(In)Congruence: A Study of Opinion-Policy Distance in 33 Democracies

By

Nicolae Bîea

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Supervisor: Carsten Q. Schneider

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Abstract

This thesis seeks to answer two questions. First, is government policy in contemporary democracies congruent with public opinion? Second, what are the factors that determine opinion-policy congruence? I conceptualize opinion-policy incongruence as the distance between actual government policy and the policy preferred by the median voter. I apply this measure of opinion-policy incongruence to international survey data that assessed citizens' preferences regarding government spending. For each of the 33 countries involved, I obtain a measurement of the distance between the median voter and actual government policy for eight different policy areas. The results suggest that opinion-policy congruence is more often absent than present in contemporary democracies. Nevertheless, there is significant variation both between countries and between policy areas. Among policy areas, opinion-policy congruence tends to be highest for defense and unemployment and lowest for health, education, and retirement. The variation in opinion-policy congruence among countries is explored using fuzzy-set Qualitative Comparative Analysis (fsQCA), a data analysis technique based on set theory. I identify two causal paths that lead to opinion-policy congruence; to achieve opinion-policy congruence, a country must either be rich and have a relatively equal distribution of income or it must be rich, decentralized, and use a non-proportional electoral system. I end by discussing the implications of these results. I pay special care to the question of whether opinion-policy congruence, in the countries where it is present, is robust to increases in income inequality or to different institutional changes.

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Introduction

The puzzle

For almost 200 years, the trend in Western democracies was enfranchisement of the masses. Power shifted from unelected monarchs to popular representatives, while political rights, initially the province of a privileged few, were gradually expanded to most of the population. In the last decades of the twentieth century, however, this trend of increased mass involvement in politics seems to have reversed. The large, community-embedded mass parties gave way to smaller and more professionalized cartel parties (Katz & Mair 1995). Trade unions lost membership and influence. Governments began to delegate decision-making authority to independent regulatory agencies. Last but not least, after a period of so-called "eurosclerosis", the process of European integration gained momentum again in the late 1980s; important powers were ceded to European institutions whose popular legitimacy is often questioned. In this context, complaints about "democratic deficits" abound (see Beetham 2011).

An empirical analysis of the relationship between citizens' political preferences and government policy is thus badly needed. This is what I attempt in this thesis paper. Using survey data from 33 countries, I explore whether government policy is congruent with public preferences. I examine whether there are differences in opinion-policy congruence between different countries or between different issue areas and try to identify which factors, institutional or otherwise, can explain these patterns. My research questions for this thesis are thus twofold. First: Is government policy in contemporary democracies congruent with public opinion? Second: What are the factors that determine opinion-policy congruence?

The study of how politicians respond to public opinion has a long tradition, starting with the work of Miller and Stokes (1963), who found a link between U.S. Congressmen's votes and public opinion in their respective constituencies. Following in Miller and Stokes' footsteps, subsequent studies on the effect of public opinion on politics have generally relied on Parliament roll call votes (Achen 1978; Bartels 1991; Holmberg 1997) or on various measures of party ideology (manifestos, expert surveys, voter's assessments: Stimson 1999; Blais & Bodet 2006) as their dependent variable. In effect, such studies examine whether the preferences of politicians are influenced by the preferences of the voters. However, there is a rich literature in public choice theory and in political economy that suggests that the preferences of politicians are not the only determinant of public policy. The details of policy implementation, for example, are usually left to unelected bureaucracies who enjoy a substantial degree of independence from interference by elected politicians (Niskanen 1971). Furthermore, important functions of government, such as monetary and regulatory policy, are frequently delegated to agencies with a high degree of autonomy and whose democratic accountability is often doubtful (Majone 2001). Thus, a true audit of the complex of institutions that is modern democracy requires that we examine the relationship between public opinion and actual policy instead of the one between public opinion and politicians' preferences, be they measured by roll call votes or party ideology.

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Unfortunately, fewer authors have investigated the link between public preferences and actual government policy. Of those few that do investigate the influence of public opinion on policy, almost all focus on a single country, either the United States (Flavin 2008; Lax & Phillips 2012) or France (Brooks 1987). Bartels (2008) is rare example of a cross-national study, examining the effect of citizen preferences on government spending in 23 countries. This thesis thus fills a gap in this literature both by studying actual policy instead of votes in Parliament or party ideology and by offering an extensive comparison of opinion-policy congruence in 33 nations rather than focusing on a single case.

My original contributions are fourfold. First, I shine new light on the theoretical concept of opinion-policy congruence. I show that, in studying the effect of public opinion on policy, we face a conceptual choice: we can examine if changes in opinion are accompanied by changes in policy (responsiveness), or we can investigate if, at a given point in time, public opinion favors keeping or changing the policy status-quo (congruence). I argue that the answer we give to our research questions depends on this important conceptual choice and suggest that, for cross-national comparative studies, examining congruence is more suitable than looking at responsiveness.

My second original contribution is bridging three different literatures: electoral behavior, comparative politics, and political economy. While my research questions have most often been addressed by scholars of electoral behavior, I also employ tools and theories from both comparative politics and political economy. With comparative politics, I share

my interest in cross-national variations in institutions and my concern with the complex interactions between different political institutions. From political economy, I take up the question of why actual policy deviates from optimal one, and I also borrow several important theoretical models (the principal-agent model, the Tiebout model of local government).

My third contribution is linked with my case selection. Because I study opinion-policy congruence in 33 different countries, I am able not only to measure and compare levels of opinion-policy congruence across nations but also to empirically investigate if certain types of institutions (electoral systems, level of decentralization) are more conducive to congruence. Some studies (Lax and Phillips 2012) have examined the effect of several institutional variables on congruence using U.S. states as cases. Countries, however, show a much greater institutional variety than American states, and this allows me to explore many more variables than those studies that focus on the United States.

My fourth contribution is introducing a new method to the study of opinion-policy congruence. I investigate the determinants of opinion-policy congruence using fuzzy-set Qualitative Comparative Analysis (fsQCA), a method which is ideal for this purpose both because it can accommodate a relatively small number of cases and because it can identify the complex interactions of factors that are suggested by the theory on opinion-policy congruence.

Gaps in the Literature

Most studies of the effects of public opinion on policy have been longitudinal, tracking the fluctuations of opinion and policy in a single country over time. Unfortunately, such studies usually limit themselves to examining if policy moves in tandem with opinion and almost never investigate the factors that determine whether policy is congruent or incongruent with public opinion. This happens because the factors we would most expect to influence opinion-policy congruence, like institutions and political culture, are generally stable over time. Thus, studies that explore the link between opinion and policy in a single country over time cannot examine the effect of these factors because they tend to be constant.

Some single-country longitudinal studies have tried to explain opinion-policy congruence using variables that do vary in the medium run, like the party in power or the size of the majority in parliament. Stimson, Mackuen, and Erikson (1995), for example, find that public opinion and policy in the United States were closer during Democratic presidencies and farther away during Republican ones. Nevertheless, most variables of interest, like electoral systems and political regime, do not change even in the medium run, so a different research design is needed to determine their effects on opinion-policy congruence.

The best single country longitudinal studies identify instances of major institutional change and examine if they had any effect on opinion-policy congruence. Joel E. Brooks

(1987) looks at French data from both the Fourth Republic (1946-1958) and the Fifth Republic (from 1958 onwards) and finds there is no significant difference in opinionpolicy congruence between the parliamentary Fourth Republic and the semi-presidential Fifth Republic. Instances of such major institutional change are, however, infrequent, which limits the amount of information we can gather from them. Furthermore, institutional change is often driven by other major factors, such as civil unrest or defeat in war, which makes its effects hard to isolate.

It thus seems that scholars interested in the determinants of opinion-policy congruence must move beyond studying single countries overtime and into doing cross-national comparative research. Nevertheless, such studies are surprisingly rare in the literature, and those that do exist often have significant limitations.

Stuart N. Soroka and Christopher Wlezien (2009) look at public opinion and budgetary allocations in three advanced democracies (Canada, Great Britain, and the U.S.). Soroka and Wlezien employ time series regressions to determine the extent to which the public's spending preferences affect subsequent budgetary allocations. While some differences do appear between countries (policy representation is slightly weaker in Canada than in the U.S. or U.K.) and between policy areas, the results show that the level of policy representation is generally high in all three countries and across most policy areas. While Soroka and Wlezien make a convincing argument that policy representation is quite strong in the three democracies they study, they pay less attention to explaining why this is so. Of course, coming up with possible explanations for the high level of policy

representation found by Soroka and Wlezien is not hard (politicians might fear not being reelected if they go against the public's whishes, or maybe the electoral process ensures that politicians who win elections have preferences that are similar to those of the public), but these explanations cannot simply be accepted as obvious and need to be tested against data. However, they do nothing of this sort, so the causes of policy representation remain elusive.

A contrasting example of cross-sectional study without significant design flaws is given by Lax and Phillips (2012), who explore opinion-policy congruence across U.S. states and test whether it is influenced by turnout, term limits, or citizen's initiatives, among other factors. The authors use a clear measure of congruence and adequately interpret their results. Unfortunately, institutional diversity among U.S. states is limited, which prevents Lax and Phillips from including variables such as electoral system or number of parties into their analysis. Furthermore, by studying subnational units rather than countries, Lax and Phillips restrict themselves to policies that are determined at the local level and also cannot examine the effect of factors that only make sense at country-level, such as political regime or degree of federalism.

The literature on opinion-policy congruence thus shows a lack of cross-national studies. This thesis fills this gap. By examining 33 different countries, with diverse political cultures and institutional arrangements, I shed new light on the determinants of opinionpolicy congruence. My analysis includes variables whose effect on opinion-policy congruence has never been investigated (the level of income inequality), but also involves hypotheses that have previously been suggested but have never been tested in a rigorous manner (Soroka and Wlezien (2005) on decentralization, Bartels (2008) on electoral systems).

Thesis overview

This thesis has four chapters. The first chapter deals with issues of conceptualization and measurement. I distinguish between opinion-policy congruence and policy responsiveness and discuss their relationship with the broader concept of Quality of Democracy (QoD). I argue in favor of studying opinion-policy congruence and propose measuring opinion-policy incongruence as the distance between actual government policy and the policy preferred by the median voter.

In chapter two, I apply my new measure of opinion-policy incongruence to international survey data that assessed citizens' preferences regarding government spending. For each of the 33 countries involved, I obtain a measurement of the distance between the median voter and actual government policy for eight different policy areas (culture, education, the environment, defense, health, law enforcement, retirement, unemployment). The results suggest that opinion-policy congruence is more often absent than present in contemporary democracies; out of 262 country-issue couplets, only 68 (26%) showed median voters that were satisfied with current levels of government spending. Nevertheless, there is significant variation both between countries and between policy areas. Among policy areas, opinion-policy congruence tends to be highest for defense and unemployment and lowest for health, education, and retirement.

The variation is opinion-policy congruence among countries is explored in chapters three and four. Chapter three investigates the relationship between a country's level of wealth and its level of opinion-policy congruence. Using OLS regression, I show that GDP per capita has a positive and statistically significant effect on opinion-policy congruence. Nevertheless, the fact that GDP per capita is a better predictor of congruence levels for poor countries than for rich countries suggests that having a high GDP per capita is necessary but not sufficient for having high opinion-policy congruence. Using fuzzy-set Qualitative Comparative Analysis (fsQCA), a data analysis technique based on set theory, I show that being rich is indeed necessary but not sufficient for having high opinion-policy congruence.

Chapter four examines the conditions that are sufficient for achieving opinion-policy congruence. Based on the comparative politics and political economy theories, I identify three other factors, besides wealth, that are likely to influence a country's opinion-policy congruence: its income distribution, its level of decentralization, and its electoral system. Using fsQCA, I identify two causal paths that lead to opinion-policy congruence; to achieve opinion-policy congruence, a country must either be rich and have a relatively equal distribution of income or it must be rich, decentralized, and use a non-proportional electoral system. I end by discussing the implications of these results. I pay special care to the question of whether opinion-policy congruence, in the countries where it is present, is robust to increases in income inequality or to different institutional changes.

