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# **The role of preference formation and perception in unequal representation. Combined evidence from elite interviews and focus groups in Germany**

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*Abstract:* Unequal representation can result from politicians' biased perception of public opinion. Existing research has focused on the numerical accuracy with which politicians estimate preferences distributions in surveys. This method ignores politicians' broader assumptions about public preferences; e.g. regarding their crystallization, salience, malleability, and measurability in surveys. We address these assumptions in a novel two-stage research design using redistributive tax policy in Germany as a case. Interviews with parliamentarians show that voters are perceived as uninformed, disinterested, and susceptible to anti-tax mobilization by business representatives. Support for taxing the rich in polls is dismissed as superficial and irrelevant for political behavior. In a second step, we verify these assumptions in twelve focus groups with high- or low-skilled citizens. They largely confirm the assumed indifference and anti-tax attitudes. A class gap in tax preferences cannot be identified. Support expressed in previous surveys tends to disappear in conversations, which aligns with politicians' experiences.

## *Introduction*

This article contributes to the debate about the unequal political representation of lower social classes in redistributive politics (Bartels, 2008; Burgoon et al. 2022; Elkjær, 2020; Erikson, 2015; Gilens & Page, 2014; Lupu & Warner, 2022). Much research on this topic concludes that lower- and (sometimes) middle-class citizens are less well represented by government decisions than interests of the rich or corporations. Our knowledge about the underlying reasons is, however, limited. As a contribution to filling this gap, we focus on a mechanism that might produce unequal representation: politicians' perceptions of and assumptions about public support for redistributive policies.

Most previous research has relied on the notions of elites' 'responsiveness' to or 'congruence' with preferences in different social strata (Burgoon et al., 2022). Both build on a fairly simple conception of representation. At least implicitly, groups' preferences are assumed to be exogenous inputs, which policymakers receive as a signal that they attend to more or less selectively and decide to respond to or ignore. A considerable amount of research, to be reviewed in the following section, casts doubts on the realism of this model. In practice, representation involves a great deal of 'sense making' among representatives. This includes interpreting ambiguous, incomplete, or outright contradictory signals coming from their constituency (Achen & Bartels, 2016; Henderson et al., 2021). It also means developing persuasive political communication that allows them to mold this noisy signal, in a contested political marketplace, into a foundation for their policy projects (Druckman & Jacobs, 2015; Slothuis & Bisgaard, 2021; Wenzelburger & Zohlnhöfer, 2021). Such interpretative work is done under conditions of uncertainty (Baumgartner et al., 2011; Kingdon, 1995). What the public wants, how it can be convinced of a policy, and which strategy competitors will pursue are unknowns. Our core interest in this paper is how politicians deal with such uncertainties when engaging with public opinion – and how this might contribute to political inequality in redistributive politics.

To this end, we rely on an innovative two-stage research design addressing the subjectivities involved in the act of representation among political elites as well as citizens.<sup>1</sup>

In first step, interviews with 17 politicians provide in-depth accounts of how political elites interpret public support for one of the most redistributive policy approaches available to them: taxing the rich more heavily. Taxation of wealth and high income is a suitable policy issue for our study for several reasons. First, it should be structured by a straightforward conflict line between prosperous segments of the population and low- or middle-income citizens, who should have a direct material interest in lowering top-end inequality. An alignment of the poor and the middle class makes it a priori more likely to achieve anti-rich legislation (Elkjær & Iversen, 2022). Second, and for this reason, the failure to tax the rich more has often been cited as a stark and surprising example for political inequality (Ansell, 2023; Bartels, 2008; Emmenegger & Marx, 2019; Hacker & Pierson, 2020; Piketty, 2021; Saez & Zucman, 2019; Scheve & Stasavage, 2022; Witko et al., 2021). This makes it a relevant case for studying underlying processes.

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<sup>1</sup> In the spirit of full disclosure: the design was developed sequentially. Concretely, the elite interviews provided the inspiration for the focus groups. There, hence, is a strong inductive element in the findings.

In the interviews, fiscal policy experts in left parties consistently express a sense of frustration about the lack of policy demand for redistributive tax increases. While taxing the rich correspond to their policy-seeking motivation and is perceived as being in the interest of their constituency, they portray any political project in that direction as an electoral risk. Lower-class citizens are perceived as indifferent or even hostile towards tax increases. The frequently voiced assumption is that the public's skepticism about redistributive policies is facilitated by strategic political communication of right parties and business lobbyists. Polls indicating support for taxing the rich are perceived as based on superficial attitudes that are politically meaningless.

The interviewees hence point to preference formation as a crucial aspect for political inequality. In their view, representation cannot be limited to responsiveness; it would have to include *shaping* their constituencies' perceived interests and preferences. Most of them readily admit that they and their parties shy away from the risky competition for public support with business lobby groups that this would require.

The interview accounts only take us so far, because they could reflect rationalizations or obfuscations of the failure to represent lower classes. In a second step, we therefore attempted to verify politicians' assumptions about public opinion in twelve focus groups (six each with low- and high-skilled citizens). Focus groups are an important complement to surveys in the context of our study. They make it easier to observe the disinterest, confusion, ambiguities, and non-attitudes that might lead to unclear policy demands. The conversations largely confirm politicians' assumptions. Taxation generally is not an electorally relevant issue. Not only are even the poorest participants unconvinced of the idea to tax the rich, but their stated reasons largely correspond to what politicians describe as 'myths' allegedly spread by business propaganda.

These results advance the literature on unequal representation, particularly with regard to (mis)perceptions of public opinion as a mechanism (Broockman & Skovron, 2018; Butler & Dynes, 2016; Henderson et al., 2021; Pereira, 2021; Walgrave et al., 2023). Juxtaposing elite perception of public opinion with reasoning in focus groups is a methodological extension of largely survey-based research. As we will show, this approach leads to a more favorable assessment of politicians' ability to understand what the public wants. More importantly, however, we broaden the research question beyond the typical focus on the numeric accuracy of support estimates. Instead of asking only if politicians know the result of surveys, we ask in addition which assumptions politicians make about the crystallization, malleability, and electoral relevance of public opinion. This includes the question of how much they trust opinion polls.

