

Are Increasing Inequalities Threatening Democracy in Europe?

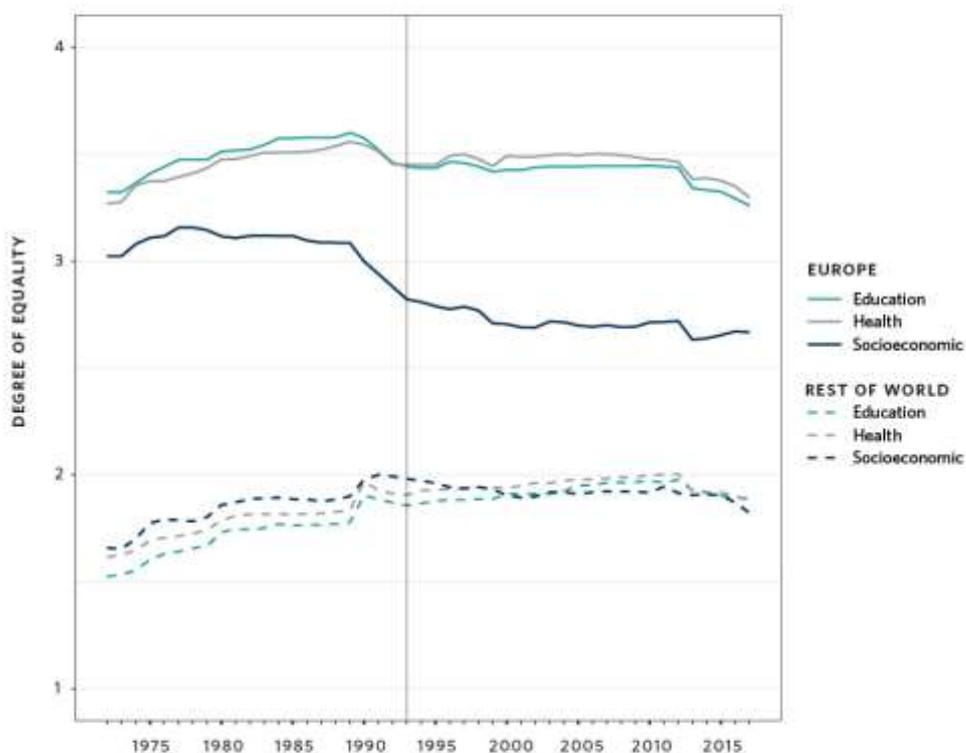
di Staffan Lindberg

Economic inequality has risen in Europe gradually but surely since the mid-1980s. With the increased adoption of market-oriented policies in sectors such as education and health, divergences in quality and accessibility of social services have also increased. Concerns over inequalities have further surged in the aftermath of the post-2008 financial crisis. Inequalities have now reached levels where they undermine democracy in Europe.

THE TREND OF RISING INEQUALITY

The latest [Varieties of Democracy](#) (V-Dem) database highlights growing inequality in Europe between 1975 and 2017, both in overall socioeconomic indicators and in access to education and health (see figure 1).¹

FIGURE 1
Inequality Trends in Europe and Around the World, 1975-2017



SOURCE: The data come from "V-Dem Dataset - Version 8," Varieties of Democracy, 2018, <https://doi.org/10.23696/vdemcy18>.

NOTE: On the Y axis, 0 indicates absolute inequality and 4 indicates moderate equality.

