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What is This?

Article

Public support for redistribution: what explains cross-national differences?

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Summary Rising levels of income inequality in almost all industrialized countries as a consequence of globalization and de-industrialization might lead one to assume that voters will demand more redistribution and exert influence on their governments to set up redistributive programmes. However, this is not always the case. Citizens do not react directly to actual levels of inequality, as research on the attitudes towards inequality and redistribution has shown. In this article the complex relation between cross-national variation of inequality and public support for redistribution is analysed. The article draws on explanations from both a political economy perspective as well as drawing on comparative welfare regime research. While the former conceives cross-national variations in support for redistribution as the aggregate effect of a demand of rational actors reacting to country context, the latter focuses on the impact of institutions and culture superimposing itself over self-interest. The empirical analysis tests the explanations of both the political economy and welfare regimes approach. Since the article focuses on the impact of context variables on individual attitudes, a multilevel analysis is adopted. Data are taken from the 1999 'International Social Survey Program' and are complemented by macro-economic variables. Based on the results, a model of contingent support for redistribution is put forward, where culturally influenced definitions are embedded in economic processes.

Keywords comparative political economy, comparative welfare state research, income inequality, public redistribution, public opinions

There is widespread consensus that welfare state redistribution has helped to cushion the growing inequality of individual market incomes which has emerged in advanced industrialized countries since the 1980s. However, the degree to which market inequality has been levelled out varies between countries. Past studies have attributed cross-national variation in redistribution to political factors (like the strength of social democracy) whereas more recent research has focused on the importance of public opinion. Against the background of the 'politics of retrenchment' approach (Pierson, 1996), which highlights the self-interest of politicians in re-election, citizens' acceptance of redistribution became a recognized explanation for the generosity of social policies (Brooks and Manza, 2006). Yet the question remains: what shapes public support for redistribution, which calls for a sacrifice from 'the winners in the great lottery of the market, to reduce the distance between them and the losers' (Streeck, 2000: 136)?

This study focuses on determinants located at the macro-level, since there is remarkable cross-national variation in the acceptance of government redistribution providing an opportunity to shed light on the

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societal contexts which influence what people find to be an acceptable degree of inequality. This approach is in line with more recent research on welfare attitudes, which (with the spread of multi-level techniques) have increasingly turned to country level explanations for individual features over the past few years.

Many comparative analyses on welfare attitudes have been based on a welfare regime approach, explaining cross-national differences in support of redistribution by the impact of the different institutional frames of welfare regimes. Often these regime comparisons did not control for other country features as a possible explanation for cross-national variation (Gelissen, 2000; Svallfors, 1997). This is a shortcoming at the methodological and also at the theoretical level, since it means omitting not only variables but also important theoretical approaches. With few exceptions, political economy research was not considered. The lack of empirical support for the classical 'median voter approach', which assumes redistribution preferences directly emerging from actual inequality in a country, led to a rejection of any research referring to the rational actor model. However, research anchored within political economy literature has developed further. It captures macro-economic factors which are more complex than the median voter approach and contributes valuable results on the complex relation between actual inequality and redistribution preferences. The present article reconstructs the search for adequate explanations of cross-national variation in public acquiescence to redistribution.

It will be shown that the contextual factors important within political economy approaches cannot be discounted if we want to understand cross-national variation of redistribution preferences. However, the actions of regimes themselves in bringing into play either cultural definitions of equality or the responsibility of the state can also not be dismissed. Drawing upon our own data-analyses, attention is directed to an adaptation of social policy ideals to contexts. In particular, a country's economic affluence triggers a shift towards less public support for income redistribution. This signifies progress in research in several aspects. Closer analyses of the effect of the economic situation (gross domestic product) are scarce and do not really investigate what economic wealth actually means. Moreover, the model of a contingent support for redistribution that will be put forward later presents an interconnection between political economy and sociology that has seldom been found in previous research.

Furthermore, this article contributes new insights on the appropriate measurement of redistribution preferences. It is argued that the widely used measurement ('It is the responsibility of the government to reduce the differences in income between people with high income and those with low income') is ambivalent, because it mixes up both the ideal and the realistic assessment of redistribution preferred (Bonoli, 2000). When asked to rate this statement, some respondents will express their ideals on redistribution and equality, whereas others will give a 'realistic' assessment against the background of actual inequality or the degree to which the social state already intervenes in income distribution. In order to avoid this ambivalence, an adjustment of the standard measurement to support for *further* income redistribution is suggested.

In the following, a multilevel regression is adopted, since country characteristics and individual variables are analysed at the same time. The database referred to is the 1999 'International Social Survey Program' on social inequality, to which macro-economic variables from public data sources are added. The article starts with a survey of previous research into the acceptance of state redistribution. First research, assuming a direct link between inequality and cross-national differences in redistribution preferences, is scrutinized, followed by institutional approaches like welfare regime theory and asset theory of social policy preferences. Subsequently, the influence of the economic situation) and the role of individual factors are discussed. The next section presents the method, data base, and indicators of the empirical analyses. The results show that regime and political economy approaches are not incompatible.

Explaining cross-national and individual variation

Inequality and demand for redistribution

At first sight, it seems plausible that the degree to which people demand more redistribution by the state, and by that express their preference for more equality, is related to the actual degree of inequality in a country. Thus, national income inequality

is the objective fact to which people react: the higher the income inequality in a country, the higher the demand for redistribution, and vice versa. The positive relation between income inequality and public support for redistribution received a theoretical foundation in the median voter hypothesis of Meltzer and Richard (1981). As the authors argue, in democracies the position of individuals with a median income within the national income distribution is decisive for the level of redistribution demands, since this group can impose their political demands through electoral majority. The greater the (pre-tax) income inequality, the more the median voter expects to gain from income redistribution, because progressive taxation is usually used to finance redistribution burdens by those with higher incomes. Conversely, as income distribution becomes more equal (as a result of demands for income redistribution), redistribution becomes less desirable to median voters, because of the growing risk that they will have to finance redistributive policies themselves. Self-interest in income redistribution dwindles. Thus the first hypothesis is as follows:

> H1: The lower the prevailing income inequality in a country, the lower is the support for redistribution. Conversely, the greater the prevailing inequality, the greater is the support for income redistribution.

