

Project “Revisiting cross-national variations in preference for redistribution.

Attitudes to inequalities, social beliefs, and welfare systems”

Sébastien Lechevalier

Final report

Context and motivation: introducing social values regarding preference for redistribution in order to understand the dynamics of inequalities

Our project aimed at dealing with the issue of inequalities from an original perspective that may contribute to the emergence of new values for the society. The increase of inequalities during the last three last decades is now a robust stylized fact. The identification of its causes is more controversial. Although there may be universal mechanisms – such as the one identified by T. Piketty in his famous book (Piketty, 2014)– two facts show that there are others that are not universal: 1) the increase is not the same across countries; 2) its perception differs across countries and is paradoxical as it is the most important in Europe, although inequalities have increased the least. Our goal was to explain these two facts by reference to different values across three regions. They are certainly deeply rooted in different cultures. However, our initial hypothesis was that more than “culture” (which is rarely well defined by economists), social, economic and political history (and, in particular, the historical building of welfare systems) matters. If these values are partly historically determined, it means that they can change. In short, our purpose is to promote not a convergence between these three regions with so different backgrounds but rather the circulation of ideas through a fruitful dialogue that takes into account our differences. This is a key condition for the emergence of “new values for society” as it has been the case in the postwar period for the human rights.

More precisely, redistribution of income is a component of the activity of governments of developed countries that has grown to an important level over the 20th century. From 1960 to 2002, the average share of government transfers has doubled in the OECD countries, from

8% to 16% of GDP (Alesina and La Ferrara 2005). However, the level of redistribution varies markedly among OECD countries. The extent of direct and indirect redistribution—through taxes and transfers, social insurance, education finance, and labor market regulation—differs remarkably across advanced democracies, as epitomized by the contrast between the United States and Europe. While there are potential explanations for this puzzle that do not involve differences in beliefs about the causes of wealth and poverty (e.g., Benabou [2000] and Alesina and Glaeser [2004]), considerable evidence suggests that citizens' views on the role of self-reliance versus societal factors do play a major role.

Various data indeed show a strong correlation between these beliefs and actual levels of redistribution (Alesina et al., 2001). As for the causality, it can go theoretically in both directions, as shown by Benabou and Tirole's model (2006): The standard interpretation is one where popular beliefs determine policy outcomes, and indeed it is the case that individual voters' perceptions of the extent to which people control their own fate are major determinants of their attitudes toward inequality and redistribution—swamping in particular the effects of own income and education (e.g., Fong [2001]). However, it may also be that the nature of the social contract shapes people's beliefs. As a whole, the conjunction of these two major mechanisms may explain the persistence of differences across countries; which is the focus of this project, as well put by Alesina & Angeletos (2005): “Different beliefs about the fairness of social competition and what determines income inequality influence the redistributive policy chosen in a society. But the composition of income in equilibrium depends on tax policies. We show how the interaction between social beliefs and welfare policies may lead to multiple equilibria or multiple steady states. (...) These insights may help explain the cross-country variation in perceptions about income inequality and choices of redistributive policies”.

International surveys reveal wide differences between the views held in different countries concerning the causes of wealth or poverty and the extent to which people are responsible for their own fate. In particular, previous literature has compared the US and Europe from this viewpoint and proposed several explanations of these differences, from aggregation of individual determinants (e.g. one's income) to more holistic ones such as shared values at the national level (Alesina & Giuliano, 2009; Alesina & La Ferrara, 2004; Alesina et al., 2004). American “exceptionalism,” as manifested by the widely held belief in the American Dream, is indeed but the most striking example of this phenomenon. (Benabou & Tirole, 2006). More precisely, the perception of inequalities and social mobility differs from the two sides of the Atlantic and it is clear that it has some implications for the support of redistribution (Alesina et al., 2001). For example, 26% of Europeans think that the poor are lazy, as opposed to 60% of

Americans, thus the perception of the contribution of individual effort to success is different. Conversely, 60% of Europeans believe the poor are trapped in poverty, as opposed to 29% of Americans, thus Americans are more likely to believe that there is a high amount of social mobility in their country. It is important to note that this perception does not always correspond to the reality (Benabou & Tirole, 2006; Lefranc & Trannoy, 2004).¹