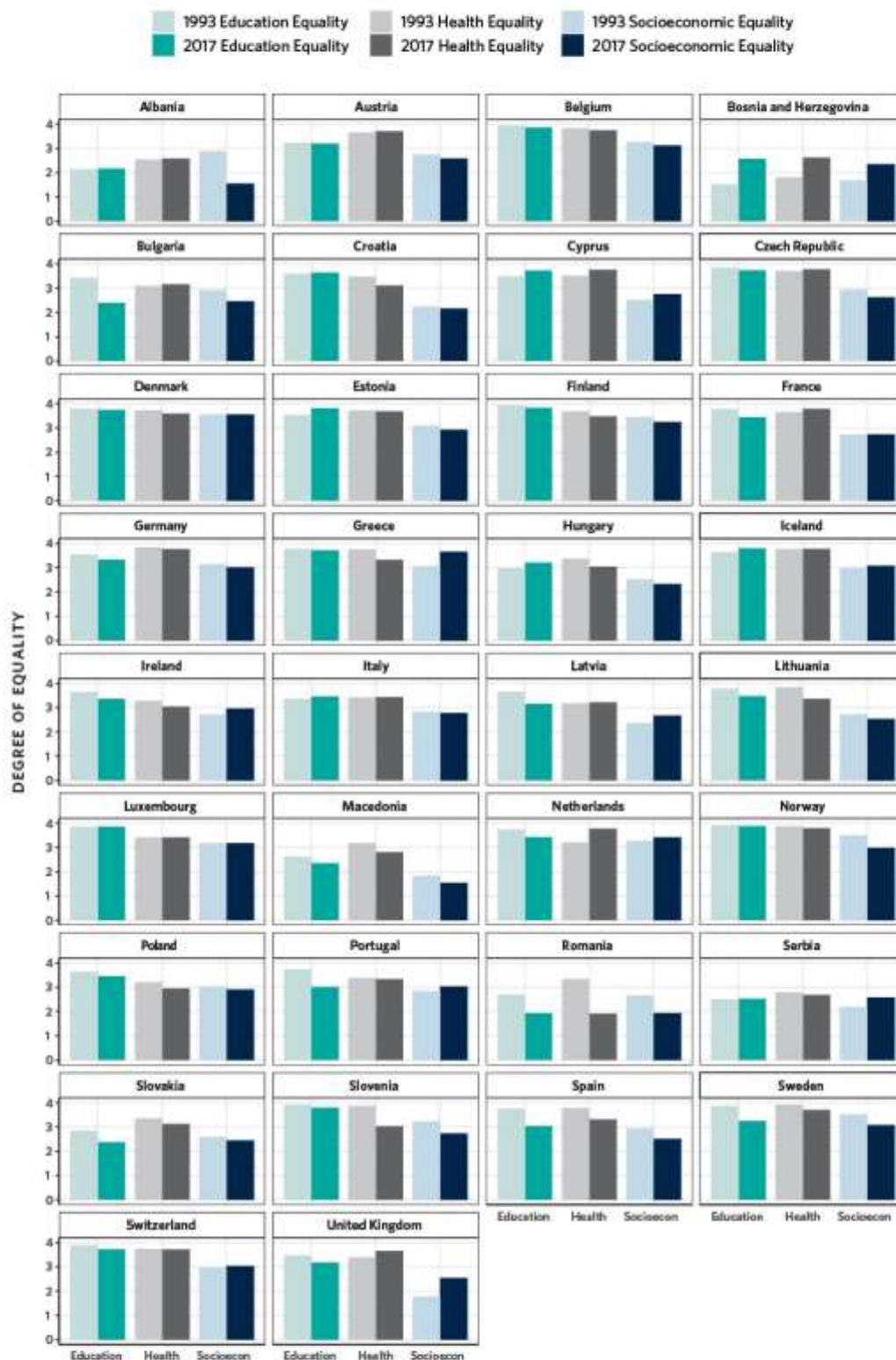
Since 1993, the decline of equality is most marked in socioeconomic conditions, but it is also quite perceptible in health and education compared to the late 1980s, with a noticeable dip in the last five years. For health and educational equality, the average level in Europe is sloping toward a situation where at least 10 percent of citizens have such poor healthcare access and 10 percent of children get such low-quality education that undermines their eventual ability to exercise basic rights as adult citizens. Even though Europe has better indicators than the rest of the world, its declining equality is naturally a serious threat to its democracy.