The article is structured as follows. After situating our research in the literature on unequal representation and explaining our methodological choices, a first empirical section presents evidence from elite interviews. A second (and larger) empirical section is dedicated to the twelve group conversations. The subsequent section discusses how elite and citizen perspectives relate to each other and what the results mean for debates about elite perceptions of public opinion and unequal representation. As our qualitative empirical strategy generates insights with potential relevance beyond the narrow research question, the section also discusses implications for related academic debates, some of which only became apparent during the research process. This includes topical political science debates on tax attitudes and

underlying values (Scheve & Stasavage, 2022), the role of business power in shaping public opinion (Hertel-Fernandez et al., 2019), and meritocratic barriers to redistribution (Jost, 2020). A final section concludes.

### *Unequal representation and public opinion*

There is a growing academic debate about unequal political representation of different social classes (see Burgoon et al., 2022 and Erikson, 2015 for overviews). Several contributions show that positions of political representatives are more congruent with (e.g. Lupu & Warner 2022) and policy output more responsive to (e.g. Elsässer et al., 2020; Gilens & Page, 2014) preferences of economically privileged citizens. Ongoing debates concern the questions of whether left parties make a difference (e.g. Schakel & Burgoon, 2022); whether it is primarily the middle or upper class that is overrepresented (e.g. Elkjær & Iversen, 2022); and at which stage of the policy process unequal representation emerges (Alexiadou, 2022; Broockman & Skovron, 2018; Schakel & Burgoon, 2022; Weber, 2020; Witko et al., 2021). Related to the last question, there is a broad consensus that the mechanisms underlying unequal representation are poorly understood. In fact, a call for more mechanism-oriented research can be found in virtually every contribution to the debate.

Despite some contentious points, the literature largely agrees that political representation is biased along class lines. It is also united by a near-universal reliance on survey data, which is analyzed by social categories and then related to some measure of elite positioning or policy output. This empirical setup tends to come with the (usually tacit) ontological assumption that public opinion exists in some pre-political form observable to researchers and politicians. Put differently, many contributions implicitly seem to build on the assumption of exogenous preferences; or at least this is what is suggested by their empirical strategies and interpretations.<sup>2</sup>

This is particularly salient in a strand of literature exploring ‘misperceptions’ of public opinion as a mechanism underlying unequal representation. The general argument is that unequal responsiveness results from policymakers distorted views of what voters (in lower social strata) want. Possible reasons are that politicians rely more on socially selective personal contacts than on representative surveys of the population (Broockman & Skovron, 2018; Henderson et al., 2021; Pereira, 2021) that they subconsciously discount opinion they disagree with (Butler & Dynes 2016; Walgrave et al., 2023) or that interest groups strategically distort perceptions (Eichenberger et al., 2022; Hertel-Fernandez et al., 2019).

Narrowing the scientific lens to accuracy of perceived survey patterns ignores the broader question of how politicians understand the actual political relevance of what voters express in surveys. The notion of more or less accurately perceived public opinion necessarily assumes that there is a ‘true’ level of policy support. Practically, this is accompanied by the assumption that surveys are a suitable way to learn about these true preferences. But do politicians share these assumptions?

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<sup>2</sup> Interpreting a correlation between citizens’ preferences and policy position or output as a sign of unequal representation is most compelling when one assumes that causality flows from the former to the latter.

Much research shows that treating preferences as exogenous inputs to the policy process that politicians *could* know about and respond to, in principle, is not always realistic (Druckman & Jacobs, 2015; Slothuus & Bisgaard, 2021).<sup>3</sup> It is plausible - and in line with the misperception literature – that politicians often poorly understand what the public wants, despite ubiquitous polling. However, a gap between actual and perceived preferences is but one possible element to this. On many issues, there simply is no crystallized public opinion to judge correctly (Achen & Bartels, 2016; Zaller, 1992). Particularly when attitudes are amorphous or ambiguous, political elites have opportunities to influence policy support through persuasive communication (Druckman, 2022).

Conceptualizing the elite-citizen linkage as a two-way street does not mean that politicians can easily manipulate preferences. Besides scarce cognitive and material resources for effective political communication, they are limited by competition with other elites as well as exogenous agenda influences (Green-Pedersen, 2019; Grossman & Guinaudeau, 2021). The political attention space is inherently limited (Baumgartner et al., 2011) so that only few issues can be the subject of persuasive efforts. And such efforts become harder when counter framing has to be overcome, particularly when competitors possess superior resources (such as money, media access, or reputation). Effectively, individual policymakers then often face uncertainty a) about what the public or their constituencies prefer; and b) about which effects their communication strategy would have on policy support and electoral prospects.

The dual uncertainty (‘what do voters want?’; ‘which communication might convince them?’) points to politicians’ interpretative work as a crucial element of (mis)representation. In this perspective, understanding when politicians respond to ‘preferences’ forces us to address a number of aspects that go beyond the accuracy of perceived support. On any given issue, policymakers have to make more or less informed assumptions about whether the public holds meaningful attitudes; whether these are (or could become) sufficiently strong to influence vote choice; whether counter-mobilization should be expected; and whether such counter-mobilization could benefit political competitors.

These subjective appraisals often result in non-actions, which is probably why they have received little attention in previous scholarship on unequal representation. They, hence, largely constitute a black box. What follows, in our view, is the need to better understand the assumptions politicians make about (the malleability of) public opinion, the strategic considerations they derive from these assumptions, as well as their behavioral implications. Moreover, we would argue that these issue-specific assumptions are context-dependent and go beyond a mere estimate of average support in the population. They hence do not lend themselves to observations in surveys. This is why we see a need to study politicians’ subjectivity – as well as the plausibility of their assumptions - qualitatively.

### *Case selection and methods*

Understanding elites’ and citizens’ subjectivity in representation dynamics arguably requires in-depth engagement in case studies. We do so by focusing on taxation of high incomes and wealth in Germany. German tax politics serves as a *typical case* (Gerring & Cojocar, 2018)

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<sup>3</sup> It also goes against prominent political theories treating preferences as constructed in the process of representation (e.g. Disch, 2021).

for unequal political responsiveness. This is primarily because Germany shows patterns of unequal responsiveness in line with most other cases we have evidence for. Elsässer et al., (2020) demonstrate a bias in political decision-making in favor of top earners consistent with findings for many other mature democracies.