Chapter 1: Concepts and measurement

1.1 Policy responsiveness as an indicator of QoD

One of the strongest normative arguments in favor of democracy is that it limits rulers' discretion and that it thus brings government actions more in line with what the people want (Held 2006: 261). But does being a democracy guarantee that a country will have a high level of opinion-policy congruence? The definitions of democracy most widely used by contemporary political scientists stress its procedural aspects, be it the competitive struggle for votes (Schumpeter 1942: 242), periodic elections (Downs 1957: 11), or the fact that rulers are held accountable for their actions by citizens (Schmitter & Karl 1991: 247).

Opinion-policy congruence, in contrast, in not a procedure but the outcome of a procedure. The fact that political decision making in a country meets the minimum criteria of procedural democracy does not mean that the resulting policies will match public preferences. Even in a procedural democracy, policy can deviate from what citizens want for a wide variety of reasons (cartelized parties - Katz and Mair 1995; political inequalities between citizens – Lijphart 1997). In other words, opinion-policy congruence can be a desirable consequence of democracy, but is not a condition of the presence of democracy. Opinion-policy congruence can thus be seen as an indicator of the more general concept of Quality of Democracy (QoD).

The Quality of Democracy research program investigates whether real existing democracies meet the broader standards of ideal democracies and seek to distinguish lowquality democracies form high quality ones (Diamond and Morlino 2004: 21). The responsiveness of government policy to public preferences is often included as one of the components of the quality of a democracy (Schmitter 2004: 54; Roberts 2010: 39). We should note, however, that policy responsiveness in generally regarded as only one of several indicators of the quality of democracy. Among other such indicators, Beetham et al. (2008: 23) mention political participation, political equality, transparency in government, and tolerance of diversity. Also worth noting is the fact that the various components of the quality of democracy can sometimes come into conflict; a country could thus face a tradeoff between different indicators of QoD, a high score on one indicator implying a low score on another (see Schmitter 2004: 56; Roberts 2010: 41-44). Policy responsiveness could, for example, clash with tolerance of diversity; if a large majority of citizens in a country prefer policies that restrict the rights of ethnic or religious minorities, then that country can have either policy responsiveness or tolerance of diversity, but not both.

1.2 Policy responsiveness and opinion-policy congruence

To examine what opinion-policy congruence can tell us about policy responsiveness, we need to analyze the relationship between the two concepts. Policy responsiveness is present if government policy follows public opinion; more precisely, a country has policy responsiveness if shifts in public preferences regarding policy cause comparable shifts in

actual government policy. Opinion-policy congruence simply means that, at a certain point in time, citizens prefer current government policies to any other alternatives; a high level of opinion-policy congruence can be caused either by policy following opinion or by public opinion following government policy.

Policy does not follow public opinion

Policy follows public opinion

Public opinion does not follow government policy	LOW OPINION-POLICY CONGRUENCE and Low policy responsiveness	HIGH OPINION-POLICY CONGRUENCE and High policy responsiveness	
Public opinion follows government policy	HIGH OPINION-POLICY CONGRUENCE and Low policy responsiveness	HIGH OPINION-POLICY CONGRUENCE and High policy responsiveness	

Figure 1. The conceptual relationship between opinion-policy congruence and policy responsiveness.

Figure 1 shows the logical relationship between the concepts of policy responsiveness and opinion-policy congruence. The columns of the 2-by-2 matrix show whether government policy in a country follows public opinion, while the rows show whether public opinion follows public policy or not. A high level of opinion-policy congruence is present when opinion follows policy or when policy follows opinion. The only combination that leads to low opinion-policy congruence is when policy doesn't follow opinion and opinion doesn't follow policy (upper-left cell). Policy responsiveness is, by definition, present only when policy follows opinion. Thus, the only cells with policy responsiveness will be those in the right column. Examining figure 1, we can see that policy responsiveness is a sufficient condition for opinion-policy congruence, but is not a necessary one. Opinion-policy congruence can also be present without policy responsiveness, as long as public opinion follows government policy (lower-left cell).

So far, we have seen that policy responsiveness is a sufficient, but not necessary condition for opinion-policy congruence. Determining whether government policy is responsive to public opinion rather than the other way around requires extended time series data of public preferences, which is not available for most countries. In contrast, checking whether public opinion and public policy in a country are congruent can be done with simple cross-sectional survey data. A study of opinion-policy congruence can thus include a much larger number of countries than a study of policy responsiveness; this has the advantage of allowing us to examine cross-national patterns, with the aim of determining the factors that influence a country's level of opinion-policy congruence.

Of course, what we are really interested in is policy responsiveness as an indicator of the quality of democracy. Unfortunately, policy responsiveness is difficult to capture and requires data that is often unavailable. Opinion-policy congruence, in contrast, can be measured with simple cross-sectional data. Because of this, I will use a country's level of

opinion-policy congruence as a means to infer information about its level of policy responsiveness (and thus its quality of democracy).

But what can opinion-policy congruence tell us about policy responsiveness? We have seen that policy responsiveness is a sufficient but not necessary condition for opinion policy congruence. This logically implies that a country in which opinion and policy are not congruent also has no policy responsiveness. In other words, we can be sure that countries with low levels of opinion-policy congruence also have low levels of policy responsiveness (and thus score low on one component of QoD)¹. On the other hand, if a country has high levels of opinion-policy congruence, this does not necessarily imply that it also has high policy responsiveness; high levels of congruence can be a sign of policy responsiveness, but also of opinion following policy rather than the other way around.

This has strong implications regarding how to interpret a country's level of opinionpolicy congruence. If the level is low, we can be sure that its level of policy responsiveness is low and thus the country is deficient on at least one component of the quality of democracy. If a country's opinion-policy congruence score is high, however, we must be more circumspect. A high score is, of course, compatible with a high level of policy responsiveness; nevertheless, a high congruence score can also be a sign that the country has low policy responsiveness (and thus scores low on this dimension of QoD) but that public preferences have shifted to match government actions.

¹ Formally, we have: P (policy responsiveness) or O (opinion follows policy) \rightarrow C (opinion-policy congruence). This implies: non-C \rightarrow non-P and non-O.

1.3 Why study congruence and not responsiveness?

The discussion above could trigger another question: given that opinion-policy congruence is such a problematic concept and that we are interested in it only insofar as it gives us information regarding whether policy is responsive to public opinion, couldn't we check for policy responsiveness in a more direct manner? Couldn't we simply examine whether shifts in public opinion are, after a certain lag, followed by shifts in policy? Such a research designs, in which fluctuations in public opinion and in public policy are examined over time, have sometimes been employed in the literature on policy responsiveness (Soroka and Wlezien 2009). The big advantage of this type of research design is that it can use the time series data to estimate both the effect of public opinion on subsequent policy and the effect of policy on opinion; in this way, we can investigate the normatively relevant issue of whether congruence between public preference and policy is due to policy responsiveness or to reverse causation (policy influencing opinion).

Unfortunately, drawing meaningful inferences from time series data requires a large number of data points (Enders 2009). In the context of a comparative analysis of policy responsiveness across countries, building a time series of public preferences over policy would require repeated cross-national surveys. As cross-national surveys with a sufficiently large number of waves are rare, studies of policy responsiveness using time series data have generally focused on a small number of countries in which comparable data is available. Soroka and Wlezien (2009), for example, study policy responsiveness in Canada, the U.S., and the U.K., cases for which they were able to find time series data that measure public spending preferences on several policy areas from 1972 to 2005. By using time series regression, Soroka and Wlezien can estimate how much of the co-movement between public opinion and government spending policy is due to opinion influencing policy and how much to policy influencing opinion. On the other hand, the fact that their study includes three countries means that any hypotheses regarding why policy is responsive to public opinion is some countries but not in others remain untested.

Because of the lack of cross-national surveys with a sufficiently large number of waves, political scientists interested in policy responsiveness must choose between restricting themselves to the few advanced democracies in which extended time series of public opinion are available and doing cross-sectional studies that can include a larger number of cases but leave the possibility of reverse causation (from policy to opinion) unexamined. In other words, there is a tradeoff between the kinds of questions that we can answer: we can either identify the causal direction of the opinion-policy relationship or explain the source of cross-national variation in policy responsiveness. Soroka and Wlezien (2009), for example, acknowledge this tradeoff and choose to focus on the first type of question. I, however, choose to concentrate on the second kind of question. I concede that the possibility that policy influence opinion rather than the other way around does raise the issue of whether opinion-policy congruence is a suitable indicator of the quality of democracy. Nevertheless, I have tried to argue that, even in the face of such

objections, studying opinion-policy congruence can still offer us important information about a country's quality of democracy.

1.4 Is congruence always good?

Of course, the fact that government policy can influence public opinion, rather than the other way around, should not automatically have negative connotations. The fact that policies that were unfavorably regarded by citizens when approved but later became more popular with the public is not necessarily the results of government propaganda and manipulation The literature on principal-agent relationships - which have often been used to model representative democracy (Dixit 1996: 29) - stresses that information asymmetries are usually the reason why decision-making power needs to be delegated to an agent in the first place (Eisenhardt 1989: 59). Thus, politicians who have the public interest in mind, but who have information that is unavailable to regular citizens and that cannot be credibly conveyed to them, might sometimes be required to make adopt policies that go against present public preferences, therefore decreasing opinion-policy congruence. After a certain time period, citizens will realize that the aforementioned policy actually serves their interests and will thus see it in a more favorable manner; opinion-policy congruence will thus increase even as the policy itself remains fixed. We thus see that, due to information asymmetries between politicians and the public, policy will, at some occasions, shape public preferences rather than the other way around even in a high-quality democracy.

Nevertheless, such justifications of policies that go against public opinion should not be abused. While policies that do not have public support might, in some cases, be justified on grounds of information asymmetry, the burden of proof is, in any particular case, to show that such asymmetries are actually present and that they cannot be overcome through other means. Without such proof, we are safe to assume that policies that go against public preferences are not the work of benevolent decision-makers who have access to information that is inaccessible to regular citizens but rather due to those politicians serving other interests than the public one.

1.5 Measuring opinion-policy distance

I conceptualize the incongruence between public policy and public preferences as the intensity with which the median voter disagrees with current government levels of spending. To better understand how this can be measured in practice, let us imagine that, on a specific issue, voters' preferences regarding the level of government spending can be represented on a straight line, with higher preferred levels of spending to the left and lower preferred levels to the right. Government's actual policy position can also be represented on the same line. We can then measure a given voter's satisfaction with public policy as simply the distance between his position on the line and the government's position. Figure 2 shows such a line, with two possible distributions of voter preferences along it (red and blue).



Figure 2. Two possible distributions of spending preferences among citizens

In the figure above, voters are classified into three categories according to their relative position regarding government's actual level of spending. We can compute the relative position of the median voter vis-à-vis government spending simply by subtracting the percentage of people who want less spending from the percentage of people who want more:

M = (% who want more spending) – (% who want less spending).

M will represent the distance from the median voter to the government's actual policy². In other words, the indicator tells us how satisfied the median voter is with current

 $^{^2}$ Obviously, continuous measures of a person's relative position to government policy would allow us to compute the median voter indicator in a more accurate manner. Opinion polls, however, generally use a small number of categories when asking people to describe their positions. The fact that my indicator uses discrete rather than continuous measures of distance reflects this.

government policy. If M=0, this means that those who agree with government levels of spending and those who disagree exactly balance each other out and that the median voter is in total agreement with government levels of spending³. On the other hand, if absolutely all voters wants more spending (and none want less), then M will be 100. In other words, the median voter will want considerably more spending. Similarly, if all voters want less spending (and none want more), the M will be -100, which indicates that the median voter wants considerably less spending. M can take any value between these two extremes (-100 and 100); negative values suggest that the government is spending more than people would prefer, while positive values indicate a bias towards too little spending. Its absolute value can be considered a measure of the median's voter disagreement with the actual level of policy.