In terms of socioeconomic equality, the situation worsened much earlier and the degradation has gone much further. From a high of around 3.25, the indicator has recently been approaching 2.5. A value of 2 means “wealthy people have a very strong hold on political power. People of average or poorer income have some degree of influence but only on issues that matter less for wealthy people,” whereas a value of 3 means “wealthy people have more political power than others. But people of average income have almost as much influence and poor people also have a significant degree of political power.”² Europe is, on average, somewhere in between these two conditions. It does not seem far-fetched to suggest that people’s sense of loyalty and trust in democracy and their elected leaders responsible for this situation is endangered.

COUNTRY-LEVEL DIFFERENTIALS

Figure 2 shows the changes from 1993 to 2017 for all thirty-four countries in Europe that V-Dem has data on. In nineteen countries (56 percent), educational equality has declined, while it only improved in five countries (15 percent), and remained essentially unchanged in ten countries. Some of the most dramatic falls are found in Bulgaria, Romania, Slovakia, Spain, and Sweden. Taking Sweden as an example, this structural shift prohibiting significantly more children from equal participation in its democracy followed a series of drastic market-oriented reforms. These included mostly unconstrained powers to establish schools—even by investment companies headquartered in the Cayman Islands, allowing them to make unlimited profits off a taxpayer-funded system; a voucher system with complete freedom for parents and their children to choose schools, with strong-performing students congregating in elite-like establishments as early as first grade; and decentralizing responsibility for the school system to municipalities, many of which are too small to have an adequate supply of qualified politicians and administrators to handle education.

FIGURE 2
Inequality Trends Within European Countries, 1993–2017



SOURCE: The data come from "V-Dem Dataset - Version 8," Varieties of Democracy, 2018, <https://doi.org/10.23696/vdemcy18>.

NOTE: On the Y axis, 0 indicates absolute inequality and 4 indicates moderate equality.

In terms of providing equal health benefits and protections to guarantee citizens' abilities to exercise their basic rights, the situation has significantly worsened in sixteen countries (47 percent), while only improving in five countries (15 percent) and staying essentially the same in thirteen countries. The worst offenders in terms of making greater numbers of citizens unable to exercise their basic political rights because of inadequate healthcare provision are countries like Hungary, Lithuania, Macedonia, Poland, Romania, Slovenia, and Spain.

Socioeconomic inequality that results in unequal political power is where things have changed most. Like with educational equality, eighteen countries (53 percent) registered significant worsening of the situation, which leads to wealthy people having significantly more power than poorer people. But, the changes also tend to be of greater magnitude compared to educational equality. Among the countries with the greatest negative changes are Albania, Czech Republic, Norway, Romania, Slovenia, and Spain. At the same time, there are more countries where things have gotten better in this area compared to the others: In ten of the thirty-four countries (29 percent), socioeconomic inequalities have been reduced, even if only slightly so. Notably, the United Kingdom has shown the greatest improvement in Europe on this score, recouping in the 1990s from the economic austerity that prevailed during the 1980s under prime minister Margaret Thatcher.

There seems to be a certain structure to this pattern: countries that have seen increasing inequalities have also registered shrinking democratic space in the last ten years or so (for example, V-Dem's Liberal Democracy Index indicates significant downward trends in Croatia, Hungary, Macedonia, and Poland) or they have growing protest and populist/nationalist movements (such as in Austria, France, Lithuania, Slovenia, and Sweden). This is supported by a simple correlational analysis of the change in liberal democracy scores from 1993 to 2017 and the corresponding changes in levels of equality across education, health, and power by socioeconomic position (see table 1).

