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Inequality and Support for Political Engagement in New Democracies

Abstract: The literature on income inequality and political participation - including related literatures, e.g. preferences for redistribution - leaves us with the question of whether citizens see political democracy as a means to contest market inequalities. Using original surveys in 13 Central and Eastern European countries, I find that those who see high and undesirable levels of income inequality have stronger demands for popular democratic participation than those who do not. In addition, neither the aggregate levels of support for political engagement nor individuals' perceptions of inequality are coordinated with either national-level indicators of income inequality or democratic performance.

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INTRODUCTION

The literature on income inequality and political participation presents us with the question of whether citizens see political democracy as a means to contest perceived market inequalities. Empirical studies linking national-level inequality to various levels of individuals' political participation suggest that rising income inequality is de-mobilizing, particularly for 'the poor.' This has been demonstrated for both actual political participation (Solt 2008) as well as with the acceptance of the economic and political *status quo* (Benabou and Tirole 2006; Jost *et al.*, 2004; Kay *et al.*, 2009) which in turn undermines potential political engagement (Jost *et al.* 2012; van der Toorn *et al.*, *forthcoming*).

The literature on preferences for redistribution offers similar – if not similarly directed – relationship (Kenworthy and Pontusson 2005; Iversen and Soskice 2006; Kenworthy and McCall 2008; Corneo and Gruner 2002; Finseraas 2012) demonstrating that lower levels of turnout lead to lower levels of redistribution and, implicitly, higher inequality. Although, Rehm (2009) has shown 'the poor' (or those at a significant risk of falling down the income ladder) are more likely to support redistributive policies. And while it is tempting to imagine that this same group would likely show more enthusiasm for democratic engagement, individuals that have greater support for redistributive policies are less likely to participate (Iversen and Soskice 2006) and less likely to support democracy.

Therefore, to bring novel evidence to bear on the question of whether citizens see political democracy as a means to contest perceived market inequalities, I ask whether individuals' *perceptions* of national-level income inequality shape their *support* for political engagement in the form of widespread appeals to democratic institutions (voting) and influence (participation). Using original surveys in 13 Central and Eastern European Union (EU) member states and other post-Soviet countries, I find that those who *perceive* high and undesirable levels of income inequality have stronger demands for popular and widespread

democratic participation than those who do not. This effect is evident for individuals *regardless* of their socio-economic location, the actual level of national inequality, or how (in)accurate their perceptions of the actual level.

This contributes to the larger debates about whether citizens see democracy as a remedy to market-driven inequality. One, how individuals *see* reality - rather than reality itself - exerts a strong and independent effect on many political attitudes (and potential behaviors). Thus, individuals' perceptions may better 'individualize' the impact of distant macro-economic phenomena, such as inequality, and thus better inform our understanding of how individuals assess and respond to these phenomena. This suggests an alternative to the literature's reliance on individuals' levels of income as the best means to cleave groups in order to understand what inequality means to individuals (see for evidence, Kriekhaus *et al.* 2013; Bartels 2008). In other words, we run the potential risk of misunderstanding how inequality relates to individuals' attitudes and behaviors by misplacing our analytical focus.

In addition, the results link perceptions of inequality with concerns for a sufficiently strong democratic role in the distribution of both benefits and costs in society. Normatively, democracy is designed to function in a roughly egalitarian manner and is the vital institutional mechanism available for most citizens to influence other aspects of their society (Reuveny and Li 2003; Bollen and Jackman 1985). Thus, from the findings here, it is not unreasonable to argue that political democracy can be perceived to be an important means to contest perceived market inequalities. This is further derived from the growing body of work in which that inequality perceptions originate from a variety of attitudes related to fairness, egalitarianism, and justice (Wegener 2000; Verwiebe and Wegener 2000; Osberg and Smeeding 2006). More simply, most citizens want *both* the market and democracy to work fairly and effectively.

INEQUALITY AND DEMOCRATIC ENGAGEMENT

Theoretical and empirical studies have identified behavioral, attitudinal, and value-based elements of democratic political culture (Dahl 1989; Putnam 1993; Almond and Verba 1963). At their core of each of these is the notion that democracy is a form of government comprised of a mandate of the engaged citizenry. Thus, it is nearly a truism to say that democratic participation in democratic societies is a normative good as democratic citizens are assumed to be actively engaged with democracy (i.e. in the exercise of power). Widespread participation by *all* members of society is the normative goal to produce the ‘most’ representative democracy. In other words, while democracy is not necessarily an *egalitarian* political organization, the values incumbent on the members of democratic society must, at a minimum, include *support* for full participation (Dahl 1989).

