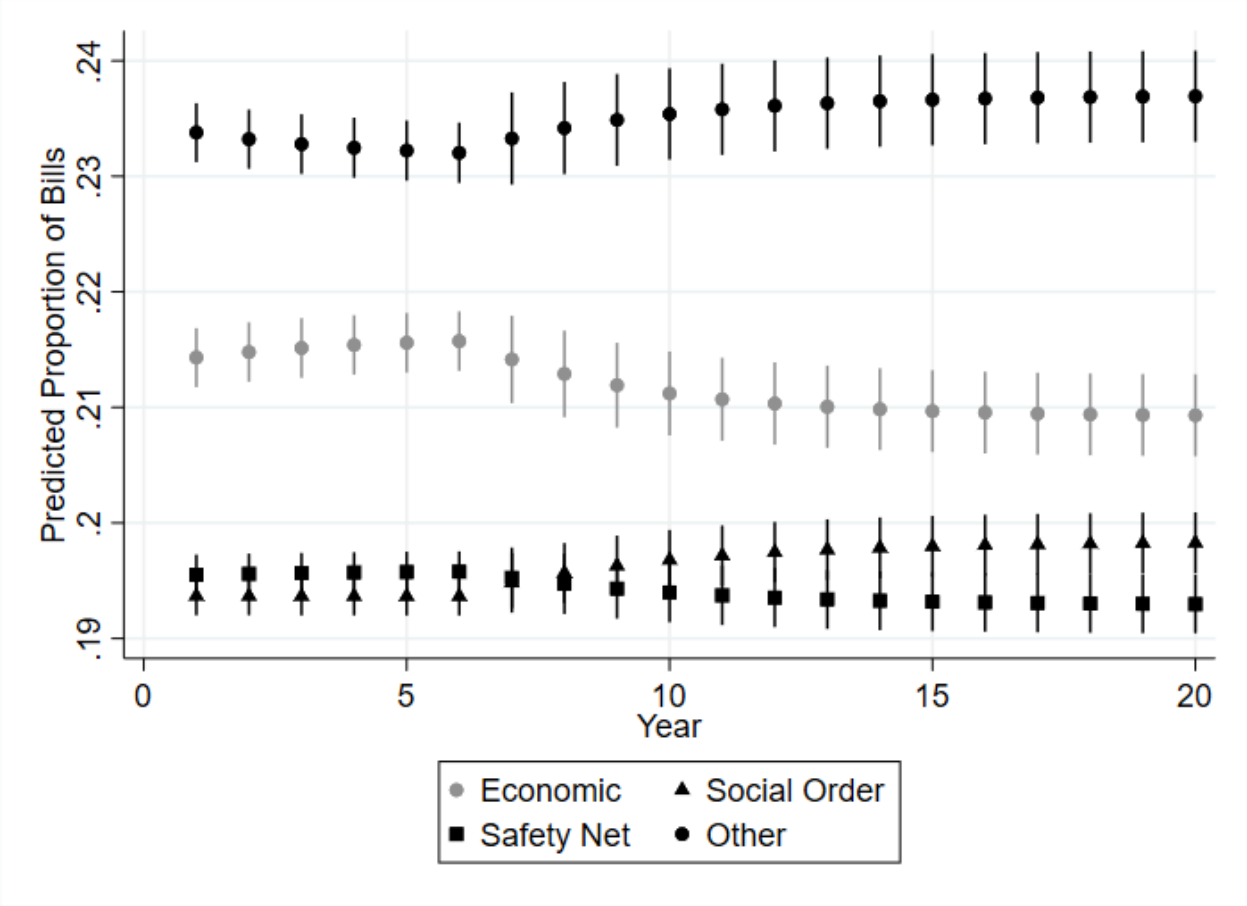
Figure 3. Simulated attention to public laws



Note: lines show 95% confidence intervals.

