

Book Review: *Unequal Democracies: Public Policy, Responsiveness, and Redistribution in an Era of Rising Economic Inequality* edited by Nicholas Lupu and Jonas Pontusson

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

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Unequal Democracies, edited by Nicholas Lupu and Jonas Pontusson, delves into the debate on the unequal representation of voter preferences in democracies, which tend to exhibit a bias toward the interests of the rich. Since this debate over state capture by the economic elites originated in the United States (US), it is no coincidence that the book's title references Larry Bartels' *Unequal Democracy*, an influential work on American political inequality. In *Unequal Democracies*, the central statement posits that the capture of the state by economic elites is not unique to the US but rather a widespread phenomenon among affluent democracies.

Comprising a collection of scholarly contributions, the book is infused with a diverse internal debate. We identified three primary arguments in the book aimed at exposing the systematic pro-rich bias underlying democracies. The first is developed by Lupu and Pontusson in the introductory chapter, "The Political Puzzle of Rising Inequality," in which the editors present their own analysis and summarise the content of the remaining chapters. They draw on the influential

model of Allan H. Meltzer and Scott F. Richard (1981), which posits that electoral incentives induce governments to pursue greater redistribution in a context of rising inequality. From this perspective, the persistent rise in economic inequality over the past four decades contradicts prevailing theoretical expectations in political science based on Meltzer and Richard's model, revealing a dysfunction in the way contemporary democracies operate.

Lupu and Pontusson argue that such democratic dysfunctionality over the past four decades, as expressed by rising economic inequality, stems from increasing political inequality, which is characterised by the disproportionate influence of wealthy citizens' preferences on policy. Such an influence has hindered democracies from adequately responding to demands for redistribution. However, the authors do not explore in depth the strong dependence between political inequality and economic inequality—an issue that is crucial for any empirical demonstration. How might one ascertain whether political inequality has given rise to economic inequality, rather than vice versa? The former is not a necessary condition for an increase in the latter. As an extensive literature suggests, economic inequality is a complex phenomenon that not only reflects asymmetric power relations at the national level but also results from structural changes, such as globalisation, deindustrialisation, and the transition to the knowledge economy (Philips, Souza and Whitten, 2019; Antonelli and Tubiana, 2020).

However, their own data provide a more nuanced picture: about half of the twelve democracies in the sample have increased redistribution over time, measured by the difference between post- and pre-tax and transfer inequality, particularly between 2007 and 2019. Although this increase in redistributive efforts was not enough to reverse inequality, contrary to the authors' claim, it suggests that many countries are, to some extent, responding to the growing problem of inequality. In other words, while post-transfer inequality has not declined, the growing gap between post and pre-transfer inequality shows that many democracies are actively seeking to reduce income disparities. The fact that pre-tax inequality has risen more sharply than the redistributive response of states suggests a more complex dynamic than a systematic lack of policy responsiveness to the growing demand for redistribution in affluent democracies.

It is worth noting that the methodological approach employed by Lupu and Pontusson underestimates the impact of different distributive mechanisms. By focusing solely on cash transfers and taxes, and excluding in-kind transfers—on the grounds that it is difficult to determine who consumes public services by income group—they overlook important aspects of redistribution. This approach misses the direct impact of public services on household income and their indirect effects, such as helping individuals enter or return to the labour market through education and active labour market policies. This methodological oversight only further

complicates the task of determining whether the increasing economic inequality is indeed due to a lack of state responsiveness rather than other complex factors.

A different approach is offered by Mads Andreas Elkjær and Torben Iversen in the chapter “Democracy, Class Interests, and Redistribution”. They also assess the redistributive performance of democracies, but include the role of in-kind transfers in their analysis. Consequently, Elkjær and Iversen find that affluent democracies undertake a more pronounced redistributive role than Lupu and Pontusson’s analysis indicates. The authors themselves note that their results are at odds with the Lupu and Pontusson hypothesis, suggesting that affluent democracies do not consistently demonstrate a lack of responsiveness to growing inequality. The notable exception is the US, where state redistribution efforts have, in fact, stagnated. In other words, their findings support the hypothesis of US exceptionalism.

The second argument that we have identified in the book is developed in the chapters by Ruben Mathisen et al., “Unequal Responsiveness and Government Partisanship in Northwest Europe,” and by Macarena Ares and Silja Häusermann, “Class and Social Policy Representation.” Their analysis compares policy preferences across social classes, as measured by public opinion surveys, with policy outputs in democracies. They argue that policy outputs have become less redistributive and more aligned with the interests of wealthy citizens. It should be noted, however, that assessments of congruence between preference inputs and policy outputs face strong challenges. As Larry M. Bartels notes in the chapter “Measuring Political Inequality” in the same volume, the assumption that responsiveness implies congruence between citizens’ preferences and policymakers’ actions contradicts fundamental theoretical definitions of representation, such as the principle of the representative’s partial independence. Thus, the underlying assumptions in the contributions of Ares and Häusermann, as well as Mathisen et al., are in tension with those of Bartels.

The third argument is presented by J. Scott Matthews, Timothy Hicks, and Alan M. Jacobs in the chapter “The News Media and the Politics of Inequality in Advanced Democracies”, which explores how the economic informational environment contributes to generating political inequality. The analysis identifies a pro-rich bias in economic news, which reports positive content when the very rich are favoured. This media bias influences voters’ perceptions of economic performance and, consequently, their electoral choices. It undermines democratic accountability, as the majority of citizens lack access to the broader context necessary to evaluate governments effectively. While this is one of the most compelling studies in the book, it has limitations, such as restricting the analysis to print newspapers and assuming a passive pattern of information consumption among individuals. This overlooks the varied ways individuals actively interpret,

contest, or selectively engage with media narratives—particularly in an era of fragmented digital news consumption.

The remaining chapters do not directly address the book's central hypothesis but instead explore tangential issues. Hence, we suggest that the evidence presented in the book offers a valuable basis for discussion, although it may be useful to consider additional perspectives to strengthen the central hypothesis. It can be said that the primary contribution of the book lies in its empirical refutation of the influential Meltzer–Richard (1981) model. Although incorporating additional perspectives, particularly from political economy, could further strengthen the central hypothesis, the book provides valuable and systematic evidence that advances the ongoing theoretical discussion.

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