At the same time, the deleterious effects of higher levels of inequality on democratic institutions and political culture by reinforcing social, economic, and political divisions in society has long been identified (Lichbach 1989; Karl 2000). In the context of political engagement, recent work has suggested that national-level inequality undermines both democratic participation (Solt 2008; Karakoc 2013) as well as the support for democracy (Kriechhaus *et al.* 2013). However, less work has looked at the effect of national inequality on individuals’ support for the important, above-mentioned democratic values – e.g. support for widespread, popular engagement and participation in politics. Confounding this further, individuals’ *perceptions* of income inequality have recently shown little correspondence to actual national-level of income inequality as well as individuals’ own income levels: in the US (Bartels 2008, Norton and Airely 2011), Western Europe (Kaltenhaler *et al.* 2008;

Alesina *et al.* 2004), and Eastern Europe (Tverdova 2012; Loveless and Whitefield 2011; Anderson and O’Conner 2000).¹

National-level inequality has been shown to drive most away from various forms of political engagement. Income inequality has been demonstrated to shape changes in individuals’ levels of political participation (Solt 2008; Bollen and Jackman 1985; Lichbach 1989; Goodin and Dryzek 1980; for Central and Eastern Europe, see Karakoc 2013; Verwiebe and Wegener 2000). It has also been shown to cultivate a fatalistic acceptance of the *status quo* in which individuals respond to higher levels of inequality by justifying the current organization of economic and political institutions (Benabou and Tirole 2006; Jost *et al.* 2003; Jost *et al.*, 2004; Kay *et al.*, 2009). This latter ‘system justification’ in turn has direct negative impacts on their propensity for political engagement (Jost *et al.*, 2012; van der Toorn *et al.*, *forthcoming*). Additionally, recent work shows individuals’ support for democracy is lower in more unequal societies (Kriechhaus *et al.* 2013; although they note that ‘the poor’ show less ‘lower support’ in very highly unequal countries).²

At the same time, while the above appeal to individual action in the form of individual’s own engagement, we also have evidence that income inequality shapes individuals’ preferences for redistributive policies (Kenworthy and Pontusson 2005; Iversen and Soskice 2006; Kenworthy and McCall 2008; Corneo and Gruner 2002; Finseraas 2012) as well as parties (see Anderson and Beramendi 2012; Tavits and Letki 2014). In higher inequality countries, there is stronger support for redistribution policies (and parties) *via* institutionalized advocacy and support; although, it is ‘the poor’ and those in economically fragile position that are the more likely to support these redistributive policies (Rehm 2009). Yet, this same group show little enthusiasm for democratic engagement as individuals that

¹ Although recent work has considered the negative impact of individuals’ *perceptions* of inequality as a source of related democratic values, i.e. trust and efficacy (see Loveless 2013).

² They do not find that there is ‘more’ or ‘higher’ support but only ‘less worse’ outcomes.

have greater support for redistributive policies are less likely to participate (Iversen and Soskice 2006; also Scruggs and Stockemer 2012).

Thus, the conundrum is whether – in the face of rising inequality - individuals' believe in the importance of democratic action or not? Here, I suggest that the difficulty in harmonizing these findings is potentially related to the theoretical linkage between macro-level, national levels of income inequality and individual attitudes, choices, and behavior. Each of the above differing effects are somewhat united in that these effects tend to be associated with - or more concentrated on - ‘the poor’, such that inequality produces lower levels of participation, lower resistance to the *status quo* institutional arrangement – however disadvantageous that arrangement may be for ‘the poor’, and at the same time more actively engaged in supporting parties and policies they favor (assumedly in the context of democratic electoral competition).

I argue that this linkage relies untenably on assumed differences in the impact of inequality between socio-economic location groups and, implicitly and more fundamentally, individuals’ (in)abilities to produce accurate assessments of national levels of macro-economic performance indicators. Given the state of research on inequality, these assumptions are increasingly unsound and should give way to allow individuals to reveal their understanding of - and thus possibly their experiences with - inequality *via* their own perceptions. That is, I propose to move away from the ‘income’ link and toward an alternative means to assess what inequality means to individuals *via* their own perceptions.

NEW DIRECTIONS FOR INEQUALITY AND DEMOCRATIC ENGAGEMENT

To reconsider how inequality may be related to political engagement, let us revisit our thinking about the relationship between inequality and democratic participation in two directions. First, democratic political institutions act as the primary arbiters of a market economy’s tendency toward inequitable distributions (Reuveny and Li 2003; Bollen and

Jackman 1985; Szelenyi and Kostello 1996) and individuals' use of democratic institutions may mitigate the worst effects of the market through support for redistributive policies and open debate (Przeworski and Sprague 1986; Kenworthy and McCall 2008).

Markets and democracy are in different ways allocative systems (Lindblom, 1988; Przeworski, 1985). As Whitefield and Loveless state (2013, 26):

“Through the exchange mechanism, markets may confer advantages on those with particular resources – property or skills or information – and penalize those without them – the elderly, immobile, or incautious (Jackman, 1975; Kitschelt, 1994). Democracies, in turn, provide a mechanism for majorities to gain access to state institutions – the law, bureaucracy, taxation – that may allow that majority to mitigate the losses of the market or to reinforce its gains (Jackman, 1975).”

As such, these systems produce different sets of winners and losers (see for CEE, see Örkeny and Szekelyi, 2000; Kelley and Zagorski, 2004; Whitefield and Loveless, 2013). When economic power cannot be exerted, we expect citizens to be supportive of large and popular participation in politics, particularly for the lower – less economically competitive – class, *via* the thinking that popular participation in democratic politics is the mechanism alleviate or remedy market inequalities. Therefore, those who cannot muster sufficient market power, reach for levers of political power to mitigate this imbalance. In the particular case of lower income groups, democratic institutions and their widespread, popular use may remain as the only mechanism to do so. The evidence for this is apparent in the preferences for redistributive policies literature which shows that - in general - when people perceive too much inequality, they are likely to appeal to the democratic process as the means to address the perceived excess (Kenworthy and McCall 2008; Corneo and Gruner 2002; Finseraas 2012; Rehm 2009).