TABLE 1. CORRELATIONS AMONG EQUALITIES AND DEMOCRACY

	Education Equality	Health Equality	Power by Socioeconomic Position
Liberal Democracy Score	.32 (.061)	.25 (.140)	.13 (.452)
Power by Socioeconomic Position	.38 (.025)	.50 (.002)	
Health Equality	.63 (.000)		

Notes: Correlation coefficients with p-values in parentheses. **Bold** indicates statistically significant. Before doing this calculation, the liberal democracy values for Macedonia and Slovakia were copied to 1993 from their first appearance in 1994, and Montenegro was given the same values as Serbia of which it was part until 1998.

Given the small number of observations (thirty-four), it is noteworthy that there is a relationship between changes in democracy scores and rising inequality, and that at least one of them is statistically significant at around 6 percent. The correlations are also higher between them, with an especially strong relationship between educational and health inequalities. Such a simple analysis does not prove anything, but it seems to suggest what may be going on: average Europeans have been becoming increasingly disconnected from more wealthy and well-off people for many years now. This has possibly created the sense that democracy is not helping them and is possibly even generating fear for the future—both of which have been harnessed by populist-nationalist and antidemocratic leaders. The large influx of immigrants, or just the threat of it, may well be fueling such sentiments.

In Poland, for example, significant increases in inequalities across socioeconomic groups, health, and education have been associated with a large drop in the rating for its democracy, which is down by over 20 percentage points since 1993 according to V-Dem's Liberal Democracy Index. In Hungary, inequalities between socioeconomic groups' access to political power has increased sharply since 1993, as well as unequal access to healthcare, and this was followed by Viktor Orbán's ascent to the highest office in 2010. Over this same period, Greece has seen one of the most dramatic increases in healthcare inequality across Europe, the extremist right-wing party Golden Dawn has become a political player, and the country's rating in the Liberal Democracy Index has fallen by over 10 percentage points. Arguably, even in a country like Sweden where democracy still stands strong, the relatively sharp increases in inequalities are not disconnected from the recent and steep increase in support for the right-wing extremist party Sweden Democrats. Such anecdotal substantiations point in the same direction as the statistical evidence: rising inequalities threaten democracy in Europe.

DEMOCRACY IS IMPOSSIBLE WITHOUT EQUALITY

The question of equality holds an important place in discussions of democracy, yet in Europe it seems to have been buried for at least thirty years.³ While the idea of greater equality in socioeconomic conditions was central to protest movements and many left-wing parties in the 1960s through to the early 1980s, the debate has subsided since. Perhaps it is on the rise again, for good reasons.

The idea that basic resources are necessary to ensure citizens' abilities to participate can be traced back to Athenian democracy where, as theorist Michael Walzer put it, "the citizens as a body were prepared to lay out large sums" in order to "make it possible for each and every citizen to participate in political life."⁴ Perhaps the Athenians (within their small circle of people who qualified as citizens, admittedly) were the first to recognize that democracy as a system of rule "by the people" requires citizens who are equally capable of participating in the governing process. Where opportunities or abilities to participate are limited, it is neither possible for citizens to

adequately understand and formulate opinions on particular issues, nor is it likely that their interests will be adequately represented in decision processes.

It is relatively simple: someone who wants to participate in politics should be able to do so, or, in other words, they should have the capabilities to participate in ways that are necessary to influence governing outcomes. High levels of resource inequality undermine the ability of poorer populations to participate meaningfully. To this end, social or economic inequalities can translate into political inequalities, especially if different areas of inequality, such as economic, health, and education, are overlapping.

For example, individuals and groups with higher levels of education are more likely to comprehend and engage in political debates⁵—a condition that is necessary to make informed choices, to stand for office, to be active in political parties, and so on. Likewise, lack of high-quality basic education impairs an individual's abilities to be a political equal. It is for this reason that “each citizen ought to have adequate and equal opportunities for discovering and validating . . . the choice on the matter to be decided that would best serve their interest,” as the scholar Robert A. Dahl put it.⁶

Participation includes, but is not limited to: making informed voting decisions, expressing an opinion, engaging in a public demonstration, running for office, serving in positions of political power, putting issues on the agenda, and otherwise influencing policymaking. Equality in participation lends vital legitimacy to a democratic system.