However, this model of a 'demand' for redistribution directly resulting from actual inequality is contested. With regard to empirical data, the assumed positive linear relation between the degree of income inequality and the demands for redistribution can quite easily be refuted. In the United States and other liberal countries, high income inequality does conspicuously not result in high support for redistribution (see Figure 1; Kangas, 2003; Kenworthy and Pontusson, 2005: 456; Soskice, 2005). It is therefore argued that social policy preferences do not just respond to objective inequality but are mediated by 'redistributive ethics' (Bowles and Gintis, 2000) or social justice concepts. As a result, identical levels of income inequality are differentially valued, leading to different demands for redistribution (Lübker, 2004, 2007). Lübker showed that the Gini index alone (measuring actual inequality) has no significant impact on how citizens evaluate inequality and income redistribution.

Inequality only has a significant effect when countries with different socio-political regimes are simultaneously taken into account. However, Lübker's study did not include further national characteristics that could plausibly influence redistribution preferences. Therefore, his conclusion, that social policy ideals institutionalized in welfare regimes could actually cause cross-national differences, is not secure.

Although the concepts assuming a direct link between inequality and distribution preferences have often been criticized, results confirming some influence of actual inequality on individual redistribution demands must be acknowledged. In countries with relatively little income inequality, lower support for redistribution is found (Roller, 1995). To opt for higher income redistribution in these countries is less desirable, because a low level of income inequality is hardly an incentive for additional redistributive programmes. A study based solely on European countries partially confirmed the influence of actual income inequality (Finseraas, 2006). Other comparative studies into the link between the growing inequality of households' pre-tax gross market incomes and actual welfare state redistribution also found that the median voter hypothesis is not completely false. The greater the increase in market income inequality, the greater the increase in welfare state redistribution, an effect which is mediated by the level of voter turnout (Kenworthy and Pontusson, 2005: 459). Voter turnout is thus a means by which the preferences for redistribution gain relevance. Analysing the relation between changes in actual inequality and perceptions of inequality over time, Kenworthy and McCall (2007) established an influence of objective inequality at least for *some* countries. All things considered, the actual degree of inequality does seem to have some influence.

Moreover, the effect of inequality need not be linear. It seems plausible that satiation sets in when a high level of public income redistribution and equality has been reached. Therefore, the Gini index should be modelled by a quadratic instead of a linear relation in the regression. The lack of a clear relationship between inequality and redistribution demands suggests that ethical values and ideological factors – like liberalism in the United States or socialism in post-socialist countries – shape the degree of support for state redistribution.
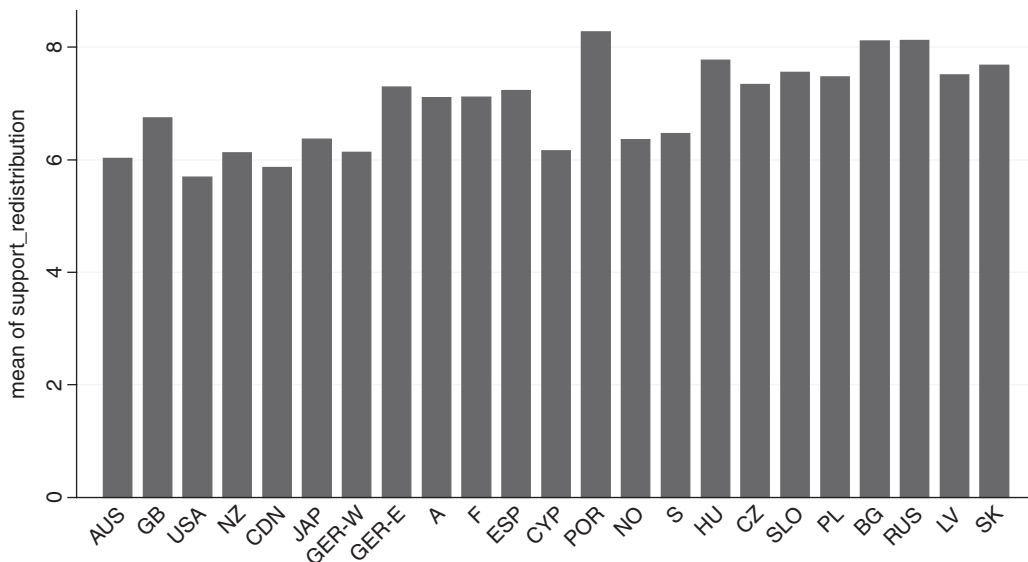
Figure 1 Support for redistribution by social policy regimes

Institutional approaches

Faced with the difficulties of explaining variations in redistribution preferences as an effect of actual inequality, institutional approaches have received much attention. Arguments have been put forward about the way different institutional arrangements of social policy and varying production regimes shape the demands people develop regarding the redistribution of income or other social policy programmes, both within the welfare regime and the production regime approach.

Two basic arguments of Esping-Andersen's (1990) welfare regime approach are important for the explanation of cross-national variations of public opinion: first, the assumption that the dominating cleavage groups and their social policy interests differ between regimes. The second condition is that these cleavage groups are also the proponents of differing socio-political ideals. In the long run, the dominant societal powers and coalitions in politics impose specific social political institutions and programmes, as well as certain socio-political ideals. Thus, liberal regimes intervene only minimally in market processes and stress individual responsibility in securing income. In conservative regimes, the Catholic social doctrine and Christian democracy dominate the welfare state. State responsibility for individual welfare is greater than in liberal regimes, but equity is stressed and the employment-based social insurance systems aim chiefly for security. Social democratic regimes emerged under the influence of left-wing labour parties, in coalition with other social groups having a stake in universal social rights and a corresponding egalitarian social policy ideology. The regime typology was broadened to include Mediterranean and transition countries. The impact of the Mediterranean regime on preferences for redistribution is expected to be similar to that of the conservative regime type (Gelissen, 2000). Following their independence from the Soviet Union, the transition countries developed heterogeneous social security institutions, and can thus hardly be treated as one group (Aidukaite, 2006; Offe and Fuchs, 2007). Results on the question of homogeneous post-socialist welfare preferences or ideals on equality point in different directions. Some researchers see a post-socialist heritage (Kluegel and Miyano, 1995; Delhey, 1998) whereas others do not (Lipsmeyer and Nordstrom, 2003).