According to these contributions, selective responsiveness benefiting the rich is particularly evident in policy areas with large class-based preference gaps. Tax policy (and in particular taxing the rich) is highlighted as such a polarized issue by Elsässer et al. (2020: Appendix). They show that 70% of unskilled German workers supported “to make sure that people with high income or assets would pay more taxes”, while only about 40% of business owners did. This pattern is confirmed in a quasi-representative online survey conducted in 2021. The share agreeing that “taxes for the rich in Germany should be increased a lot” or “somewhat” is almost constant for low-to-middle incomes, but sharply drops for high-income earners (Figure1). The fact that government (non-)action was in line with preferences of the latter makes tax policy a key example of political inequality (in Germany) and a suitable case for our analysis. It also illustrates how Germany may be viewed as a standard case for how politics of taxation, inequality, and redistribution have developed in many advanced capitalist democracies (Fastenrath et al., 2022; Piketty, 2021; Scheve & Stasavage, 2022).

**Figure 1:** Support for taxing the rich more in Germany by income (2021)



*Note:* Online-Survey (N=5,550) fielded in December 2021; predicted probabilities to support a lot/somewhat higher taxes for the rich with 95% confidence intervals based on logistic regression. Models include controls randomly varied question wording (see Appendix A).

Our main goal is to understand representatives’ assumptions about public opinion and the extent to which elite perceptions and actual attitudes align. We therefore analyze representation in a novel two-stage research design in which we explore linkages between the supply and demand sides of tax policy.<sup>4</sup>

<sup>4</sup> The focus groups were designed based on the results of the elite interviews.

In a first step, we conducted interviews with 17 politicians. Our focus was on politicians who represent one of the three German left parties in the Bundestag's finance committee (Social Democrats [SPD], the Greens, and the Left). This means we target actors with potential policy-seeking motivation and electoral incentives to tax the rich (supplementary interviews with liberal or conservative MPs lead to the unsurprising insight that they neither want to increase tax, nor think their voters do). Focusing on members of the finance committee ensures that we talk with actors who have first-hand experience in tax politics. To complement the issue specialists' angle, we interviewed one of the two SPD party leaders and the SPD's chief campaign strategist (each twice).

Our goals were to understand interviewees' policy motivation, their subjective perception of public opinion on taxing the rich, and what that means for political opportunities in tax politics. The design is elaborated in (Fastenrath et al. 2022), where we present a broader picture of elite beliefs that feed into tax politics. Instead of focusing on policy outcomes (as in most contributions on unequal responsiveness), elite interviews bring us closer to the nuts and bolts of policy representation (López et al., 2022). How do politicians interpret their role as representatives? How do they form an image of voter preferences? And how do they assess their opportunities to shape tax discourses? By addressing these and similar questions, elite interviews are an important tool to open the black box of unequal responsiveness.

In a second step, we conducted twelve focus groups, with five to six individuals (64 in total). To facilitate smooth interactions and free expressions, each group exclusively consisted of either low- or high-class participants (measured by education). The primary goal was assessing the extent to which the assumptions of left-wing politicians correspond with or deviate from how voters' reason about taxing the rich.

In principle, different methods are conceivable for this task. Focus groups offer the advantage (over closed survey items) of getting to the bottom of the subjective reasons for preferences (Cyr, 2019, p. 11). They thereby provide insight into the relative importance of issues, as non-attitudes and disinterest can be better discerned. A concern in survey research is that closed items incentivize making up non-existent attitudes (Bishop, 2004). This risk is particularly severe for attitudes towards specific policy issues (Berinsky, 2017), whose measurement is central for survey-based responsiveness research. The face-to-face encounters in focus groups raises the bar for attitude improvisation and quickly reveal inconsistency, uncertainty or ambivalence towards political issues (Goerres & Prinzen, 2012). The absence of crystallized preferences might be a key aspect of the representation process and hence should be reflected in the method. Tax attitudes might also reflect contradictory values (Scheve & Stasavage, 2022; Yakter, 2023), which are artificially collapsed in survey items (Zaller, 1992).

In addition to individual views, focus groups allow examining *interactive processes* (Cyr, 2019; Munday, 2006, p. 90). Generally, the presence of other participants has to be acknowledged as a potential weakness, because social desirability or group think plays a bigger role compared to anonymous surveys. However, this can be turned into an advantage if researchers are directly interested in the direction of such biases. Focus groups "offer an opportunity for researchers to see exactly how views are constructed, expressed, defended and (sometimes) modified during the course of conversations" (Wilkinson, 1998, p. 193). This provides concrete advantages for our research question. By observing how citizens negotiate the pros and cons of taxing the rich, we can learn about which arguments are invoked



spontaneously to counter opposing attitudes, how stable attitudes are in situations of disagreement, and – crucially – which frames are most persuasive. The interactive data can thus shed light on whether policymakers are right about certain discourses dominating voters’ thinking about taxing the rich.

Group discussions took place at two different time periods (February-April 2022 and February 2023) in the test studio of a commercial agency in a large German City (Cologne). Given the proximity to the Covid crisis, the Federal Election of 2021, and the energy crisis, fiscal and tax policy were relatively salient issue in the German media, increasing the likelihood that participants had pre-existing opinions. While moderation was carried out by the research team, organization, recruitment, and infrastructure were provided by the agency. Compared to participant observation (Cramer, 2016) or focus groups with acquaintances (Gamson, 1992), a commercial agency might be criticized as an unnatural setting for political conversation. However, a recruitment process independent of pre-existing ties minimizes the risk of selecting politically interested groups. It also ensured the diversity in terms of class background necessary for our research. Given our focus on political inequality along class lines, we were interested in the attitude gap between low- and high-educated citizens. The analysis of these two groups in separate sessions follows the methodological literature, which clearly recommends homogeneous groups to reduce fear “about being judged by outsiders who do not share their experiences and perspectives” (Morgan, 2018, p. 51).

All groups began with introductions and a warm-up question. By asking about participants’ recollection of election campaign issues or political topics important to them, we could see whether tax policy, inequality, or redistribution were mentioned spontaneously. Only afterward did we ask directly what participants thought of the general idea to tax the rich more heavily. Depending on the course of the discussion, we then used stimuli in the form of videos, pictures, and excerpts from studies to confront participants with the different arguments for and against taxing the rich. The arguments and perspectives in such stimuli can help participants express their views (Gamson, 1992, p. 24). In our case, they also help to assess whether certain arguments resonate more or less with the groups (e.g. by getting reactions to a TV debate on the topic). We generally ended with asking whether winners of the crisis (the pandemic, energy crisis after the Ukraine invasion), should be taxed more heavily to compensate the losers.