The reasons I choose to summarize public opinion using the median voter rather than a different indicator (such as the percentage of people who agree with government policy) are twofold. First of all, the median voter has important normative relevance. It can be shown that, if people's satisfaction with government policy is proportional to how close it is to their ideal points, then the policy that maximizes general welfare will be the one which reflects the preferences of the median voter (Davis, Hinich & Ordeshook 1970). A high level of agreement between the median voter and government actual policy can thus be seen as a normative standard for evaluating a political regime.

Second, using the median voter instead of other indicators (such as the percentage of people who agree with a government policy) takes into account the importance of

³ This assumes a symmetric distribution within the "Satisfied" category.

compromise and negotiation in politics. Looking at figure 2 again, we can see that both the red and the blue distributions have about the same proportion of people who are satisfied with government policy. However, in the blue distribution, the government could improve the general satisfaction of the public by spending more; in the red distribution, on the other hand, both less spending and more spending by the government would decrease the general welfare. In other words, that only a relatively small number of people agree with government policy can indeed indicate government bias towards a certain position (as it does in the blue distribution). Nevertheless, small percentages of agreement with government policy can also reflect the fact that government policy is the result of a compromise in a polarized society, with few having the government position as their first choice but with almost everybody having it as their second (as it happens in the red distribution). The median voter indicator is sensitive to these issues and would suggest a high level of congruence between opinion and policy for the red distribution but a low one for the blue distribution.

Of course, condensing a frequency distribution to a single number will lead to information loss. Two distributions that are substantively different might receive the same numerical score. Nevertheless, I have argued that, from both a normative and an empirical point of view, the median voter score is appropriate for summarizing a distribution of public preferences. As describing public preferences using a single indicator makes data presentation and analysis more manageable, I consider the loss of detail to be well worth the trade-off. This chapter has dealt with issues of conceptualization and measurement. I distinguished between opinion-policy congruence and policy responsiveness and discussed their relationship with the broader concept of Quality of Democracy (QoD). I argued in favor of studying opinion-policy congruence and proposed measuring opinion-policy incongruence as the distance between actual government policy and the policy preferred by the median voter. In the next chapter, I apply my new measure of opinion-policy incongruence to international survey data that assessed citizens' preferences regarding government spending.

Chapter 2: Is there opinion-policy congruence in contemporary democracies?

In the previous chapter, I proposed measuring opinion-policy incongruence as the distance between actual government policy and the policy preferred by the median voter. In this chapter, I apply my new measure of opinion-policy incongruence to international survey data that assessed citizens' preferences regarding government spending. For each of the 33 countries involved, I obtain a measurement of the distance between the median voter and actual government policy for eight different policy areas (culture, education, the environment, defense, health, law enforcement, retirement, unemployment).

2.1 Data

My data on public preferences comes from the Role of Government module of the 2006 International Social Survey Program (ISSP). Thirty-three countries were included in the opinion poll. For eight different policy areas (unemployment, environment, health, law enforcement, education, defense, retirement, culture), people were asked whether the government should spend much more, more, about the same, less, or much less. Adapting it to the question format, our median voter indicator becomes:

M = (% who answered "much more" + % who answered "more") - (% who answered "less" + % who answered "much less").

Table 1 shows the results of applying this indicator to the thirty-three countries included

in the survey. It also shows averages for countries and for policy areas.

Country	Unemplo yment	Envir onm	Health	Law enforce	Educat ion	Defense	Retiremen t	Culture	AVER AGE ⁴
	,	ent		ment	-				-
Australia	-27.34	54.08	89.91	65.07	79.12	3.9	50.75	-29.86	50
Canada	8.65	42.13	74.23	48.83	63.79	24.8	49.15	-15.55	40.89
Chile	76.44	28.36	95.05	48.51	94.65	-20.82	91.35	19.4	59.32
Taiwan	44.95	60.2	45.8	53.65	60.84	15.05	46.64	34.3	45.18
Croatia	62.66	66.64	87.52	21.4	88.37	-7.07	89.69	47.87	58.9
Czech Republic	-20.65	39.94	68.32	18.01	59.69	-33.96	56.49	-3.41	37.56
Denmark	0.15	50.75	79.73	61.09	60.81	-50.35	49.09	-38.67	48.83
Dominican Republic	NA	57.92	97.29	46.37	95.44	36.11	71.4	55.43	65.71
Finland	21.54	37.41	79.1	49.44	39.29	-18.09	70.3	-33.43	43.56
France	-26.44	44.51	51.9	19.97	50.64	-40.59	38.85	-20.45	36.67
Germany	14.77	26.91	59.78	36.45	80.3	-43.8	45.35	-18.03	40.67
Hungary	19.61	63.01	92.91	39.05	71.68	-3.71	74.87	41.11	50.74
Ireland	42.52	64.81	92.08	78.83	87.34	-2.37	89.89	15.71	59.19
Israel	13.42	54.03	88.83	54.04	90.69	38.11	80.34	31.46	56.37
Japan	8.63	51.25	55.32	5.27	46.21	-16.6	49.64	-4.64	29.7
South Korea	38.79	68.27	79.18	59.82	63.83	16.73	73.07	27.71	53.43
Latvia	26.17	53.15	86.73	34.92	77.45	-2.08	85.66	33.96	50
Netherland s	-22.94	24.12	68.33	47.66	70.94	-57.01	36.85	-42.51	46.3
New Zealand	-51.46	28.12	82.74	63.01	68.97	2.86	50.78	-30.57	47.31
Norway	-2.48	34.06	84.78	69.21	60.85	-26.2	57.2	-36.12	46.36
Philippines	NA	54.67	85.23	31.06	86.28	37.34	80.96	44.75	60.04
Poland	37.82	60.38	91.29	60.83	78.28	36.35	91.16	43.18	62.41
Portugal	52.58	64.89	92.91	56.65	84.19	4.02	91.2	37.07	60.44
Russia	48.58	66.9	87.97	27.82	83.52	64.86	90.06	54.88	65.57
Slovenia	19.3	64.23	78.97	23.49	78.33	-39.37	56.8	24.9	48.17
South Africa	61.7	27.25	86.98	56.89	82.53	13.91	75.05	17.42	52.72
Spain	52.1	67.05	86.24	76.76	85.91	-24.13	81.31	36.73	63.78
Sweden	2.16	35.11	78.36	65.65	49.3	-36.21	57.73	-24.61	43.64
Switzerland	17.21	52.4	38.73	21.62	68.75	-56.7	52.67	0.73	38.60

 Table 1. Median voter disagreement with government policy in 33 countries.

^{4,4} Computed using the absolute values of the indicator.

Great	-22.88	53.57	80.67	59.75	71.69	7.1	72.8	-36.19	50.58
Britain									
United	22.97	40.95	74.22	47.8	78.62	9.02	57.26	-5.52	42.05
States									
Uruguay	57.08	40.51	89.67	82.28	91.58	-32.05	87.39	31.14	63.96
Venezuela	74.79	46.14	85.68	65.69	86.95	23.43	90.49	63.94	67.14
AVERAGE⁵	32.22	49.2	79.29	48.39061	73.84	25.6	67.95	30.34	

2.2 Empirical analysis

Table 1 offers us a wealth of information regarding the link between public preferences and government policy in contemporary democracies. The following conclusions can be drawn from it:

a) Government policy is often incongruent with median voter preferences.

As I have previously mentioned, the absolute value of my indicator measures the level of disagreement between the median voter and government policy and can take values from 0 to 100, where 0 is complete agreement and 100 is complete disagreement. Of the 262 country-issue couplets presented in table 1, 125 (or 48%) show levels of disagreement below 50 and only 68 (or 26%) show levels of disagreement below 33. We can thus see that, for most countries and for most policy areas, the median voter substantially disagrees with government policy.

b) Governments generally spend less than the median voter would want.

Of the 262 country-issue pairs, for only 39 (or 15%) of them is the median voter indicator negative. It thus seems that a median voter which actually wants less spending is a rare

occurrence. If we divide the -100-100 scale of our indicator into three discrete categories (-100 - -33) = wants less spending, -33 - 33 = satisfied, 33 - 100 = wants more spending), we can see that 181 (69%) of our country-issue couplets have median voters that want substantially more spending, 68 (26%) have median voters that are satisfied with levels of government spending, and only 13 (5%) have median voters that want substantially less government spending.

Area	Less spen	Median Vote Satisfied	r More spen	Total
Culture Defense Education Environment Health Law enforcement Retirement	5 7 0 0 0 0 0	17 20 0 5 0 8 0	11 6 33 28 33 25 33	33 33 33 33 33 33 33 33
Total	13	68	12	262

Table 2. Median voter satisfaction with levels of government spending for 33countries.

c) Median voter satisfaction varies across policy areas.

Table 2 also shows that the median voter's satisfaction with government spending varies widely across policy areas. For three of the eight issue areas (education, health, retirement), median voters in all 33 countries want substantially more government spending. In other words, in none of the countries included in the survey is the median voter satisfied with current levels of government spending on these three issues. All three

issue areas have very high average levels of median voter disagreement (79 for health, 74 for education, 68 for retirement – see Table 1).

For two other policy areas (environment and law enforcement), governments do generally spend less than the median voter desires, but in a minority of countries (5 for environment, 8 for law enforcement) the median voter is actually satisfied with levels of government spending. These two issues have high average levels of median voter disagreement (49 for environment, 48 for law enforcement), but these values are lower than for the previous three policy areas.

The final three issue areas (unemployment, defense, culture) show the highest levels of agreement between the median voter and government policy. For all three of them, most countries show median voters that are satisfied with levels of government spending. Also, for all three issues, there are at least some governments that spend *more* than the median voter prefers. This is especially true for defense, where governments who are biased towards too much spending outnumber those biased towards too little spending by 7 to 6. Unsurprisingly, these areas show the lowest average levels of disagreement between median voters and government policy (32 for unemployment, 26 for defense, 30 for culture).

In conclusion, the eight policy areas included in the survey can thus be divided into three categories according to the median voter's satisfaction with public policy. The first category (education, health, retirement) shows little variance across countries: all

governments included in the study show substantial bias towards less spending than the median voter wants, with opinion-policy congruence thus being very low. The second category (environment, law enforcement) shows more variance across countries, but governments still tend to be biased towards too little spending; nevertheless, opinion-policy congruence in higher than in the previous category. Finally, issues in the third category (unemployment, defense, culture) have reasonably high levels of opinion-policy congruence; furthermore, government policy is no longer generally biased towards too much spending – governments that spend more than the median voter wants are, for these issues, just as frequent that ones that spend less.

c) There is significant variance in opinion-policy congruence both between issue areas and between countries.

Another insight we gain by looking at Table 1 is that median voter satisfaction has significant variability both between nations and between policy areas. By looking at the row and column averages in Table 1, we can examine the range of average median voter disagreement for issues areas (column) and for countries (rows). Average median voter disagreement for issue areas ranges from 25 (defense) to 78 (health), while for countries it ranges from 30 (Japan) to 67 (Venezuela).

We can more formally test whether there is significant variation between policy areas and between countries using ANOVA (Analysis of Variance). Shown below is the output for an ANOVA using median voter disagreement as a dependent variable and policy area and country as independent variables (categorical).

		Number of obs Root MSE	5 = = 14	262 R-s .9604 Adj	quared = R-squared =	= 0.7125 = 0.6620
	Source	Partial SS	df	MS	F	Prob > F
-	Model	123115.328	39	3156.80329	14.10	0.0000
	area country	98965.1982 23368.4617	7 32	14137.8855 730.264428	63.17 3.26	0.0000 0.0000
	Residual	49686.3854	222	223.812547		
•	Total	172801.714	261	662.075532		

 Table 3. ANOVA output: There is significant variance both between different countries and between different policy areas.

The F-test for each independent variable shows the ratio of between-group variability and within-group variability. We can see that the F-test has a higher value for the issue area than for country (63.17 compared to 3.26), which suggests that between-group variability is higher for issue areas than for countries. In other words, we expect that the median voter disagreement with government policy for a given issue area, like health, in country A to be closer to median voter disagreement for that same issue in other countries than to the median voter disagreement for other issues in country A. Nevertheless, the F-test is also significant for the country variable, which suggests that there is also a large amount of variance between countries in median voter disagreement.