Although this transatlantic perspective is common for this kind of research, it is fair to recognize it does not often include countries beyond this perspective. For example, with few exceptions, Japan has rarely been included in this comparative perspective. It is regrettable, as this country has some interesting features. To give only one striking example, according to the OECD, the pre-tax Gini coefficient in the US, France, and Japan was the same in 2008, that is 0.49 (Table 1). Differences appear between these three countries when one looks at the after tax Gini coefficient, which takes the respective values of 0.38, 0.28 and 0.34. It means that the reduction of inequalities through fiscal policies (including social transfer) ranks from the lowest in the US (-0.11) to the highest in France (-0.21) and is in the middle in Japan (-0.15). It also means that both the perception of inequalities and the preference for redistribution differ in these three countries.

This stylized fact is confirmed by other studies analyzing the degree of redistributiveness of fiscal policies, their level and evolution. For example, Piketty (2015) shows that France is characterized by a higher level of redistribution than in the US and it has been relatively stable during the last 30 years; on the contrary, the degree of redistribution of the fiscal system has substantially decreased in the US. As for Japan, it is worth noting that it reached a low level of inequalities, more or less equivalent to the one in Sweden but “without redistribution through fiscal policy” (Dore, 1976). This egalitarian compromise has primarily concerned the wage sharing. Moreover, throughout the 1990s the extent of redistribution declined, owing to the reduced progressiveness of income tax (Ohtake & Saito, 1999). Meanwhile, Japan has experienced an increase of wage income inequalities without any strong link with this reform of the fiscal system but rather in connection with the industrial and labor market dynamics (Moriguchi & Saez, 2008; Kambayashi et al., 2008). The Japanese case, along with the US case, therefore leads us to ask whether an increase of inequalities leads to more demand for redistribution.

¹ It should next noted that these popular perceptions are often distinctly at odds with reality. For instance, there is a significant discrepancy between the widespread view of the United States as an exceptionally mobile society (especially in the minds of Americans themselves) and the actual evidence on intergenerational income or educational mobility, which, on average, shows no significant difference with European welfare states (Lefranc & Trannoy, 2004).

An interdisciplinary and international project with qualitative and quantitative dimensions

In order to reach these objectives, we have conducted a joint research scheme with the following characteristics. We built an interdisciplinary and international team that mixed different generations, in order to ensure a good diffusion of knowledge. Our 2 years project has been composed of two steps. The first one has been a quantitative study from economic and sociological perspectives that mobilized various international surveys (e.g. World Values Survey; International Social Survey Program) in order to conduct international comparisons. The goal was to quantify the differences between the US, Europe (with a focus on France, but also comparative perspectives with other European countries such as the UK, Germany, Italy, Denmark or Sweden) and Japan in term of preferences for redistribution, social values, average determinants and differences across different socio-economic groups. The second step has been more qualitative and provided sociological and philosophical interpretations to the observed differences across countries. All members participated to the two steps in order to make possible dialogue between them.

Theoretical background: Identifying the factors that affect the preference for redistribution

The literature on preference for redistribution has been deeply influenced by the seminal article by Meltzer and Richards (1981) proposes a basic model, in which preference for redistribution is determined by two factors, which are underlying in the majority of analyses on this issue. The first one is about how voters think redistribution is going to affect their life-cycle income. The second one is related to how individuals perceive the “incentive cost” of redistribution for their fellow citizens (as high taxation and benefits are assumed to reduce the agents' incentive to make efforts). The first point refers to individual determinants (with potentially an inter-temporal dimension) while the second point can be interpreted in terms of social beliefs/values, as it is apparent in Piketty (1995): people do not necessarily differ in their distributive goals, but they do not assess the same way the incentive cost of redistribution, and the relative importance of effort and luck in success.

As for the individual determinants, current income is a relatively good predictor. However, the story is more complicated and the literature has explained why in considering the following cases: some rich people may favor redistribution (fear of crime; compassion...) while some poor people are opposed to redistribution, as it can be seen in the results of elections for

example through the high support rate for conservative candidates from lower middle-class categories.

