Online Appendix – Legislative Agendas during Periods of Inequality: Evidence from Europe and the United States

5 February 2020

Table of Contents

Appendix A – Data characteristics

Table 1A shows the CAP categories that we combined to create the four compositional topic categories that made up our dependent variables. Recall that each CAP major topic code can be further subdivided into various subtopic categories. If every subtopic contained within a major topic was coded under the same group, then we simply list the major topic in the table. For example, every subtopic under the major topic for "social welfare" is included in the social safety-net group. In Appendix 2, we replicate our analysis using a fifth category relating to tax proposals. This category is based on subtopic 107 – taxation, tax policy, and tax reform, which for analysis in the main text falls under major topic 1 within the economic category.

Table 1A. Grouping of CAP codes into four topic categories

Topic	CAP codes
Safety-Net	Subtopic 103 – Unemployment rate
	Subtopic 301 – Comprehensive health care reform
	Subtopic 302 – Insurance reform, availability, and cost
	Subtopic 502 – Employment training and workforce development
	Subtopic 503 – Employee benefits
	Subtopic 504 – Employee relations and labor unions
	Major topic 13 – Social welfare
	Major topic 14 – Community development and housing issues
Economic	Major topic 1 (except subtopic 103) – Macroeconomics
	Subtopic 401 – Agricultural trade
	Major topic 5 (except subtopics 502, 503 & 504) – Labor and Employment
	Major topic 15 – Banking, finance, and domestic commerce
	Major topic 18 – Foreign trade
Social order	Major topic 9 – Immigration and refugee issues
	Major topic 12 – Law, crime, and family issues
	Major topic 16 – Defense
Other	Major topic 2 – Civil rights
	Major topic 3 (except subtopics 301 & 302) – Health
	Major topic 4 (except subtopic 401) – Agriculture
	Major topic 6 – Education
	Major topic 7 – Environment
	Major topic 8 – Energy
	Major topic 10 – Transportation
	Major topic 17 – Space, Science, Technology and Communications
	Major topic 19 – International Affairs and foreign aid
	Major topic 20 – Government operations
	Major topic 21 – Public lands and water management

Table 2A presents descriptive statistics for every (non-indicator) variable included in the regression equations presented in the article.

Table 2A. Descriptive statistics

Variable	Years	N	Minimum	Median	Mean	Maximum
% Safety-net Bills (US)	1947-2016	70	3.11	8.33	7.93	12.94
% Safety-net Bills (Europe)	1976-2015	124	0.00	14.61	14.71	30.25
% Safety-net Laws (US)	1948-2017	70	1.17	3.81	4.26	8.55
% Safety-net Laws (Europe)	1976-2015	132	0.00	9.44	10.46	28.62
Gini Index (US)	1948-2015	67	36.30	39.60	40.59	46.30
Gini Index (Europe)	1981-2015	109	20.75	31.35	29.44	37.80
Misery Index (US)	1960-2016	57	5.41	8.90	9.87	20.60
Misery Index (Europe)	1976-2015	131	5.49	11.28	12.50	27.50
Government Type	1976-2015	131	1.00	3.00	3.38	7.00
% Social Security Transfers	1976-2015	131	10.62	15.82	15.46	20.15
% Left-wing	1976-2015	131	0.00	46.85	43.00	100.00

Note: Some European countries have data for shorter periods and the Gini Index has some missing values.

Table 3A presents the results of augmented Dickey-Fuller tests for unit roots, which we conduct on equation residuals after running models (with every variable at its level) to predict the percentage of bills and laws on safety-net topics separately for every country. A significant parameter allows the rejection of the null hypothesis that there is a unit root, indicating that bias from residual autocorrelation is not a major concern (Keele and Kelly 2006). In every case, the statistically significant test statistics allow us to reject the null.

Table 3A. Augmented Dickey-Fuller tests

Country	Laws(β)	Bills(β)
Belgium	-3.51*	-3.13*
Denmark	-4.57*	-4.17*
Italy	-6.54*	-5.36*
Portugal	-8.37*	-8.60*
Spain	-7.68*	-4.22*
United States	-7.01*	-7.30*

* ≤ 0.05

Table 4A is the same as Table 1 in the main text but including the coefficients for the type of government and country-level fixed effects. In general, these variables are not associated

with statistically meaningful effects, although we do observe that Denmark passes more laws on social safety-net topics than Belgium and Spain passes fewer.

Table 4A. Estimating the percentage of laws and bills on redistributive topics (full results for Table 1)