Regarding legitimacy in particular, equality minimizes the resentments and frustrations of some groups in society,⁷ thereby leading to greater overall acceptance of the system in place. As noted by the sociologist Seymour Lipset, if some groups are effectively prohibited from political and governing processes, the legitimacy of the system is likely to remain in question.⁸ Empirical studies also support the idea that the decision to participate in the political system expresses legitimacy for that system.⁹ Exclusion from democracy can be indirect or informal (such as when suffrage is legally universal) but some groups in society are denied the protections and resources necessary to participate. There are abundant examples of informal limitations: intimidation of particular voter groups, unequal access to justice, and deprivation of resources that make participation possible, such as time, money, healthcare, or education. Access to resources is in focus here. Has rising inequality in Europe led to the decline in support for democracy and increase in appeal of nationalist-populist leaders?

A FINAL NOTE

The importance of reasonable levels of equality for democracy to function has been emphasized by liberal theorists for centuries, including modern liberal democracy's foremost acknowledged theorist, the late Robert A. Dahl. Notably, one of his last works was titled *On Equality*, published by Yale University Press in 2006. For decades, European societies developed,

even if gradually so, toward greater equality, giving average people hope a sense that democracy was progressing, and greater political efficacy and fair shares of economic growth. Yet contemporary empirical work demonstrates, and political leaders across established democracies seem to have forgotten, the lesson that democracy's appeal and legitimacy requires equality in education, healthcare, and how much political power is determined by socioeconomic position. Both scholars and politicians need to pay more attention to this issue if democracy in Europe is to be saved.

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Correction: Endnote 3 has been added to point to the previous research that it is building on.

NOTES

¹ Michael Coppedge, John Gerring, Carl Henrik Knutsen, Staffan I. Lindberg, Svend-Erik Skaaning, Jan Teorell, David Altman, Michael Bernhard, M. Steven Fish, Agnes Cornell, Sirianne Dahlum, Haakon Gjerløw, Adam Glynn, Allen Hicken, Joshua Krusell, Anna Lührmann, Kyle L. Marquardt, Kelly McMann, Valeriya Mechkova, Juraj Medzihorsky, Moa Olin, Pamela Paxton, Daniel Pemstein, Josefine Pernes, Johannes von Römer, Brigitte Seim, Rachel Sigman, Jeffrey Staton, Natalia Stepanova, Aksel Sundström, Eitan Tzelgov, Yi-ting Wang, Tore Wig, Steven Wilson, and Daniel Ziblatt, "V-Dem [Country-Year/Country-Date] Dataset v8," Varieties of Democracy (V-Dem) Project, 2018, <https://doi.org/10.23696/vdemcy18>.

² Ibid.

³ This section draws from a previous publication. See Rachel Sigman and Staffan I. Lindberg, "Democracy for All: Conceptualizing and Measuring Egalitarian Democracy," *Political Science Research and Methods* (April 2018).

⁴ Michael Walzer, *Spheres of Justice* (New York: Basic Books, 1983), 71.

⁵ Sidney Verba, Kay Lehman Schlozman, and Henry Brady, *Voice and Equality: Civic Voluntarism in American Politics* (Boston: Harvard University Press, 1995).

⁶ Robert A. Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), 112.

⁷ Robert A. Dahl, *Polyarchy* (New Haven: Yale University Press, 1971), 82; and Robert A. Dahl, "Equality Versus inequality," *PS: Political Science & Politics* 29, no.4 (1996): 639–48.

⁸ Seymour Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (1959): 69–105. Specifically see page 89.

⁹ Christopher J. Anderson and Pablo Beramendi "Income Inequality and Democratic Representation," in *Democracy, Inequality, and Representation: A Comparative Perspective*, edited by Christopher J. Anderson and Pablo Beramendi (New York: Russell Sage Foundation, 2008), 3–24. See also page 290.