A way to explain these two paradoxes is to introduce an inter-temporal dimension by considering the issue of social mobility. It can be done by mobilizing different concepts that may help capturing different effects. For example, the analysis of downward vs. upward mobility may identify the respective impacts of risk-aversion vs. prospect of upward mobility – the so-called POUM hypothesis introduced by Benabou & Ok (1998) in order to understand the opposition to redistribution from lower classes despite the fact that they may benefit from it. As for the concepts of subjective and objective mobility (Alesina & La Ferrara, 2005), they may help analyzing the gap between the reality of social mobility and its perception. For example, a robust stylized fact is that social mobility is over-estimated in the US while it is underestimated in an European country like France (Lefranc & Trannoy, 2004; Alesina, Di Tella and MacCulloch, 2004). Finally, it is important to distinguish between intra-generational mobility (one's social trajectory seems to influence one's opinion concerning redistribution) and inter-generational mobility (e.g. dynasty effect in the learning model of Piketty, 1995).

As for the analysis of the impact of social values/beliefs, it is worth noting first a risk of tautology and of ill-definition. For example, the reference to different political backgrounds to explain divergent support for redistribution is not satisfactory as this support is an important part of the political identification. This problem is even more important in the case of international comparisons as the definition of political preference is strongly affected by the political landscape. Another example is the reference to cultural characteristics to explain differences across countries: it often sounds as a “last resort” explanation that refers to exogenous factors which are mobilized as given. The most convincing arguments in this field have mobilized a variety of concepts that may capture social values such as fairness (Alesina & Angeletos, 2005; Alesina, Angeletos, and Cozzi, 2013) or meritocracy (through the role of education, like in Kariya, 2009). An important distinction is the one between effort, luck, and circumstances as done by Lefranc A., N. Pistoiesi and A.Trannoy (2009), who show that the key is the evaluation of the respective contribution of these three factors to the final outcome.

As a whole, it is possible to summarize as follows the current state of the literature on the preference for redistribution. On one side, we have now a relatively good understanding of individual preferences (self interest, including prospective mobility; social values). On the other side, the understanding of lasting cross countries differences is less satisfying. We identify two possible reasons to this situation: one is the limited nature of the transatlantic perspective and the other one is the risk of tautology for some arguments. To us, the best way to go beyond these

limitations is to combine two strategies. First, it is important to look for complementarities and self-reinforcing mechanisms, in the spirit of Benabou & Tirole (2006) or Alesina & Angeletos (2005). Second, it is necessary to identify “exogenous” factors (land, history, “culture”, family structure, welfare systems, relation between citizens and government, etc.). The combination of these two strategies is to us the best way to identify the reasons of lasting differences across countries in going beyond tautological arguments. We now review important contributions that have mobilized them.

First, some papers have emphasized the existence of complementarities between social belief and welfare policies that may lead to multiple equilibria (Alesina & Angeletos, 2005; Benabou & Tirole, 2006). In the present article, we will make use of this point as the basis of our international comparison. It allows understanding some stability in the diversity of patterns across countries without relying exclusively on a cultural explanation, but rather in focusing on the social building of systems that incorporate the social values of the time of their building and that also affect the contemporary social values. Alesina & Angeletos (2005) and Benabou & Tirole (2006) propose similar models in their spirit but they emphasize different mechanism. Because of lack of space, we focus here on Alesina & Angeletos’ model. The basic idea is that different beliefs about the fairness of social competition and what determines income inequality influence the redistributive policy chosen in a society. However, the composition of income in equilibrium depends on tax policies. In this context, Alesina & Angeletos show how the interaction between social beliefs and welfare policies may lead to multiple equilibria or multiple steady states. If a society believes that individual effort determines income, and that all have a right to enjoy the fruits of their effort, it will choose low redistribution and low taxes. In equilibrium, effort will be high and the role of luck will be limited, in which case market outcomes will be relatively fair and social beliefs will be self-fulfilled. If, instead, a society believes that luck, birth, connections, and/or corruption determine wealth, it will levy high taxes, thus distorting allocations and making these beliefs self-sustained as well. These insights may help explain the cross-country variation in perceptions about income inequality and choices of redistributive policies. It is worth underlining that the crucial assumption of the model is that agents expect society to reward individual effort and hard work and the government to intervene and correct market outcomes to the extent that outcomes are driven by luck. This can be applied to the opposition between the US and Europe, which are characterized by Benabou & Tirole (2006) as two equilibria, respectively the “Belief in a just world” equilibrium and the “realistic pessimism” equilibrium.

