

constraints (Chapter 4). Beyond union density, institutions that strengthen labor by providing protection for temporary workers, rights of works councils, and contract extension can work together or as substitutes to prevent the emergence of a large low-wage sector and wide wage dispersion. Equifinality is why one cannot assign average weights to different mechanisms. Different variables can lead to the same outcome, depending on context.

With regard to the decline of union membership and electoral support for the left, we are relying here on the extant literature. Key factors in the decline of union membership were deindustrialization and the transition to the knowledge economy with the growth of atypical employment. The decline of electoral support for the left concerns the established left parties in particular, not the left block in general. So one must ask why establishment parties in general lost support to challenger parties on the left and the right. Governing through austere times tends to get incumbents punished at the polls.

As for the contention that unions have become less egalitarian as membership has become more white-collar, and left parties have become less redistributive and more focused on middle class and cultural issues, our evidence does not support the argument about unions. On the contrary, Spanish unions pushed hard for an improvement of social policy for outsiders in pensions, unemployment compensation, social assistance, and a comprehensive minimum income scheme (p. 186).

German unions, first in the service sector and then in core industrial sectors, came to support a statutory minimum wage despite a long tradition of bargaining autonomy, and the SPD managed to get it adopted by the Grand Coalition in 2014 (p. 155). For an important challenge to the view implied in this question that social democratic parties lost support primarily among the working class because of a neglect of redistribution in favor of cultural issues, see the contribution of Abou-Chadi and Wagner in *Beyond Social Democracy: The Transformation of the Left in Emerging Knowledge Societies* (2024), edited by Häusermann and Kitschelt.

Power resources theory will surely continue to help us understand social welfare policies in the new context. The fact that unions and traditionally allied left parties have become weaker and problem pressures and constraints have become more severe does not mean that unions and left parties have become irrelevant. This argument is supported, for example, by the switch from the PP government of Rajoy to the Left government of Zapatero in Spain. This switch was followed by an increase in the minimum wage of 22% in 2019, further increases in subsequent years, and an agreement with unions and employers on a series of important measures to strengthen labor in 2021 (pp. 180–181).

Finally, we address here the prevailing economic rules of the game. Fiscal constraints have emerged in different

forms at different times. Capital mobility has constrained the capacity of all governments to tax corporations and top-income earners. European monetary integration had a constraining effect on government spending in the Euro area (David Brady and Hang Young Lee, “The Rise and Fall of Government Spending in Affluent Democracies, 1971–2008,” *Journal of European Social Policy*, 24 (1), 2014). The sovereign debt crisis and the conditions imposed by the Troika were devastating for Spain’s efforts to reduce inequality and poverty.

Unequal Democracies: Public Policy, Responsiveness, and Redistribution in an Era of Rising Economic Inequality.

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This volume offers an impressive and comprehensive collection of analyses covering the psychological, behavioral, and institutional factors contributing to income inequality. The book’s central focus concerns the missteps of the government in addressing this rising issue, specifically the failure in compensating for income inequality through increased redistribution.

The book first addresses the supply side of policy—simply put, asking whether governments failed to act decisively in the face of rising income inequality and why. The first part centers on government responsiveness to differential group preferences, and the second concentrates on matters of representation and political inequality. The third and final section turns to the demand side of policy, examining voters’ preferences.

The strength of Lupu and Pontusson’s book is its diversity. The editors bring together a wide-ranging set of perspectives on the drivers of government action and analytical approaches to the study of these drivers. The chapters range from empirical analyses of unequal responsiveness, institutional influences, interest groups, and parties, to conceptual treatments and reflections on the measurement of political equality. Notably, the authors bridge the gap between American politics and European politics by bringing the methodological approach of unequal responsiveness pioneered by the United States to bear on European countries.

The introductory chapter by Lupu and Pontusson provides a descriptive analysis of the period between 1995 and 2019 for 12 countries, based on data from the Luxembourg Income Study/European Union Statistics on Income and Living Conditions (LIS/EU-SILC) and World Inequality Data (WID). Per their analysis, these governments failed to stem rising market income inequality

and did not compensate citizens for it by adapting welfare state programs. Indeed, they made welfare states less redistributive overall by cutting benefits. Both measures show an increase in inequality, particularly between 1995 and 2007. Though this conclusion is undoubtedly correct, the use of WID data is problematic. WID classifies public pensions and unemployment compensation benefits as pretax and transfer income, which, by definition, reduces the potential distributive impact of public transfers.