Regimes should have a formative effect on citizens' preferences (Gelissen, 2002; Mau, 2004) because they embody specific ideas which 'promote different ways of valuing market distribution and

the redistributive responsibilities of government' (Svallfors, 1997: 286). They also influence solidarity (Arts and Gelissen, 2001). This is how Scandinavian welfare states create their broad-based internal support, as their social policy institutions manifest collective responsibility for citizens' welfare. Welfare state institutions limit political action, institutionalize social exchange relationships between citizens and have a norm and preference setting function (Rothstein, 1998; Mau, 2004). Following the regime approach, the hypothesis is as follows:

> H2: The level of support for redistribution in countries belonging to the same regime type should be similar. Moreover, the following ranking can be anticipated: citizens of countries with liberal regimes show the least support for redistribution. In transition countries, the demand is the highest, as a result of the persisting socialist ideology. This is closely followed by citizens of social democratic regimes, whereas opinions of those living in conservative and Mediterranean regimes exhibit average redistribution preferences.

However, it is difficult to find evidence for the existence of regime specific 'cleavages'. Instead, support for state redistribution is structured by cleavages according to gender, class and benefit dependency in equal measure in *all* countries (Svallfors, 1997: 295; Gelissen, 2000; Taylor-Gooby, 2001; Linos and West, 2003; Jaeger, 2006b; Blekesaune, 2007). Although a study limited to Germany, Norway and the US confirmed the anticipated regime-specific tolerance for redistribution (Andreß and Heien, 2001), the low number of cases in the study does not allow any generalizations. According to other results, the level of support for redistribution in social democratic regimes is relatively low, especially in contrast to Mediterranean states such as Spain or Portugal, where it is high (Svallfors, 1997; Gelissen, 2000). This appears plausible, given the potential for additional income redistribution in these 'immature' welfare states in contrast to regimes where a *mature* welfare state curbs further redistribution demands. The ISSP data also show that support for income redistribution does not always follow regime types (see Figure 1), because variations between countries within one specific regime type emerge, or countries of different regime types have a rather similar support level, as in the cases of Germany, Sweden

and Norway, where support for further redistribution is almost as low as in liberal countries. This similarity is undoubtedly superficial, for the respondents' ratings have a different background in social democratic countries. Hence, the assumption of a *formative effect* of regimes on peoples' redistribution demands has to concede adaption processes to context factors, like a country's income equality.

The criticism needs to be made that most research on the regime approach equates country and regime (Fraile and Ferrer, 2005). To avoid this, Jaeger (2006a) applied indicators for the social policies that characterize regimes instead of the regime type itself. It was assumed that high values in indicators such as, for example, the wage replacement rate or the importance attached to social services, are positively correlated with generous support for state redistribution. However, high social expenditure for cash transfers, a high wage-replacement level and generous benefit payments to families were in fact negatively related to support for redistribution.[1] This underlines that there is less scope for *further* redistribution in developed welfare states, since measures have already been implemented. The international differences in preferences regarding income redistribution can hardly be ascribed to regimes alone without incorporating the degree of equality or the level of welfare state expenses and, more generally, the impact of other country characteristics. Hence one cannot ignore the influence of collective social policy ideals. Indeed, liberal regimes convincingly demonstrate that the 'rational reaction' to high inequality is missing and that instead liberal ideology influences popular equality perceptions (Blekesaune, 2007).

The *asset theory,* which was developed within the 'varieties of capitalism' framework, provides another institutional explanation of redistribution preference that does not merely reflect actual income inequalities (Iversen and Soskice, 2001). It is assumed that international variation in public preferences for social expenditures stems from differences between product market regimes. In liberal market economies (LMEs), where production of basic products and services dominates and labour market regulation is weak, many employees do not invest much in education, preferring to acquire general qualifications easily transferable to other jobs. Because unemployment poses only a small risk, the demand for generous welfare state security is low. In coordinated

market economies (CMEs), the production of technologically advanced goods predominates, with employees being highly qualified in accordance with the specific needs of firms and industries (Hall and Soskice, 2001: 51). If this workforce becomes unemployed, employees risk losing the investment they made in specific skills and therefore demand higher wage replacement, more generous social security and higher social expenditure. The *asset theory* is promising, because labour market structures are included in the explanation of welfare state preferences. However, it focuses exclusively on those in the workforce and distinguishes only two country types. The asset theory classification of countries largely replicates the distinction between liberal and European countries, thus providing less differentiation. Consequently regressions with a production regime dummy merely reiterate that redistribution demands in LMEs are lower, but less variance is explained than when the welfare regime approach is adopted.

The impact of the economic situation

Obviously, cross-national variation in citizen's demands for redistribution can also be explained by the economic situation. Looked at more closely, this may work in two directions. On the one hand, the general public's support for redistribution programmes can decline when people experience an economic downturn and a decline in real wages. The proportion of income that individuals have to contribute to the welfare state increases in times of weak economic development and may foster a 'tax fatigue barrier'. Workers with a degree of job security oppose higher taxes and contributions in times of slow or zero growth, because they want compensation for forgone income gains (Sihvo and Uusitalo, 1995; Andreß and Heien, 2001; Pontusson, 2005: 197). Conversely, in times of economic prosperity tolerance for redistribution can grow, as wage increments compensate for the burden of funding social welfare payments.