The second strategy at the basis of the literature on cross-country comparison of

preference for redistribution is to look for exogenous factors that may explain the origin of the differences across countries. The examples are numerous and we refer here only to the most representative ones. One is a family related explanation. For example, Alesina & Giuliano (2010) focus on the impact of family structure in relation with welfare systems. The organization of the family varies a lot around the world and different family structures can affect preferences of the desired level of government intervention in redistributive policies, directly or indirectly. Esping Andersen (1999) for instance argues that in societies with close family ties, certain welfare policies are internalized by the family rather than being delegated to the State.

Another argument is to relate preference for redistribution to trust toward government (Hong and Oh, 2012). This can also be connected to the preferences related to the tax system, both in terms of level and structure (Lane, 2015). This argument cannot be considered by itself as an exogenous factor but Alesina, Cozzi & Mantovan's (2012) study on the dynamics of ideology may help to build such an argument. Based on the hypothesis that ideas about what is 'fair' influence preferences for redistribution, they study the dynamic evolution of different economies in which redistributive policies, perception of fairness, inequality and growth are jointly determined. They show how including beliefs about fairness can keep two otherwise identical countries on different development paths for a very long time. They show how different initial conditions regarding how 'fair' is the same level of inequality can lead to two permanently different steady states. They provide a politico economic model that can trace over time the evolution of policies (income taxes, wealth taxes and transfer schemes), the evolution of inequality, and of the preferences for redistribution, as a function of the changes in what individuals perceive as fair and unfair wealth differences. This allows them to make statements about the endogenous evolution of ideology and tax policy. In particular, they show how temporary shock to preferences/ideology may have long lasting effects.

Despite the various shortcomings mentioned above, the literature on preference for redistribution gives relatively satisfying results when it deals with individual level analysis. However, it is more complicated when the focus is on comparison between different countries, as it is for our own study. One first reason concerns the definition of the empirical strategy. One option is to proceed by aggregation of the individual preferences to get a sort of micro-founded approach of cross-national differences. This is the strategy followed by Guillaud (2013), who studies the impact of professional occupation to explain individual preferences and of socio-structure to explain inter-countries differences. She therefore resorts to an aggregation of

individual preferences.

Another strategy is based on the idea that complementarities between individual perception of mobility and structure of mobility require endogenizing social beliefs. This is for example the strategy followed by Benabou & Tirole (2006): “this paper proposes a mechanism for the emergence and persistence of *collective* beliefs and *ideologies*”. However, although the theoretical mechanism is convincing, the weakness of this paper lies in the explanation of the role of the exogenous factor that they endogenize. To our limited knowledge, this difficulty is common to various papers and has not yet properly dealt with.

In this context, a current alternative is to jointly estimate the effects of individualistic and holistic determinants. This is for example done by Fong (2001, 2006) or Linos & West (2003). This approach is criticized by, among other, the contributions by Corneo & Grüner (2000, 2001) who run separate estimations for the two types of variables. Our own approach is inspired by them as we consider it is logically difficult to incorporate in a same model these two types of variables, especially as our purpose is the analysis of inter-countries differences.

As a result, our own empirical strategy can be defined by the two following characteristics. First, we do not estimate a single model but rather test a series of related hypotheses. Second, our focus will be on the differences across countries regarding the results of these tests.

Empirical background: how to operationalize theoretical concepts

Before investigating the impact of social beliefs on preference for redistribution, it is important to have a clearer view on what is meant by “preference for redistribution” by itself. This question is relevant for the two major types of data sources used in the literature, namely data based on experiments and international surveys. In the present project, we use the second type of data, more precisely, the 2009 issue of the International Social Survey Programme (ISSP) on “Social Inequality”. In this issue, two questions may help us to capture the preference for redistribution with a more precise meaning:

- “Is it the responsibility of the government to reduce the difference in income between between people with high incomes and those with low incomes”
- “Generally, how would you describe taxes in <country> today for those with high incomes? Taxes are <answer>” with the answer ranging from much too low to much to high.