Ruben Mathisen and coauthors find that Martin Gilens' findings of unequal government responsiveness in the United States also apply to Germany, the Netherlands, Sweden, and Norway (Martin Gilens, *Affluence and Influence: Economic Inequality and Political Power in America*, 2012). These governments were more responsive to the policy preferences of upper-income groups than to those of middle- and lower-income groups. However, they also conclude that left governments responded more equally than nonleft governments, particularly on socioeconomic issues and before 1998.

Larry M. Bartels explores the conceptual and methodological problems of measuring political inequality. The standard way of conceptualizing responsiveness involves measuring congruence between citizens' preferences and preferences of political elites or government actions, but the measurement challenges are formidable, given the complexity of both preferences and government actions. The problems are compounded if the goal is to measure political influence because the mechanisms of electoral selection, lobbying, and party systems mediate between preferences of different social groups and policy choices. Bartels argues that "analyses that also take account of the potential indirect influence of citizens via parties, interest groups, and other salient actors will be most persuasive of all" (p. 96) but cautions in a footnote that citizens' preferences are also shaped by parties, interest groups, and other salient actors.

The chapter by Hacker, Pierson, and Zacher looks at the representation of citizens' interests by political parties and the impact of political institutions on their representation. They depart from the other contributions to the volume in their analysis of the United States in that they focus on the rural–urban divide rather than on income or occupation. They introduce the concept of "place based economic interests." The authors argue that metropolitan areas have thrived in the knowledge economy, whereas nonmetro (rural and exurban) areas have not. The mass social bases of the parties follow these lines, though the national elites in the two parties do not. The result is that the economic policies delivered by the two parties do not reflect the interests of their popular bases. According to the authors, this is the result of three "filters" typical of the American political system: the antimetro bias of institutions, the nationalization of party coalitions, and

the unusually decentralized and fragmented social and economic policy legacies. The lack of congruence between the parties and their bases due to institutional factors provides an important complementary perspective to the other chapters in the volume.

Becher and Stegmueller take unequal legislative responsiveness as given in their discussion of the role of interest groups in electoral selection and postelectoral lobbying. They develop a formal model and a model-based simulation to support the argument that the two mechanisms are complementary and will work together, particularly in polarized environments. In less polarized environments, organized interests can concentrate on postelectoral lobbying. They point to the empirical difficulties in untangling the effects of the two mechanisms.

Carnes and Lupu turn to descriptive representation and investigate why there are so few legislators who were working class when they were first elected. They approach the question from a macro perspective and conclude that country characteristics explain very little variation in the share of working-class legislators. Curto-Grau and Gallego show that descriptive representation in terms of education among Spanish mayors matters for spending decisions. Less educated mayors chose higher levels of capital spending and invested in infrastructure and transportation, whereas more educated mayors reduced capital spending, with no difference in spending on personnel and current goods, services, and transfers.

On the demand side, Cavaillé challenges the assumption that greater inequality should lead to higher preferences for redistribution by arguing that this would only be so if the median voter perceived the status quo as unfair according to the proportionality norm. She presents survey evidence that perceptions of fairness vary within and between countries. The between-country differences align with actual outcomes, but imperfectly so.

Matthews, Hicks, and Jacob add an interesting element to this section of the book by showing that the tone of economic news in newspapers across 16 countries is more strongly associated with the income growth of top groups than the income growth of groups below them. Thus, to the extent that voters make choices based on their assessments of the state of the economy, lower-income voters operate in an informational environment biased against their own interests.

Ares and Häusermann focus on how citizens perceive responsiveness. They analyze class differences in the perceived proximity of preferred parties, and the party system as a whole, to the position of voters of different classes in several social policy areas. They use five occupationally based class categories, which produce larger results than differences between income quintiles. The class differences are largest in the areas of pensions and unemployment benefits, two policy areas particularly salient for the unskilled and the skilled working class. The differences

are somewhat larger when applied to the party system as a whole, but the distance to the preferred party shows similar class differences.