In this chapter, I applied my new measure of opinion-policy incongruence to international survey data that assessed citizens' preferences regarding government spending. For each of the 33 countries involved, I obtain a measurement of the distance between the median voter and actual government policy for eight different policy areas (culture, education, the environment, defense, health, law enforcement, retirement, unemployment). The

results suggest that opinion-policy congruence is more often absent than present in contemporary democracies. Nevertheless, there is significant variation both between countries and between policy areas. Among policy areas, opinion-policy congruence tends to be highest for defense and unemployment and lowest for health, education, and retirement. The next two chapters explore the variation is opinion-policy congruence between different countries.

Chapter 3: Wealth and opinion-policy congruence

3.1 Wealth and opinion-policy congruence: a statistical analysis

In the previous section, we have seen that opinion-policy congruence varies both between different issue and between different countries. In this chapter, I construct a measure of overall congruence and examine whether any interesting cross-national patterns emerge. For the purpose of creating a measure of overall congruence I employ factor analysis, a statistical technique that can be used to reduce a number of variables to their underlying dimensions (Kim & Mueller 1978: 19). In our case, this procedure will assume that the eight issue-specific congruence variables are indicators of an unobserved "overall" opinion-policy congruence and will estimate the correlation coefficients between each variable and this latent dimension. Table 4 shows the factor loadings and the unique variances for the congruence variables for each of the eight policy areas.

I chose to retain a single factor for both empirical and theoretical reasons. Theoretically, the eight issue-specific congruences can all be considered to be components of a single, more general concept of opinion-policy congruence. Empirically, attempts at retaining more than one factor created factors that were significantly correlated with only one of the eight variables and thus did not reduce the data to a simpler structure.

Variable	Factor1	Uniqueness
unemployment	0.7768	0.3965
environment	0.4786	0.7710
health	0.6760	0.5430
lawenforce~t	0.2901	0.9159
education	0.6947	0.5174
defense	0.5562	0.6907
retirement	0.9268	0.1410
culture	0.8556	0.2679

Table 4. Factor loadings and unique variances for issue specific congruences.

I then compute a country's overall opinion-policy congruence score as a weighted average of its eight issue-specific congruence scores, with the scores for each area being multiplied by that area's factor loading in the factor analysis described above. I thus assume that overall congruence is a linear combination of issue specific congruences and that the factor loadings for each issue are the coefficients of this linear combination.

Country	Opinion-policy distance	GDP per capita (2006) – U.S. dollars
Japan	29.695	31837.8
France	36.6688	30322.2
Czech Republic	37.5588	19478.2
Switzerland	38.6012	33793.5
Germany	40.6738	31571.6
Canada	40.8913	35747.9
United States	42.045	43202.9
Finland	43.575	32822.4
Sweden	43.6413	31235.1
Taiwan	45.1787	29086.7
Netherlands	46.295	32061.9
Norway	46.3625	44341.9
New Zealand	47.3138	25625.7
Slovenia	48.1738	23250.3
Denmark	48.83	36079.5

Table 5. Opinion-policy distance and GDP per capita.
Australia	50.0037	32127.5
Latvia	50.015	13784.3
Great	50.5812	31627.6
Hungary	50.7438	18491.5
South Africa	52.7163	12786.9
South Korea	53.425	21876.6
Israel	56.365	24297
Croatia	58.9025	12885.1
Ireland	59.1937	42858.9
Chile	59.3225	12737.1
Philippines	60.0414	5159.91
Portugal	60.4388	19948.5
Poland	62.4113	13797.2
Spain	63.7788	27542.5
Uruguay	63.9625	10580.1
Russia	65.5738	11904.3
Dominican	65.7086	7550.51
Republic		
Venezuela	67.1387	6467.17



Figure 3. GDP per capita and opinion-policy distance.

Table 5 presents this overall opinion-policy distance score for each of the 33 countries and also shows their level of GDP per capita in 2006 (the year in which the surveys used to measure opinion-policy distance were taken). From an inspection of the table, it can be seen that the countries with the smallest distance between the preferences of the median voter and actual government policy tend to have a high GDP per capita, while the countries with the largest distance between the median voter and government policy tend to have a low GDP per capita. This suggests that a country's level of wealth might play an important role in determining whether it will achieve opinion-policy congruence.

Figure 3 shows the relationship between GDP per capita and the distance between public opinion and public policy for the 33 countries included in my dataset. Table 6 presents the corresponding univariate regression equation.

Dependent variable: Overall opinion-policy distance.					
Intercept	12.82 *** (2.16)				
Log GDP Per Capita	-1.29*** (0.22)				
R-squared	0.53				

Table 6. Overall opinion-policy distance regressed on logged GDP per capita.

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

Both the scatter plot and the regression table indicate a positive relationship between GDP per capita and policy-opinion congruence. In general, public opinion and public

policy more will be more closely aligned in richer countries than in poorer countries. Variation in per capita GDP explains about 53 percent of the cross-national variation in opinion-policy congruence.

Why does GDP per capita have a positive effect on opinion-policy congruence? One plausible explanation is that poorer states have less capacity to implement the policies desired by their citizens. Charles Tilly (2007: 16) defined state capacity as the extent to which the state can alter the existing distributions of resources and activities in a society. Besley and Persson (2007: 5) have shown that building this state capacity requires a substantial investment, for which poorer countries might lack the resources. Given that wealth has a positive impact on state capacity, we should expect decision makers in poorer countries to have a more restricted set of policies from which they can choose⁶. Politicians in poor countries, even if they are benevolent, will thus be less likely to be able to implement the specific policies desired by the public. For a practical example, we can imagine a poor country in which citizens want more income redistribution. To pursue such a policy, however, the government must have the ability to monitor what each of its citizens earns and also to enforce its taxation claims. In the absence of such capacities, public policy will remain unaligned with public opinion, even if policy makers would prefer more opinion-policy congruence.

A second reason why public opinion and government policy might be more closely aligned in richer countries is that politicians there are more likely to be held accountable by the public. On the one hand, wealthy countries are more likely to have a developed

⁶ Ceteris paribus assumption. Wealth might also shrink this policy space through constitutions, rights, etc.

mass media system than can monitor politicians' actions and transmit this information to the public (Besley, Burgess & Pratt 2002: 10). On the other hand, wealthier people tend to be more informed about politics, and thus are more likely to identify whether government policy matches their preferences or not (Lind & Rohner 2011: 12). In conjunction, these two facts suggest that, compared to policymakers in poorer countries, those in wealthy countries will be more likely to be punished if policy strays too far from what the public prefers; politicians in rich countries will thus have higher incentives of moving policy in the direction of the public opinion.

Despite the reasonably strong positive relationship between GDP per capita and opinionpolicy congruence, several outlier cases can be seen in figure 3. Most notably, Japan and the Czech Republic have much higher levels of congruence than we would expect given their GDP per capita, while the level of opinion-policy congruence in Spain and Ireland is much lower than what their GDP per capita would predict.

Also of note in figure 3 is that richer countries are more likely to be outliers than poorer ones. The data-points in figure 3 form a funnel-like patter around the regression line, with poorer countries sticking close to the regression line and richer ones being much more dispersed. In other words, GDP per capita serves as a good predictor of opinion-policy congruence for poor countries but not for rich ones. The fact that the regression residuals are correlated with the independent variable indicates heteroskedasticity and possible missing factors (Fox 1991). The pattern in figure 3 can also be interpreted in terms of sufficiency. Being poor seems to be sufficient for a country to have low levels of opinion-

policy congruence (all countries with GDP per capita lower than 19 000 dollars have low levels of congruence). Being rich, however, is clearly not sufficient for having a high level of congruence.

Another way of interpreting the scatter plot in figure 3 is that, for about a third of the countries in our sample, we have found a good explanation for the observed levels of opinion-policy congruence. Chile, Croatia, the Dominican Republic, Hungary, Latvia, the Philippines, Poland, Russia, South Africa, Uruguay, and Venezuela all have the relatively low levels of opinion-policy congruence we would expect given their GDP per capita. Given that all poorer countries tend to have low levels of congruence, regardless of their institutions or other characteristics, we can safely conclude that wealth is the main factor that explains the low level of congruence in poorer nations.



Figure 4. Income per capita and opinion-policy distance (only countries with GDP per capita> \$19,000 included).

What we cannot explain yet, however, are the congruence levels seen in richer countries. Spain and France, for example, have very a similar GDP per capita but Spain has one of the lowest opinion-policy congruence levels in my sample while France has one of the highest. Likewise, Ireland and Japan have similar levels of GDP per capita, but Japan has the highest congruence score in the sample while Ireland has one of the lowest. It is thus clear that, for richer countries, there are some factors besides GDP per capita that influence their opinion-policy congruence levels. This conclusion is reinforced by figure 4, which shows the relationship between GDP per capita and opinion-policy distance only for countries with a GDP per capita higher than 19,000 \$. We can clearly see that the relationship between GDP per capita and opinion-policy congruence is much weaker for this subset of countries than it is for the entire sample. In fact, GDP per capita only explains about 7 percent of the variance in congruence among this subset of countries. What this means is that we need to look at other variables to explain why public policy matches public opinion in some rich countries but not in others.

We have seen that a country's GDP per capita is positively correlated with its overall opinion-policy congruence. But does this result still hold if we disaggregate opinion-policy congruence into individual issue areas? Table 7 presents the results of univariate regressions in which indicators of opinion-policy distance, disaggregated for eight different issue areas, served as the dependent variable and the logarithm of GDP per capita was the independent variable.

Dependent variables:	Independent variable: Log of GDP per capita			
Opinion-policy distance	Coefficient and std. error	R-squared		
Unemployment	-31.65*** (5.76)	0.51		
Environment	-3.92 (4.29)	0.03		
Health	-11.55** (4.10)	0.20		
Law enforcement	3.37 (6.09)	0.01		
Education	-14.60*** (3.82)	0.32		
Defense	-2.41 (5.60)	0.01		
Retirement	-19.51*** (4.43)	0.39		
Culture	-15.06*** (4.02)	0.31		

Table 7. The effect of GDP per capita on opinion-policy distance, disaggregated for eight issue areas.

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

We can see that the eight policy areas are clearly split into two different categories, according to how GDP per capita affects their levels of congruence. For five of the areas (unemployment, health, education, retirement, and culture), GDP per capita has a strong positive effect on the level of opinion-policy congruence; for these areas, variation in GDP per capita explains between 30 and 50 percent of the cross-national variation in opinion-policy congruence. On the other hand, for three other areas (environment, law enforcement, defense), GDP per capita has no statistically significant effect on the level

of congruence; for these three areas, none of the cross-national variance in opinion-policy congruence can be explained by variation in GDP per capita.

3.2. Wealth and opinion-policy congruence: a set-theoretical analysis

In the previous section, I examined a scatterplot of opinion-policy congruence and GDP per capita. The pattern of data points suggested that having a high GDP per capita is a necessary but not sufficient condition for having high opinion-policy congruence. In what follows, I will offer a more rigorous test of this speculation. For this purpose, I will use the method of fuzzy set Qualitative Comparative Analysis (fsQCA), which is well suited for investigating relationships of necessity and sufficiency. Fuzzy set QCA is different form crisp set QCA (csQCA) in that it allows for different degrees of membership in a set. This means that fsQCA can capture not only qualitative differences between cases, but also quantitative differences between them (Schneider & Wagemann 2012).

Set construction

a) Outcome – Set of countries in which public opinion and policy are congruent.