While the first question focus on the role of the government without specifying concretely

this role, the second one focuses on the progressivity of the tax system. What is striking is that the answers to these two questions are not fully coherent as it appears in the table 1, which is built in using the full sample of ISSP. There are obviously some discrepancies between the answers to the two questions, as captured by the percentage of respondents that answer “yes” to one question and “no” to the other, which represents about one third of the total. We take seriously these discrepancies and we try to interpret them in terms of ideology regarding government intervention and progressive tax systems (see also Barnes (2015) in this spirit).

What is even more interesting is that there are substantial differences across the US, France and Japan, from this perspective, as shown in table 2. For example, while Japan has a percentage of respondents answering “yes” to the two questions between the ones for France and the US, the percentage of people in favor of the increase of tax on the rich but opposed to government intervention is even higher than in the US.

Results

A major concrete result of our research project appears when one looks at the results by income groups for the two questions we distinguished (government intervention and tax on the rich). First of all, in the three countries, there is a negative relation between income group and preference for redistribution (Figure 1). Preference for government role in reducing income gap is generally the highest in France, and lowest in the US. US is the only one generally against more government intervention to redistribute economic resources. Second, generally, there is a lower preference for higher tax at each quintile in all countries (Figure 2). In Japan, the average preference for higher tax on the rich seem to follow closely the level of preference for government role in reducing income gaps at every decile. There are weaker income cleavages in France and the US, with the poorest having almost the same level of response as the richest 10%. Finally, some additional stylized facts emerge from looking at the preference by income groups: The preference for redistribution decreases with income when captured by preference for government intervention in the 3 countries; when captured by preference for higher tax on the rich, the same pattern is observed in Japan but not in the US or in France (inversed U-shape). In these two countries, the poorest income groups do not support redistribution.

Beyond these specific results, the more general results and effects are of three orders. First, we have contributed to the literature on the preference for redistribution by revisiting cross-countries differences in going beyond a transatlantic perspective and in analyzing the differentiated impact of demographic-socio-economic factors and social beliefs across

countries. A major result that emerged from this perspective is that analyzing the preference for redistribution requires to mobilize various indicators, as there is a high risk of confusion when one focuses on a single indicator. Second, we have contributed to the long term analysis of inequalities by including political economy analysis of social values and welfare systems that may explain the different trajectories. In doing so, we have connected two patterns regarding redistribution - facts and beliefs - in challenging the idea that there are only two worlds, across the Atlantic. We have defined the Japanese pattern, which does correspond nor to the American dream neither to the “European pessimism” (Benabou & Tirole, 2006). To put it simply, our result is that, in contemporary Japan, there is a very low expectation to improve one’s social position over the lifecycle and it dramatically affects the support for redistribution. Finally, our analysis has tried to explain the origin of different social values across the three regions, especially by analyzing the effect of welfare system constructions and of migration policies on social values. According to our results, the preference for redistribution is higher in Europe and in the US, relatively to Japan, where the preference for inclusive growth is much stronger.

Our project has three major tangible outcomes. First, we have published a set of 4 columns in the French newspaper Le Monde (25 March 2019). Second, we are engaged in the process of publishing a special issue of an academic journal. Third, we have widely diffused our research through our website (<http://ffj.ehess.fr/>). It concerns our papers but also the related events (workshops and major symposium organized in Paris on 2019, June 4th, with the participation of OECD and UNESCO representatives but also students, researchers, diplomats and business people). In doing so, we expect to have renewed the discussion not only in academic circles but also in the society as a whole.