The second direction to expand our thinking about the relationship between inequality and democratic participation is to consider the impact of inequality itself. The present research differs from major works in the field of inequality and political participation by examining individuals' *support* for political participation. Despite this, the existing literature is relevant

to the study here as there is a clear consensus that inequality impacts lower income groups more significantly (and nearly always negatively). This is naturally appealing as inequality tends to be more costly to the poor and the rich tend to avoid suffering or even benefit from inequality. The rich are thought to see and experience inequality as economically and politically benign (or even positive) and to be exploited while the poor experience and respond to inequality with resignation and fatalistic deference to the system.³ However, these approaches assume that national levels of objective inequality are evaluated uniformly *within* - and differently *between* - groups demarcated by income. Despite the obvious intuitiveness of this argument, is income the most *meaningful* division?

The most recent literature suggests that it is not. Bartels (2008) asked US citizens to cite the current level of inequality in the US and finds that individuals' responses did not covary according to their level of income, but rather the results of who could accurately assess the level of inequality in the US was better predicted by the respondents' ideological positions (liberals being more accurate than conservatives). Norton and Ariely (2011) asked US citizens to identify the current level of inequality. Again, not only did the answers not correspond to income levels but were far more optimistic about the objective level of inequality (that is, they were wrong). In addition, recent work that suggests that the origins of individuals' economic perceptions may be related to the economic performance of income groups *other than one's own* (Hopkins 2012). Thus, it seems that individuals' perceptions of inequality are remarkably unrelated to actual, national-levels of inequality as well as easily understood via individuals' income levels: in the US (Bartels 2008, Norton and Airely 2011), Western Europe (Kaltenhaler *et al.* 2008; Alesina *et al.* 2004), and Eastern Europe (Tverdova 2012; Loveless and Whitefield 2011; Anderson and O'Conner 2000). Thus, not only are

³ The 'learned helplessness of the poor': "Through repeated failures, these poorer citizens come to conclude that their condition is natural, destined by fate, or simply no less than they deserve..." (Solt 2008, 49). See also Jost *et al* (2004) and Kay *et al* (2009).

individuals generally ignorant of the actual level of inequality, their socio-economic locations appear to give them little structural guidance on how to respond.

If citizens of a country are unable to accurately identify the level of inequality in their country, and there are few socio-economic locational clues, we are left without a clear theoretical mechanism that connects individual responses to national economic context (*pace* Solt 2008). In other words, how *do* people think, understand, and react to the distribution of the costs and benefits of society (Kluegel *et al.* 1995)? One possible means to uncover its meaning is simply to ask individuals how they perceive inequality and use these perceptions as the basis by which they generate their motivations of democratic support, political participation, and other democratic orientations. In doing so, we gain individual information about inequality by ‘individualizing’ inequality’s impact on individuals which can serve as potentially reliable indicators of attitudes and behaviors (again, regardless of its accuracy). This should not be surprising nor is using perceptions a simple matter of convenience.

Individuals’ perceptions of deviances from ‘just’ rewards have been demonstrated to be significant predictors of the perceptions of a variety of inequalities. Existing research suggests that how people *view* inequality is deeply related to values about to fairness, egalitarianism, and justice (Wegener 2000; Verwiebe and Wegener 2000; Osberg and Smeeding 2006). The ‘social justice’ literature underscores the notion that individuals’ perceptions of inequality are not driven by - or even correlated with - objective reality driven but by a variety of attitudes of fairness, egalitarianism, and justice as it relates to the distribution of income and other public goods in society (for Europe, see Kaltenhaler *et al.* 2008; Dickes *et al.* 2010; Kreidl 2000; Loveless and Whitefield 2011; for the US: Osberg and Smeeding 2006; Bartels 2008). These perceptions are not preferences for equality but rather preferences for lower levels of inequality. Stated differently, this approach does not suggest that individuals are against inequality, but that they are against *excessive* inequality. This

approach incorporates democratic authority as an arbiter rather than rely on the meritocratic arrangement of individualism to resolve conflict (i.e. the market, see Verwiebe and Wegener 2000; Whitefield and Loveless 2013).

Therefore, drawing together these new considerations about the relationship between inequality and support for democratic participation, I offer a theory that links inequality in a consistent manner to individuals' support for the democratic values of participation. The relationship between perceived inequality and support for political engagement is based on one, individuals' perceptions as a more meaningful indicator of how people see and experience inequality and two, normative views of both the role of the market and democratic political institutions such that the market should be 'fair' and, when it seen not to be, democracy should function in a roughly egalitarian manner to combat excessive and inevitable market distortions. Thus, perceived disparities may hypothetically stimulate increased enthusiasms for the use of democratic institutions.