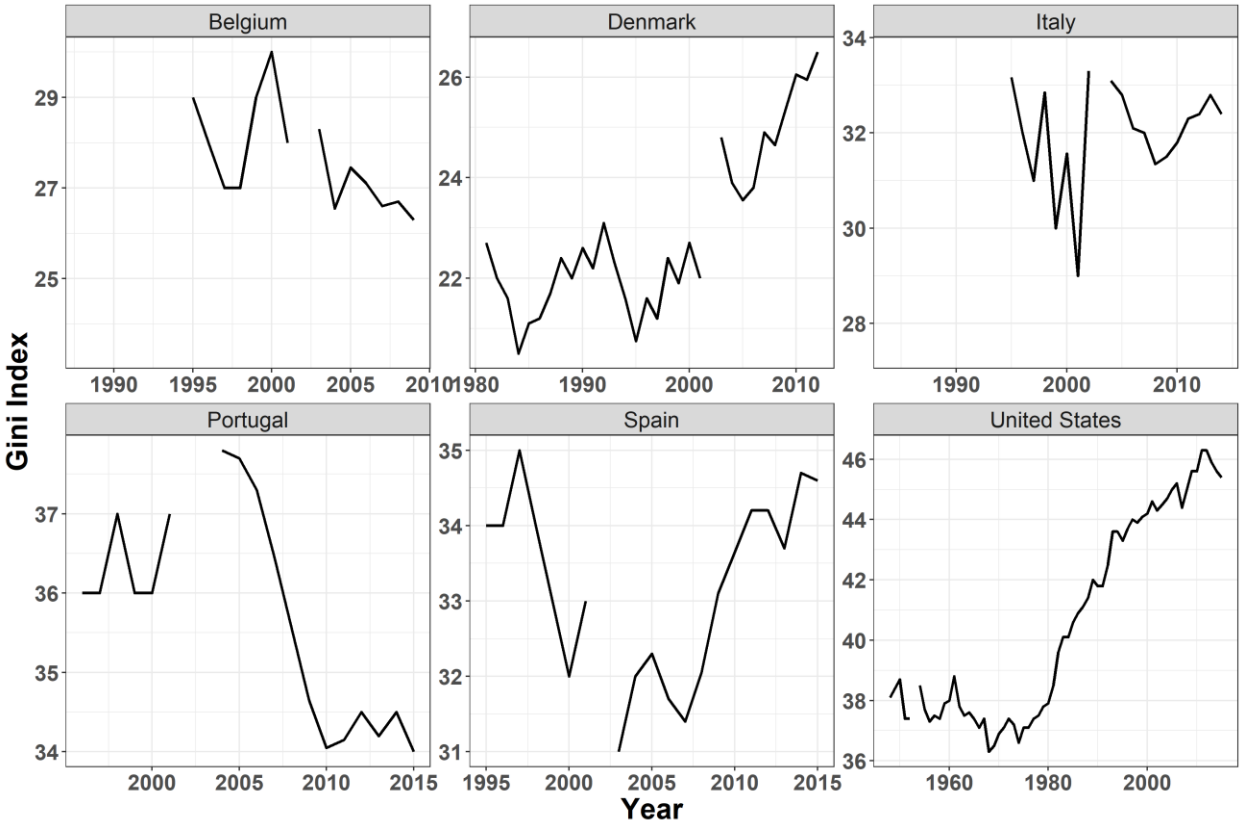
Variable	(1) Laws		(2) Bills	
Europe				
$DV_{(t-1)}$	-0.19	(0.10)	0.28*	(0.10)
Gini index	-0.76*	(0.23)	-0.93*	(0.27)
Misery index	0.24*	(0.11)	0.04	(0.12)
Social security	0.007	(0.27)	-0.08	(0.34)
% Left-wing	0.005	(0.012)	0.002	(0.012)
Single-party majority		-		-
Minimal winning coalition	0.53	(2.01)	-2.97	(2.08)
Surplus coalition	-1.15	(2.14)	-2.94	(2.26)
Single-party minority	2.65	(1.36)	-2.10	(1.58)
Multi-party minority	-1.90	(1.82)	-2.72	(1.66)
Technocratic	-2.85	(2.62)	-2.15	(2.24)
Belgium		-		-
Denmark	6.55*	(2.64)	-2.11	(2.33)
Italy	-2.49	(1.70)	-1.21	(1.88)
Portugal	-1.18	(2.31)	5.74*	(2.73)
Spain	-8.25*	(2.36)	-1.21	(2.67)
Constant	32.02*	(7.67)	40.94*	(8.69)
N		108		101
R^2		0.768		0.675
United States				
$DV_{(t-1)}$	0.05	(0.14)	0.01	(0.12)
Gini index	0.009	(0.095)	-0.21*	(0.08)
Misery index	0.14	(0.11)	0.07	(0.08)
Dem. House	0.71	(0.73)	-0.67	(0.55)
Dem. Senate	0.07	(0.60)	0.19	(0.47)
Dem. President	-0.32	(0.50)	0.01	(0.43)
Constant	2.04	(4.47)	16.69*	(4.17)
N		56		56
R^2		0.186		0.197

* ≤ 0.05

Note: All models use panel-corrected standard errors.

Figure 1A plots the Gini Index over time for each country. Inequality has clearly increased in Denmark and the United States. For Spain and Italy, there are swings in inequality over our period of study but the value of the Gini Index in the last year of data is similar to the value in the first year. Finally, Belgium and Portugal have seen a decrease in inequality. Clearly then our dataset includes heterogeneity when it comes to trends in inequality.

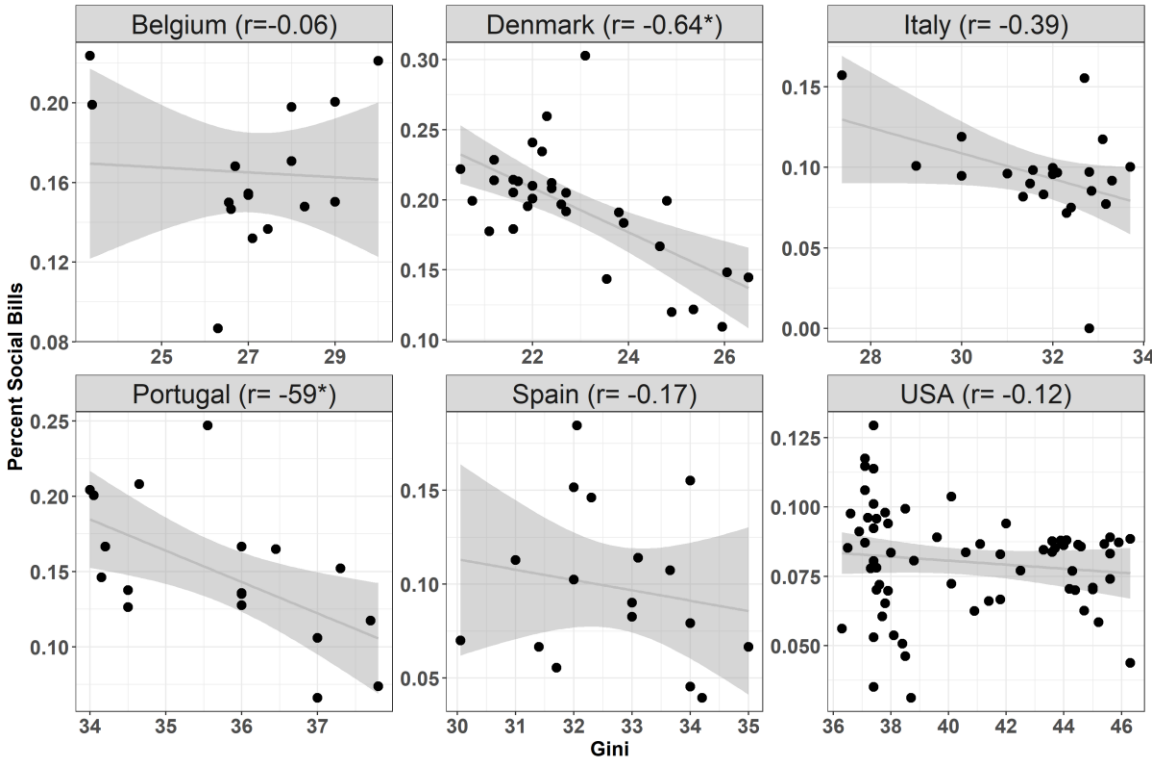
Figure 1A. Gini Index over time



Note: Data on inequality for the European countries is available from the World Income Inequality Database. Data for the US is available from the Chartbook of Inequality.