References

- Alesina A. & Angeletos G-M. (2005), *Fairness and Redistribution*, The American Economic Review, 95 (4): 960-980
- Alesina A. & La Ferrara E. (2005), *Preferences for redistribution in the land of opportunities*, Journal of Public Economics, 89 (5-6): 897-931
- Alesina A., Glaeser E. & Sacerdote B. (2001), *Why Doesn't the United States Have a European-Style Welfare State?* Brookings Papers on Economic Activity, Vol. 2001, No. 2, pp. 187-254
- Alesina A., R. Di Tella R. & R. MacCulloch (2004), *Inequality and Happiness: are Europeans and Americans Different?* Journal of Public Economics 88: 2009-2042.
- Alesina, A., & Giuliano, P., *Preferences for redistribution*. NBER Working Papers (2009) 14825.
- Barnes L. (2015), *The size and shape of government: preferences over redistributive tax policy*, Socio-Economic Review, 13 (1) :55-78.
- Bénabou R. & Ok E.A. (1998), *Social Mobility and the Demand for Redistribution: the POUM hypothesis*, NBER working paper No. 6795
- Chen Y. & Li S. X., *Social Preferences and Group Identity*, The American Economic Review, Vol. 99, No. 1 (Mar., 2009), pp. 431-457
- Clark Andrew E. & D'Ambrosio C. (2014), "Attitudes to Income Inequality: Experimental and Survey Evidence", *Handbook of Income Distribution*, Volume 2A, chapter 14.
- Clark, A., & D'Angelo E. (2009), *Upward Social Mobility, Wellbeing and Political Preferences: Evidence from the BHPS*. Working paper, Paris School of Economics.
- Corneo G. and F. Neher (2012), "Income Inequality and Self-Reported Values", Discussion Paper Series of SFB/TR 15 Governance and the Efficiency of Economic Systems n°382.
- Corneo, G. (2001), *Inequality and the State: Comparing US and German Preferences*, Annales d'Economie et de Statistique, issue 63-64.
- Corneo, G. and H. P. Grüner (2000), "Social limits to redistribution", American Economic Review (90): 1491-1507.
- Fields, G.S. and E.A. Ok. *Measuring Movement of Income*. *Economica* (1999) 66, 455- 472.

Fong, C. (2001), "Social Preferences, Self-Interest, and the Demand for Redistribution", *Journal of Public Economics* 82(2): 225-246.

Fong, C. (2006), "Prospective mobility, fairness and the demand for redistribution", mimeo.

Guillaud, E. (2013), *Preferences for redistribution: an empirical analysis over 33 countries*, *Journal of Economic Inequality*, Vol. 11(1), 57-78

Hirschman A. O. & Rothschild M. (1973), *The Changing Tolerance for Income Inequality in the Course of Economic Development; with a Mathematical Appendix*, *The Quarterly Journal of Economics*, MIT Press, vol. 87(4), pages 544-66, November.

Hong, J.H. & Oh H. (2012), *Citizen's trust in government and their willingness to pay*. *Economics Letters*, 115, 345-347.

Jaime-Castillo, Antonio M., *Expectations of Social Mobility, Meritocracy and Demand for Redistribution in Spain*, Centro de Estudios Andaluces working paper, 2008

Kato, J. (2003), *Regressive Taxation and the Welfare State: Path Dependence and Policy*, Cambridge University Press

Kluegel, J., & E. Smith, *Beliefs About Inequality* (New York: Aldine de Gruyter, 1986).

Koazaki K, Kobayashi M. & Oshio T. (2011), *Relative income and happiness in Asia: evidence from Nationwide Surveys in China, Japan, and Korea*, *Social indicators Research* 104 (3): 351-367

Kobayashi M. & Oshio T., *Area-level income inequality and individual happiness: evidence from Japan*, *Journal of Happiness Studies* (2011)

Lefranc A., N. Pistoiesi & A. Trannoy (2008), "Inequality of opportunities vs. inequality of outcomes: are Western societies all alike?" *Review of Income and Wealth*, 54 (4): 513- 546.

Lefranc A., N. Pistoiesi and A.Trannoy (2009), "Equality of opportunity and luck: Definitions and testable conditions, with an application to income in France" *Journal of Public Economics*, 93 (11-12): 1189-1208

Lefranc A., Ojima F. & Yoshida T. (2008), *The intergenerational transmission of income and education: a comparison of Japan and France*, EUI Working paper RSCAS 2008/25

Lindqvist, E. & Ostling, R., *Identity and redistribution*, *Public Choice* (2013), 155, 469-491.