METHODOLOGY

The data for this analysis come from original, mass public survey data collected in 2007 in 13 Central and Eastern European countries that include current EU members and former Soviet states: Belarus, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, and Ukraine. The aim of the *EUREQUAL* project was to assess the impact of inequality on individuals as it related to the varied processes of democratization and market liberalization over the past 20 years.⁴ By comparison, in the major, cross-national surveys, individuals' perceptions of and orientations to inequality are to some degree standardized. Unfortunately, the European Social Surveys (EVS, 2008-10), the World Values Surveys (WVS, 2005-8), the European Values Surveys

⁴ 'Social Inequality and Why It Matters for the Economic and Democratic Development of Europe and Its Citizens: Post-Communist Central and Eastern Europe in Comparative Perspective' funded by the European Commission under contract No 028920 (CIT5) Framework 6. Fieldwork was conducted by national survey/polling institutes in each country (face-to-face interviews) on the basis of stratified national random probability samples.

(ESS, 2008-9), and the International Social Survey Programme (ISSP, 2009 Social Inequality IV) provide a highly mixed ability to assess how individuals' 'see' inequality and further link these perceptions to political attitudes or behavior. Thus, the *EUREQUAL* surveys offer questions about individuals' perceptions of inequality that are largely subjective and do not force responses onto pre-determined (and highly normative) continuums⁵ or require answers to double-barreled questions about inequality and subsequent governmental responses.

Therefore, to assess individuals' levels of support for political engagement and participation, respondents were asked to agree with the statement, "What this country needs is more participation by ordinary people in running the country's affairs." The response categories included strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, strongly disagree, and don't know. The coding was reversed to make the response categories more intuitive (i.e. agreeing with the statement is a higher score). To assess individual's orientation to more specific forms of political participation, respondents were also asked, "It is everyone's duty to vote." The response categories were treated the same as with participation. While neither measure is an indicator of actual political participation, they do indicate a normative support for (and assumed, propensity for engagement in) political engagement in politics.

The distribution of both political participation and voting can be seen in Table 1. There is a predominance of positive orientations toward the duty to vote and that people should participate in politics, 71% and 65% of agreeing to some degree, respectively. This suggests a foundation of strong and widespread democratic political attitudes and both variables are relevant to include as they capture distinct facets of individuals' orientations to political participation and show little correlation ($r=0.16$, $p\leq 0.001$, $N=15,635$).

⁵ i.e. Income is zero-sum: "people can only get rich at the expense of others" or "wealth can grow so there's enough for everyone" or preferences for an egalitarian society ..., *regardless of achievement*" [emphasis ours] and "a competitive society, where wealth is distributed according to ones' achievement."

<<Table 1 about here>>

Individuals' perceptions of income inequality are based on a straightforward question, "differences in income in this country are too large." In accordance with the literature on political participation, this model includes controls for individuals' socio-economic status (education, gender, age, and income),⁶ ideology, employment status (employed or not), membership in the ethnic majority of the country – as a means to capture social cleavages that exist as alternative social bases of partisanship to class (see Rohrschneider and Whitefield 2012), residence (urban vs. rural; Milanovic 1998), and self-reported social group membership (Brady *et al.* 1995; Verba *et al.* 1978; Verba *et al.* 1995).⁷ I also include country dummies (Lithuania is the reference case).⁸ These are suppressed in the output only for consideration of space.

As mentioned above, the linkage between inequality and political participation emanates from individuals' socio-economic location. In keeping with this broad consensus, I add an interaction between perceptions of income inequality and income. If this interaction term is significant, it signifies that, controlling for both income and perceptions of inequality, the effect of perceptions of income inequality depends on the level of income.

<<Table 2 about here>>

In Table 2, we can see the Ordered Logit output⁹ of the normative support for political participation and voting regressed on individuals' perceptions of income inequality and the other variables associated with support for political engagement. The table presents the

⁶ The income variable does not directly assess individual or household income. These models have also been estimated using both a measure of individuals' 'relative standard of living'. The central findings and overall effects are consistent. This alternatively specified model is available from the author or from the online appendix.

⁷ Social group membership is based on the Goldthorpe schema of which the organizing principle is the nature of the employment relationship (see Evans and Mills 1999). For further discussions related to this region, see also Evans (1997); Whitefield (2002).

⁸ Given the use of country dummies, the analysis was weighted to 1,000 observations per country.

⁹ Ordered Logit is the best estimating technique for these 5-category dependent variables. Note, these were first run as OLS allowing us to check the variance inflation factor (i.e. multicollinearity). There is none to report.

marginal effects. The first two models are the ‘perceptions’ models without an interaction with income. In these models, lending validity to our specification, we can see that education is positively related to both participation and voting. In the voting model, this is supported by a positive relationship with ideology (those who identify with conservative politics are more supported of the duty to vote) and age, in which older respondents have a higher support for the duty to vote. Both men and the unemployed agree with this more so than women and the employed. More importantly, income is negatively associated with political participation and positively associated with duty to vote. Although, perhaps this is not surprising to see higher income respondents be restrained for political participation given the question which includes the phrase, “more participation by ordinary people.” Finally, individuals’ perceptions of income inequality are positively associated with both normative attitudes toward political participation and voting.