Figure 4 displays the results of simulations that use the composition of total parliamentary bills as the dependent variables. Once again, we observe a decrease in attention to social safety-net topics and a relative increase in attention to social order topics. There is also a statistically significant decrease in attention to economic topics and a marginal but significant increase in attention to other topics. These effects are describing tradeoffs, so in the aftermath of a shock to inequality we observe less attention for social-safety net issues so that more can be dedicated to social order topics. In fact, the simulations shows social order topics supplanting social safety-net topics as the third-most popular topic in the aftermath of the shock.

Figure 4. Simulated attention to parliamentary bills



Note: lines show 95% confidence intervals.

Our analysis covered two stages of the policy process – bill introductions and public laws – and the results were complementary. When inequality increases, attention in European legislatures migrates from social safety-net topics toward social order issues. The evidence is therefore supportive of the negative agenda power hypothesis and (at least in the context of this study) we can reject the problem responsiveness hypothesis. An important caveat to these findings is that we are measuring attention, rather than the left-right position of legislation, or, for that matter, its redistributional effects. It is conceivable that a European parliament would spend less time discussing social safety-net topics even as it moves forward with a few high-profile policy proposals to curb inequality. But this is where the comparative approach used in our study is particularly useful because while issue attention may sometimes be unrepresentative

of a legislatures' efforts to solve a problem, it is unlikely to be systematically misleading in this regard. Policy attention is a prerequisite for policy change and so when data from nine countries shows less attention being directed toward certain topics it can be taken as meaningful evidence that there is less collective effort to solve the problems associated with those topics. In this case, we observe a pattern spanning most of Western Europe that attention moves away for topics traditionally associated with redistribution when inequality becomes more acute.

Conclusion

Agenda setting is an immensely complex process and there are a great many factors that weigh on policymakers when they decide what issues to prioritize. This article considers the implications of two forces that are thought to act heavily on the process. On one hand, is the need for responsible governments to address pressing social problems, and, on the other, is the ability of wealthy elites to influence policy agendas. These forces may not always be in competition, but, simple self-interest would suggest that elites will be less enthusiastic about policy solutions to inequality. This article presents evidence consistent with the possibility that elites are successful at keeping such solutions off the legislative agenda. Using data from nine European countries, we found no evidence that policymakers are directing more attention toward social programs that might reduce inequality, even as economic stratification continues to grow. Instead, legislative agendas are becoming less diverse with more attention concentrated on issues related to law and order, national defense, and immigration.

Our findings were foreshadowed by scholarship on inequality in the US, but there was no guarantee that we would observe similar dynamics in Europe. European countries are generally more amenable to large social programs than US citizens or policymakers, so it was possible that

differing cultural norms would insulate European policymakers from the types of negative agenda forces thought to be at work in the US. That does not appear to be the case.

Additional research on policy agendas and inequality is warranted as there are a variety of convoluted mechanisms by which the two forces identified in this article might interact. Can divisions among those at the top create openings for social interest groups? Are left-wing governments more responsive to the forces demanding solutions to social problems and right-wing governments more responsive to economic elites? Or, if inequality contributes to a decay in social order, might public demands for more law enforcement explain the pattern we observed in our compositional analysis? In that case, inequality might be an important underlying problem, but a surreptitious one that is pushed off the agenda by more prominent solutions such as investments in the police force. We also wonder if wealthy elites, working through the media, can frame issues in a way that makes redistribution broadly unpopular. This seems an especially pressing question for comparative research given results from the US that lower-income groups become less supportive of redistribution as inequality grows. By developing additional data sources, such as measures of the redistributional content of public laws, and employing them comparatively, we can begin to answer these questions.

References

Armingeon, Klaus, Virginia Wenger, Fiona Wiedemeier, Christian Isler, Laura Knöpfel, David Weisstanner and Sarah Engler. 2017. *Comparative Political Data Set 1960-2015*. Bern: Institute of Political Science, University of Berne.

Bartels, Larry M. 2005. Homer Gets a Tax Cut: Inequality and the Public Policy in the American Mind. *Perspectives on Politics* 3 (1): 15-31.