- Linos K. & M. West (2003), Self-interest, Social Beliefs, and attitudes to redistribution. Re-addressing the issue of Cross-national variation, *European Sociological Review* 19 (4): 393-409.
- Meltzer A.H. & Richard S.F. (1981), *A Rational Theory of the Size of Government*, Journal of Political Economy, Vol. 89, No. 5, pp. 914-927
- Miller, D., *Distributive Justice: What the People Think*, Ethics, CII (1992), 555-93.
- Neher F. (2012), “Preferences for redistribution around the world”, Discussion Papers from Free University Berlin, School of Business & Economics No 2012/2
- Ohtake F. & Tomioka J. (2004), Who supports redistribution?, *The Japanese Economic Review* 55 (4): 333-354.
- Patti, D.M.A. and P. Navarra (2010), “Endogenizing Fairness to Explain Preferences for Redistribution”, mimeo.
- Piketty T. (2018), “Brahmin Left vs Merchant Right: Rising Inequality and the Changing Structure of Political Conflict. Evidence from France, Britain and the US 1948-2017” WID.world WP 2018/7
- Piketty T. (2014), *Capital in the Twenty-First Century*, Harvard University Press.
- Piketty T. (1995), *Social mobility and redistributive politics*, Quarterly journal of economics, vol. 110, no 3, p. 551-584.
- Pontusson, J. (2005) *Inequality and Prosperity. Social Europe vs. Liberal America*, Cornell University Press, Ithaca.
- Rey-Biel, P., R. Sheremetab and N. Ulerc (2011), (Bad) Luck or (Lack of) Effort? : Comparing Social Sharing Norms between US and Europe, mimeo.
- Rytina, J., W. Form, & J. Pease (1970), *Income and Stratification Ideology: Beliefs about the American Opportunity Structure*, American Journal of Sociology, LXXV, 703-16.
- Senik C, *Ambition and Jealousy: Income Interactions in the 'Old' Europe versus the 'New' Europe and the United States*, *Economica*, 75 (2008), 299 (08)
- Sinn, H.-W. (1995), A theory of the welfare state, *Scandinavian Journal of Economics* 97 (4), 495–526.

Svallfors S. (1997), "Worlds of Welfare and attitudes to redistribution", *European Sociological review* 13 (3): 283-304.

Figures and tables

Table 1: Gini before, after tax and preference for redistribution in the US, France and Japan (2008-2009)

Countries	Pre-Tax Gini	Post-Tax Gini	Preference: gov. role in reducing inequality (1-5)	Preference: higher tax on the rich (1-5)
US	0.49	0.38	2.69	3.29
France	0.49	0.28	4.15	3.70
Japan	0.49	0.34	3.54	3.57

Source: OECD & ISSP (2009)

Table 2: The distribution of preferences in US, France, and Japan in the 2009 ISSP

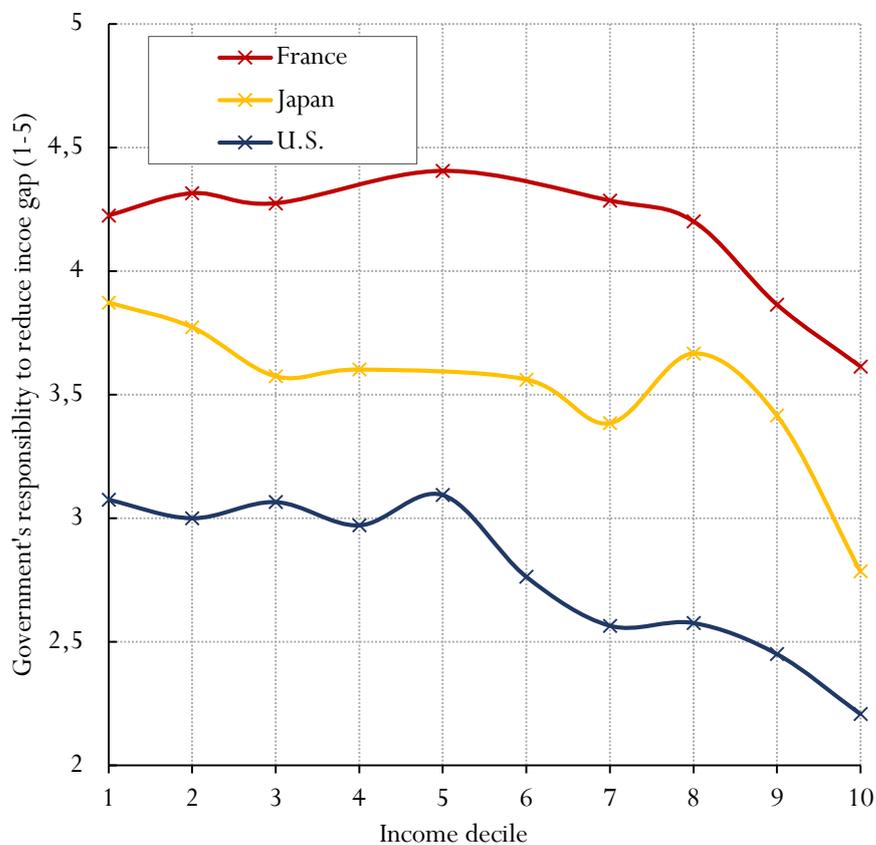
US respondents		Tax on the rich should increase	
		Yes	No
Gov. should reduce income gap.	Yes	26.3%	8.0%
	No	35.9%	29.8%