What we find in the second set of models (the ‘interaction’ models) is that not only are the models substantively the same as before including the interactions but also that the interactions do not reach statistical significance. This demonstrates the independent nature of individuals’ perceptions of inequality from their income group membership and corresponds to current research that indicates income’s lessening efficacy as an effective or meaningful demarcation of individuals’ experience with, understanding of, and beliefs about inequality. In addition, the ‘perceptions’ variables are the second most substantive variable in both the participation and voting models (after the dummy variables for ‘peasants’ and ‘entrepreneurs’, respectively). In a further demonstration of the robustness of the perceptions variables, in Table 3, we can see that for each unit (category) increase in perceptions of income inequality, the changes in both forms of support for participation are statistically

significant (i.e. non-zero, at 95% confidence) at every response category level (i.e. ‘strongly disagree’, etc...).¹⁰

<<Table 3 about here >>

We provide a further test of the possible relationships between objective income inequality, perceptions of inequality, and income as they potentially affect support for democratic participation. Specifically, we would like to know three more things. One, does national-level, objective income inequality explain variation in aggregate changes in levels of support for democratic participation? Two, and congruent to the established multi-level models of inequality and political participation (*cf.* Solt 2008), do national levels of income inequality moderate the relationship of individuals’ income to levels of support for democratic participation? And finally, do national-level, objective income inequality moderate the relationship between perceptions of inequality and their levels of support for democratic participation?

To do so, we use the three estimated parameters from the intercepts (1), income (2), and perceptions of inequality (3) from the micro-model for each country¹¹ and regress them on a macro-economic indicator of income inequality (i.e. the Gini Index). Doing so roughly approximates the multi-level interaction between changes in national levels of income inequality and individuals’ income levels (Achen 2005) in that change in the national-level income inequality should coordinate with changes in the impact of income on support for democratic participation. We extend this potential mediating effect of national-level income inequality to include uncover any intervening effects on both the effect of perceptions of

¹⁰ This is a more robust reporting of the ‘changes in predicted probability’ that augments the output reported by Ordered Logit in which each level of the independent variable has a statistically significant impact (i.e. ‘cuts’). Both checks demonstrate that each level of perceptions is statistically significant for both dependent variables. Further test of robustness were run including the proportional odds/ parallel lines assumption. Please see the additional Appendix for full details.

¹¹ By country models, with interactions, run separately. These models were run as OLS as the beta coefficients would not be meaningful to investigate otherwise. The findings are substantively the same and available from the authors.

inequality as well as the mean level of support (i.e. country level intercepts). This represents all the theoretical means by which national-level inequality could affect support for political engagement *via* the perceptions, individuals' income level, or as the mean level reveals, a direct effect on political engagement.

Finally, given the countries under investigation, we expand the national-level potentialities. We cannot automatically presuppose that democratic institutions, through distributing popular political power in the form of both elite accountability and mass representation and popular economic power, are accessed uniformly to this end and can perform these duties equally. We therefore include in these regressions the averaged Freedom House scores as measures of democratic performance. The results are in Table 4.

<<Table 4 about here>>

We find no significant results. The cross-national variation in the estimated regression intercepts as a measure of aggregate levels of support for democracy participation controlling for all individual-level effects is not explained by either national-level, objective income inequality or measures of democratic performance. Similarly, both the effect of income and the perceptions of inequality as indicated by the estimated beta parameters are independent of the variation in national-level, objective income inequality and measures of democratic performance.

Although we are admittedly limited by only 13 countries, these findings together suggest that cross-national variation in national-levels of income inequality fail to contextualize both aggregate differences in levels of political participation as well as variations in political participation by income groups (and holders of different perceptions of inequality). The evidence suggests that individuals' perceptions of inequality influence their support for political engagement and do so independent of actual levels of inequality and national democratic situation. This supports the theoretical model proposed here in which individuals'

perceptions and beliefs about inequality serve as determinants of political participation and do so more effectively than existing models that rely on the interaction between variation in macro-inequality and individuals' levels of income.

The analysis here challenges this literature in two ways. One, there is a disparity between the actual level of national-level income inequality and individuals' *perceptions* of that level. These perceptions potentially provide an alternative set of evidence of how individual see - and thus experience – inequality. And because of this, they serve as better guides to predicting individuals' support for democratic political engagement. This therefore serves as a limited and indirect challenge the assumption of income group membership as the best means to understand how inequality is perceived by individuals (i.e., *cf.* Solt 2008). Two, that perceptions of income inequality seem to drive *support* for political participation provides some preliminary empirical evidence to the question of whether political democracy is perceived as a means to contest what are perceived to be market inequalities. This produces a number of interesting issues.

To the first point, perceptions may better inform our understanding of how individuals assess and respond to the level of inequality or, at the very least, suggest that getting at how people experience inequality is important. It seems evident that individuals' experiences with inequality motivate support for democratic political participation *via* a perceived lack of economic power and the promise of democratic remedies (that is, motivating support in the manner of both the stick and the carrot, respectively). And, individual support for democratic participation is not merely a measure of individuals' democratic values but also as an appeal to engage the mechanism of democratic control to combat excessive disparities in market distributions mechanisms.