Bartels, Larry M. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton, NJ: Princeton University Press.

Baumgartner, Frank R. and Bryan D. Jones. 2015. *The Politics of Information: Problem Definition and the Course of Public Policy in America*. Chicago, IL: The University of Chicago Press.

Beckfield, Jason. 2009. Remapping Inequality in Europe: The Net Effect of Regional Integration on Total Income Inequality in the European Union. *International Journal of Comparative Sociology* 50 (5-6): 486-509.

Birchfield, Vicki and Markus M.L. Crepaz. 1998. The Impact of Constitutional Structures and Collective and Competitive Veto Points on Income Inequality in Industrialized Democracies. *European Journal of Political Research* 34 (2): 175-200.

Borghetto, Enrico and Federico Russo. 2018. From agenda setters to agenda takers? The determinants of party issue attention in times of crisis. *Party Politics* 24 (1): 65–77.

Boydstun, Amber E., Shaun Bevan, and Herschel F. Thomas. 2014. The Importance of Attention Diversity and How to Measure It. *Policy Studies Journal* 42 (2): 173-196.

Bradley, David, Evelyne Huber, Stephanie Moller, Francois Nielsen, and John D. Stephens. 2003. Distribution and Redistribution in Postindustrial Democracies. *World Politics* 55 (2): 193-228.

Carnes, Nicholas. 2013. *White-Collar Government: The Hidden Role of Class in Economic Policy Making*. Chicago, IL: The University of Chicago Press.

Cynamon, Barry Z. and Steven M. Fazzari. 2014. Inequality, The Great Recession and Slow Recovery. *Social Science Research Network* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2205524.

Dahl, Robert A. 1983. *Dilemmas of Pluralist Democracy: Autonomy vs. Control*. New Haven, CT: Yale University Press.

Drutman, Lee. 2011. *The Political One Percent of the One Percent*. The Sunlight Foundation: http://sunlightfoundation.com/blog/2011/12/13/the-political-one-percent-of-the-one-percent/. Accessed on December 7th, 2017.

Drutman, Lee and Steven Teles. 2015. *A New Agenda for Political Reform*. Washington Monthly: https://washingtonmonthly.com/magazine/maraprmay-2015/a-new-agenda-for-political-reform/. Accessed on December 7th, 2017.

Enns, Peter K. 2014. The Public's Increasing Punitiveness and Its Influence on Mass Incarceration in the United States. *American Journal of Political Science* 58 (4): 857-872.

Epp, Derek A. 2017. Policy Agendas and Economic Inequality in American Politics. *Political Studies,* published online.

Esping-Andersen, Gosta. 1999. *Social Foundations of Postindustrial Economies*. New York, NY: Oxford University Press.

Erikson, Robert S. 2015. Income Inequality and Policy Responsiveness. *Annual Review of Political Science* 18: 11-29.

Franko, William, Caroline J. Tolbert, and Christopher Witko. 2013. Inequality, Self-Interest, and Public Support for "Robin Hood" Tax Policies. *Political Research Quarterly* 66 (4): 923-937.

Finseraas, Henning. 2008. Income Inequality and Demand for Redistribution: A Multilevel Analysis of European Public Opinion. *Scandinavian Political Studies* 32 (1): 94-119.

Gao, George and Bruce Drake. 2015. *Public opinion on the economy and Obama's handling of it*. Pew Research Center: http://www.pewresearch.org/fact-tank/2015/01/20/us-economy/. Accessed on December 7th, 2017.

Gilens, Martin. 2014. *Affluence and Influence: Economic Inequality and Political Power in America*. Princeton, NJ: Princeton University Press.

Gilens, Martin and Benjamin I. Page. 2014. Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens. *Perspectives on Politics* 12 (3): 564-581.

Hacker, Jacob S. and Paul Pierson. 2005. *Off Center: The Republican Revolution and the Erosion of American Democracy*. New Haven, CT: Yale University Press.

Iversen, Torben. 2005. *Capitalism, Democracy and Welfare*. New York, NY: Cambridge University Press.