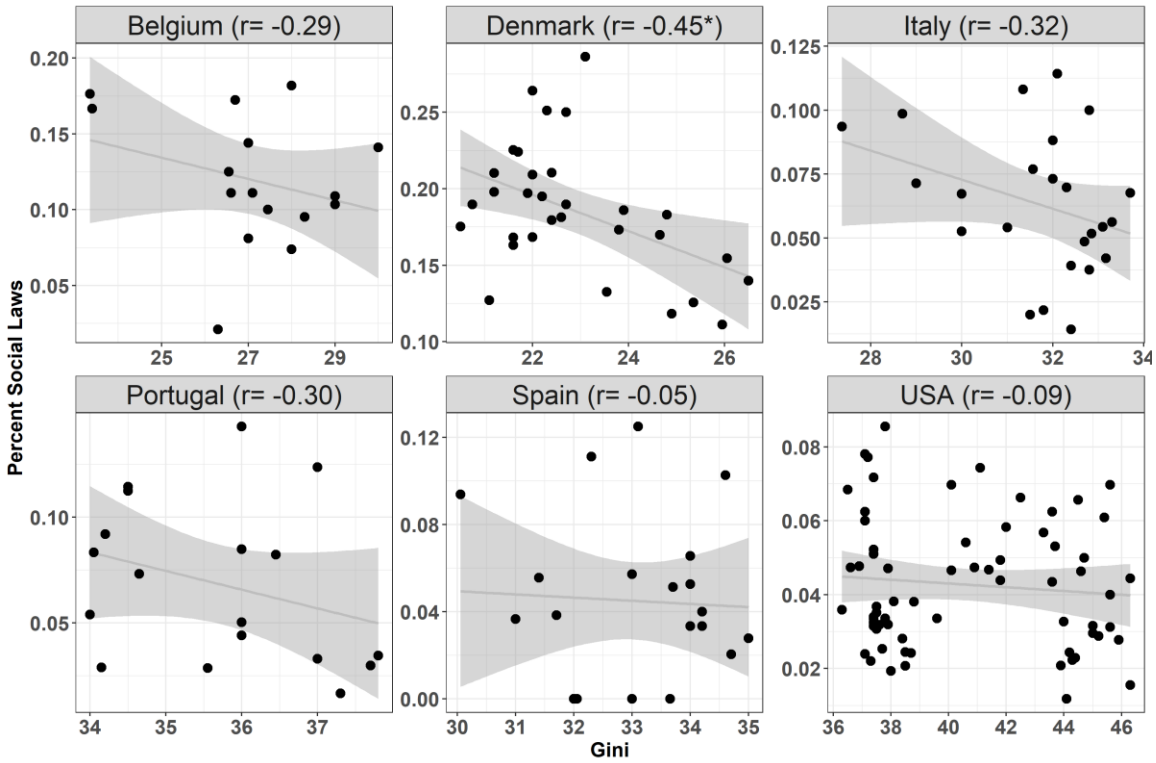
Figure 1 in the main text reveals the relationship between legislative attention to safety-net topics and inequality, plotting data for all six countries together. Figures 2A and 3A provide separate plots for each country. While the correlations are always negative they are not always statistically significant. However, we believe that the models presented in the main text are more informative because they allow us to control for contextual circumstances.

Figure 2A. Correlations between introduction of bills on safety-net topics and inequality



* ≤ 0.05

Figure 3A. Correlations between passage of laws on safety-net topics and inequality



* ≤ 0.05

Appendix B – Robustness

In the main text, we use the Gini Index as our measure of inequality. This is a measure of entropy, tracking the dispersion of income within a society. But there are other ways to measure inequality and some advocate for focusing on the concentration of income at the top of the distribution as a more substantively meaningful indicator of economic disparities. Table 5A replicates findings from the paper (presented in Table 1) using the percentage of annual income earned by those in the top 1% of the income distribution as a measure of inequality, rather than the Gini Index. These models show similar effects to those presented in Table 1. As inequality increases, attention to safety-net topics decreases, although this relationship is only statistically meaningful in the bills models.

Table 5A. Estimating the percentage of laws and bills on social safety-net topics (Top 1%)

Variable	(1) Laws	(2) Bills
Europe		
$DV_{(t-1)}$	-0.09 (0.11)	0.28* (0.11)
Top 1%	-0.81 (0.66)	-1.61* (0.73)
Misery index	0.08 (0.17)	-0.20 (0.18)
Social security transfers	-0.63 (0.28)	-0.51 (0.33)
% Left-wing	0.02* (0.01)	0.01 (0.01)
Single-party majority	-	-
Minimal winning coalition	0.74 (2.23)	-1.15 (2.21)
Surplus coalition	-2.08 (2.34)	-0.92 (2.08)
Single-party minority	0.84 (1.41)	-0.86 (1.66)
Multi-party minority	-2.32 (2.18)	-2.46 (1.73)
Technocratic	-3.08 (2.46)	-3.19 (2.08)
Denmark	-	-
Italy	-11.95* (3.56)	-2.06 (3.49)
Portugal	-16.88* (4.04)	-3.78 (3.77)
Spain	-19.11* (4.56)	-2.98 (4.01)
Constant	36.01* (6.46)	35.27* (8.34)
N	87	82
R^2	0.816	0.735
United States		
$DV_{(t-1)}$	0.04 (0.14)	0.00 (0.12)
Top 1%	-0.03 (0.09)	-0.21* (0.06)
Misery index	0.13 (0.11)	0.06 (0.08)
Dem. House	0.43 (0.83)	-1.02 (0.51)
Dem. Senate	0.12 (0.62)	0.44 (0.48)
Dem. President	-0.34 (0.50)	-0.03 (0.42)
Constant	3.08 (1.91)	10.71* (1.71)
N	56	56
R^2	0.188	0.226

* ≤ 0.05

Note: All models use panel-corrected standard errors.

Table 6A replicates our results using the total number of bills and laws on social safety-net topics as the dependent variable. For this specification, we use a negative binomial model, rather than OLS. Focusing on percentages (as we have done previously) illuminates the relative effects on inequality on legislative priorities. By focusing on the total number of bills or laws on

redistributive topics we gain insights into the absolute effects of inequality on agendas. Of course, the size of legislative agendas are not constant and in some years policymakers may engage in more or fewer activities. These results are thus best understood in conjunction with previous findings.

Higher levels of inequality are related to fewer laws and bill introductions on safety-net topics, although the effect for laws is only statistically significant in the model for Europe. Moreover, consistent with our second hypothesis, we find that the effect of inequality on bill introductions is larger than for laws. Thus, during periods of more acute economic stratification, legislatures introduce fewer bills and pass fewer laws on redistributive subjects both in an absolute sense and relative to other policy topics.