For a systematic presentation of results, we coded individual positions expressed in the conversations into four categories (Appendix C). “Contra” and “Pro” (taxation) were assigned if participants expressed clear objections to or support for tax increases for the rich. Participants who combined negative and positive arguments without a discernible preference were coded as “Ambivalent”. “No attitude” was assigned to participants who did not express any clear opinion.

An important methodological extension consisted in the combination of focus groups with closed survey items. Out of cost considerations, this was limited to four groups, in which participants received a short survey one week before and after the in-person meeting. The survey largely consisted of items to distract from the main question of whether “Rich people in Germany should pay higher taxes”. The comparison of the answers to this closed survey item with the statements in group discussions is valuable in two ways. Methodologically, we can directly address whether focus groups add value compared to the standard survey approach

in responsiveness research. Substantively, we can assess whether surveys and direct interactions between politicians and voters might create different signals to political elites.

*Elite interviews: How do politicians perceive public opinion on taxing the rich?*

In this section, we describe the findings from the interviews. Non-anonymized quotes are referenced with interviewees' last name (additional details are in Appendix B). As described above, we focus on 'left' members of the Bundestag's fiscal committee and two questions: how much public support do politicians perceive for taxing the rich? And which assumptions do they make about the processes underlying preference formation and change? The presentation will be kept brief, mainly because accounts varied little. A fairly straightforward and 'saturated' narrative about public opinion emerged early in the process. It hence does not take much nuance to give justice to the material. Brevity also maximizes space for the more intricate follow-up task of assessing the narrative's validity in focus groups. Left politicians generally expressed strong policy-seeking motivation to tax the rich. Against the background of income and wealth concentration, budget deficits, the cost of various crises, and the need for public investment, a higher tax burden for the rich appears fundamentally fair to them. They also believe taxing the rich is economically feasible. They generally do not buy into narratives of capital flight (see Fastenrath et al. 2022 for detailed evidence on these points). Hence, support for taxing the rich is high among left-wing fiscal policy experts.

How do they perceive public support? A first observation is that all 14 interviewed left-wing politicians expressed clear assessments of public opinion. They either mentioned (and elaborated) unfavorable public opinion spontaneously in their response to our open question about political barriers to taxing the rich (five interviewees) or they unequivocally confirmed it as an obstructive factor when we asked about it directly (eleven respondents). We take this as a sign that our interviewees had engaged with the question, which is unsurprising in their role. The political feasibility of tax reform likely has been the subject of internal discussion. As we show below, there seems to be a joint and rather crystallized narrative in left parties about tax politics and the role of public opinion in particular.

A second observation is that all politicians (also from the different camps) perceive the public as somewhere between lukewarm and hostile to the idea of taxing the rich more heavily. This is in stark contrast to opinion polls on the topic. Politicians are well aware of this contradiction and sometimes explicitly try to make sense of it (see below). A virtually unanimous assumption about the public is *tax illiterate* and that "for many people, the tax issue is too complex" (Petring I). Complexity and the necessary abstract reasoning make tax policy, first and foremost, an unpleasant issue to engage with. This produces indifference and non-attitudes. As one social-democratic interviewee expressed it, "Very rarely does anyone come to me in my Bürgerstunde [constituent meeting] and want to talk to me about national taxation under redistributive aspects" (SPD MoP).

Complexity is not only believed to lower the priority citizens' attach to taxation. It is also believed to foster a range of misunderstandings and uncertainties that prevent citizens from supporting taxes for the rich. At the core of this uncertainty is the question of who would really be affected by tax increases. A key example is that people tend to confuse marginal and average tax rates. As a consequence, voters "believe that if we raise top marginal rates, they have to

pay more taxes” (Left-wing Party MoP) or that “think they pay 42 percent [top marginal rate] on their entire income, which is obviously nonsense” (Greens MoP). Another confusion is between taxes and social-security contributions (that are capped and therefore highly regressive), which leads to an erroneous identification with the interests of the rich.

“Well, I am often under the impression that the population assumes to be broadly affected when it concerns taxes. We experience that, when the FDP [Liberals] campaign with ‘More Net of Your Gross Wage!’, this is appealing for the entire population - although many do not pay much in taxes and low-wage workers pay almost none (...). And we are always confronted with the statement: ‘yes, the state always wants more of our money’. (...) Everyone wants more money in the pocket and fewer deductions.” (Kiziltepe)

Additionally, advocating inheritance or net wealth taxes is made difficult by worries, for example of (prospective) homeowners, who are overoptimistic about their prospects of wealth accumulation or inheritances they will receive, and in turn overestimate the probability that they themselves might end up being affected. MPs also suggest that individuals may also underestimate the inheritance tax exemption threshold.

“It is a paradox, because we talk about a [tiny] part of the population benefiting exclusively, which plays no role electorally (...). I know this from the local level. People have this dream to receive a big inheritance someday, anticipate that today, although there is no rich uncle. And already today they do not want to pay taxes on that. (...) And people do not see that the rich are getting richer or stay rich because of that, but think: ‘if I ever somehow make a small inheritance, then I will have to pay taxes.’” (SPD MoP)

“One realizes that, for example for the net wealth tax, the feeling ‘this could affect me’ is somehow there. Although this has nothing to do with reality. When I talk of an exemption of one million or more, then this does not concern grandma’s house or the painting on the wall (...) But this is also related to the fact that a proper education [*Aufklärung*] about the economy in general – and also about the tax system – is taking place insufficiently, so that subjective feelings can play a bigger role” (Troost).

That misunderstandings tend to have a pro-business bias is not seen as coincidence (by 13 out of 16 interviewees). Rather, it is argued that “The tax reduction lobby for the wealthiest achieves through an enormously skillful form of communication that the middle class believes it is to their benefit” (Walter-Borjans I). Hence, citizens’ ignorance and confusion are described as entry points for business influences on preference formation. Left-wing politicians across the board lament the spread of anti-taxation ‘myths’ by business-sponsored think tanks, right-wing parties, mainstream economists, and conservative media. Interviewees recounted experience with business-sponsored campaigns “with huge posters and the myths that are created there. (...) Whatever lies are propagated, they are accepted when they are backed up by such huge campaigns.” (Kiziltepe). Concretely, left-wing interviewees experience tax discourses to be structured around a limited number of business-friendly talking points that have produced internalized and easily activated anti-tax sentiment - “an entire Armada of learned arguments” (SPD MoP II). The most prominent is the *job-killer argument* that portrays taxes as a risk for investment. This discourse is seen as creating the sentiment of being indirectly affected, “because if he now destroys my employer’s business, then I lose my job!” (Walter-Borjans I).