The index of opinion-policy distance that I developed in a previous chapter ranges from 0 (perfect congruence) to 100 (total incongruence). A score of 50 marks a qualitative difference on our index: in countries that score more than 50, those that wish for a change of government policy in a particular direction outnumber those that prefer a change in the other direction by more than 50 percentage points. A score of 50 will thus serve as a

qualitative anchor in transforming the values of my incongruence index into set membership scores. A score of 50 on a particular policy area will thus correspond with a set membership of 0.5 in the set of countries in which opinion and policy in that area are congruent. I will also use two other qualitative anchors for set calibration. A opinionpolicy distance score of 33 will correspond to a membership score of 0.95 in the set of countries in which policy and opinion are congruent, while a opinion-policy distance score of 66 will correspond to a membership score of 0.05 in the set of countries in which policy and opinion are congruent. In short, my calibration function can be represented as follows:

Opinion-policy distance values are then transformed into set membership scores using a logistic function, according to Ragin's (2008: 186-190) direct method of calibration.

b) Condition – Set of countries which are rich.

I use a GDP per capita of 19 000 dollars as a qualitative anchor; I chose this value of GDP per capita to serve as a qualitative because it is typical of middle-income countries (Hungary, the Czech Republic). Thus, a country which has a GDP per capita of 19 000 dollars will have a membership score of 0.5 in the set of rich countries. I also use two

other qualitative anchors in my calibration: a GDP per capita value of \$4 000 corresponds to a membership score of 0.05 in the set or rich countries, while a GDP per capita of \$38 000 corresponds to a membership score of 0.95 in the same set. I chose these scores as qualitative anchors because they characterize the typical poor (the Philippines) and the typical rich (Ireland, Denmark, Switzerland) countries in my sample. My use of qualitative anchors can be summarized as follows:

GDP per capita values are then transformed into set membership scores using Ragin's methods of direct calibration. Any countries with GDP per capita higher than \$ 38 000 will have a membership near 1. (In other words, a country with a GDP per capita of \$40 000 and one with a GDP per capita of \$80 000 will have almost the same membership score in the set of rich countries, even though the latter's GDP per capita is twice as much as the former's. Such countries might have different membership scores in a set of very rich countries.)

Table 8 shows the countries included in my analysis and their membership scores in the set of countries in which public opinion and policy are congruent and in the set of rich countries.

Country	Public opinion and	Rich
name	policy are congruent	country
Venezuela	0.02	0.08
Russia	0.03	0.19
Uruguay	0.07	0.16
Croatia	0.08	0.23
Poland	0.08	0.26
Spain	0.08	0.79
Chile	0.09	0.22
Portugal	0.09	0.54
Ireland	0.16	0.98
Israel	0.22	0.70
South Africa	0.29	0.22
South Korea	0.35	0.61
Latvia	0.36	0.26
Hungary	0.38	0.47
United		
Kingdom	0.44	0.88
Australia	0.54	0.89
Slovenia	0.54	0.66
New Zealand	0.59	0.74
Denmark	0.63	0.94
Netherlands	0.67	0.89
Norway	0.70	0.98
Finland	0.72	0.90
Taiwan	0.73	0.83
Sweden	0.81	0.87
United	0.00	
States	0.82	0.98
Germany	0.85	0.88
Canada	0.87	0.93
Czech	0.00	0.50
	0.89	0.52
Switzerland	0.90	0.91
France	0.92	0.86
Japan	0.97	0.88

Table 8. Membership scores in the set of countries in which opinion and policy are congruent and in the set of rich countries.

Using the data from the table above, I check whether being a rich country is a necessary condition for having opinion-policy congruence. The software I use for this test of necessity is fsQCA. Table 9 presents the results of this test.

 Table 9. Analysis of necessary conditions for the outcome "Policy and opinion are congruent".

Condition tested	Consistency	Coverage		
Rich country	0.951	0.697		
Not rich country	0.311	0.495		

We can see being a rich country is indeed a necessary condition for having opinionpolicy congruence. The consistency value is larger than 0.9, which is the conventional threshold for accepting a condition as necessary (Schneider & Wagemann 2012). The coverage, however, is only 0.722. This suggests that, while all countries that have opinion-policy congruence are rich, not all rich countries have opinion-policy congruence. This pattern can also be seen in the XY plot in figure 5.



Figure 5. Fuzzy-set XY Plot: Being a rich country is a necessary condition for having public opinion and public policy congruent.

This chapter has investigated the relationship between a country's level of wealth and its level of opinion-policy congruence. Using OLS regression, I show that GDP per capita has a positive and statistically significant effect on opinion-policy congruence. Nevertheless, the fact that GDP per capita is a better predictor of congruence levels for poor countries than for rich countries suggests that having a high GDP per capita is necessary but not sufficient for having high opinion-policy congruence. Using fuzzy-set Qualitative Comparative Analysis (fsQCA), a data analysis technique based on set theory, I showed that being rich is indeed necessary but not sufficient for having high opinion-policy congruence. The final section of my thesis will be dedicated to examining why some rich countries have opinion-policy congruence, while others do not. I will include several additional conditions in my analysis (electoral system, level of economic inequality, level of decentralization). I will test for the sufficient conditions for a country to have opinion-policy congruence, and also examine the necessary and sufficient conditions for the absence of opinion-policy congruence.

Chapter 4: The causes of congruence

We have previously seen that being rich is a necessary condition for a country to have congruence between public opinion and public policy. Nevertheless, we have also seen that being a rich country is not sufficient for the occurrence of opinion-policy congruence: public opinion and public policy are closely matched in some rich countries, but not in others. In this section, I examine the combinations of factors that are sufficient for the occurrence of opinion-policy congruence. A survey of the comparative politics and political economy literatures suggests three other factors, besides economic wealth, that have a major effect on whether public policy in a country is congruent with citizens' preferences. These three factors are the income distribution in the society, the electoral system, and the level of state decentralization. I proceed by examining the mechanisms through which each of these factors could plausibly affect opinion-policy congruence in a country. I then describe how I operationalize and measure a country's income distribution, its electoral system, and its level of decentralization. Finally, employing fuzzy-set Qualitative Comparative Analysis (fsQCA), I present an empirical account of how the three factors previously mentioned, together with a country's level of wealth, interact with each other and contribute to the presence or absence of opinion-policy congruence.

4.1 The distribution of income in society

4.1.1 The theory

One reason why public policy might stray from what the median voter prefers is political inequality. If, during the policy-making process, politicians give more weight to preferences of a certain subset of society, the policy adopted will not be the one desired by the median citizen. But why would politicians be more responsive to the preferences of some people more than to those of others? The answer is that politicians will weigh people's preferences differently because people themselves are unequal in their levels of political participation and political information.

Following Burns, Schlozman, and Verba (2001: 4), I define political participation as any activity that attempts to influence government action, either directly or indirectly. Brady, Verba, and Schlozman (1995: 271) identify three major types of political participation: volunteering time, donating money, and voting. Politicians who wish to be elected need the triple resources of volunteers, money, and votes. They will thus tend to be more responsive to those that can provide them with these resources. Because of this, the preferences of people with high levels of political participation will weigh more heavily in the policy making process. Those likely to vote will be favored compared to those unlikely to vote, and those that make campaign contributions will be favored over those who do not.

The fact that decision makers are more responsive to people who are politically active, however, does not guarantee that policy will deviate from what the median citizen wants. If the politically active have, on average, the same policy preferences as the inactive, then public policy will still be congruent with the preferences of the general public. Nevertheless, if the groups who are most politically active have policy preferences that are significantly different from those of the general public, government policy will no longer reflect what the median citizen wants. Thus, the degree of opinion-policy congruence in a country will be negatively affected by the presence of groups who have both higher levels of political participation and different policy preferences than the general public. There is strong evidence that, in modern democracies, the wealthy form exactly such a group, both being more likely to be politically active and having policy preferences that are significantly different from those of the median citizen.

The rich will be more politically active, and thus more likely to influence government actions, than poorer people for several different reasons. First, the rich are more likely to run for office. Max Weber's (1919: 163) insight that professional politicians need to be "economically available" still holds today. Because they have to work a day job, poorer people will simply not find the time to launch a political candidature. In addition, beginner politicians will usually need some personal funds to start their campaign. Rich people will have such funds, while other people will not. Moreover, rich people tend to associate with other rich people, while the poor tend to associate with other people. Aspiring politicians that are rich will thus have a network of acquaintances that have both

the time and the funds to support them; aspiring politicians that are poor will lack both. Poorer people will thus be less likely to get elected and shape political decisions.

Second, the rich are more likely to join groups with political aims. In the United States, for example, the influence of Political Action Committees – groups that contribute money to politicians' campaigns in hope of influencing them – has grown larger in the last several decades. The sum of money spent by PACs rose from 77 million dollars before the 1980 elections to 1 billion dollars before the 2006 ones (Currinder 2009: 21). As campaigns grow more and more expensive, politicians have become more dependent on such groups. But as only the rich have the time and money to organize and donate to PACs, it is obvious that they will reflect their interests. Finally, in most countries, richer people are more likely to vote than poorer ones (Lijphart 1997: 3; Barnes 2007: 2). This further makes politicians give disproportionate attention to their interests and thus makes the rich more efficient than poorer people in influencing political decisions.

In addition to being more politically active, richer people also have higher levels of political knowledge than poorer people (Lind & Rohner 2011: 12). As the rich have more leisure time and access to information, they will be more informed about current political events than the poor. Because of this, the rich will be more knowledgeable than the poor about which politicians promote their interests and which do not. As they are more closely scrutinized by the rich than by the poor, politicians will thus have an incentive to give more weight to preferences of the former compared to those of the latter.

We thus see that there is strong evidence that, in modern democracies, the rich have higher levels both political participation and political information than the general public. However, we have previously seen that this is not a sufficient condition for government policy to deviate from what the median citizen prefers. For this to happen, the rich must not only be more politically active and more knowledgeable about politics than other people, but they also need to have, on average, policy preferences that are significantly different from those of the general public. In modern democracies, this does indeed seem to be the case. Soroka and Wlezien (2008: 320), for example, use data from the U.S. General Social Survey to show that people in the upper tercile of the income distribution prefer significantly less government spending on welfare programs than those in the bottom tercile. Corneo and Grüner (2001: 9) examine survey data from twelve nations (six Western and six post-Communist) and find that, in every one of them, individuals with higher relative incomes had significantly lower levels of support for redistribution. Finally, Doherty, Gerber and Green (2006: 454) use a natural experiment design to examine the effect of personal income on policy preferences, and find that winning the lottery significantly increased people's opposition towards redistribution.

We can thus conclude that, in modern democracies, the rich differ from other people both in their levels of political participation and information and in their policy preferences. As policy makers will tend to be more responsive to people who are politically active, we should expect policy to deviate from what the median citizen prefers and to be biased towards the preferences of the rich. Several empirical studies suggest that this indeed is the case, with both roll call votes in the legislature (Bartels 2002) and the actual policy adopted (Gilens 2005) matching the preferences of the rich more than those of people from other income categories.

Of course, modern democracies differ with respect to their income distributions. Some, like the United States, are highly unequal, while others, like Sweden, have a relatively more equal distribution of income. While public policy is likely biased in favor of the rich in most countries, this effect will be much stronger in countries with a very unequal distribution of income than in relatively equal countries. Thus, countries with high income inequality should exhibit low levels of opinion-policy congruence, as the rich will be quite different from the majority in both policy preferences and political influence. In contrast, countries with low levels of income inequality should have high levels of opinion-policy congruence, as relative economic equality will make people more similar in both preferences and political influence.