On the other hand, an inverse relationship between economic prosperity and demand for redistribution is also plausible. In times of economic prosperity, support for income redistribution should fall, because people need less government protection (Blekesaune, 2007; Haller et al., 1990: 35–37). Economic prosperity usually reduces unemployment and, in general,

causes a rise in income levels.[2] Redistribution by the welfare state now seems less desirable, because labour market participation promises to solve problems. Equally, in times of an overall economic downturn, the support for redistribution grows as the need for intervention by the welfare state is acknowledged as a result of rising unemployment and poverty. This negative link between the economic situation and demands for redistribution is described as the 'governmental protection hypothesis' (Blekesaune, 2007).

> H3: The better the economic situation of a country is, the lower the level of assent to redistribution.

Looked at more closely, the effect of economic development may more accurately reflect the effect of unemployment.[3] Unemployment is strongly connected to economic changes, expressed in the GDP, although it is usually considered as an indicator for short-term business cycles. By including the unemployment rate in the regression, the difference between the effect of the general economic situation and level of affluence on expectations towards public social security on the one hand and unemployment directly causing higher demands for redistribution on the other hand can easily be checked.

Variation among individuals

Most studies consider both self interest and social values when trying to explain the demand for equality and redistribution at the individual level (Taylor-Gooby, 1985; Jaeger, 2006a, 2006b). Political economy literature perceives the extent of support for welfare state redistribution as being driven by individual self-interest. People with an interest in redistribution are those directly dependent on welfare benefits or those expecting to gain from redistribution because of low income or high risk of unemployment. Empirical evidence confirms the view that those advocating redistribution are usually poorly qualified workers with high labour market risks, those with a low income or benefit recipients (Svallfors, 1997; Corneo and Gruner, 2002). Furthermore, being female was discussed as a reason for having an interest in a generous welfare state safety net, as women face higher social risks in the labour market and following divorce.

H4: The higher the individual dependency on welfare transfers – through a low level of education or income and being female – the higher the support for redistribution.

Research on social policy attitudes has also assessed the role of cultural ideas (Roller, 1995; Andreß and Heien, 2001; van Oorschot, 2000). It is argued that redistribution attitudes are not just driven by self interest, but are rather expressions of ideas or belief systems (Blekesaune and Quadagno, 2003; Linos and West, 2003). Moreover, a neo-institutional perspective emphasizes values, because welfare state institutions are seen as being related to informal institutions, such as cultural ideas. Judgments about the welfare state are thus made against a backdrop of norms of fairness and solidarity (Offe, 1987; Rothstein, 1998; Mau, 2004). Empirical results confirm that beliefs on egalitarianism (Blekesaune and Quadagno, 2003), social advancement (Linos and West, 2003), the causes of poverty (Fong, 2001) or political ideologies (Jaeger, 2006a) are influential. However, this text avoids using such attitudes as independent predictors, in order to resist the temptation of explaining attitudes by attitudes.

Operationalization and data

As a measure for the approval of income redistribution, the dependent variable is a sum index of two items from the 1999 International Social Survey Program, in which interviewees rated their approval or rejection of the following statement on a five-step scale (1–5): 'Differences in income in [this country] are too large.' 'It is the responsibility of the government to reduce the differences in income between people with high income and those with low income.' By linear transformations, the sum index has a minimum value of 1 and a maximum of 9 (instead of the original range from 2 to 10), high figures thus signifying a greater degree of assent to redistribution, backed by a feeling of too much inequality. By combining the preference for a reduction of income inequality with the rating of inequality, the sum index measures not so much the respondents' *ideals* about redistribution but their judgements against the backdrop of actual inequality, at least partly avoiding the ambivalence inherent in the single item usually used to measure support for

redistribution. This survey question mixes cognitive and normative aspects when asking people whether the social state should intervene in income inequality. It does not clearly expose cross-national variations in normative perceptions because it also implies a judgement of the current provision, which clearly varies between countries (Bonoli, 2000).[4] The sum index expresses preferences for state redistribution related to the perceived degree of in equality already altered by welfare state activities, avoiding the ambivalence of whether the ideal or the realistic attitude towards state redistribution is being measured.[5] The sum index is also statistically appropriate, because both items are highly correlated (Pearson's $r = 0.52$).[6]

This article uses a multilevel procedure, because it is a method suited to comparative research and its focus on the impact of societal characteristics on individuals. Multilevel procedures can handle country and individual level predictor variables at the same time. Cross-level effects and random slopes further allow us to model the interconnection between the individual and the country level. In addition, multilevel regressions are suited to a hierarchical data structure, meaning that the data of individuals are 'nested' in single countries. In an OLS regression this would create a standard error that is much too small, because the sample for context variables is smaller than the number of individual cases. Furthermore, a multilevel regression facilitates an assessment of the contribution of the different levels in explaining the demand for equality (Rabe-Hesketh and Skrondal, 2005; Hans, 2006). The estimates reported later are based both on random intercept (RI) and random slope (RS) models. In the RI model, it is assumed that the regression constants of different countries vary around a mean. In the RS model, it is assumed that the slope of a predictor varies randomly between countries, because the influence of an independent variable can differ between countries. In these analyses a varying slope of household income was assumed, because the context will strengthen or weaken the impact people's income position has on redistribution demands. The income effect should be stronger in countries with well-developed social security systems and a high level of taxes and contributions, which are a burden on people with high incomes.

Countries from the ISSP survey to which the welfare regime approach can be usefully applied were included. The clustering of welfare regimes corresponds to the conventions of research previously done in comparative welfare regime analyses. Accordingly, Sweden and Norway belong to the social democratic regime type, France, Austria and Germany to the conservative one. Great Britain, the United States, Canada, Australia and New Zealand are grouped as liberal regimes, whereas Spain, Cyprus and Portugal count as Mediterranean types. The transition countries are Bulgaria, the Czech Republic, Hungary, Latvia, Poland, Russia, Slovakia and Slovenia. Japan is ambiguous, but is usually categorized as a liberal regime (Kenworthy and Pontusson, 2005; Scruggs, 2007; Barth and Moene, 2008), which we accept as adequate. Regimes enter as dummies into the estimation. In total, the sample consists of 23 countries, being the number of cases for level 2 in multilevel analyses. Because of the low number of cases within the Mediterranean regime and their heterogeneity with regard to the dependent variable, the results for this regime are not as resilient as one might wish. Although the social democratic regime is represented by just two countries, this causes fewer problems because both are homogeneous.