Table 6A. Estimating the number of laws and bills on redistributive topics

Variable	(1) Laws		(2) Bills	
Europe				
$DV_{(t-1)}$	0.01	(0.00)	0.001	(0.001)
Gini index	-0.05*	(0.02)	-0.13*	(0.02)
Misery index	0.04*	(0.01)	-0.002	(0.019)
Social security transfers	-0.08*	(0.04)	0.03	(0.05)
% Left-wing	0.001	(0.001)	-0.0002	(0.0015)
Single-party majority		-		-
Minimal winning coalition	0.54	(0.38)	-0.44	(0.28)
Surplus coalition	0.58	(0.38)	-0.46	(0.30)
Single-party minority	0.21	(0.29)	-0.14	(0.20)
Multi-party minority	0.72*	(0.34)	-0.24	(0.26)
Technocratic	0.47	(0.53)	-0.31	(0.34)
Belgium		-		-
Denmark	0.66	(0.35)	-1.18*	(0.30)
Italy	-0.24	(0.20)	1.17*	(0.27)
Portugal	0.07	(0.27)	-0.09	(0.28)
Spain	-1.30*	(0.29)	-1.13*	(0.31)
Constant	3.99*	(1.01)	7.73*	(1.15)
N		108		101
Pseudo R^2		0.267		0.142
United States				
$DV_{(t-1)}$	-0.007	(0.010)	-0.0007	(0.0001)
Gini index	-0.03	(0.02)	-0.15*	(0.02)
Misery index	0.01	(0.01)	0.01	(0.02)
Dem. House	0.57*	(0.20)	-0.31	(0.18)
Dem. Senate	-0.04	(0.15)	0.38*	(0.12)
Dem. President	-0.18	(0.10)	0.006	(0.120)
Constant	3.47*	(1.14)	13.16*	(1.15)
N		56		56
Pseudo R^2		0.089		0.055

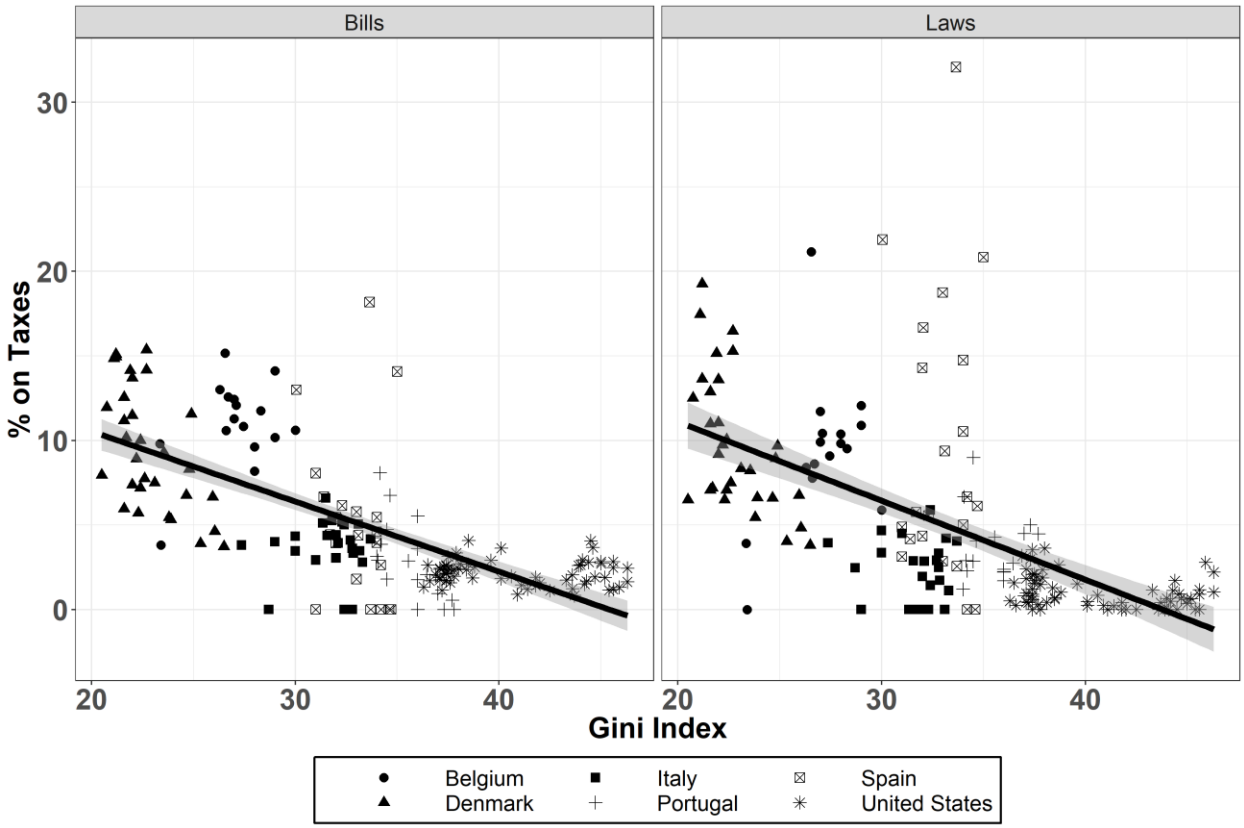
* ≤ 0.05

Note: Models show negative binominal regression coefficients with standard errors in parentheses.

Our focus in the main text is on agenda items relating to the social safety-net with the understanding that these are the type of policy solutions most likely to be employed in efforts to reverse inequality. Of course, redistribution can take many forms. Here, we consider legislative

attention to the tax code, which we consider another likely avenue by which policymakers might take redistributive action. Within the CAP framework, policy activities concerning taxes are coded within subtopic 107 (taxation, tax policy, and tax reform). Figure 1A shows the percentage of total bills and laws from this subtopic in relation to the Gini Index. As was the case with Figure 1, which looked at the safety-net, the relationship is negative with an average correlation of -0.310 for bills and -0.127 for laws. As inequality has increased the tax code has generally received less attention from legislatures.

Figure 4A. Legislative attention to taxes in relation to income inequality



Note: average correlation is -0.310 for bills and -0.127 for laws.

Table 7A shows the results of models that use the percentage of bills or laws on taxes as the dependent variable, rather than the percentage on safety-net topics. In Europe, the parameter associated with the Gini Index is negative for both models, but only statistically significant for bills. In the United States, the situation is reversed and this is the only instance where we find

evidence of a stronger relationship for laws. In all, the results are complimentary to what we present in the main text. When we focus on the policy topics most likely to have redistributive consequences – either through direct spending on social safety-nets or indirectly through the tax code – we find that attention has generally migrated away from these areas as inequality has intensified.

