

## Assessing the Impact of Inequality on Political Activity and Class Consciousness

Matthew Prouty

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# Assessing the Impact of Inequality on Political Activity and Class Consciousness

Matthew Prouty, Undergraduate Student- Economics;  
Michael Cauvel, Ph.D. Assistant Professor of Economics

## Introduction

- Income inequality has been rising throughout most of the world for several decades
- In theory, the majority is able to determine policy in democratic societies
- Broad Question: If rising inequality represents a negative outcome for the majority of the population, why does it persist in democracies?
- Hypotheses in the Literature: Ideology benefitting the elite, identity politics, lobbying, issues with campaign finance, policymaking that occurs with little public discussion, and low political engagement among the economically marginalized
- We focus on the hypothesis that inequality reduces political activity

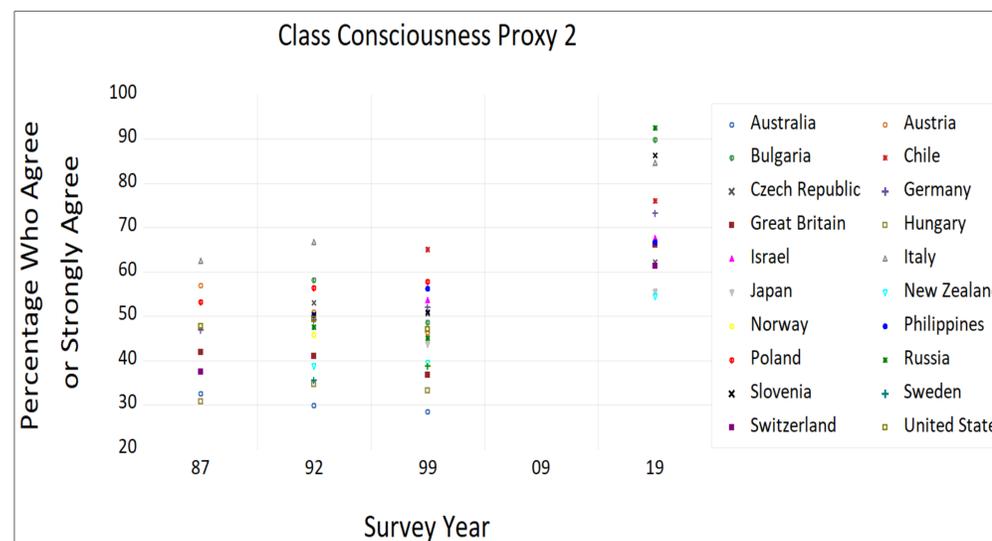
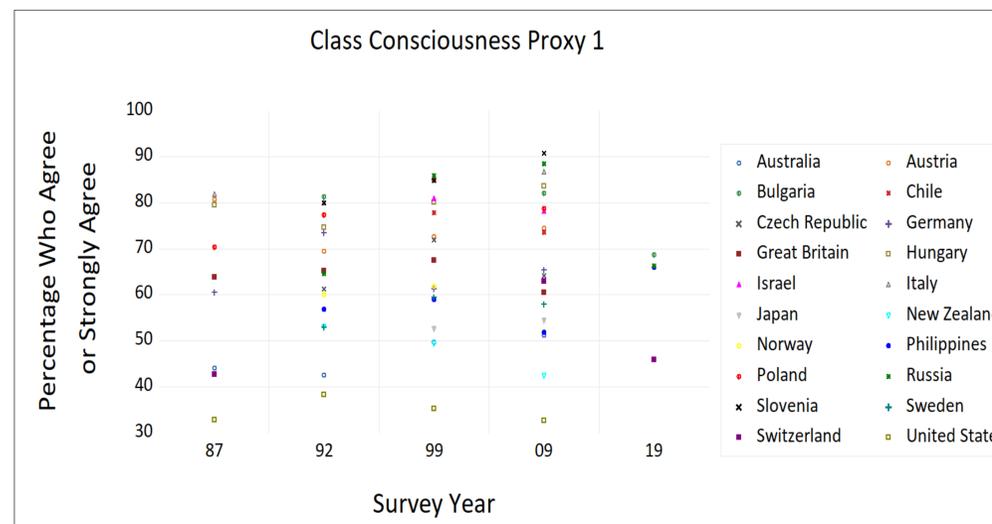
## Hypothesis

- We test the hypothesis that inequality reduces political activity
- We also test how inequality affects class consciousness and how class consciousness affects political participation.

Table 1: Regression Results

Regression	1	2	3	4	5	6
Dependent Variable	Voter Turnout	Gini	CC Proxy 1	CC Proxy 2	Voter Turnout	Voter Turnout
Voter Turnout		_ <b>**</b>				
Gini	_ <b>**</b>		+*	+		
GDP Growth	+	+ <b>***</b>	+	+	+	-
CC Proxy 1					-	
CC Proxy 2						_ <b>***</b>
R <sup>2</sup>	0.771	0.837	0.897	0.601	0.75	0.881
N	225	225	67	56	65	51

+ denotes a positive effect, - denotes a negative effect  
\*\*\* Significant at 1% level, \*\* 5% level, \* 10% level



## Methodology

- Multivariate Regression Analysis for a panel of 20 countries with country-fixed effects
- Variables: Inequality (Gini Coefficient), Voter Turnout, 2 Proxies for Class Consciousness
- Proxy 1: Agreement with statement that inequality persists because people don't join together to stop it
- Proxy 2: Agreement with statement that the government should be responsible for reducing inequality
- Control for GDP growth
- Data from World Inequality Database (WID), International Social Survey Programme (ISSP), Institute for Democracy and Electoral Assistance (IDEA) from 1980–2021.

## Conclusions

- We do find support for the hypothesis that inequality reduces political activity
- Increased voter turnout is associated with lower inequality, but voter turnout is lower in periods of higher inequality
- In periods of higher inequality, ISSP respondents are more likely to see inequality as a class issue, but this measure of class consciousness is not associated with higher levels of voter turnout
- Higher voter turnout is associated with more widespread agreement that the government should reduce inequality, but we do not find a significant relationship between inequality and public opinion on this issue
- We see a complicated set of relationships among inequality, class consciousness, and political participation
- The results suggest that political action can reduce inequality, but political action only occurs when voters begin to view inequality as a policy issue
- Other issues discussed in the literature like ideology and identity politics may help to explain some of these patterns