This leads to the situation that “workers throw themselves in front of the worst managers who earn 200 times what they do” (Binding). The job-killer rhetoric is particularly harmful for left-

politicians concerned about economic-competence ratings. They report being intimidated by knee-jerk accusations such as: “this destroys our economy, this jeopardizes jobs, the SPD cannot manage the economy!” (Petring I). Interviewees are convinced that tax increases are therefore associated with “the risk of being easily scandalized” by right-wing counter mobilization and hence considered a “loser issue”. Part of the frequently described business strategy is to emphasize risks for popular family enterprises, the backbone of the German *Mittelstand* (SMEs). The perception is that a “club of corporate billionaires” successfully mobilizes voters against tax increases because for them “family businesses are all great.” (Paus).

How can the assumption of widespread tax skepticism be reconciled with the support expressed in opinion polls? A third and crucial observation is that left politicians tend to hold a lay theory of different preference levels. They are well aware of supportive polls for the *abstract idea* of taxing the rich. However, 9 out of 16 interviewees perceive this support as superficial and politically meaningless for two main reasons. The first is that support in surveys is not undergirded by real policy interest and attention. “This is what makes you wonder about these polls. If one really sees inequality as one of our biggest problems, then one should also make a vote choice in this direction. And then the SPD should not poll around 16-18 percent” (SPD MoP III). The assumption is that voters based their decision much more on a “general image” of the party “and not a very specific issue when it comes to inheritance tax, the top tax rate or the richest 1% or whatever.” (Petring II).

The second reason is that internalized tax myths are easy to activate through strategic discourse once a policy project becomes concrete, salient, and contested. Meaningful support, in this view, often cannot be gleaned from decontextualized surveys, but has to be established *in the policy process*. Party leader Norbert Walter-Borjans notes that large a majority expresses support for taxing wealth in surveys, e.g. to fund education, but that this “cannot be sustained when the confrontation gets tougher”. Another interviewee likens this to environmental policy, where “90 percent of the population in my constituency is for electricity from renewable energy and still we have house-to-house fighting here about every wind turbine” (SPD MoP). A related analogy was “I support animal welfare! But meat must not be expensive” (SPD MoP III).

Both aspects mean that support in the abstract does not necessarily translate into support for concrete policies. To the contrary, any concrete reform debate is perceived as risky because the inevitable policy details provide an opportunity to mobilize latent tax aversion. While left-wing politicians emphasized superficiality, a liberal interviewee added social desirability (or “lying”, in his words) as a bias: “Who dares to say in a survey: ‘I am against redistribution to the weak’. Nobody!”. The doubtful validity of surveys leads politicians to rely more on direct contacts to get an image of public opinion. In fact, when discussing public opinion, interviewees much more frequently referred to anecdotes from canvassing or constituency meetings than to surveys.

“we get all kinds of polls, and they get noticed. It's just that we try to test these polls, well I try to test that a little bit at home [in the constituency] anyway. (...) I then also realize that I have only one or two people in the discussions who are intensively interested in it [taxation], but the others discuss it at a very low level.” (Left-wing party)

The campaign strategist we talked to had a similar assessment. “I have been able to observe these focus groups on many different topics, and I find them much more helpful and instructive [than surveys] in this respect [assessing public opinion]” The reason is that, rather than reflecting on concrete issue positions, “people take the wildest shortcuts to make their statements about parties and leading candidates, which you sometimes can't imagine in your wildest dreams.” (Petring II)

To sum up, the interviewed left-wing politicians portray the politics of taxing the rich as difficult. While this could be expected, their portrayal of public opinion is more surprising. They seem keenly aware that representation involves preference articulation and persuasion – aspects in which they perceive power imbalances that create a clear disadvantage vis-à-vis business interests. This turns the accusation of unresponsiveness on its head. Far from providing an unambiguous mandate to tax the rich, public opinion is perceived as one of the constraints in pursuing their policy-seeking motivation – as well as in representing what they believe to be in their voters’ interest. Representation in this context does not mean responsiveness; it means actively overcoming disinterest, ambiguity, uncertainty, skepticism, or outright resistance through persuasive efforts. Politicians shy away from these efforts because in the competition for public support, the cards are seen as stacked in favor of business interests.

Where does this leave us? The presented evidence informs us about how politicians themselves *narrate* a process that others portray as a stark failure to do what they were elected to do: represent their voters. While informative in its own right, it raises the question of how sincere the accounts are. After all, impression management is politicians’ daily bread. Rationalizing the failure to represent certainly makes strategic and psychological sense. One might add that the portrayals of the policy process sound a lot like “false consciousness” theories of Marx or Gramsci that are popular in left-wing circles. They hence could be more ideology than experience. Finally, it is difficult to ignore that opinion polls, the only available independent information on public opinion, indicates support for taxing the rich, often by large margins. Could it be that politicians form their perceptions in a bubble of like-minded people and grossly misperceive how the public reasons about taxes? To answer this question and to assess the validity of politicians’ assumptions, we now turn to tax attitudes on the micro-level.