Table 7A. Estimating the percentage of laws and bills on tax-related topics

Variable	(1) Laws		(2) Bills	
Europe				
$DV_{(t-1)}$	-0.04	(0.12)	0.14	(0.12)
Gini index	-0.45	(0.34)	-0.58*	(0.22)
Misery index	0.14	(0.14)	0.07	(0.10)
Social security	0.05	(0.30)	0.11	(0.25)
% Left-wing	0.02	(0.01)	0.005	(0.012)
Single-party majority		-		-
Minimal winning coalition	0.34	(2.17)	-0.95	(1.50)
Surplus coalition	0.62	(2.54)	-1.35	(1.64)
Single-party minority	2.13	(2.37)	0.44	(1.08)
Multi-party minority	1.53	(2.55)	-0.93	(1.5.)
Technocratic	2.80	(2.55)	-0.09	(1.69)
Belgium		-		-
Denmark	-3.05	(2.67)	-4.78*	(1.92)
Italy	-6.80*	(1.69)	-4.29*	(1.63)
Portugal	-4.27	(2.66)	-3.64	(2.39)
Spain	-0.03	(3.23)	-3.06	(1.88)
Constant	19.27	(14.72)	24.10*	(9.05)
N		108		101
R^2		0.438		0.623
United States				
$DV_{(t-1)}$	0.09	(0.11)	0.19	(0.12)
Gini index	-0.10*	(0.04)	-0.00	(0.03)
Misery index	0.01	(0.04)	0.04	(0.03)
Dem. House	-0.74*	(0.32)	-0.04	(0.42)
Dem. Senate	0.61*	(0.23)	-0.20	(0.33)
Dem. President	0.05	(0.25)	-0.03	(0.23)
Constant	4.86*	(2.27)	1.80	(1.77)
N		56		56
R^2		0.197		0.110

* ≤ 0.05

Note: All models use panel-corrected standard errors.

Our second hypothesis is that any relationship between inequality and legislative agendas should be stronger earlier in the policy process. To facilitate tests of this hypothesis, we use data from the same set of six countries allowing for direct comparison between models predicting bill

introductions and public laws. However, CAP also makes available data on public laws passed in the Netherlands, France, and the United Kingdom. We replicate our analysis predicting public laws after including data from these three additional countries. Results are shown in Table 8A.

Table 8A. Replicating laws analysis with additional data from France, the Netherlands, and the UK

Variable		(1) Laws
$DV_{(t-1)}$	-0.15	(0.07)
Gini index	-0.32*	(0.14)
Misery index	-0.17	(0.09)
Social security	0.13	(0.17)
% Left-wing	0.01	(0.008)
Single-party majority		-
Minimal winning coalition	0.46	(1.25)
Surplus coalition	-1.02	(1.36)
Single-party minority	1.69	(1.25)
Multi-party minority	-2.03	(1.52)
Technocratic	-3.10	(1.91)
Belgium		-
Denmark	8.31*	(2.11)
Italy	-3.45*	(1.61)
Portugal	-4.01*	(1.41)
Spain	-4.95*	(1.37)
France	-4.27*	(1.77)
Netherlands	-9.00*	(1.98)
United Kingdom	0.31	(1.62)
Constant	17.68*	(4.31)
N		200
R^2		0.642

* ≤ 0.05

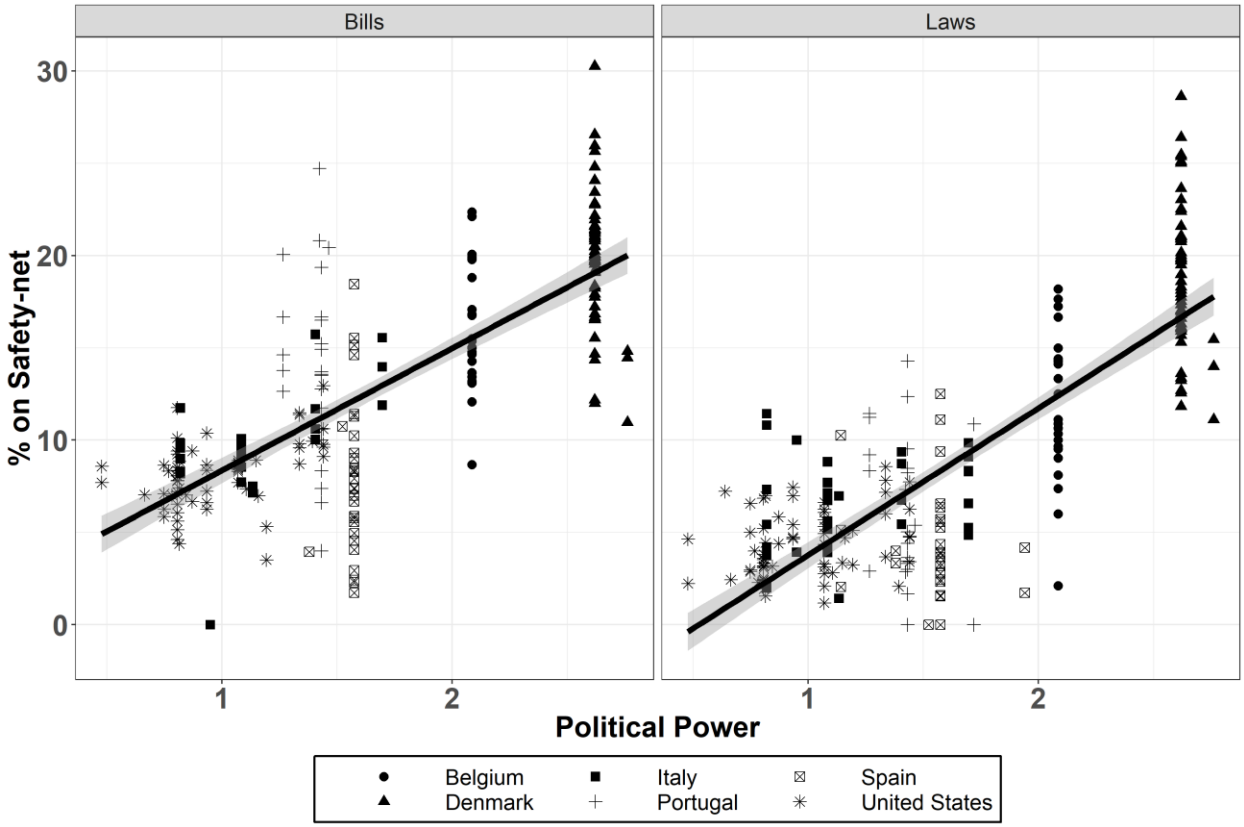
Note: Values in parentheses panel-corrected standard errors.

Including these additional data does not substantively change the results. Once again, we find a statistically meaningful and negative parameter associated with the Gini Index. The average correlation between the percentage laws on safety-net topics and the Gini Index was -0.285 without including data from these countries (see Figure 1) and is -0.122 when they are included.

Underpinning our hypotheses is the assumption that higher levels of inequality deliver more political power to economic elites at the expense of those with less. The authors of the Varieties of Democracies (V-Dem) dataset have attempted to measure disparities in political power directly with the introduction of an interval variable ranging from -0.47 to 2.76. At lower values "wealthy people enjoy a virtual monopoly on political power" and at higher values "wealthy people have no more political power than those whose economic status is average or poor" (Coppedge et.al. 2018, page 184 of V-Dem codebook). This variable is highly correlated with the Gini Index and has low variance within countries. Still, we can use it as a robustness test of our assumption regarding inequality.