As Tverdova (2012) has recently and rightly pointed out, individuals' economic perceptions often appear out of synchronicity with sociotropic economic reality.¹² Knowledge about macro-economic and political processes is often thought to inundate citizens with too much information requiring them to turn to heuristics which allow them to reach conclusions, e.g. in the case of the literature on inequality, assumed to be income. This produces a theoretical mechanism that individuals' perceptions on many social, economic, and political matters often reduce to fundamental dimensions of individuals' pre-existing cognitive and value map. However, for perceptions of inequality here, rather than income, we argue that individuals' value map is linked to their demonstrated orientations to fairness and social balance (Wegener 2000; Verwiebe and Wegener 2000; Osberg and Smeeding 2006). This notion of 'social justice' is less *about* equality as it is about *less* inequality, and relatedly, fairness.

To the latter point, this research therefore speaks to the role of democracy and the crucial popular belief *in* democracy. In all forms of democracy, it is important that the process is fair as much as it is important that it is *believed* to be fair (Rohrschneider 2005; Sen 1999). Even in a country where the level of inequality is high, as long as political outcomes are seen as the outcome of a fair process, that society is more likely to be stable and functioning compared to a society in which there was low inequality but the outcomes were deemed to be the product of an unfair process (Whitefield and Loveless 2013; Reuveny and Li 2003; Szelenyi and Kostello 1996; Bollen and Jackman 1985). If democratic institutions fail to protect the interests of those most affected by high inequality, inequality is particularly malign. Thus, democracy is important, particularly to those who see themselves as exposed to the impact of inequality.

¹² Importantly here, she finds this to be the case for many post-Communist states (see also Anderson and O'Conner 2000).

One might suppose that both the observation that there is ‘too much’ inequality and a desire for ‘more’ democracy are simply flip sides of the same coin, egalitarianism. However, individuals’ perceptions of inequality are not a function of egalitarianism *per se* but rather tolerance to economic inequality - to a point (Wegener 2000; Verwiebe and Wegener 2000; Osberg and Smeeding 2006). Similarly for democratic performance, normative attitudes that democracy should function in a representative (minimally majoritarian) manner are egalitarian only in that they appeal to the normative basis of democracy (Rohrschneider 2005).

The limitations to such a study are manifold. Centrally, this analysis engages existing works on inequality and political participation, but does so indirectly. We ask for individuals’ orientations to political participation which weakens the comparability with measures of actual participation, e.g. voting, found in other studies. The positive orientation toward individual and broad participation in democratic institutions is an important prerequisite of eventual action albeit not a necessarily determinative one. Possibly more troubling, the use of surveys to assess the complex political implications of national economic phenomena undoubtedly over-simplifies the cross-currents of economic, psychological, and social pressures that shape individuals’ responses to inequality. We cannot know how individuals experience and respond to inequality - but we do know that income is increasingly becoming a poor proxy for that experience. By using individuals’ perceptions, we substitute structural explanations (social-economic locations responding to variations in national economic contexts) with socio-psychological processes that produce less concrete operationalizations but strongly intuitive concepts and theoretical linkages.

Finally, although the literature provide us with mostly negative empirical links between national-levels of income inequality and individuals’ levels of political participation, individuals’ *perceptions* of income inequality are positively correlated with higher support

for democratic participation. This suggests three key areas of further work. One, if perceptions of income inequality are different than actual levels of income inequality, which is more effective in affecting political participation? Two, if support for participation is higher, does this (eventually) translate into higher levels of actual participation? Third, and finally, there is a potentially moderating effect on individuals' perceptions of inequality. That is, what individuals may regard as inequality may also have little to do with inequality *per se* but depend on whether the economy as a whole provides high living standards and dynamic economic development (Jackman 1975). Alternatively, people in a country with more inequality and exhibit a higher level of tolerance for inequality may report lower levels of inequality those in a country with less inequality but also a less inequality-tolerant populace. We are not able to know which of these countries is more 'inequality tolerant'; although, we suspect disparities between perceived and actual income inequality might allow one to make preliminary claims. In any case, in confronting these questions we may be able to draw closer to answering the question of whether political democracy is perceived as a means to contest what are perceived to be market inequalities.

CONCLUSION

The findings have potentially important implications for both new and established democracies alike. Like preferences for legislative or policy responses from elected elites (Kenworthy and McCall 2008; Corneo and Gruner 2002; Rehm 2009), inasmuch as these perceptions align with existing social, economic (other than mere income), and political cleavages, the access of political power could result in a transformation of political alignments, competition, and ideology. Specific to this set of new EU accession states and the near abroad, post-Soviet countries, Evans (1997) asserts that class inequality provides fertile ground for the development of class divisions in political interests (see also Whitefield 2002; Rohrschneider and Whitefield 2012). This has been complicated in some of the states

included here (i.e. Moldova, Ukraine, Belarus) as they have simply constituted new formal and informal rules of governance that are cosmetically democratized but remain less than fully legitimized or have limited capabilities (Schmitter *et al.* 2005). Or, it could have significant political effects that transcend the boundaries of democratic political institutions.