To test the impact of economic affluence, the gross domestic product (GDP) per capita is used. The unemployment rate was included in order to differentiate between a short-term business cycle effect and a more general level of affluence effect of the GDP. Since both variables are highly correlated (Table A-1) they cannot simultaneously be included in the regressions (multicollinearity). However, separate regressions also offer closer insight into the impact of both. The Gini index based on weighted net household income after taxes and transfers was adopted as a measure of national income inequality to analyse *further* redistribution. Such a measure is related to the degree of redistribution already achieved in a country, and thus relevant to this article. Inequality measures referring to the pre-tax, pre-transfer market income of individual wages or households would be adequate for the research question of how wage inequality affects redistribution demand.[7] Comparable high quality data on the Gini coefficient for net household income are available from the Luxembourg Income Study and can be complemented by Eurostat data.[8]

Welfare state generosity can already be high in a country and at the same time diminish support for further redistribution. To control for this effect, the share of social expenditure in the GDP was included in the model. However, research also suggests a positive correlation between social expenditure and support for redistribution, because universal welfare states themselves create their basis by benefiting broad social strata.[9]

At the *individual* level, indicators of self-interest in redistribution – household income (in deciles from 1 to 10, group-mean centred), years of education (group-mean centred) and a gender dummy (with females as the reference group) – were introduced.[10] Household income is also introduced into the random part of the multilevel model, because it is expected that the impact of this predictor differs between countries owing to contextual influences.

Results

As the preliminary view on the data has shown, regimes are only partly homogeneous 'worlds of social policy preferences' because within one regime type, similarity is limited. West Germans' public support for redistribution is much lower than in France and Austria and rather similar to that found in liberal countries. Only post-socialist countries form a cluster. Furthermore, public support for redistribution does not strictly follow the rank order assumed in the regime hypothesis, mainly because the immature welfare states of transition and Mediterranean countries outstrip the social democratic regimes. The low rank of liberal countries is thus in line with the welfare regime approach. The obvious question is, which other country features might explain these 'deviations'? To answer this, multivariate regression data are presented, showing bivariate correlations between country level predictors and the assent to public redistribution, but with countries still considered separately in order to make the complex effects visible.

Figure 2 charts the level of public support for redistribution against GDP and illustrates the regime type by different symbols. On the whole, it can be seen that with rising prosperity in a given country, citizens demand less income redistribution. Indeed, a certain satiation seems to set in. A clear polarization between transition countries and the other 'richer' countries in Northern and Continental Europe

becomes evident. Thus, the high level of approval for redistribution in Eastern Europe seems to be linked to economic development and not merely to regime influences. However, in the 'wealthy' countries redistribution support differs, so clearly the economic situation alone does not determine the level of support.

Figure 3 illustrates that the link between the degree of income inequality and the acceptance of redistribution is not consistent. The assumed positive
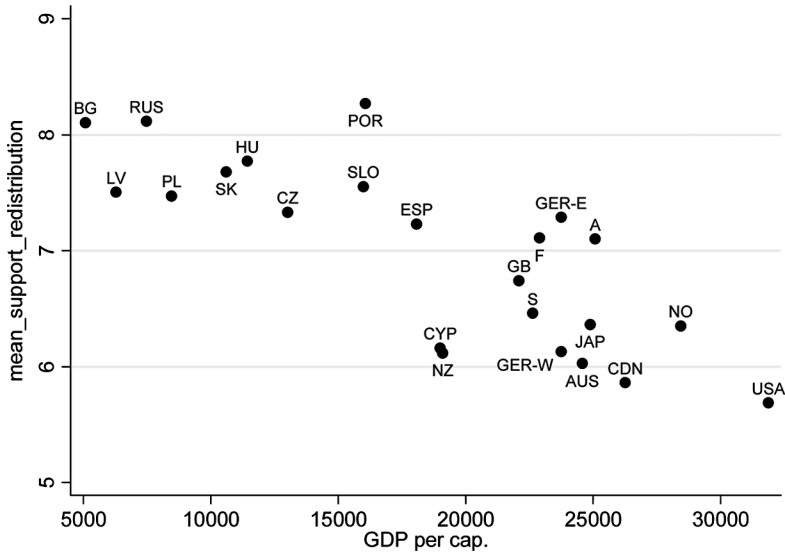

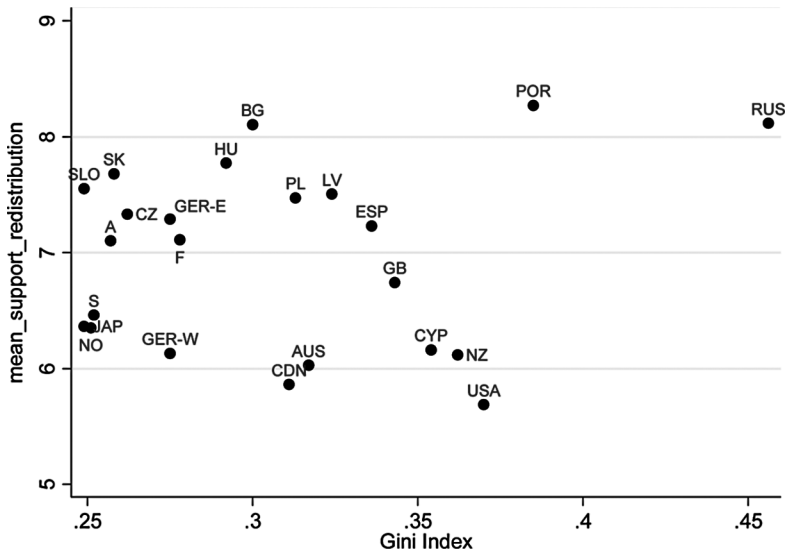**Figure 2** Assent to redistribution and economic prosperity

Figure 3 Assent to redistribution and income inequality

correlation between the support for redistribution and inequality is found for the countries in the lower left quadrant (West Germany, Norway, Sweden, Japan and Canada) and for Russia and Portugal. Both effects confirm the median voter hypothesis (low and high inequality and weak and strong redistribution preferences). The position of the other countries, however, casts doubt on the notion that inequality necessarily produces a desire for redistribution. Citizens of liberal regimes in the lower right quadrant of Figure 2 do not exhibit the expected preferences, despite living in countries with a high level of income inequality. Conversely, the countries in the upper left quadrant in Figure 2, the transition countries and the conservative regimes of France and Austria, show a low level of inequality, yet at the same time a high level of redistribution support. Neither U.S. citizens nor 'post-socialist citizens' react like median voters. However, the countries in the lower left quadrant provisionally confirm the political economy perspective: namely, with a low Gini coefficient, the level of redistribution preferences – plausibly – diminishes.