Iversen, Torben and David Soskice. 2006. Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More than Others. *The American Political Science Review* 100 (2): 165-181.

Kaplan, George A., Elsie R. Pamuk, John W. Lynch, Richard D. Cohen, and Jennifer L. Balfour. 1996. Inequality in Income and Mortality in the United States: Analysis of Mortality and Potential Pathways. *British Medical Journal* 312: 999-1003.

Kelly, Natan J. and Peter K. Enns. 2010. Inequality and the Dynamics of Public Opinion: The Self-Reinforcing Link between Economic Inequality and Mass Preference. *American Journal of Political Science* 54 (4): 855-870.

Kenworthy, Lane and Jonas Pontusson. 2005. Rising Inequality and the Politics of Redistribution in Affluent Countries. *Perspectives on Politics* 3 (3): 449-471.

Lijphart, Arend. 2012. *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries*. New Haven, CT: Yale University Press.

Lindblom, Charles. 1977. *Politics and Markets: The World's Political Economic System*. New York, NY: Basic Books Inc.

Lipsmeyer, Christine S., Andrew Q. Philips, Amanda Rutherford, and Guy D. Whitten. 2017. Comparing Dynamic Pies: A Strategy for Modeling Compositional Variables in Time and Space. *Political Science Research and Methods*, forthcoming.

Lipsmeyer, Christine S., Andrew Q. Philips, and Guy D. Whitten. 2017. The effects of immigration and integration on European budgetary trade-offs. *Journal of European Public Policy* 24 (6): 912-930.

Lowi, Theodore J. 1979. *The End of Liberalism: The Second Republic of the United States*. New York, NY: W.W. Norton.

Luttig, Matthew. 2013. The Structure of Inequality and Americans' Attitudes toward Redistribution. *Public Opinion Quarterly* 77 (3): 811-821.

Meltzer, Allan H. and Scott F. Richard. 1981. A Rational Theory of the Size of Government. *Journal of Political Economy* 89 (5): 403-418.

Mettler, Suzanne. 2011. *The Submerged State: How Invisible Government Policies Undermine American Democracy*. Chicago, IL: The University of Chicago Press.

Moene, Karl Ove and Michael Wallerstein. 2001. Inequality, Social Insurance, and Redistribution. *The American Political Science Review* 95 (4): 859-874.

Mortensen, Peter B. and Henrik B. Seeberg. 2015. Why are Some Policy Agendas Larger than Others? *Policy Studies Journal* 44 (2): 156-175.

Page, Benjamin I., Larry M. Bartels, and Jason Seawright. 2013. Democracy and the Policy Preferences of Wealthy Americans. *Perspectives on Politics* 11 (1): 51-73.

Page, Benjamin I. and Robert Y. Shapiro. 1992. *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences*. Chicago, IL: The University of Chicago Press.

Philips, Andrew Q., Amanda Rutherford, and Guy D. Whitten. 2015. Dynamic Pie: A Strategy for Modeling Trade-Offs in Compositional Variables over Time. *American Journal of Political Science* 60 (1): 268-283.

Rosenthal, Howard, Nolan McCarty, and Keith T. Poole. 2006. *Polarized American: The Dance of Ideology and Unequal Riches*. Cambridge, MA: MIT Press.

Schattschneider, Elmer E. 1960. *The Semisovereign People: A Realist's View of Democracy in America*. Boston, MA: Wadsworth Publishing.

Shannon, C.E. 1948. A mathematical theory of communication. *The Bell System Technical Journal* 27: 379-423.

Solt, Frederick. 2008. Economic Inequality and Democratic Political Engagement. *American Journal of Political Science* 52: 48-60.

Soroka, Stuart N. and Christopher Wlezien. 2008. On the Limits of Inequality in Representation. *PS: Political Science and Politics* 41 (2): 319-327.

Soroka, Stuart N. and Christopher Wlezien. 2010. *Degrees of Democracy: Politics, Public Opinion, and Policy*. New York, NY: Cambridge University Press.

