

OPPORTUNITY MATTERS

Inequity-Aversion and Attitudes towards Redistribution in Europe and the United States

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April 13, 2015

ABSTRACT: In many Western democracies economic inequality, or at least its political relevance, has been increasing in recent years. However, little is known about the effect of these developments on people's attitudes towards inequality and redistribution. Political economists have mostly relied on self-interest motives in understanding such attitudes, implying that people support redistribution the more they benefit from it. However, there is compelling experimental evidence that people care not only about their material wellbeing, but also act inequity-averse, rejecting inequality if they perceive it to be determined by factors beyond individual control. In this paper, I explore whether inequity-aversion exists outside of the laboratory setting by analyzing survey data from 26 European countries plus the United States. In line with the experimental work, it turns out that people become more supportive of redistribution if they perceive inequality to be determined by factors beyond individual control, and less supportive if it is due to factors within individual control. I argue that the empirical findings presented here and previous experimental work can both be explained by understanding inequity-aversion as aversion to inequality in opportunity. This aversion appears to be general rather than self-centered, meaning that people reject the effect of unequal opportunities on everyone's and not just their own economic success. The findings here call for further research on what the origins of people's perception of economic inequality as well as the effects of attitudes towards redistribution on politically salient behavior are.

Keywords: political economy, political behavior, inequality, redistribution, inequity-aversion.