4.1.2 Measurement and calibration

The most widely used measure of the inequality of an income distribution is the Gini index (see Firebaugh 1999). In theory, the Gini index can take any value from 0 (maximum equality) to 1 (maximum inequality). In practice, however, the Gini index for countries varies from 0.2 to 0.7. The values of the Gini index for the countries included in my study come from the World Bank database⁷. The data is from 2006 (the year the

⁷ http://data.worldbank.org/indicator/SI.POV.GINI

survey data used to compute opinion-policy congruence comes from) or the closest year available. Using Ragin's (2008) direct method of calibration, I transform the Gini index values into set membership scores, which are the appropriate data for fuzzy-set Qualitative Comparative Analysis. The calibration function is summarized bellow:

Membership score (Countries with equal distribution of income)

Gini index values of 0.25, 0.35, and 0.45 are used as qualitative anchors. I chose 0.25 and 0.45 as qualitative anchors because they are the Gini scores for what I consider to be archetypically equal (Sweden and Denmark) and unequal countries (U.S.). The third qualitative anchor, 0.35, is the approximate value of the Gini index in moderately unequal countries (France, Poland). A country with a Gini index of 0.25 will thus have a membership score of 0.95 in the set of countries with an equal distribution of income. A country with a Gini index of 0.35 will have a membership score of 0.5 in the set, while a country with a Gini index of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.45 will have a membership score of 0.05 in the set of 0.05 in t

4.2 The level of decentralization

4.2.1 The theory

One of the main arguments in favor of decentralization and federalism offered by the public finance literature is that it increases the congruence between citizens' preferences and government policy. There are several theoretical reasons why we should expect policy to be more congruent with public opinion in a federal and decentralized state rather than in a unitary and centralized one. First of all, decentralization leads to smaller policy jurisdictions; thus, instead of complying with a one-size-fits-all national policy, subnational units have the possibility to adapt their policy to local preferences. Therefore, if preferences vary among regions, federalism and decentralization will tend to promote more opinion-policy congruence (Oates 1999: 1122).

Furthermore, collective action is easier to organize in a smaller jurisdiction, so citizens in a federal state will be more likely to influence policy through these means. In addition, we should realize that moving government policy towards the public's preferences is not the only way to increase congruence between the two; congruence also increases if people move from regions' whose policies they dislike to ones in which policy is more akin to their preferences. Charles Tiebout (1956) argues that, given fully mobile citizens, fiscal federalism leads to an optimal supply of public goods. To use Albert Hirschman's (1970) terminology, we could say that federalism and decentralization make both "voice" and "exit" more effective. Finally, federalism will foster competition between subnational units and will thus promote better government (Buchanan 1995: 21). As far as opinion-policy congruence is an element of the quality of government, we should expect it to increase in a federal system.

The arguments of the preceding paragraphs seem persuasive, but we should nevertheless take them with a grain of salt. Tiebout's model, for example, rests on the assumption of

full mobility of the citizens, which is obviously unrealistic in many situations. Rodden (2004: 494) criticizes the "competitive federalism" thesis and suggest that under some conditions, like widespread corruption, decentralization and federalism might even promote rent-seeking and decrease quality of government. The dispersion of power that comes with federalism might also make changes to the political status quo more difficult, as such changes would require the consent of more political actors. If a nation's initial laws are created to serve the interests of a privileged minority, federalism will work against opinion-policy congruence. Riker and Føllesdal (2007: 616), for example, argue that federalism prolonged the existence of slavery in the United States, as the minority of states who were pro slavery was protected by the supermajorities required for amending the constitution.

We can thus see that there is no theoretical consensus regarding the effect of decentralization and federalism on opinion-policy congruence. On the one hand, the "competitive federalism" models suggest that decentralization and federalism will improve opinion-policy congruence; on the other hands, the "majority-constraining" models argue that federalism and decentralization will protect minorities and will steer policy away from what the median citizen would prefer. What are we to make of this controversy? The most plausible answer is, I think, that federalism and decentralization does not have a simple additive effect on opinion-policy congruence. Rather, its effect depends on the presence of other contextual factors. Federalism and decentralization might, for example, promote opinion-policy congruence in countries with high geographical labor mobility, but not have any effect in countries with low mobility.

Furthermore, federalism and decentralization might even inhibit opinion-policy congruence if factors such as widespread corruption are present.

In conclusion, the theory suggests that federalism and decentralization will, in configuration with other factors, contribute to the occurrence of opinion-policy congruence. As Qualitative Comparative Analysis is especially suitable for handling conjunctural causation (Schneider & Wagemann 2012), I will identify the combination of factors that decentralization must enter into in order to produce opinion-policy congruence.

4.2.2 Measurement and calibration

Measuring federalism and decentralization raises conceptual difficulties. Rodden (2004) observes that a country's level of decentralization has three different dimensions (fiscal, policy and political) and that about a dozen variables have been used to measure them. What is worrisome to him is that most of these variables are not strongly correlated with each other. This means that the same country can be quite decentralized according to one indicator and centralized according to another. Because of this, argues Rodden, the measure of decentralization that we use must be in accordance with our hypothesis. In my case, I am interested in the effect on decentralization on the congruence between citizens' spending preferences and government spending policy. It is thus natural that my measure of federalism should capture how decentralized government expenditure actually is. For

this purpose, I will measure a country's level of fiscal decentralization by looking at what share of government expenditures is spent by sub-national governments.

My data for comes from the Quality of Government Institute⁸ and is from the year 2006. Using Ragin's (2008) method of direct calibration, I transform the share of government spending done by sub-national units into set-memberships scores. The calibration function employed is summarized below:

Membership score (Fiscally decentralized countries)

>0.95 **if** sub-national share of total government expenditures > 0.5

>0.5 **if** sub-national share of total government expenditures > 0.3

<0.05 **if** sub-national share of total government expenditures < 0.1

I have used 0.1, 0.3, and 0.5 as qualitative anchors. In archetypically highly decentralized countries (U.S., Canada), sub-national governments account for around 50 percent of total government expenditures. This value will thus serve as a qualitative anchor; a country in which spending by sub-national governments is 50 percent of total government expenditure will thus have a membership score of 0.95 in the set of fiscally decentralized countries. In moderately decentralized countries (Spain, Sweden), sub-national governments account for around 30 percent of total government expenditures. This value

⁸ http://www.qog.pol.gu.se/data/qogstandarddataset/

units is 30 percent of total government expenditures will have a set membership score of 0.5 in the same set. Finally, in very centralized countries (New Zealand, Portugal), subnational government only account for around 10 percent of total government expenditures. This value will serve as my third qualitative anchor; a country in which local governments account for 10 percent of total government expenditure will have a set membership score of 0.05 in the set of fiscally decentralized countries.

4.3 The electoral system

4.3.1 The theory

An electoral system can be seen as a function that turns votes into seats in the legislature (Cox 1997: 95). There is a great diversity of electoral systems (for an exhaustive classification, see Blais & Massicotte 1996); for our purpose, however, we will only focus on the two most widespread electoral systems: proportional representation systems and plurality systems. In proportional representation systems, the number of seats allocated to a party will generally be proportional to the number of votes received by the party. In plurality systems, in contrast, the first-placed candidate in an electoral district gets a seat, while all other candidates get nothing. There are several reasons why we should expect plurality electoral systems to foster more opinion-policy congruence than proportional representation ones.

First of all, plurality systems tend to generate single-party cabinets (Lijphart 1999: 167). When the cabinet is formed by a single political party, voters will easily be able to discern who is responsible for unpopular policies. Parties in plurality systems will thus avoid adopting policies that deviate too much from the median voter's preference, for fear that they will be held accountable at the ballot box. In contrast with plurality systems, proportional representation systems tend to generate coalition cabinets. Because the cabinet is formed by several different parties, the responsibility for any unpopular policies will be more dispersed and electoral accountability will thus be lower. As a consequence, parties in proportional representation systems will face lower costs for supporting policies that go against median voter preferences.

Rogowski and Kayser (2002) suggest a second reason why plurality systems promote more opinion-policy congruence. They observe that seat-vote elasticities are much greater for plurality systems than for proportional ones. In other words, a similar increase in vote share for a party will tend to generate a larger number of seats in plurality systems than in proportional representation ones. Small increases in a party's vote share will, in plurality systems, often lead to large increases in seat share. Because of this, argue Rogowski and Kayser, politicians will be more responsive to voter's preferences in plurality systems than in proportional representation systems. Rogowski and Kayser support their hypothesis by showing that price levels are lower in countries with plurality systems; they interpret this pattern as proof that, in plurality electoral systems, voters have more political clout relative to producer interest groups. Duverger's law and the median voter theorem suggest another reason why public policy in countries with plurality electoral systems will not stray too far from what the median citizen prefers. According to Duverger (1959: 224), plurality electoral systems should bring about two-party systems. But we know from Downs (1957) that, in a two-party system, the platforms of the two political parties will converge on the median voter's position. In contrast, proportional representation tends to generate multiparty systems, where the median voter's position is not necessarily an equilibrium on which parties will converge (Schofield, Sened & Nixon: 1998).

We thus see that there are compelling theoretical arguments that suggest that the electoral system is an important determinant of whether a country has opinion-policy congruence or not. For this reason, I include the electoral system as a factor in my empirical analysis, alongside a country's level of wealth, its income distribution, and its level of decentralization.

4.3.2 Measurement and calibration

To measure how proportional an electoral system is, I use the Gallagher index. This index, developed by Michael Gallagher (1991) measures the disproportionality between the distributions of votes and seats in an election. The index can take any value from 0 (most proportional) to 100 (most disproportional). Professor Gallagher's website provides

values of his index for recent elections in all the countries included in my study⁹. For each country, I averaged the values of the Gallagher index for the three elections prior to 2006, so as to avoid any perturbations due to random events in a given election year. I then transformed this average Gallagher index into set-membership scores using Ragin's (2008) direct method of calibration. The calibration function is summarized below:

Gallagher index values of 1, 7, and 10 sever as qualitative anchors. I choose 1 as qualitative anchor because that is the value of the Gallagher index for countries with almost perfectly proportional electoral systems (Denmark, Netherlands). A country with a Gallagher index value of 1 will have a set-membership score of 0.95 in the set of countries with proportional representation. Typical plurality systems (U.K., Canada) have Gallagher index values of around 10. A country with a Gallagher index value of 10 will thus have a membership score of 0.05 in the set of countries with proportional representation. I chose a Gallagher index value of 7 to serve as a qualitative anchor because it is typical of the most disproportional PR electoral systems (Croatia's Gallagher index value of 6.77 is the highest of any country included in my study that uses a proportional representation system). A country with a Gallagher index value of 7 will have a membership score of 0.5 in the set of countries with proportional representation.

⁹ http://www.tcd.ie/Political_Science/staff/michael_gallagher/ElSystems/Docts/ElectionIndices.pdf

4.4 What causes opinion-policy congruence?

We have seen that a survey of the literature suggests that four major factors influence whether a country's public opinion and public policy are congruent: its level of wealth, its distribution of income, its electoral system, and its level of decentralization. In this section, I put the theories previously discussed to the test. Using data from 28 countries, I investigate the sufficient conditions for the occurrence of opinion-policy congruence. In addition, I also examine the necessary and sufficient conditions for the non-occurrence of this outcome. The method I use is fuzzy set qualitative comparative analysis (fsQCA) Fuzzy set QCA is different form crisp set QCA (csQCA) in that it allows for different degrees of membership in a set. This means that fsQCA can capture not only qualitative differences between cases, but also quantitative differences between them (Schneider & Wagemann 2012). There are several reasons for choosing this particular method. First of all, as we have previously seen, the relationship between opinion-policy congruence and the factors that influence it can best be expressed in set-theoretic terms such as necessity and sufficiency. Second, my study includes a relatively small number of cases, which makes multivariate statistical analysis difficult. Fuzzy-set QCA appears to be the best solution for my analysis, striking a balance between quantitative and qualitative methods both in terms of number of cases included and of attention to detail. Furthermore, the literature on the determinants of opinion-policy congruence suggests that complex interactions of factors are involved; QCA would be the best method to deal with this, as it can easily deal with conjunctural causation (Ragin 1987: 25).

My analysis has four causal conditions: whether a country is rich (R), whether it has an equal distribution of income (E), whether it has proportional representation (P), and whether it is decentralized (D). The outcome is whether opinion and policy in a country are congruent $(CON)^{10}$.

We have previously seen that being a rich country is a necessary condition for having opinion-policy congruence. Now we can examine if any of the other conditions, or their negations, also serve as necessary condition for the occurrence of opinion-policy congruence. The results of this analysis of necessary conditions are presented in table 10.