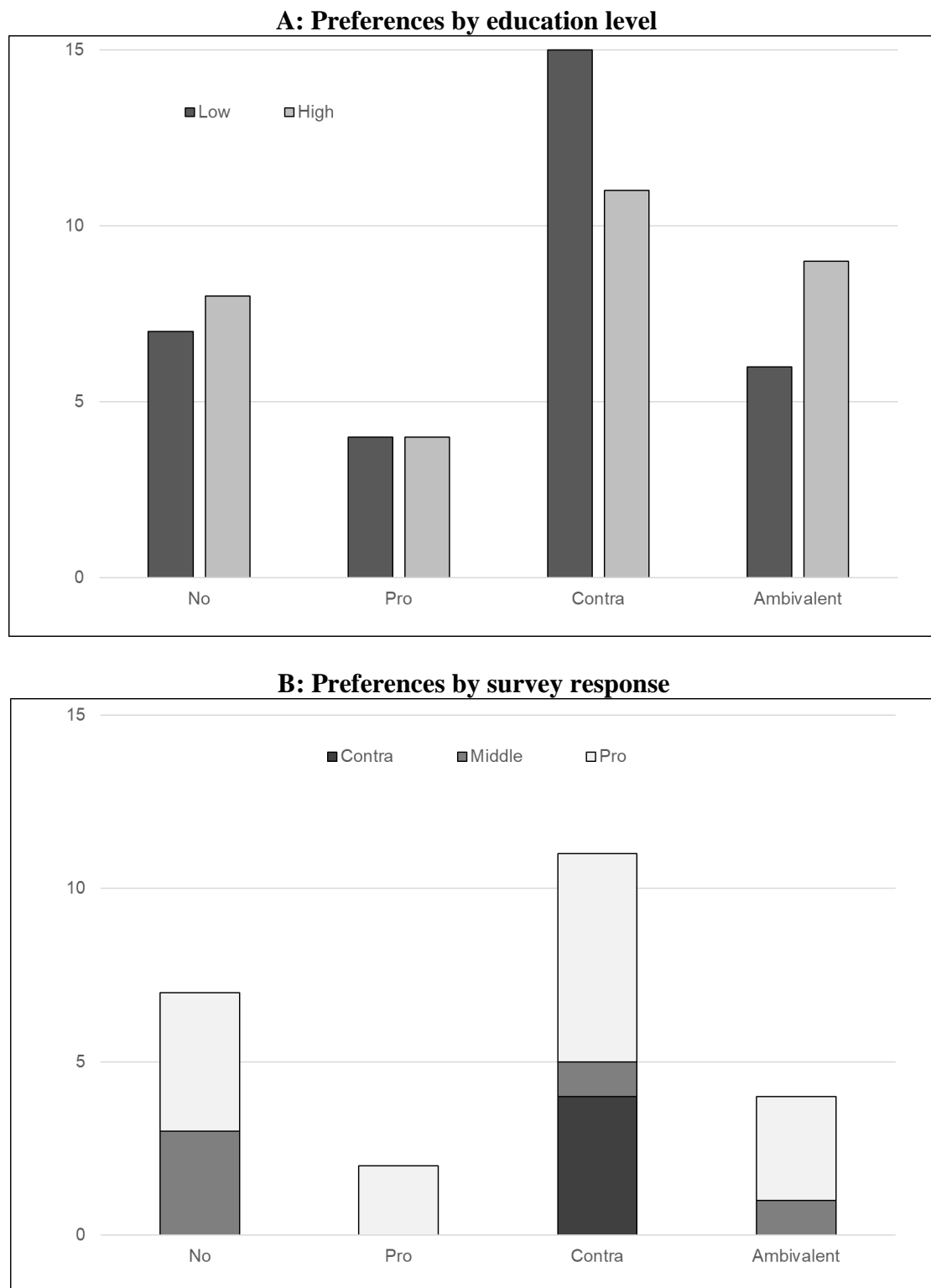
#### *Focus groups: How the public thinks about taxing the rich*

To begin with the main findings, there were four dominant patterns in the focus groups. All four were surprisingly consistent across groups and education levels. First, the focus groups confirm politicians’ perception that voters tend to be skeptical or opposed to plans to tax the rich more heavily. Based on our coding of individual attitudes (Figure 2, Panel A), a majority of the 64 participants expressed disapproval (26) or ambivalence (15). Only eight participants expressed unambiguous support. Figure 2 also shows the lack of an education gap, which directly contradicts the interpretation of unequal responsiveness. The striking dominance of anti-tax attitudes among the low educated is consistent with politicians’ perceptions. Second, the discussions confirm that the issue has little subjective importance for either low- or high-educated participants. Although it figured in public discourses, the topic is not spontaneously mentioned by a single participant as an important issue in the election campaign, the pandemic,

or the energy crisis following the Russian invasion of Ukraine. Hence, even if there would be a preference gap that our method misses, this low salience makes it difficult to argue politicians are unresponsive to priorities of lower-class citizens. Third, the focus groups by and large corroborate politicians' claim that many voters have internalized pro-business discourses on taxation. Fourth, supporting taxing the rich in surveys has surprisingly weak predictive power for the stances taken on the issue in group discussions.

The remainder of this section elaborates and illustrates these four insights. Because of the striking similarities, groups with low- and high-educated citizens are discussed jointly. A list of all participants with aliases is in Appendix C. In the main text, we add to names lower script  $L$  for low and  $H$  for high education, together with the number of the focus group (1-12).

**Figure 2:** Participants’ preferences regarding higher taxes for the rich by education (Panel A) and response in prior survey (Panel B)



*Note:* Coded support for taxing the rich based on statements in groups. See Appendix C for individual coding and for coding rules. Panel B based on groups 9-12 (N=24). Survey item: “I think rich people in Germany should pay higher taxes”. Answers from 1 (totally disagree) to 7 (totally agree) collapsed into Pro (5-7), Middle (4), Contra (1-3). See text and Appendix C for coding of focus groups.

### *Interest, knowledge, and subjective relevance*

The groups clearly show that interest in tax policy is very limited, and suggest that tax illiteracy feeds uncertainty and skepticism. During the open questions in our warm-up phase, issues of taxation, inequality, or redistribution are not mentioned a single time spontaneously. Questions and stimuli on taxes often lead to open admissions of ignorance or disinterest. A short clip on the issue from a TV debate between the main candidates broadcasted by a private TV station was rated as boring and incomprehensible (“At some point you don’t listen to it anymore. Too much information at once” [Anastasia<sub>L1</sub>], “You’re standing there like a duck in a thunderstorm.” [Marcel<sub>L3</sub>]). In the groups H7 and H8, it was hard to get any conversation going about tax policy.

Lacking interest and knowledge prevented most participants from distinguishing taxing the rich as a separate aspect of tax policy. For some, taxes paid by the rich are simply too abstract and lack personal relevance. Jens<sub>L10</sub> thought for example that he “can’t say anything about that because, those are [income] dimensions I’m not in, and I don’t think I’ll get there (...)” Importantly, there was little sign that participants were aware of the redistributive aspects of tax policy and that the additional tax revenue might benefit them personally. Ursula’s<sub>L2</sub> (sales clerk) statement is a good illustration of this myopic pocketbook view. “I think everyone is looking for what would be the cheapest. People who work normally would say that it would be nice if we were relieved, I would say. For me, that would make more sense than the rich paying more taxes.”