Stimson, James A. 1999. *Public Opinion in America: Moods, Cycles, and Swings*. 2nd edition. Boulder, CO: Westview Press.

Stimson, James A., Michael B. MacKuen, and Robert S. Erikson. 1995. Dynamic Representation. *The American Political Science Review* 89 (3): 543-565.

Ura, Joseph Daniel and Christopher R. Ellis. 2008. Income, Preferences, and the Dynamics of Policy Responsiveness. *PS: Political Science and Politics* 41 (4): 785-794.

Wike, Richard. 2014. *With 41% of global wealth in the hands of less than 1%, elites and citizens agree inequality is a top priority*. Pew Research Center: http://www.pewresearch.org/fact-tank/2014/11/08/with-41-of-global-wealth-in-the-hands-of-less-than-1-elites-and-citizens-agree-inequality-is-a-top-priority/. Accessed on December 7th, 2017.

Wilkinson, Richard G. and Kate E. Pickett. 2009. Income Inequality and Social Dysfunction. *Annual Review of Sociology* 35: 493-511.

Williams, Walter. 1998. *Honest Numbers and Democracy*. Washington, DC: Georgetown University Press.

Winters, Jeffrey A. and Benjamin I. Page. 2009. Oligarchy in the United States? *Perspectives on Politics* 7 (4): 731-751.

Wlezien, Christopher. 1995. The Public as Thermostat: Dynamics of Preferences for Spending. *The American Journal of Political Science* 39 (4): 981-1000.

Appendix 1 – Descriptive statistics

Table 1A presents summary statistics for every variable used in our analysis.

Table 1A. Summary statistics

Variable	Minimum	1st Quartile	Median	Mean	3rd Quartile	Maximum
Entropy (Laws)	0.43	0.79	0.84	0.83	0.89	0.93
Entropy (Bills)	0.51	0.79	0.85	0.84	0.89	0.94
Gini index	20.50	25.70	28.40	28.90	33.0	37.80
Number of Parties	1.98	2.54	3.45	3.88	4.83	9.08
Election Year	0	0	0	0.28	1	1
Misery Index	-1.69	-0.65	-0.09	-0.01	-0.36	2.37
Left-wing Government	0	0	47.60	46.84	100	100
Single-party Government	0	0	0	0.21	0	1

Appendix 2 – Alternative model specifications

Table 2A presents the results of various alternative specifications of our model predicting the entropy of public laws. Table 3A does the same for parliamentary bills. For laws, the parameter associated with the Gini index is always negative and statistically significant, regardless of the inclusion or exclusion of controls or the use of an LDV specification. For bills the story is more complicated. Table 3A shows that the statistical significant of the Gini variable is dependent on the inclusion of controls for the number of parties in government and the relative strength of left-wing parties. Because we have bills data for only five countries, these models are relatively underpowered, but, notably, the parameter associated with inequality is always negative

Table 2A. Predicting the diversity of laws with and without controls

Variable	Model 1	Model 2	Model 3	Model 4
$Entropy_{(t-1)}$	-	0.24 (0.20)	0.23 (0.20)	0.26 (0.21)
Gini index	-0.08* (0.01)	-	-	-
$Gini\ index_{(t-1)}$	-	-0.07* (0.03)	-0.07* (0.03)	-0.07* (0.03)
Number of Parties	0.00 (0.01)	-	-0.00 (0.01)	-
Left-wing Government	-0.00 (0.00)	-	-0.00 (0.00)	-
Election Year	-0.03* (0.01)	-	-	-0.02* (0.01)
Misery Index	0.00 (0.00)	-	-	-
$Misery\ Index_{(t-1)}$	-	-	-	0.00 (0.00)
Single-party Government	-0.00 (0.01)	-	-0.00 (0.01)	-0.00 (0.01)
Constant	1.07* (0.07)	0.84* (0.26)	0.86* (0.25)	0.82* (0.26)
N	226	216	216	212
R^2 Within	0.093	0.002	0.002	0.015
R^2 Between	0.467	0.742	0.773	0.732
R^2 Overall	0.265	0.270	0.277	0.291