Figure 2A shows that at higher values of the political power variable (when power is spread more evenly across socioeconomic groups) legislatures dedicate more attention to safety-net topics. Taking all countries together, the correlation for bills is 0.759 and 0.797 for laws. Note that for Denmark and Belgium, the political power variable is stable and generally takes on higher values. These countries also tend to dedicate more attention to safety-net topics than their counterparts. Attention matters and when political power is more evenly distributed legislatures direct more attention to the types of social programs that matter for lower-income groups.

Figure 5A. Legislative attention to the social safety-net in relation to political power



Note: correlation for bills is 0.759 and 0.797 for laws.

We also consider three additional factors that may influence legislative attention to redistributive policy topics among the European countries. These are the proximity of elections, the percentage of total seats in the parliament controlled by left-wing parties (rather than the percentage of seats in government), and voter turnout. Higher levels of voter participation may signal a more even participation across socio-economic classes and thus more responsiveness to public concerns about inequality. Scholarship on the political business cycle suggests that legislators will direct more attention and money to public services when elections are immediate. In the main text, we control only for the percentage of left-wing parties in government but because any members of parliament can introduce a bill it may also be important to control for the total presence of left-wing members. The models shown in Table 9A include all three of

these variables. For both laws and bills, the coefficient for the Gini Index is still negative and statistically significant. Moreover, the three additional variables are not statistically meaningful.

Table 9A. Replicating analysis with additional independent variables

Variable	(1) Laws		(2) Bills	
$DV_{(t-1)}$	-0.21*	(0.10)	0.28*	(0.10)
Gini index	-0.76*	(0.22)	-0.93*	(0.29)
Misery index	0.29*	(0.12)	0.03	(0.15)
Social security	-0.26	(0.40)	-0.01	(0.40)
% Left-wing	0.009	(0.013)	0.001	(0.013)
% Left-wing seats	-0.0009	(0.0427)	0.001	(0.060)
Election year	-1.008	(0.754)	-0.09	(0.78)
Voter turnout	-0.19	(0.19)	0.06	(0.23)
Single-party majority		-		-
Minimal winning coalition	1.11	(2.14)	-3.08	(2.17)
Surplus coalition	-0.59	(2.30)	-3.06	(2.53)
Single-party minority	2.62	(1.40)	-2.13	(1.63)
Multi-party minority	-1.61	(2.18)	-2.82	(2.30)
Technocratic	-2.18	(3.00)	-2.39	(2.56)
Belgium		-		-
Denmark	6.48*	(2.82)	-1.93	(2.86)
Italy	-3.82	(2.13)	-0.76	(2.81)
Portugal	-7.02	(6.81)	7.54	(9.28)
Spain	-12.19*	(5.34)	-0.02	(6.58)
Constant	53.31*	(21.29)	34.58	(19.94)
N		108		101
R^2		0.776		0.675

* ≤ 0.05

Note: All models use panel-corrected errors.

As an additional robustness test, we re-estimate the models from Table 1 using fractional logit instead of OLS. Fractional logit can be used when a dependent variable is bounded between 0 and 1. Results (shown in Table 10A) are presented as logit coefficients and are substantively similar to those presented in the main text.

Table 10A. Replicating analysis using fractional logit

Variable	(1) Laws		(2) Bills	
Europe				
$DV_{(t-1)}$	-2.36*	(1.15)	2.26*	(0.79)
Gini index	-0.07*	(0.02)	-0.07*	(0.02)
Misery index	0.02	(0.01)	0.002	(0.010)
Social security transfers	-0.0003	(0.0344)	-0.01	(0.02)
% Left-wing	0.0008	(0.0012)	0.0002	(0.0009)
Single-party majority		-		-
Minimal winning coalition	0.37	(0.30)	-0.22	(0.15)
Surplus coalition	0.22	(0.31)	-0.20	(0.17)
Single-party minority	0.47	(0.26)	-0.19	(0.12)
Multi-party minority	0.18	(0.28)	-0.19	(0.12)
Technocratic	-0.18	(0.45)	-0.16	(0.18)
Belgium		-		-
Denmark	0.52*	(0.26)	-0.20	(0.16)
Italy	-0.41*	(0.19)	-0.17	(0.14)
Portugal	-0.15	(0.25)	0.48*	(0.21)
Spain	-1.04*	(0.30)	-0.13	(0.20)
Constant	-0.39	(0.90)	0.47	(0.71)
N		108		101
Psuedo R^2		0.056		0.021
United States				
$DV_{(t-1)}$	0.01	(0.03)	0.001	(0.01)
Gini index	0.003	(0.02)	-0.02*	(0.01)
Misery index	0.02	(0.02)	0.009	(0.01)
Dem. House	0.18	(0.16)	0.08	(0.07)
Dem. Senate	0.02	(0.13)	-0.02	(0.05)
Dem. President	-0.08	(0.11)	-0.001	(0.05)
Constant	-3.69*	(0.97)	-1.29*	(0.50)
N		56		56
Psuedo R^2		0.003		0.001

* ≤ 0.05

Note: All models use panel-corrected errors. Table presents logit coefficients.

In the main text, we use the misery index as a predictor variable with the idea that policymakers might pay more attention to the social safety-net when the economy is doing poorly. However, it is possible that unemployment and inflation (the two compositional elements

of the misery index) have different effects. We re-estimate our models including separate variables for the unemployment and inflation rates. Results are shown in Table 11A. The percentage of laws on safety-net topics increases with higher unemployment, which intuitively makes sense. Results for the Gini Index are still robust.

Table 11A. Replicating analysis using unemployment and inflation instead of misery index

Variable	(1) Laws	(2) Bills
Europe		
$DV_{(t-1)}$	-0.20 (0.10)	0.28* (0.10)
Gini index	-0.89* (0.26)	-1.00* (0.29)
Unemployment rate	38.81* (18.74)	12.80 (21.78)
Inflation rate	2.10 (25.55)	-7.96 (25.64)
Social security transfers	-0.28 (0.40)	-0.21 (0.40)
% Left-wing	0.006 (0.012)	0.002 (0.012)
Single-party majority	-	-
Minimal winning coalition	0.39 (1.96)	-3.24 (2.27)
Surplus coalition	-1.27 (2.14)	-3.19 (2.49)
Single-party minority	2.68 (1.29)	-2.21 (1.57)
Multi-party minority	-2.73 (2.15)	-3.35 (2.31)
Technocratic	-2.66 (2.55)	-2.26 (2.33)
Belgium	-	-
Denmark	7.69* (3.03)	-1.49 (2.52)
Italy	-1.29 (2.24)	-0.68 (2.12)
Portugal	-0.67 (2.37)	5.87* (2.72)
Spain	-9.30* (2.57)	-1.85 (3.37)
Constant	39.60* (10.47)	44.71* (10.94)
N	108	101
R^2	0.771	0.676
United States		
$DV_{(t-1)}$	0.002 (0.158)	-0.47* (0.14)
Gini index	-0.34 (0.17)	-0.90* (0.14)
Unemployment rate	21.75 (19.43)	19.17 (13.06)
Inflation rate	-24.30 (21.92)	-44.77* (13.67)
Dem. House	0.56 (0.80)	-1.27* (0.59)
Dem. Senate	0.26 (0.56)	0.34 (0.46)
Dem. President	0.23 (0.62)	1.06* (0.28)
Constant	18.18* (8.09)	51.07* (7.28)
N	45	45
R^2	0.279	0.606

* ≤ 0.05

Note: All models use panel-corrected errors.