At the same time, two-thirds are members of the European Union, representing successful transition cases toward these institutional arrangements. It is *because of* these varied outcomes that we consider these data and this region as an advantage over existing studies. Inequality in established democracies can be troubling. However, inequality in long-standing advanced industrial democracies does not threaten the democratic politics whereas for these countries, inequality challenges the new ‘rules of the game’. Thus, how individuals perceive and experience inequality can only add to our knowledge about the *extent, stability, and quality* of democratic outcomes.

The findings here are further important for non-obvious reasons. Unlike other metrics of society, inequality does not have a natural and/or normative resting place. For example, most can agree that very low to no corruption in society is preferred, and we can make similar arguments for many social ills. In contrast, *some* inequality is not necessarily a social ill. Social stratification and inequality can benefit society by creating gaps in labour structures, incentivizing upward mobility, diversification of labour markets, and creating new service and goods sectors. At the same time, excessive inequality - as a deviation from this ‘right amount’ - correlates with broad deficiencies in societies (Wilkinson and Pickett 2009).

In modern society, the location of the ‘right amount’ of inequality – what works in a relatively fair manner for a majority - is predicated on a balanced contest between democracy and the market. When markets become too powerful, economic elites tend to extend their power into (democratic) politics distorting it for their use (Böröcz and Róna-Tas 1995). In doing so, they violate the fundamental tenants of democracy in which each member of that

society has equal footing (Dahl 1989). Given that normative democratic theory is underscored by appeals to direct and active popular participation and that the constituents of this system are considered politically equal, individuals are provided a means to address the effects of the market through policy (e.g. taxation and welfare). Ideally, when inequalities are perceived to be excessive, individuals can intervene politically to seek to remedy it. The evidence here suggests that is potentially the case. However, inasmuch as they do not, inequality is likely to be highly corrosive to long term democratic stability and viability. A continued better understanding of inequality, its perception, and meaning in modern society tell us a great deal about the nature and normative function of modern politics.

Tables and Figures:

TABLE 1: Distribution of Normative Participation and Voting

	Duty to Vote	Ordinary People should Participate
<i>Strongly Disagree</i>	433 (2.8%)	223 (1.4%)
<i>Disagree</i>	1,215 (7.8%)	1,154 (7.4%)
<i>Neither</i>	2,846 (18.2%)	3,897 (24.9%)
<i>Agree</i>	6,264 (40.1%)	7,001 (44.8%)
<i>Strongly Agree</i>	4,882 (31.2%)	3,362 (21.5%)
Total:	15,640 (100.0%)	15,637 (100.0%)

TABLE 2: Perceptions of Inequality and Political Engagement: Ordinal Logit Models

	MARGINAL EFFECTS			
	Participation b/se	Duty Vote b/se	Participation b/se	Duty Vote b/se
<i>Inequality:</i>				
Income Inequality	0.21*** (0.02)	0.14*** (0.02)	0.21*** (0.02)	0.15*** (0.02)
Income	-0.12*** (0.02)	0.05* (0.02)	-0.12*** (0.02)	0.05* (0.02)
<i>Interaction:</i>				
Income*Income Inequality			-0.00 (0.02)	-0.04 (0.02)
<i>Socio-economic variables:</i>				
Education Level	0.05** (0.02)	0.11*** (0.02)	0.05** (0.02)	0.11*** (0.02)
Ideology	-0.02 (0.01)	0.03*** (0.01)	-0.02 (0.01)	0.03*** (0.01)
Gender	0.06 (0.04)	-0.11** (0.04)	0.06 (0.04)	-0.11** (0.04)
Employed	-0.11* (0.04)	-0.15*** (0.04)	-0.11* (0.04)	-0.15*** (0.04)
Age	0.00 (0.00)	0.01*** (0.00)	0.00 (0.00)	0.01*** (0.00)
Ethnic Majority	0.01 (0.05)	0.05 (0.05)	0.01 (0.05)	0.05 (0.05)
Urban Residence	0.03 (0.04)	0.04 (0.04)	0.03 (0.04)	0.03 (0.04)
<i>Social Class:</i>				
Entrepreneurs	-0.05 (0.09)	0.23** (0.09)	-0.05 (0.09)	0.22* (0.09)
Man/Admin/Offwork	-0.17** (0.05)	0.10 (0.05)	-0.17** (0.05)	0.10 (0.05)
Int/Doc/Law/Prof	-0.22*** (0.06)	0.04 (0.06)	-0.23*** (0.06)	0.04 (0.06)
Peasants/Farm Work~s	-0.29*** (0.07)	-0.02 (0.07)	-0.29*** (0.07)	-0.02 (0.07)
None/DK/NA	-0.13* (0.05)	-0.16** (0.06)	-0.13* (0.05)	-0.16** (0.06)

Country dummies suppressed for consideration of space

Pseudo R2	0.0240	0.0338	0.0240	0.0339
Wald chi2 (df)	704.02 (26)	1057.91 (26)	704.17 (27)	1061.53 (27)
Prob > chi2	0.000	0.000	0.000	0.000
Number of Observations	12246	12250	12246	12250