Note: models include random effects for country and robust standard errors. A 1-unit change in the Gini coefficient variable is coded as a 10 point change in the Gini coefficient.
* = p-value ≤ 0.05

Table 3A. Predicting the diversity of bills with and without controls

Variable	Model 1	Model 2	Model 3	Model 4
$Entropy_{(t-1)}$	-	0.81* (0.08)	0.68* (0.05)	0.80* (0.08)
Gini index	-0.08* (0.02)	-	-	-
$Gini\ index_{(t-1)}$	-	-0.00 (0.00)	-0.02* (0.00)	-0.01 (0.00)
Number of Parties	-0.01* (0.00)	-	-0.00* (0.00)	-
Left-wing Government	-0.00* (0.00)	-	-0.00* (0.00)	-
Election Year	0.00 (0.00)	-	-	0.00 (0.00)
Misery Index	-0.00 (0.00)	-	-	-
$Misery\ Index_{(t-1)}$	-	-	-	-0.00 (0.00)
Single-party Government	0.01 (0.00)	-	0.00 (0.00)	-0.00 (0.00)
Constant	1.16* (0.09)	0.17* (0.08)	0.37* (0.06)	0.20* (0.09)
N	100	95	95	95
R^2 Within	0.116	0.343	0.382	0.347
R^2 Between	0.645	0.978	0.961	0.977
R^2 Overall	0.443	0.718	0.749	0.722

Note: models include random effects for country and robust standard errors. A 1-unit change in the Gini coefficient variable is coded as a 10 point change in the Gini coefficient.
* = p-value ≤ 0.05

Table 4A presents the results of error correction models (ECMs) predicting the entropy of laws and bills. This is an alternative specification to the LDV approach we use in the article. Error-correction models include the first-differenced and lagged form of every independent

variable. The differenced term speaks to short-term (or Granger) causality and the lagged parameters are meant to determine if there is a long-run equilibrating relationship between the independent and dependent variables. Table 4A reveals that the lagged (t-1) parameter for the Gini coefficient is statistically meaningful in both models, indicating that increasing levels of inequality are associated with a downward shift in the equilibrium level of agenda diversity.

Table 4A. Predicting the diversity of public laws and bills using ECMs

Variable	Laws	Bills
$Entropy_{(t-1)}$	-0.77* (0.07)	-0.30* (0.08)
$\Delta Gini\ index_{(t)}$	-0.06 (0.04)	0.00 (0.00)
$Gini\ index_{(t-1)}$	-0.08* (0.01)	-0.02* (0.01)
$\Delta Number\ of\ Parties_{(t)}$	0.00 (0.01)	-0.01 (0.01)
$Number\ of\ Parties_{(t-1)}$	-0.00 (0.00)	-0.00* (0.00)
$\Delta Left\text{-}wing\ Government_{(t)}$	-0.00 (0.00)	-0.00 (0.00)
$Left\text{-}wing\ Government_{(t-1)}$	-0.00 (0.00)	-0.00 (0.00)
$\Delta Election\ Year_{(t)}$	-0.02* (0.01)	0.00 (0.00)
$Election\ Year_{(t-1)}$	-0.00 (0.02)	0.00 (0.01)
$\Delta Misery\ Index_{(t)}$	-0.01 (0.01)	0.00 (0.01)
$Misery\ Index_{(t-1)}$	0.00 (0.00)	-0.00 (0.00)
$\Delta Single\text{-}party\ Government_{(t)}$	-0.01 (0.02)	0.01 (0.01)
$Single\text{-}party\ Government_{(t-1)}$	-0.00 (0.01)	0.00 (0.01)
Constant	0.91* (0.09)	0.37* (0.09)
N	197	88
Adjusted R^2	0.413	0.181

* = p-value ≤ 0.05

Appendix 3 – Compositional analysis

Figures 1A and 2A show the average deviation from the predicted baseline percentage of total laws or bills on economic, social order, social safety-net, and "other" issues after a one standard deviation shock to income inequality.