The influence of the macro-economic and individual variables is now estimated using multilevel regressions (Table 1). The random intercept only (RIO) model shows significant differences between country-specific constants. The 'intra-class coefficient' indicates that 17 percent of the total variance can be explained by country-level variables. Therefore, most of the variance in the data is constituted by individual level variables.

Model 1 introduces the variables important to political economy approaches. In the table they appear as one block, but their single effects were also tested. The Gini index alone was not significant, not even when using a quadratic term in order to model a 'saturation' effect, in which the low inequality achieved by mature welfare states barely motivates approval for further redistribution. Part of previous research on the missing significance of income inequality concluded that in fact cultural norms shape equality preferences (Bowles and Gintis, 2000; Lübker, 2007). However, alternative conclusions are possible. When we control for GDP per capita, the Gini reaches the 5 percent significance level; when social expenditure is also controlled, the Gini becomes highly significant. In the complete Model 1, an increase of the Gini of disposable household income by 1 point above the average results in an increase in redistribution demands by 38.6 points. Thus, when the impact of GDP per capita and social expenditure is controlled, public opinion on redistribution does in fact react to actual inequality.

The impact of the economic situation is negative. An increase of GDP per capita (log) by 1 percent leads to a decrease in public support for redistribution by 0.6 points. The coefficient for GDP per capita has the strongest effect in Model 1 and contributes most (52 percent) to the explanation of variance by Model 1, whereas Gini and social expenditure alone contribute just 7 percent and 8 percent respectively. Support for redistribution decreases in countries with a healthy economic situation or prosperity, even after controlling for inequality.

This confirms the third hypothesis, postulating a decrease in the demand for redistribution in times of economic prosperity, as citizens are then likely to associate the labour market with the solution for welfare problems. Conversely, in times of economic downturn with growing unemployment, citizens place responsibility on the welfare state and ask for 'governmental protection' (Blekesaune, 2007). Pontusson's term 'compensatory employment' also illustrates the connection between a country's economic development, employment growth and a negative effect on redistribution (2005: 53 et seqq.). In order to be able to differentiate whether the GDP effect indicates general affluence and modernization or just a short-term labour-market effect, a regression that uses the unemployment rate instead of GDP per capita was estimated (Model 1a). Unemployment also has a highly significant coefficient, although the variance explained by this model is lower. Therefore, the effect of GDP not only measures unemployment trends, but also the impact of the level of a country's general economic affluence on people's expectations of government protection.

Social expenditure (in percent of GDP) also had no significant effect as a single variable. Only after controlling for GDP does a positive effect on the support for redistribution become visible. If social expenditure increases by 1 percent above the average level, redistribution demands increase by 1.5 points. High social expenditure clearly coexists with support for the welfare state, as long as benefits are universal, benefiting broad social strata (Rothstein, 1998;

Table 1 Multilevel regression support for redistribution (unstandardized coefficient, t-statistics in brackets)

	RIO	Model 1	Model 1a	Model 2	Model 3	Model 4
Constant	7.980***	14.149***	-2.672	7.600***	8.989**	2.952
	(.164)	(4.43)	(0.54)	(36.55)	(2.90)	(0.90)
Fixed Parameters						
Gini (gmc)		-65.046**	-56.62*		-72.141***	-68.30**
		(3.25)	(1.94)		(3.51)	(3.33)
Gini ^2		103.62**	90.83*		-112.04***	103.46**
		(3.34)	(2.02)		(3.71)	(3.44)
Log GDP (per capita, PPP)		-1.184***			-.934***	-1.00***
		(7.09)			(3.77)	(4.13)
Log social expend.		.523**	1.154		.368**	1.537***
		(3.11)	(2.54)		(2.58)	(4.34)
Unemployment			.114***			
			(3.47)			
Welfare regime, ref. cons.						
- Liberal				-.452	-.003	.157
(dummy)				(1.72)	(0.01)	(0.65)
- Social Democrat				.194	-.580	-.507*
(dummy)				(.377)	(2.10)	(1.92)
- Mediterranean				.773***	.719**	.650**
(dummy)				(2.56)	(2.93)	(2.89)
- Trans. countries				1.049***	.390	.288
(dummy)				(4.10)	(.293)	(1.19)
- Household inc.						-.116***
(1–10, gmc)						(6.54)
- Education in years						-.061***
(gmc)						(18.63)
- sex (ref. female)						-.234***
						(11.38)

(Continued)

Table 1 (Continued)

	RIO	Model 1	Model 1a	Model 2	Model 3	Model 4
Variance components						
Level 1 residual variance	2.869	2.869	2.869	2.869	2.869	2.681
	(.025)	(.025)	(.025)	(.025)	(.025)	(.024)
Level 2 var constant	.588	.136	.353	.196	.074	.098
	(.174)	(.041)	(.105)	(.059)	(.023)	(.041)
var househ. income						.007
						(.002)
covar househ. income/const.						.013
						(.010)
LL Log-Likelihood	−50691.82	−50675.14	−50685.99	−50679.28	−50668.39	−49706.44
Wald Test		75.28***	15.17**	45.52***	153.84***	571.10***
Explained variance[a]						
R^2 (BR) – Level 2 const	IKK 17 %	76.9 %	40 %	66.7 %	87.4 %	83.3 %
R^2 (BR) – Level 1						6.5 %
N	26,017	26,017	26,017	26,017	26,017	25,959

Source: ISSP, 1999 and other sources; own calculation.