Instead of engaging with abstract arguments for taxing the rich, participants tended to confound the issue with their own tax experiences. For the low educated, these experiences are consistently negative and often shaped by consumption taxes. Maria<sub>L3</sub> (unemployed) bluntly stated: “I don’t give a shit about taxes, but first make sure that people have food on the table [...]. But that also concerns taxes on food, which will then be increased and so on.” Such criticism of (regressive) consumption taxes was never combined with demands to shift the tax mix towards wealthy citizens.

A related barrier was uncertainty about who would be affected by tax increases. The question whether the rich should pay more was often answered with the counter-question ‘who is rich?’. This was usually followed by elaborations of how quickly the middle class is considered rich and risks paying too much in taxes. While this might reflect worries about personal tax bills among the high educated, the low educated shared the position that taxes are too high for this group already. “Are we talking about the upper 1, 2 % or are we already talking somewhere about 40, 50 % of society?” (Erik<sub>H11</sub>).

Taken together, the conversations hence confirm politicians’ assumptions that tax policy has low salience and that various misleading mental shortcuts prevent people from considering it as a tool for redistribution that might benefit them. Generally, participants did not seem to understand themselves to be in a distributional conflict with the rich.

### *Arguments about taxing the rich*

Despite the widespread disinterest, participants were able to provide a number of justifications for their skeptical attitudes towards taxing the rich. Again, low and high educated participants



were surprisingly similar in their arguments (overviews of arguments on individual and group level can be found in Appendix C). At the core seemed to be strong meritocratic values, a dominant theme in the group conversations that politicians had actually not addressed in the interviews. At least some rich people were credited (sometimes in elaborate arguments) for having earned their position. The low educated were very susceptible to this reasoning. A typical example comes from Natalie<sub>L3</sub> who lives on disability pensions.

“What simply annoys me is that they always say that the rich should pay more taxes. I myself live just above the poverty line and I don’t see it that way, that if they have worked for it themselves, that they then - it sounds like crap now, that’s how I see it - that they then have to pay for everyone. They already pay a lot of taxes. (...) Of course they have a lot of money, but in my opinion, they have earned it.”

Participants sometimes made an explicit distinction between deserved and undeserved wealth and expressed a willingness to tax the latter. Alexander<sub>L4</sub>, a craftsman, agrees in principle to tax the “richest of the rich”. But he adds that there are “people who have worked hard for their wealth” and asks rhetorically: “Why should they then be punished for it, so to speak, for the effort you put in?”. Lina<sub>L10</sub> wishes that “one distinguishes between the newly rich and those who have always been rich, through family et cetera.” Based on the realization how difficult it is to draw a firm line between deserved and undeserved wealth, the distinction amounted to an argument against tax increases.

Combined with the tendency to approach socioeconomic issues from personal experience, meritocratic considerations appeared to create a paradoxical identification with rich people. Ali<sub>L1</sub> (warehouse staff) directly expresses this by saying: “Whether that’s fair or not now, put aside. But if I were in their position, I would also think: ‘Why us, of all people!? I’ve worked for this!’”. Joline<sub>H6</sub> remarks that “we all work for our money” and that “if we would be in their position [of the rich], we would be upset as well. And I would understand that.” In some cases, reference was made to self-employed people among acquaintances who work hard and should not be taxed more (“My friend, for example, is a beautician with a small studio. If she suddenly has to pay even more [...]” [Alina<sub>L2</sub>], “You can’t [as a self-employed] just take a vacation as you please and so on. I therefore think that shouldn’t necessarily be punished if you make a lot.” [Alexander<sub>L4</sub>]).

Besides meritocratic tax resistance, concerns about the economy and the question “how many jobs depend on it?” (Laura<sub>H5</sub>) were dominant arguments against taxing the rich. Worries about capital flight as a response to higher taxes was frequently mentioned. Participants argue “they will just move abroad” (Norbert<sub>L4</sub>), “that many would then move to Switzerland or elsewhere” (Anastasia<sub>L1</sub>), or that if “I have to give away 60% of my profit or salary or whatever, then I would be stupid to stay in Germany” (Jannik<sub>L10</sub>).

Closely related is the belief that family businesses are particularly worth protecting, because of their importance for the economy. As expected by policymakers, SMEs were highlighted particularly often. The underlying assumption is that higher taxes would force these companies to cut jobs:

“All I can think of now is this tax on the rich. [...] You always have to look. A medium-sized company also enables jobs, and if we can all work in the end, or a large part, then you also have to look at what the benefit is.” (Joline<sub>H6</sub>)

When we used a TV debate with different arguments as a stimulus, the framing of taxes as harming medium-sized family businesses and jobs by the conservative candidate was often seen as the most convincing. In the few cases in which higher taxes were argued for, the objection that this would lead to tax avoidance, which is widespread in German tax discourse, was raised several times.

So far, we have only discussed arguments against taxing the rich. Pro arguments were much less frequent (Figure 2, Panel A). They mostly took the form of ability-to-pay arguments, according to which the rich can afford to contribute more. While usually not the foundation for policy demands, it was at least acknowledged that paying more taxes would not ‘hurt’ the rich. “Come on, seriously! That is small change for them” (Mira<sub>H7</sub>). Ability to pay was often qualified in ambivalent positions, as in the case of Jens<sub>LI0</sub>: “It wouldn’t hurt some to pay a bit more taxes, but one would have to explain to them why (...), just because you did better, had a better plan, and so on (...)”. Other pro arguments, such as inequality reduction, additional revenue, or funding the costs of the pandemic, appear only sporadically.

### *Disagreement and the dominance of anti-tax arguments*

Focus groups do not only permit measuring individual preferences. By including interactions, they allow assessing attitude homogeneity and strength as well as persuasive arguments in case of disagreement. This feature of focus groups turned out to be advantageous for the topic of taxation. As described above, tax critical statements were dominant. That said, group reactions to individual attempts to formulate pro-tax arguments were particularly revealing. Whereas pro-tax statements tended to appear hesitant and improvised, they were generally countered with crisper and more assertive objections. The rather stereotypical counter-arguments might be read as suggestive evidence that many Germans have been exposed to and have internalized anti-tax discourses. Importantly, whereas tax critics often got support from other participants, tax proponents tended to back down when confronted with refutations.