Figure 1A. Average deviation from baseline for public laws

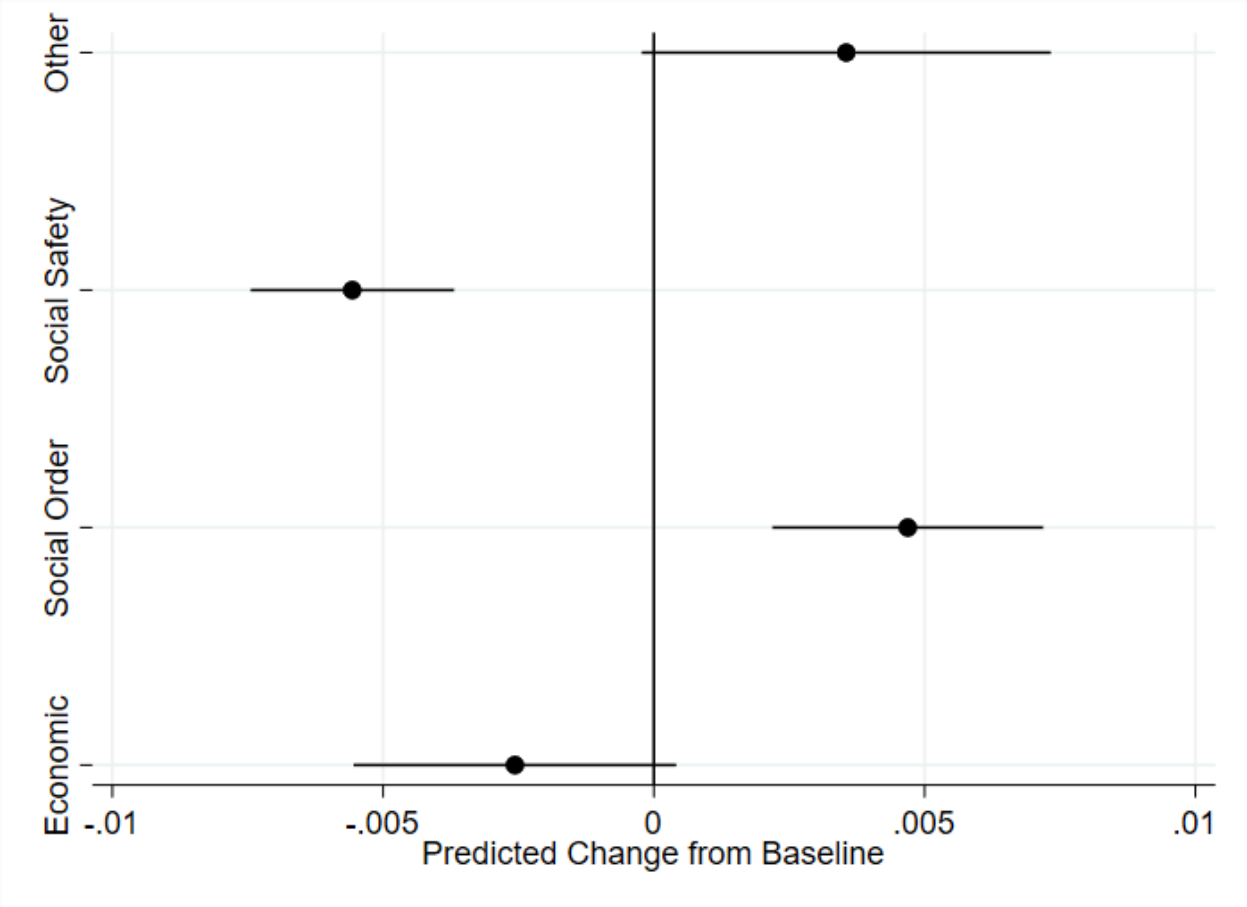


Figure 2A. Average deviation from baseline for bills