Note: RIO = random intercept only; gmc = grand mean centred; PPP = purchasing power parities; log social exped. = social expenditures as a natural logarithm; ref. = reference group; cons. = conservative; var. = variance; cov. = covariance.

$*p < 0.05$; $**p < 0.01$; $***p < 0.001$; T-Statistics in brackets provide an indicator of the size of the estimated effect.

a. R^2 of RI-Models and the RS-Model is calculated according to Bryk and Raudenbush (see Hans, 2006). The improvement of explained variance is calculated with reference to the RIO-Model.

Korpi and Palme, 1999). Thus the positive effect of social expenditure does not stem from equality ideals but from individual interests in comprehensive social security (Moene and Wallerstein, 2001).

Model 2 tests the welfare regime approach by grouping countries into different regimes and introducing dummy variables for each, except the conservative regimes which serve as a reference. From the insignificant effect, liberal regimes appear similar to conservative ones with regard to assent to state income redistribution. Furthermore, social democratic regimes do not display a higher assent to redistribution than conservative ones. However, this similarity must be interpreted against the backdrop of a much higher welfare effort and level of equality in social democratic regimes. In both the post-socialist and the Mediterranean regimes, support for redistribution is significantly higher than in conservative regimes. In these immature welfare states, redistributive policies are still highly supported.[11] Ultimately, regime differences with reference to social policy attitudes can be reduced to differences between mature and immature welfare states. The ranking of redistribution preferences assumed by the second hypothesis holds true only in part, for the redistribution preferences in fact adapt to the context. Furthermore, it must be taken into account that respondents obviously do not (alone) answer according to their redistribution ideals.

Model 3 combines welfare regimes and macroeconomic indicators. In this instance, controlling economic factors for different 'worlds of welfare capitalism' partly changes their effects. The negative effect of the economic situation decreases, while the effect of the Gini increases.[12] The distinction between regimes highlights the impact of inequality. This is plausible, because liberal regimes and their link between high inequality and low redistribution preferences are held constant. The effect of social expenditure (percent in GDP) remains positive and significant after controlling for regimes. More important, however, is the insignificant effect for the transition regimes when economic variables are controlled for. Thus, in transition countries high public expectations for state action aimed at more equality are rather the result of a weak economy than of post-socialist ideology.

Model 4 adds the individual level variables. The coefficients indicating an individual interest in redistribution (household income, education and sex), have a negative sign and are highly significant. The higher above country average the respondents' household income and years of education are (the variables are group-mean centred), the lower is the acceptance of redistribution. Furthermore, this is a random slope (RS) model, which assumes that the effect of household income varies between countries. The random part confirms this assumption (variance household income 0.005). Closer analysis of the random slope by a cross-level term, (testing whether the impact of household income depends on the regime), is not possible because of the small number of cases. However, other results give an indication: the omission of varying slopes causes a now significant negative coefficient of the social democratic regime, showing that people with higher incomes in a social democratic context judge redistribution even more negatively than in other regimes. However, since the number of cases at level 2 is low, the results must be treated with caution and should be repeated with a greater number of countries.

The share of variance in redistribution preferences explained by different models allows us to judge the importance of the context variables and the respective approaches. With the predictors relevant to the political economy approach, Model 1 explains 77 percent of the level 2 variance, the biggest share coming from the effect of the GDP per capita. Model 2, only including welfare regime dummies, explains about two thirds of the variation at the country level. Combining political economy indicators and institutional factors (Model 3) improves the model fit to 87.4 percent of the level 2 variance. In the RS model (4), including individual variables, random slopes for sex and income and cross-level effects, the random part differentiates within the level 2 variance. Nevertheless, most of the variance between the countries is explained by the context variables (82 percent). The random slopes, therefore, do not contribute very much to the explanation of variance at the country level. The cross-level effects between income and regimes explain 29 percent of the varying slopes of income. The individual variables explain just 9 percent of the variation at level 1, which is not much, considering that most of the variance in support for redistribution is at the individual level.

Conclusion

This article contributes to research on the explanation of country level variation in welfare attitudes. It improves the conceptual and empirical specification of the country level determinants of peoples' demands for redistribution, referring both to the welfare regime approach and approaches that developed within political economy literature in the search for appropriate explanations beyond the median voter hypothesis. Instead of ascribing cross-national differences to the effect of welfare regimes, this article controls for other country features that might cause cross-national differences in public support for redistribution.

The results confirmed that the demand for redistribution decreases with economic prosperity – even after controlling for social expenditure. In a buoyant economy, people obviously assign less responsibility to the welfare state and define the market as the place where individuals can secure their income, and vice versa. This effect of the GDP indicates that definitions of responsibility for individual maintenance – the market or the welfare state – depend on the context. Definitions of the degree of the state's social responsibilities – in our case for equality – are not static cultural ascriptions, but dynamic. Thus, in a more general sense, social policy ideals adapt to circumstances. However, further research should explore the question of which social mechanisms cause the statistical effect of the GDP more deeply.

The median voter approach, with its assumption that actual inequality directly affects the degree to which redistribution gains public support, proved better than expected in the face of its many critics. After controlling for the GDP and modelling the Gini index as a quadratic relation, inequality does have an effect. However, this does not mean that demands for redistribution are strengthened everywhere. The bivariate data show that it is in the liberal world of welfare capitalism that the demand for redistribution is low despite high inequality.

Moreover, the welfare regime approach is only partly confirmed by the results, which show that demands for redistribution follow the distinction between mature and immature social security systems rather than ideological traditions. The mature conservative and social democratic welfare states generate decreasing redistribution demands, in contrast to the immature welfare states in

post-socialist and Mediterranean countries. Regime differences almost disappear when controlling for macro-economic context factors. It would therefore be premature to explain cross-national variation as the result of regimes and their dominating social policy ideologies.