In Table 12A we show the results of models that replicate our analyses using single-equation error correction models (ECMs) instead of LDV models. ECMs use the first difference

of the dependent variable and include each predictor variable twice: at their current levels and lagged by one year. Coefficients associated with the variables at their levels show the short-term relationship between the predictor variables and the dependent variable. Coefficients associated with the lagged terms speak to the long-run relationship between variables. The idea is that the independent variables and dependent variable are in equilibrium, so the coefficient of the lagged terms show how much the dependent variable will correct given a deviation in the predictor variables. In Table 12A, coefficients for the lagged terms are presented as long-run multipliers, which are simply the total long-run effect associated with each variable distributed over time. We calculate long-run multipliers and their standard errors using the Bewley transformation (De Boef and Keele 2008).

We use ECMs to address concerns about simultaneity bias. We have argued that higher inequality predicts less attention to the safety-net. This appears to be the case, but it is also possible that less attention to the safety-net predicts higher inequality. However, it is less likely that current levels of attention to the safety-net would predict lagged levels of inequality. Results are supportive of the evidence we present in the main text. In Europe, the percentage of laws on the safety-net decreases in the long-term as inequality increases, and for bills we observe both a short- and long-term effect. This makes sense as it takes longer for a law to be passed than a bill introduced. In the US, higher levels of inequality predict fewer bills in the long-term.

Table 12A. Replicating analysis using ECMs

Variable	(1) Laws		(2) Bills	
Europe				
$DV_{(t-1)}$	-0.91*	(0.12)	-0.44*	(0.12)
Gini index	-0.67	(0.36)	-0.81*	(0.40)
Gini index$_{(t-1)}$	-0.96*	(0.15)	-0.61*	(0.14)
Misery index	-0.30	(0.47)	0.29	(0.35)
Misery index$_{(t-1)}$	-0.20	(0.16)	0.03	(0.16)
Social security transfers	0.16	(1.05)	-0.69	(0.67)
Social security transfers$_{(t-1)}$	0.61	(0.37)	-0.24	(0.36)
% Left-wing	-0.007	(0.024)	0.01	(0.01)
% Left-wing$_{(t-1)}$	0.008	(0.015)	-0.004	(0.014)
Single-party majority	-1.36	(2.33)	3.49	(2.35)
Single-party majority$_{(t-1)}$	-2.17	(2.18)	28.23*	(6.21)
Minimal winning coalition	-2.75	(3.31)	2.26	(1.68)
Minimal winning coalition$_{(t-1)}$	-2.70	(2.65)	20.89*	(6.00)
Surplus coalition	-4.17	(4.38)	3.27	(2.62)
Surplus coalition$_{(t-1)}$	-6.85*	(3.01)	15.87*	(6.30)
Single-party minority		-	2.76	(2.61)
Single-party minority$_{(t-1)}$		-	18.96*	(6.39)
Multi-party minority	-3.84	(3.95)	4.91	(2.51)
Multi-party minority $_{(t-1)}$	-2.87	(2.96)	21.11*	(6.21)
Technocratic	-9.48	(3.96)		-
Technocratic$_{(t-1)}$	-6.07	(7.05)		-
Constant	34.73*	(8.44)	12.70	(9.34)
N		92		87
R^2		0.465		0.307
United States				
$DV_{(t-1)}$	-1.03*	(0.16)	-0.97*	(0.14)
Gini index	0.23	(0.65)	0.93	(0.55)
Gini index$_{(t-1)}$	-0.008	(0.107)	-0.29*	(0.09)
Misery index	0.23	(0.15)	-0.04	(0.13)
Misery index$_{(t-1)}$	0.07	(0.09)	0.03	(0.07)
Dem. House	-0.82	(1.40)	-0.96	(1.16)
Dem. House$_{(t-1)}$	0.94	(0.94)	-1.25	(0.82)
Dem. Senate	-0.13	(0.84)	0.28	(0.73)
Dem. Senate$_{(t-1)}$	0.09	(0.69)	0.78	(0.63)
Dem. President	-0.43	(0.73)	0.12	(0.66)
Dem. President$_{(t-1)}$	-0.77	(0.57)	-0.02	(0.50)
Constant	3.90	(5.06)	2.02*	(5.28)
N		55		55

R^2	0.426	0.439

* ≤ 0.05

Note: lagged coefficients are long-run multipliers calculated using the Bewley transformation (De Boef and Keele 2008).

We also replicate our analysis for Europe using various country subsets. These analyses are shown in Table 13A. Models 1 and 2 isolate Denmark, which is the only European country with a long enough sample period to treat individually. Models 3 and 4 re-estimate our pooled LDV specification but excluding data from Portugal and Spain where the sample period is considerably shorter than it is for Belgium, Denmark, and Italy. Results are robust across each specification although the coefficient for the Gini Index is sometimes only significant at the 0.10 level.

Table 13A. Replicating analysis for Denmark and after dropping Portugal and Spain

Variable	(1) Denmark (laws)		(2) Denmark (bills)		(3) Without Portugal & Spain (laws)		(4) Without Portugal & Spain (bills)	
$DV_{(t-1)}$	0.25*	(0.13)	0.35	(0.22)	-0.03	(0.13)	0.46**	(0.13)
Gini index	-0.78*	(0.41)	-1.03**	(0.47)	-0.55*	(0.30)	-0.56*	(0.31)
Misery index	0.002	(0.299)	0.15	(0.25)	0.36	(0.22)	0.19	(0.21)
Social security	0.03	(0.86)	0.02	(0.74)	-0.27	(0.39)	-0.60	(0.46)
% Left-wing	0.004	(0.018)	0.0001	(0.017)	0.02	(0.01)	0.009	(0.012)
Single-party majority		-		-		-		-
Minimal winning coalition		-		-		-		-
Surplus coalition		-		-	-1.76	(1.55)	-0.47	(1.54)
Single-party minority	6.07	(5.05)	-1.11	(3.70)	0.60	(3.72)	-2.79	(3.15)
Multi-party minority	0.29	(3.94)	0.37	(3.40)	-2.26	(1.79)	-0.65	(1.34)
Technocratic		-		-	-3.29	(2.04)	-0.16	(1.65)
Belgium		-		-		-		-
Denmark		-		-	6.97**	(3.43)	0.83	(2.80)
Italy		-		-	-2.22	(2.01)	-0.73	(1.99)
Constant	30.39	(21.89)	33.99	(23.66)	27.45**	(11.08)	31.09**	(12.60)
N		31		31		70		67
R^2		0.430		0.499		0.775		0.762

* ≤ 0.10 ** ≤ 0.05

Note: All models use panel-corrected errors.