Conditions tested	Consistency	Coverage
R	0.951	0.697
Е	0.806	0.671
Р	0.636	0.585
D	0.757	0.748
r	0.311	0.495
e	0.448	0.567
р	0.569	0.628
d	0.549	0.560

Table 10. Analysis of necessary conditions for the outcome CON.

It can be seen that, besides R, no other condition or negation of condition has a consistency value larger than 0.9, which is the conventional threshold for accepting a condition as necessary (Schneider & Wagemann 2012). Thus, being a rich country is the sole necessary condition for the occurrence of opinion-policy congruence. None of the

¹⁰ I will use capital letters (e.g. R, CON) to indicate_the presence of a condition or outcome and small letters (e.g. c, con) to indicate_their absence.

other conditions or negations of conditions are, by themselves, necessary for the occurrence of the outcome.

Country	R	E	Р	D	CON
Russia	0.195	0.124	0.467	0.760	0.031
Croatia	0.227	0.858	0.524	0.133	0.076
Poland	0.261	0.507	0.604	0.299	0.076
Spain	0.793	0.710	0.703	0.544	0.077
Chile	0.222	0.002	0.345	0.112	0.085
Portugal	0.537	0.259	0.690	0.143	0.092
Ireland	0.977	0.710	0.568	0.369	0.164
Israel	0.697	0.253	0.873	0.166	0.220
South Africa	0.224	0.000	0.944	0.704	0.293
South Korea	0.611	0.752	0.029	0.910	0.347
Latvia	0.261	0.425	0.645	0.353	0.361
Hungary	0.475	0.890	0.255	0.337	0.378
UK	0.879	0.574	0.000	0.310	0.442
Australia	0.887	0.794	0.068	0.865	0.537
Slovenia	0.661	0.964	0.819	0.130	0.543
New Zealand	0.739	0.410	0.884	0.129	0.588
Denmark	0.936	0.964	0.914	0.879	0.633
Netherlands	0.886	0.773	0.926	0.340	0.667
Norway	0.981	0.952	0.834	0.614	0.700
Finland	0.897	0.838	0.831	0.682	0.720
Sweden	0.872	0.973	0.897	0.582	0.808
US	0.978	0.047	0.096	0.934	0.816
Germany	0.878	0.916	0.825	0.809	0.846
Canada	0.932	0.704	0.025	0.984	0.866
Czech Republic	0.518	0.937	0.632	0.288	0.889
Switzerland	0.910	0.596	0.857	0.932	0.897
France	0.855	0.665	0.000	0.222	0.916
Japan	0.882	0.282	0.007	0.666	0.972

 Table 11. Set-membership scores for the casual conditions and for the outcome (CON).

Table 11 is a data matrix showing the 28 countries included in my analysis and their membership scores for the four causal conditions and for the outcome. Table 12 shows the data matrix transformed into a truth table. In contrast to data matrices, truth table rows do not indicate cases, but logically possible combinations of conditions (Schneider and Wagemann 2012). As the model has four conditions, there are $2^4 = 16$ possible combinations of conditions. As 28 cases are included in the analysis, it would have been theoretically possible for each truth table row to have at least one case allocated to it¹¹. However, we can see that 4 of the 16 truth table rows do not have any cases. The fact that not all possible combinations of conditions of conditions occur in reality raises the problem of limited diversity. I will come back to this issue later in my analysis.

R	E	Р	D	number	CON	Raw	PRI	Product	
						consist.	consist.		Cases
1	0	0	1	2	1	0.839	0.640	0.537	JP, US
1	1	1	1	7	1	0.826	0.675	0.559	CH, DE, DK, ES, FI,
									NO, SE,
1	1	0	1	3	1	0.795	0.491	0.390	AU, CA, KR
1	1	0	0	2	1	0.773	0.460	0.356	FR, UK
1	1	1	0	4	1	0.768	0.442	0.340	CZ, IE, NL, SI
0	0	0	1	1	0	0.723	0.133	0.097	RU
0	1	0	0	1	0	0.710	0.246	0.175	HU
0	1	1	0	2	0	0.692	0.214	0.148	HR, PL
0	0	1	1	1	0	0.626	0	0	ZA
1	0	1	0	3	0	0.619	0.089	0.055	IL, NZ, PT
0	0	0	0	1	0	0.610	0.091	0.056	CL
0	0	1	0	1	0	0.579	0	0	LV
0	1	0	1	0	-	0.845	0.357	0.301	-
0	1	1	1	0	-	0.819	0.244	0.199	-
1	0	0	0	0	-	0.747	0.335	0.251	-
1	0	1	1	0	-	0.774	0.269	0.209	-

Table 12. Truth table for the outcome CON (opinion-policy congruence).

¹¹ A case is allocated to a truth table row if its membership score in the condition combination that describes that row is more than 0.5. A case can only be a member of one truth table row.

Analysis of sufficient conditions

The analysis of sufficient conditions for the outcome CON is complicated by the problem of limited diversity; as already mentioned, out of the 16 truth table rows, 4 are logical remainders. There are three different strategies for solving the problem of limited diversity¹². First, the researcher could adopt a conservative strategy, which doesn't make any assumptions about counterfactuals and uses only the data in the truth table. Second, one could incorporate in the analysis only those counterfactuals that correspond to theoretical expectations (easy counterfactuals). Third, one could aim at reaching the most parsimonious solution of the truth table, using both easy and difficult counterfactuals in the process. Using only those counterfactuals for which theoretical expectations exist should produce intermediate solution, which is an a super-set of the complex/conservative solution and a sub-set of the most parsimonious solution.

Employing the fsQCA software, I generate all three solutions (conservative, intermediate, most parsimonious). For the intermediate solution, I use the following directional expectations, based on the theories discussed in sections 4.1 - 4.3: being rich (R), being equal (E), being decentralized (D), and not having proportional representation (p) should contribute to the occurrence of opinion-policy congruence (CON). I use a frequency threshold of 1 and a consistency threshold of 0.75.

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¹² The rest of this paragraph draws on Schneider and Wagemann, 2012.

Solution:	R*E	+ R*D*p	\rightarrow	CON
Path consistency	0.753	0.800		Cases not covered by
Raw coverage	0.772	0.479		any path but members of CON:
Cases covered ¹³	Australia	Australia		New Zealand
	Canada	Canada		
	Czech Republic	Japan		
	Denmark	United States		
	Germany			
	Finland			
	France			
	Netherlands			
	Norway			
	Sweden			
	Slovenia			
	Switzerland			
Unique coverage	0.406	0.103		
Solution				
consistency	0.761			
Solution				
Coverage	0.876			

Table 13. Analysis of sufficient conditions for the outcome CON (conservative/intermediate solution).

The first notable thing about the results is that conservative and the intermediate solutions are the same. The reason for this is that no easy counterfactuals can be made; assuming that any of the missing condition combinations leads to the outcome CON would violate our directional assumptions. A solution that only incorporates easy counterfactuals is, in this case, a solution that incorporates no counterfactuals.

Examining the conservative solution, we see that there are two paths for reaching the outcome CON. A country can achieve opinion-policy congruence either by being rich

¹³ Cases whose membership value in that path is higher than 0.5.

and equal or by being rich, being decentralized, and having a non-proportional system. The first path covers several Western European nations, plus Australia and Canada. The second path covers Australia, Canada, the U.S., and Japan. Being rich (R) is part of both paths to congruence, which confirms its status as a necessary condition.

The second causal path to congruence (R*D*p) nicely illustrates the concept of conjunctural causation. For rich countries, it is not enough to be decentralized or to have a non-proportional electoral system in order to achieve opinion-policy congruence; opinion-policy congruence only occurs if the two factors are present simultaneously. Decentralization will not produce opinion-policy congruence if the country has a proportional electoral system. Similarly, a non-proportional electoral system will not lead to opinion-policy congruence if the country is centralized. This finding fits nicely with Elinor Ostorm's (1986) theory that institutions operate configurationally and that their effects cannot be separable.

Table 14 shows the most parsimonious solution for the occurrence of the outcome CON. According to this solution, there are two paths to opinion-policy congruence: a country can be rich and equal, or it can be rich and have a non-proportional electoral system. We can see that this solution has a higher coverage value than the conservative solution, though at the cost of less consistency; this is to be expected, as the most parsimonious solution is a super-set of the conservative solution.

Solution:	R*E	+ R*p ·	→ CON
Path consistency	0.753	0.746	Cases not covered by
Raw coverage	0.772	0.552	any path but members of CON:
Cases covered	Australia	Australia	New Zealand
	Canada	Canada	
	Czech Republic	France	
	Denmark	Japan	
	Germany	United States	
	Finland		
	France		
	Netherlands		
	Norway		
	Sweden		
	Slovenia		
	Switzerland		
Unique coverage	0.353	0.132	
Solution			÷
consistency	0.745		
Solution			
Coverage	0.905		

Table 14. Analysis of sufficient conditions for the outcome CON (most parsimonious solution).

The problem with the most parsimonious solution is that it does not discriminate between easy and difficult counterfactuals. To examine the counterfactuals that are used in this case to produce the most parsimonious solution, I intersect the Boolean expression for limited diversity with the solution itself, producing the following result:

$$(r^*E^*D + R^*e^*p^*d + R^*e^*P^*D) * (R^*E + R^*p) \Leftrightarrow \\ \Leftrightarrow R^*e^*p^*d$$

The most parsimonious solution thus rests on the following counterfactual: $R^*e^*p^*d \rightarrow CON$
We should be careful in interpreting the most parsimonious solution because, as we have seen, none of the counterfactuals incorporated in it are easy ones. The most parsimonious solution rests on the counterfactual assumption that a country that is rich, unequal, centralized and uses a non-proportional electoral system will have opinion-policy congruence. How plausible is this assumption? From the complex solution, which rests on no assumptions, we do know that countries that are rich and unequal but combine two congruence-fostering institutions (fiscal decentralization and a non-proportional electoral system) will have opinion-policy congruence. We also know that countries that are rich and unequal but lack both congruence fostering institutions do not show opinion-policy congruence. The most parsimonious solution rests on the assumption that countries that are rich and unequal but have only one opinion-policy congruence institution (a nonproportional electoral system) will also show congruence. While this counterfactual can be supported by some theoretical arguments (see the discussion on Rogowski & Kayser 2002 is section 4.3.1.), the fact that all countries that were unequal but still showed opinion-policy congruence had more than one congruence-fostering institution points against it. For this reason, our interpretation should, in this case, focus on the complex solution rather than the most parsimonious one.

4.5 What causes the absence of opinion-policy congruence?

In this section, I will examine the necessary and sufficient conditions for the absence of opinion-policy congruence. As asymmetry is a central feature of set-theoretical methods, accounting for the non-occurrence of the outcome requires a separate analysis (Schneider & Wagemann 2012). Due to the asymmetric nature of set relations, we cannot explain the absence of the outcome by merely negating the factors that lead to the presence of that outcome.

I first examine whether any necessary conditions for the absence of opinion-policy congruence exist. The results of this analysis of necessary conditions are presented in table 15.

Conditions tested	Consistency	Coverage
R	0.819	0.453
Е	0.767	0.495
Р	0.730	0.551
D	0.563	0.476
r	0.479	0.883
e	0.562	0.700
p	0.536	0.522
d	0.817	0.700

Table 15. Analysis of necessary conditions for the non-occurrence of outcome CON.

None of the conditions or negations of conditions have a consistency value larger than 0.9, which is the conventional threshold for accepting a condition as necessary. At this point, we could combine pairs of conditions using the OR logical operator and examine whether any such combination is a necessary condition for the absence of opinion-policy congruence. This procedure, however, is recommended only if there are plausible theoretical arguments that the conditions to be combined in logical union operate as functional equivalents of a higher order concept (Schneider & Wagemann 2012). In this case, however, a survey of the literature does not suggest any reason why any of the conditions should be seen as functionally equivalents.