French respondents		Tax on the rich should increase	
		Yes	No
Gov. should reduce income gap.	Yes	69.8%	8.7%
	No	15.2%	6.4%

Japanese respondents		Tax on the rich should increase	
		Yes	No
Gov. should reduce income gap.	Yes	52.6%	4.6%
	No	36.6%	6.2%

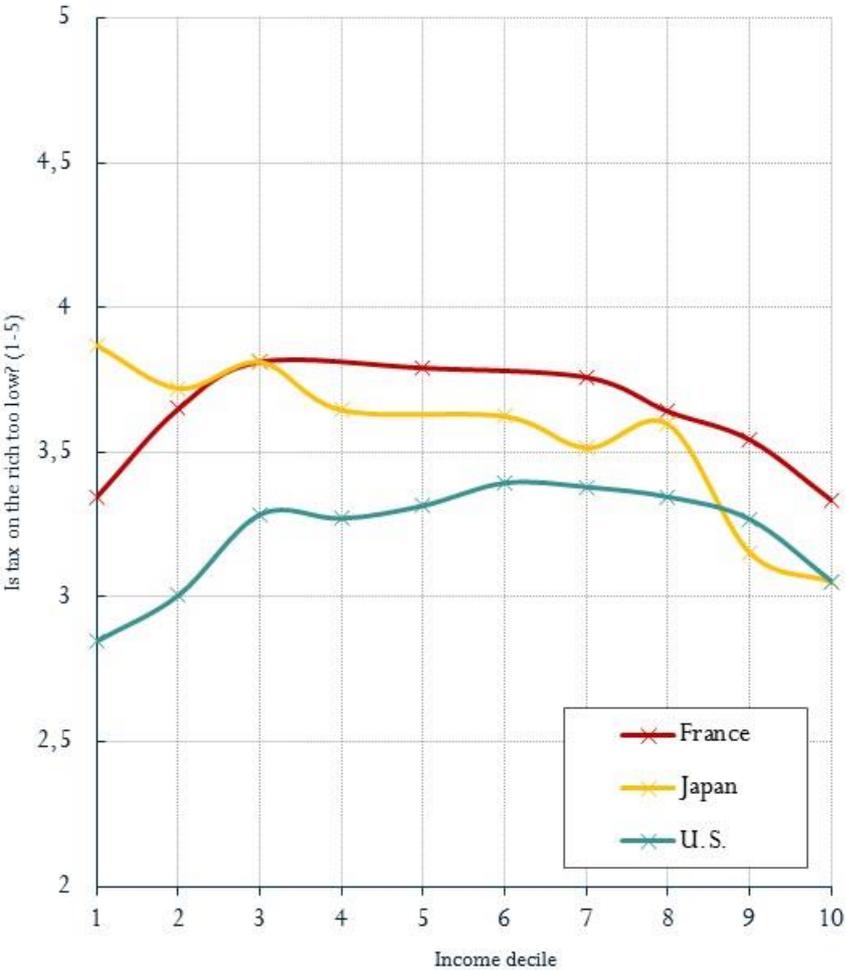
Source: ISSP (2009)

Figure 1: Preference for government intervention by income decile: a comparison between the US, France, and Japan



Source: ISSP (2009)

Figure 2: Preference for higher tax on the rich by income decile: a comparison between the US, France, and Japan



Source: ISSP (2009)