Notice from Figure 1A that some values of the Gini Index are missing. To ensure that these missing values are not skewing our results we replicate our analysis for Europe using a measure of the Gini Index that multiply inputs missing values (Solt 2016). (There are no missing values for the Gini Index for the United States.) Results are shown in Table 14A. We still find a negative and statistically meaningful coefficient associated with the Gini Index.

Table 14A. Replicating analysis with multiply imputed Gini Index values

Variable	(1) Laws		(2) Bills	
$DV_{(t-1)}$	-0.14	(0.09)	0.36*	(0.07)
Gini index (imputed)	-0.89*	(0.34)	-1.02*	(0.38)
Misery index	0.22*	(0.10)	0.17	(0.10)
Social security	-0.16	(0.20)	-0.35	(0.22)
% Left-wing	0.004	(0.011)	0.005	(0.011)
Single-party majority		-		-
Minimal winning coalition	1.31	(1.87)	-2.10	(1.83)
Surplus coalition	-0.33	(2.05)	-2.42	(1.98)
Single-party minority	0.97	(1.35)	-2.71	(1.55)
Multi-party minority	0.20	(1.85)	-1.39	(1.51)
Technocratic	-1.78	(2.35)	-2.20	(1.98)
Belgium		-		-
Denmark	7.18*	(2.11)	0.44	(1.92)
Italy	0.79	(2.40)	3.22	(2.74)
Portugal	1.56	(2.87)	7.26*	(3.24)
Spain	-4.34	(2.72)	0.61	(2.73)
Constant	35.31*	(9.65)	41.81*	(10.79)
N		134		125
R2		0.755		0.689

* ≤ 0.05

Note: All models use panel-corrected errors.

We also replicate our analysis after pooling observations from the United States together with those from Europe. These results are shown in Table 15A. Once again, we find negative and statistically meaningful coefficients associated with the Gini Index.

Table 15A. Replicating analysis after pooling the United States with Europe

Variable	(1) Laws		(2) Bills	
$DV_{(t-1)}$	-0.19	(0.10)	0.28*	(0.09)
Gini index	-0.76*	(0.22)	-0.94*	(0.26)
Misery index	0.24*	(0.09)	-0.03	(0.11)
Social security	0.007	(0.078)	-0.01	(0.08)
% Left-wing	0.005	(0.011)	0.001	(0.011)
Single-party majority		-		-
Minimal winning coalition	0.53	(1.78)	-3.18*	(1.75)
Surplus coalition	-1.15	(2.06)	-3.09	(2.27)
Single-party minority	2.65*	(1.22)	-2.00	(1.48)
Multi-party minority	-1.90	(1.76)	-2.81	(1.57)
Technocratic	-2.85	(2.49)	-2.30	(2.07)
Belgium		-		-
Denmark	6.55*	(2.26)	-2.35	(1.88)
Italy	-2.49	(1.59)	-1.35	(1.69)
Portugal	-1.18	(2.25)	5.69*	(2.67)
Spain	-8.25*	(2.30)	-1.19	(2.60)
United States	-31.75*	(7.26)	-39.85*	(8.40)
Constant	32.02*	(7.03)	40.41*	(8.40)
N		163		156
R2		0.869		0.902

* ≤ 0.05

Note: All models use panel-corrected errors.

Finally, we replicate our analysis for Europe using a linear dynamic panel model. Specifically, we use the Arellano-Bover/ Blundell-Bond estimator, which uses generalized method of moments estimation. Including panel-level indicators in a regression equation with a lagged dependent variable violates the exogeneity assumption required by these models, which can result in inconsistent estimates. The Arellano-Bover/ Blundell-Bond method avoids these potential problems by taking the first difference of the regression equation and using lagged values of the dependent variable as an instrumental variable. Results are shown in Table 16A. Once again, we find that the Gini Index is negatively associated with attention to the safety-net, although in this specification the magnitude of the effect is larger for public laws.

Table 16A. Replicating analysis using linear dynamic panel-data estimation

Variable	(1) Laws	(2) Bills
$DV_{(t-1)}$	-0.14 (0.08)	0.23* (0.09)
Gini index	-1.20* (0.17)	-0.50* (0.14)
Misery index	0.04 (0.14)	-0.13 (0.13)
Social security	0.45 (0.34)	0.35 (0.31)
% Left-wing	-0.01 (0.01)	-0.01 (0.01)
Single-party majority	-	-
Minimal winning coalition	-1.24 (1.76)	2.90 (2.12)
Surplus coalition	-3.87 (2.07)	-0.07 (1.32)
Single-party minority	3.53* (1.54)	-0.76 (1.43)
Multi-party minority	-1.94 (2.09)	2.32 (2.18)
Technocratic	-8.78* (3.23)	-2.37 (2.66)
Constant	40.99* (7.95)	21.98* (6.39)
N	108	101
Sargan test χ^2	111.20	108.49

* ≤ 0.05

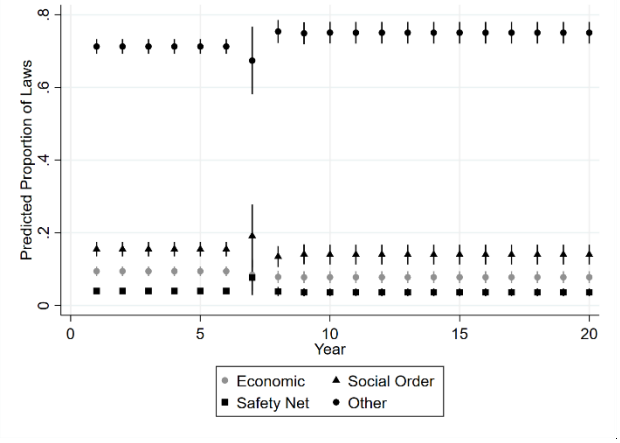
Note: Models are estimated using the Arellano-Bover/ Blundell-Bond method for dynamic panel-data (Windmeijer 2005). The null hypothesis of the Sargan test is that the over-identifying restrictions are valid.

Appendix C – Compositional analysis for the United States

Figure 6A presents the results of compositional analyses predicting the percentage of US laws and bills on safety-net topics before and after a shock in the Gini Index. These figures should be interpreted with some caution as the underlying regression equations are based on only 56 observations. We see very little sustained change in the percentage of laws on safety-net topics after the simulated increase in inequality, but there is a notable decrease in the percentage of bills on these topics following the shock.

Figure 6A. Composition of parliamentary bills in the US before and after a shock to the Gini Index

A) Laws



B) Bills