R	F	P	D	number	con	Raw	PRI	Product	
		'		namber	0011	consist.	consist.	1100000	Cases
0	0	1	0	1	1	1	1	1	LV
0	0	1	1	1	1	1	1	1	ZA
1	0	1	0	3	1	0.963	0.911	0.877	IL, NZ, PT
0	0	0	0	1	1	0.961	0.909	0.873	CL
0	0	0	1	1	1	0.958	0.867	0.830	RU
0	1	1	0	2	1	0.916	0.786	0.7202	HR, PL
0	1	0	0	1	1	0.906	0.754	0.683	HU
1	1	0	0	2	0	0.804	0.533	0.429	FR, UK
1	1	1	0	4	0	0.799	0.516	0.411	CZ, IE, NL, SI
1	1	0	1	3	0	0.763	0.410	0.313	AU, CA, KR
1	0	0	1	2	0	0.697	0.325	0.226	JP, US
1	1	1	1	7	0	0.605	0.263	0.159	CH, DE, DK, ES, FI, NO, SE,
0	1	0	1	0	-	0.914	0.643	0.588	-
0	1	1	1	0	-	0.942	0.756	0.712	-
1	0	0	0	0	-	0.873	0.665	0.580	-
1	0	1	1	0	-	0.917	0.731	0.670	-

Table 16. Truth table for the outcome con (absence of opinion-policy congruence).

We now turn to examining the sufficient conditions for the absence of opinion-policy congruence. Table 16 is the truth-table for the non-occurrence of opinion-policy congruence. As in the analysis of sufficient conditions for the occurrence of opinion-policy congruence, we face the problem of limited diversity. Employing the fsQCA software, I generate all three solutions (conservative, intermediate, and most parsimonious). For the intermediate solution, I use the following directional expectations, based on the theories discussed in sections 4.1-4.3: not being rich (r), not being equal (e), and not being decentralized (d), and having proportional representation (P) should contribute to the absence of opinion-policy congruence (con). I use a frequency threshold of 1 and a consistency threshold of 0.9.

Solution:	r*e	+ r*d -	⊦ e*d*P	→ con
Path consistency	0.965	0.927	0.970	Cases not
Raw coverage	0.438	0.484	0.398	covered by any path but members of con:
Cases covered	Chile	Chile	Israel	Ireland
	Latvia	Croatia	Latvia	South Korea
	Russia	Hungary	Portugal	Spain
	South Africa	Latvia		UK
		Poland		
Unique coverage	0.087	0.132	0.101	
Solution				
consistency	0.923			
Solution				
coverage	0.672			

Table 17. Analysis of sufficient conditions for the outcome con (conservative/intermediate solution).

As in the previous analysis of sufficient conditions, the conservative and the intermediate solutions are identical. The reason is the same: no easy counterfactuals can be made. The conservative solution indicates three paths to the absence of opinion-policy congruence: a country can be non-rich and unequal, non-rich and centralized, or unequal, centralized, and using proportional representation. Being non-rich (r) occurs as a condition in the first two paths, but not in the third. The third path (e*d*P) shows that even rich countries can find themselves without opinion-policy congruence, as long as they combine an unequal distribution of income with centralization and proportional representation.

Solution:	r	+	e*P	÷	con
Path consistency	0.922		0.897		Cases not covered by
Raw coverage	0.583		0.450		any path but
					members of con:
Cases covered	Chile		Israel		Ireland
	Croatia		Latvia		South Korea
	Latvia		Portugal		Spain
	Hungary				UK
	Russia				
	South Africa				
Unique coverage	0.238		0.104		
Solution					
consistency	0.877				
Solution					
Coverage	0.688				

Table 18. Analysis of sufficient conditions for the outcome con (most parsimonious solution).

Table 18 shows the most parsimonious solution for the non-occurrence of the outcome CON. According to this solution, there are two paths to the absence of opinion-policy congruence: a country can either be not rich, or it can be unequal and proportional representation. As expected, the most parsimonious solution has a higher coverage and a lower consistency than the conservative solution. Of course, we should be careful in interpreting the most parsimonious solution, as it does not discriminate between easy and difficult counterfactuals. To examine the counterfactuals that are used in this case to produce the most parsimonious solution, I intersect the Boolean expression for limited diversity with the solution itself, producing the following result:

$$(r*E*D + R*e*p*d + R*e*P*D) * (r + e*P) \Leftrightarrow r*E*D + R*e*P*D$$

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The most parsimonious solution for the absence of opinion-policy congruence thus rests on the following counterfactuals:

$r^*E^*D \rightarrow con$ $R^*e^*P^*D \rightarrow con$

The most parsimonious solution thus assumes that countries that are not rich but are equal and decentralized will not show opinion-policy congruence, and also that countries that are rich and decentralized but are unequal and use proportional representation will also not show congruence. As we have previously seen, none of these counterfactuals are easy ones. We can also check if the two most parsimonious solutions (for the occurrence and the non-occurrence) make use of contradictory simplifying assumptions. If this were the case, the intersection of the two solutions would not be an empty set (Schneider & Wagemann 2012). Intersecting the two solutions does, however, yield an empty set:

$$(R*E + R*p)*(r + e*P) \Leftrightarrow \emptyset$$

This suggests that no contradictory simplifying assumptions were used in generating the most parsimonious solutions. Intersecting the conservative solutions for the occurrence and absence of opinion policy congruence also yields an empty set, indicating that no contradictory simplifying assumptions have been employed and that no row has passed the consistency threshold for both the occurrence and the absence of the outcome:

$$(R*E + R*D*p) * (r*e + r*d + e*d*P) \Leftrightarrow \emptyset$$

4.6 Discussion

What information has our fuzzy-set Qualitative Comparative Analysis brought us? First of all, we now know that being rich is a necessary condition for having opinion-policy congruence. All countries that showed opinion-policy congruence were rich countries, and none of the non-rich countries showed opinion-policy congruence. Being rich, however, is not sufficient for the occurrence of opinion-policy congruence. Several rich countries (Ireland, Israel, Portugal, South Korea, Spain, and the United Kingdom) did not show opinion-policy congruence. An analysis of sufficient conditions suggests that there are two paths to opinion-policy congruence. On the one hand, being rich and being equal are jointly sufficient for the occurrence of opinion-policy congruence. In other words, countries that are rich and equal will have opinion-policy congruence regardless of their level of decentralization or their electoral system. Most of the countries in my study that do have opinion-policy congruence have followed this path, being both rich and equal. Of note is that almost all the countries that are uniquely covered by this path are located in Northern (Denmark, Finland, Norway, Sweden) or Western Europe (France, Germany, the Netherlands, Switzerland). The only post-communist countries in which opinionpolicy congruence occurs, Slovenia and the Czech Republic, are also uniquely covered by this "rich and equal" path. The other path to congruence is being rich, being decentralized, and having a non-proportional electoral system. This path includes much fewer countries; the only two countries uniquely covered by it are Japan and the United States. Australia and Canada are covered by both paths.

The results suggest that the easiest way for a rich country to achieve opinion-policy congruence is to have a relatively equal distribution of income. In relatively equal societies, the rich have fewer resources and politicians will thus have fewer incentives to deviate from what the median citizen prefers in order to appease the rich. In addition, the rich themselves will have fewer incentives to try to steer policy their own way, as the more equal distribution of income will make them more similar to the non-rich in both preferences and level of information.

The second path to opinion-policy congruence requires a combination of two congruence-fostering institutions: fiscal decentralization and a non-proportional electoral system. Decentralization favors opinion-policy congruence by making collective action easier and by allowing policies that are tailored to local preferences. In addition, decentralization will also encourage competition between sub-national units, which will also favor congruence. Non-proportional electoral systems, on the other hand, will give more power to voters as compared to interest groups; furthermore, due to Duverger's law and to the median voter theorem, the platforms of political parties in countries with nonproportional electoral systems are likely to converge on the median voter. When combined in a rich country, fiscal decentralization and a non-proportional electoral system are enough to guarantee that public policy will match public opinion. Nevertheless, relatively few countries have followed this path towards opinion-policy congruence. Japan and the United States are the only countries in my study that have achieved opinion-policy congruence through a combination fiscal decentralization and non-proportional electoral system while having an unequal distribution of income.

What can we say about the robustness of opinion-policy congruence? Countries that have achieved congruence solely through a relatively equal distribution of income are vulnerable to increases in income inequality. If a country lacks the institutional combination of fiscal decentralization and non-proportional electoral system, increases in income inequality are likely to lead public policy away from what the median citizen prefers. On the other hand, countries that have achieved opinion-policy congruence through fiscal decentralization and a non-proportional electoral system will not be vulnerable to increases in income inequality; Japan and the United States are already quite unequal countries and they still show opinion-policy congruence. Such countries, however, are vulnerable to changes in their institutions. If a country has reached opinionpolicy congruence solely through its institutional combination, then any change in its level of decentralization or electoral system can damage its opinion-policy congruence. If, for example, Japan or the United States would adopt more proportional electoral systems, it is likely that public policy in these countries would move away from the preferences of the median citizen.

In the end, opinion-policy congruence is most robust in those countries that are covered by both causal paths. Australia and Canada have both relatively equal distributions of income and a combination of fiscal decentralization and a non-proportional electoral system. In these countries, opinion-policy congruence is likely to survive an increase in income inequality due to their combination of institutions. Similarly, moves towards more proportional electoral systems or higher fiscal centralization should not damage opinion-policy congruence in Australia and Canada, as long as the two countries remain relatively equal.

Conclusions

This thesis has attempted to answer two questions. First, is government policy in contemporary democracies congruent with public opinion? Second, what are the factors that determine opinion-policy congruence? For each of 33 countries included in my study, I computed the distance between the median voter and actual government policy for eight different policy areas. Out of 262 country-issue couplets, only 68 (26%) showed median voters that were satisfied with current levels of government spending. The answer to my first research question thus seems to be that opinion-policy congruence is more often absent than present in contemporary democracies.

To answer my second research question, I employed fuzzy-set Qualitative Comparative Analysis (fsQCA), a data analysis technique based on set theory. I identified two causal paths that lead to opinion-policy congruence; to achieve opinion-policy congruence, a country must either be rich and relatively equal or rich, decentralized, and have a non-proportional electoral system. I discussed the implications of these results and suggested that opinion-policy congruence is most robust in Australia and Canada, countries which are covered by both causal paths.

Limitations and future research

The research presented in this thesis has three limitations. Each of these limitations can serve as a suggestion for future research. The first limitation is related to case selection.

The 33 countries included in my analysis are, in many ways, a sample of convenience, conditioned by the availability of survey data. Despite this, I consider the sample to be representative of contemporary democracies, as it spans all inhabited continents and includes democracies rich and poor, old and new, presidential and parliamentary. Nevertheless, countries that I believe would have been relevant for my research were not included due to lack of data. For example, countries like Italy, Romania, Mexico, or India are absent from my analysis. Future research should include such additional countries and examine whether my previous results are affected by this.

The second limitation regards unexplained cases, such as New Zealand and Spain. Public opinion and public policy are reasonably congruent in New Zealand, but the country is not covered by any of the causal paths that I have identified. Spain, on the other hand, is covered by one of the casual paths (it is both rich and equal) but public opinion and public policy there are not at all congruent. Future research should try to explain these outlying cases. One strategy for this could be to add more explanatory factors to our analysis. Such a strategy, however, would increase the number of possible combinations of conditions and would thus exacerbate the problem of limited diversity (Schneider & Wagemann 2012).

The third limitation is related to external validity. Throughout this thesis, I examined the factors that determine whether government spending in contemporary democracies is congruent or incongruent with citizens' preferences. But fiscal policy is not the only area of government activity. Monetary and regulatory policies are just as important, having

major redistributional and efficiency implications; such policies, however, are not addressed in this thesis. We should thus avoid generalizing the results from the particular case of spending policy to policy in general. The validity of such generalizations is questionable, considering that, unlike budgetary allocation, monetary and regulatory policies are frequently delegated to agencies with a high degree of autonomy and whose democratic accountability is often doubtful. Further research is needed to investigate whether the causal paths that lead to opinion-policy congruence in the case of fiscal policy also hold true for monetary and regulatory policy.

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