Research on redistribution preferences has often rejected political economy approaches because the data on liberal regimes cast doubts on the importance of actual inequality. The American exceptionalism, with high inequality but a population not inclined to demand a broader welfare state, made it easy to reject the economic approach and its rational-actor model. If we look at other 'worlds of welfare capitalism', citizens actually adapt to a context that was changed by the welfare state itself, which reduced inequality and poverty and raised taxes. In fact, assuming a direct impact of inequality is too simple, and instead a wider understanding of the social forces determining the degree of redistribution people want and are willing to pay for by taxes and contributions would be more appropriate. Compared to the country context, the relevance of individual factors is evident because most of the variation emerging in the data can be attributed to the individual level. However, individual self interest, because of income, education and sex, predict just a small part of redistribution demands.

The results support a conditional egalitarianism because expectations of state redistribution depend on the context. If wage fairness fails, equality is expected to be realized by the state. If the economy fails, citizens prefer a welfare state that steps in and cushions the negative effects of market processes. In countries with a developed economy, on the other hand, the belief gains credence that everyone has the opportunity to earn the means of subsistence.

Further research should pay more attention to the two dimensions inherent in the usual measurement of redistribution preferences. Up to now, scholars have understood the data either as an expression of people's ideals on redistribution or as a 'realistic' evaluation against the background of actual inequalities, already influenced by governmental redistribution. Much of the debate between the political sociology and political economy approaches has resulted from this ambiguity. This article has tried to avoid diffuseness by constructing a sum index which includes the assessment of given inequality and so explained *further* redistribution.

Notes

1 Only the relation between social welfare expenditures and citizens' support for redistribution was positive.

2 Considerations on the effects of the economic situation are based on the assumption that all social strata profit from a favourable overall economic development. However, the extent to which this is the case depends on individual national distribution structures.

3 See Blekesaune and Quadagno, 2003; Kenworthy, 2004; Blekesaune, 2007.

4 Another method for eliminating the effect of perceived inequality would be to regress support for redistribution on inequality and use the residuals for further estimates. This would achieve the opposite, and inequality perceptions exclude and measure the ideal about state responsibility.

5 Also the direct sequence of both items in the questionnaire presumably directs the interviewees towards a statement with regard to existing income disparities.

6 The results we gain from multivariate analysis using the sum index are only slightly different from those using the single dependent variable about the governments' responsibility to reduce differences in income.

7 Regressions with wage inequality based on 90/10 decile ratios for only 17 countries (data from OECD reported in Barth and Moene, 2008) resulted in an insignificant effect of market inequality, too.

8 Data on country characteristics: Gini see LIS key figures or Eurostat. LIS key figures accessed at http://www.lisproject.org/keyfigures.htm on 6 April 2008. Access at Eurostat interactive tables: income and living conditions; income distribution and monetary poverty; income-distribution; Gini coefficient. Eurostat: General economic background; population and living conditions. GDP see OECD Factbook 2005: Macroeconomic trends, gross domestic product http://ocde.p4.siteinternet.com/publications/doifiles/302005041p1T008 and *Human Development Report*, World Bank.

9 A quadratic relation between social expenditure and support of redistribution was insignificant.

10 As variables that measure the self-interest and dependency from public redistribution, dummy variables for those in retirement and for the unemployed (contrast: those in employment) were tested. As the results were insignificant, they are not reported here.

11 The pattern that emerged from using conservative regimes as reference is stable and also consistent with other regimes as a reference group.

12 An increase of GDP per capita by 1 percent above the average leads to a decrease of redistribution support by 0.46 points.

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Appendix

Table A-1 Correlation matrix of country characteristics (Pearson's *r*)

	Index redistribution (mean)	Gini-Index	GDP per capita (PPP)	Social expend./ % GDP
Gini-Index	0.064	–		
GDP per capita (PPP)	−0.325	−0.252	–	
Social expend./ % GDP	−0.026	−0.570	0.377	–
Unemployment	0.224	0.129	−0.703	−0.157

Source: Index redistribution ISSP 1999; for country variables see Table A2.

Table A-2 Country level data ordered by regimes

Country (regime)	Inequality too high[a]	State reduce inequality[a]	Gini Index[b] (data source)	GDP per capita[b] (US$, PPP, current prices)
Australia (li)	3.8	3.3	0.317 (LIS 2001)	25.448
Great Britain (li)	4.1	3.7	0.343 (LIS 1999)	24.014
United States (li)	3.8	2.9	0.368 (LIS 2000)	33.013
Canada (li)	3.8	3.1	0.311 (LIS 1998)	26.631
New Zealand (li)	3.8	3.2	0.362 (LIS 1999)	19.378
Japan (li)	3.8	3.6	0.249 (OECD 1999)	24.801
West Germany (con)	3.8	3.3	0.275 (LIS 2000)	24.029
East Germany (trans)	4.4	3.9		
Austria (con)	4.3	3.9	0.257 (LIS 2000)	26.504
France (con)	4.4	3.7	0.278 (LIS 2000)	24.235
Hungary (trans)	4.6	4.2	0.292 (LIS 1999)	11.146
Czech Republic (trans)	4.4	3.9	0.254 (LIS 1999)	13.133
Slovenia (trans)	4.4	4.2	0.249 (LIS 1999)	15.977
Poland (trans)	4.3	4.2	0.313 (LIS 1999)	9.742
Bulgaria (trans)	4.8	4.3	0.300 (Eurostat)	5.071
Russia (trans)	4.8	4.4	0.456 (LIS 2000)	7.473
Latvia (trans)	4.5	4.8	0.324 (Eurostat)	6.264
Slovakia (trans)	4.7	4.0	0.258 (Eurostat)	10.010
Norway (soc)	3.8	3.6	0.251 (LIS 2000)	30.002
Sweden (soc)	3.9	3.6	0.252 (LIS 2000)	25.108
Spain (med)	4.2	4.0	0.336 (LIS 2000)	19.477
Portugal (med)	4.8	4.5	0.385 (Eurostat)	16.368
Cyprus (med)	3.7	3.5	0.354 (Eurostat)	19.006

a. ISSP, 1999.

b. See footnote 8.