Overall, the book gifts its reader valuable insights into unequal government responsiveness and into the complexities of explaining redistribution. It also underscores the necessity to bring parties and interest groups into these types of analyses. Only the chapter by Hacker et al. directly addresses the question of why preferences, or in their case interests, are not translated into effective pressures, pointing to the failure of political elites to represent the interests of their parties' constituencies. The chapter by Elkjaer and Iversen also examines interests rather than preferences and links them directly to distributive outcomes, but the mechanisms through which the interests are linked to outcomes remain unexplored. Mathiesen et al.'s finding regarding left governments as less unequally responsive on socioeconomic issues prior to 1998 drives home the importance of parties, while also drawing our attention to structural constraints on government responses, such as European integration and international financial markets.

The book leaves us with an array of insights into the reasons why citizens may or may not demand redistribution, and the ways in which governments may or may not respond to these demands. Like any good book, it leaves questions in its wake. For example, what were the structural, economic, and political constraints on governmental policy choices? To what degree did the rise of new parties and coalition constraints prevent redistributive responses by governments? Further, we are left wondering how government policies have shaped the strength of organized labor and labor market institutions and how those, in turn, have shaped inequality. From a comparative lens, it is also interesting to ask which policies governments implement to make the welfare states less redistributive. Indeed, this text makes a necessary contribution to the field, not only through its content but by the questions it provokes in its audience.

**Response to Evelyne Huber and John D. Stephens'
Review of *Unequal Democracies: Public Policy,
Responsiveness, and Redistribution in an Era of
Rising Economic Inequality***

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— Noam Lupu 
— Jonas Pontusson 

We are grateful to Professors Huber and Stephens for their generous review of our volume. Prompted by the arguments in the book, they end with a series of questions that raise important issues. We address some of these issues in our recent publication “Reflections on *Unequal Democracies* and Where We Go from Here” (APSA's Democracy &

Autocracy newsletter, 2024), where we called for further work on, among other things, the role interest groups play either in pressuring governments to respond to public demands for redistribution or in undermining public pressure. Huber and Stephens' questions—along with their new book—invite us to consider the specific role of organized labor.

As Huber and Stephens highlight in their book, organized labor played a key role in reducing economic inequality in the postwar decades. Unions reduced wage inequality through collective bargaining and pressured governments to adopt redistributive social programs. In some countries, they worked with center-left parties to create pathways for working-class people to enter politics directly.

But across OECD countries, the labor movement has declined since the 1980s. Although economic factors are partly to blame, political choices have also hastened the decline of unions: governments have privatized state-owned enterprises and public services, allowed temporary employment to expand, and reduced the direct influence of unions in policymaking. In many cases, left-leaning parties with historical ties to organized labor were implicated in these decisions. Their leading factions and elites embraced many elements of the neoliberal consensus of the 1990s and reoriented their parties rightward, often weakening or severing their direct union ties. As the chapter in our volume by Mathiesen and his coauthors shows, center-left parties have been just as unresponsive to the preferences of low- and middle-income citizens as their center-right rivals in the domain of economic and social policy since the mid-1990s.

This partisan convergence is among the central causes of the rise of right-wing populist parties and, in particular, their appeal to less-affluent voters, who feel they are no longer represented by the mainstream parties. With populist alternatives gaining political strength, mainstream leftist parties have often been forced to govern in coalition with center-right parties, limiting their ability to adopt redistributive policies and reduce inequality. There are indeed differences in recent government action on inequality across the OECD countries, but Huber and Stephens' book demonstrates that these differences are likely legacies of past policies.

At least in Western Europe, center-left parties have responded to the populist challenge by featuring redistribution and class politics more prominently in their electoral programs, but these efforts have not paid off so far. In our view—a view Huber and Stephens presumably share—these parties must rebuild their relations with organized labor and regain the support of working-class voters in order to reverse their electoral decline; and to do so, they must change not just what they promise to do in office, but also the way they practice politics.