Marginal effects; * p<0.05, ** p<0.01, *** p<0.001

TABLE 3: Predicted Probability over Changes in Perceptions of Income Inequality

<i>Dependent Variables:</i>	Change in ‘Perception of Income Inequality’			
	1 → 2	2 → 3	3 → 4	4 → 5
<i>Ordinary People Participate</i>				
Strongly Disagree	-0.0050	-0.0041	-0.0033	-0.0027
Disagree	-0.0213	-0.0184	-0.0158	-0.0134
Neither	-0.0260	-0.0283	-0.0293	-0.0290
Agree	0.0287	0.0234	0.0169	0.0094
Strongly Agree	0.0236	0.0274	0.0315	0.0357
<i>Duty to Vote</i>	1 → 2	2 → 3	3 → 4	4 → 5
Strongly Disagree	-0.0051	-0.0045	-0.0039	-0.0034
Disagree	-0.0125	-0.0113	-0.0102	-0.0092
Neither	-0.0153	-0.0155	-0.0153	-0.0150
Agree	0.0066	0.0030	-0.0007	-0.0043
Strongly Agree	0.0263	0.0282	0.0301	0.0319

Holding all other variables at their mean (using the ‘*prvalue*’ command in STATA 12), all changes are statistically significant at minimum 95% confidence (based on confidence intervals).

TABLE 4: Political Engagement: Cross-level Interactions

	Beta Coefficients for Income		Intercepts- Aggregate Means		Beta Coefficients for Perceptions of Inequality	
	Participation	Duty Vote	Participation	Duty Vote	Participation	Duty Vote
	b/se	b/se	b/se	b/se	b/se	b/se
Gini Index	0.00 (0.00)	-0.00 (0.00)	-0.02 (0.02)	0.02 (0.03)	0.00 (0.00)	0.00 (0.00)
Freedom House Score	0.00 (0.01)	-0.00 (0.01)	-0.00 (0.06)	0.06 (0.07)	-0.02 (0.01)	0.00 (0.01)
Constant	-0.10 (0.12)	0.18 (0.11)	3.97*** (0.73)	2.21* (0.88)	0.17 (0.15)	0.00 (0.15)
Adj. R-sq	0.0303	0.1561	0.0537	0.1388	0.2223	0.0229
No.of Obs	13	13	13	13	13	13

* p<0.05, ** p<0.01, *** p<0.001

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Measurement Appendix

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DEPENDENT VARIABLES

Participation (f1f): “What this country needs is more participation by ordinary people in running the country's affairs.” Strongly agree, Somewhat agree, Neither, Somewhat disagree, Strongly disagree, DK (recoded to neutral category). Reverse coded.

Voting (f1d): “It is everyone's duty to vote” Strongly agree, Somewhat agree, Neither, Somewhat disagree, Strongly disagree, DK (recoded to neutral category). Reverse coded.

INDEPENDENT VARIABLES

Income Inequality (b7): “Differences in income in this country are too large.” Strongly agree, Somewhat agree, Neither, Somewhat disagree, Strongly disagree, DK (recoded to neutral category), reverse coded so that a high scorer is agreement with this statement.

Demographics:

Education (std_education): all countries were adjusted to the ISCED 1997 (0) Pre-primary level of education; (1) Primary level of education; (2) Lower secondary level of education; (3) Upper secondary level of education; (4) Post-secondary, non-tertiary level of education; (5) First stage tertiary education; (6) Second stage of tertiary education (leading to an advanced research qualification) of education.

Ethnic group (h3a): To which one do you consider that you belong yourself? (1) Majority ethnic group; (2) Group B; (3) Group C; (4) Group D; etc...This was recoded so that the majority ethnic group is 1 and all others are 0.

Gender (o2): Coded so that male is 1 and female is 0

Employment (j1): Is the respondent currently in paid work? Coded so employed is 1 and unemployed is 0.

Age (o1): open ended response

Income (l7c): Which of the following statements best describes your household's financial circumstances: We do not have enough money even to buy food; We have enough money to buy food but we cannot afford to buy clothes and shoes; We have enough money to buy food, clothes and shoes and have some savings but not enough to buy more expensive goods such as a TV set and fridge; We can buy some expensive goods such as a TV set and fridge but we

cannot afford all things we would want; We can afford everything that we would want; Do not know. DK is recoded to missing.

Social Group Self-reported Identification (g2): Dummy Variables. Respondents were asked to place themselves in one of the following categories: Entrepreneur, Manager or Administrator, Intelligentsia/ Doctors/ Lawyers/ Professionals, Office Workers, Peasants/Farmers, Manual Workers, or None. *Reference category:* Manual Workers

Ideology (e3): Many people think of political attitudes as being on the "Left" or the "Right". This is a scale stretching from the Left to the Right. When you think of your own political attitudes, where would you put yourself? 1= left, 10=right, DK recoded to missing.

Urban/Rural (urbrur): Dummy variable with '1' as urban and '0' as rural

NATIONAL LEVEL INDICATORS:

Gini Index: *Source:* Solt, Frederick. 2009. "Standardizing the World Income Inequality Database" *Social Science Quarterly*, 90(2):231-242. SWIID Version 4.0, September 2013.

Freedom House: *Source:* <http://www.freedomhouse.org>