Consider this example from a group of low-skilled participants. Following a series of anti-tax arguments, two participants talk about the possibility to set an upper limit on wealth.

[Liem] People also say that a Hartz-4 [social assistance] recipient needs this and that. Then you could just as well say [to the rich]: ‘hey, you don’t need a giant house with 47 rooms and 18 bathrooms. Keep it down!’ Well and then, uhm, that one then... it just depends.

[Alexander] But do you really want to have rules about everything in life? Even when you’ve earned your wealth? And then somebody comes and says: ‘listen! 20 million is the end of the line. It doesn’t matter how much you bust your butt. That’s it!

[Liem] Well, I would... I would work with absolute numbers. Above 20 million it’s ‘finito’, or 25 or 30, but uhm ...

[Alexander] But then I think you’d have a lot fewer rich people paying taxes here.

[Norbert] Then they’d *all* go away!

[Liem] I’m sure that can be somehow regulated, in some form, in a bill or so.

[Dennis] That you stay here!?! [chuckles]

[Liem] I don't know. But it's just about the general thing: Do you think it's fair or not fair? Would you find it ok or not ok. Of course, if you've worked hard for your life, then that's something else. I'm also not keen on my whole life being overrun with rules, but I would just, uhm, see how unequal it is. At some point you have to react. [pauses] I don't know.

Liem sticks to his point that *something* ought to be done about inequality, but his uncertainty is tangible. Concretely, he struggles to respond to the two tax criticisms about depriving people of deserved wealth and the risk of capital flight. Particularly the former throws him off balance as he accepts meritocratic reasoning against taxing the rich. This short dialogue illustrates how difficult it can be to translate general inequality aversion into a preference for concrete redistributive policies. A similar example occurred in another group (L9) with low-skilled participants.

[Petra] Yes, correct! Those with money should also pay more.

[Stefan] Well, difficult... If someone has become really rich through hard work, I think he deserves it. But of course, there are also rich people who don't have to do anything, they are just rich...

[Dina] And what is rich? Well, you have to distinguish that somehow.

[Stefan] If a construction worker, I don't know, has become rich through diligence, he has a construction company, employees, he might also have a house, at what point is he rich?

[Dina] That's why I say, what is wealth? If you have a company now and you're responsible for your employees, I don't even think that's rich.

[Stefan] Difficult.

[Petra] Well, I'd say, what do I know, rich is someone, if he has a million or so. That's what I could imagine. That would be rich for me now. And if he would have to pay more taxes than I do, I would find that okay.

[Stefan] But I think then they will find tricks again.

[Dina] Yes, that's the thing.

[Stefan] If they have to pay more taxes, they do something....

[Petra] Run away abroad.

After a short digression about a well-known tax dodger (the tennis player Boris Becker), the group returns to the question of who is rich.

[Dina] What is a million, essentially?

[Stefan] Yeah. If you have a million, and then you pay a lot of taxes, phew, then you're probably left with...

[Petra] No, he shouldn't pay so much tax that he has nothing left. That's not what I mean. He shouldn't lose all his wealth, that's not the point. He should just pay a bit more than normal people. Not - who knows how much - so that he gets poor. That's also no use.

[Dina] Exactly, if you have a million and have to pay 50 percent in tax, then, of course, it becomes annoying.

[Petra] That's not what I meant. I don't begrudge him that.

It is noteworthy that Petra makes a fairly basic and, one would think, consensual argument that the rich should pay “a bit more”. This would even be the case with a flat tax and does not even require progressivity. Still, her statement is met with routine anti-tax arguments and she gets on the defensive. Ultimately, she acknowledges the risk of capital flight and feels the urge to distance herself from the suspicion of being envious. As the discussion continues, Petra tries to refute arguments against inheritance tax as a form of double taxation. Again, it ends in resignation.

[Dina] The inheritance tax is, well...In my opinion, if I inherit, then the person who bequeaths something to me has already paid taxes.

[Günther] Exactly!

[Dina] So the tax office nicely helps itself two or three times, and I don't like that.

[Petra] Of course, it depends on how much I inherit. If I only inherit, let's say, a small house from my mother, then I think that's mean, because maybe the person didn't have much; mother worked all her life for the house and paid it off, and what have you - then I also don't think that's okay. But if someone inherits ten or 20 houses or something, why not?

[Günther] Although he has of course also already paid taxes on the ten or 20 houses. Where do you draw the line?

[Petra] Yeah. Maybe you shouldn't do that... but, yes... I don't know.

In sum, the interaction level shows that it is hard, even among members of the lower classes, to make an argument in favor of taxing the rich. There seem to be firmly established anti-tax arguments in public discourse that are taken for granted by many participants and routinely receive support. The burden of explaining and justifying pro-tax positions seems considerably higher. Most participants do not possess the necessary knowledge and motivation to overcome this discursive barrier.

### *Tax attitude differences in focus groups and surveys*

A final finding relates to how focus group and survey responses relate to each other. Politicians expressed skepticism about the usefulness of the latter, a view that is in line with our general results. As described by them, personal discussions seem to bring out more critical positions on taxation than surveys (as the one in Figure 1). Focus groups 9-12 allow us to directly contrast group discussions with previous agreement to the survey item “I think rich people in Germany should pay higher taxes” (on a scale from 1 [totally disagree] to 7 [totally agree]). As shown in Panel B of Figure 2, many participants coded as “contra” or “ambivalent” in the discussions had expressed support in the pre-survey (with values 5-7). While all anti-tax positions are consistently expressed in survey and discussions, consistent support is rare. Lina<sub>L10</sub> spontaneously explained the discrepancy to us by qualifying her own survey response as superficial:

“we also had a survey beforehand where we were also supposed to tick an answer and I said I was in favor of it [taxing the rich]. (...) On that general level I would say: ‘why not!’. But what exactly would change

as a consequence, that I would rather like to know. How that would affect everything, also for the middle class and so on. That would then maybe change my answer somehow, I think.”.

Some further examples throw into sharp relief the gap between conversations and survey. Dina<sub>L9</sub>, the main tax skeptic in the interaction above, actually supports taxing the rich in the survey (with a value of 6). Omar<sub>H12</sub>, who gave the same survey response, vocally complained in the conversation that the rich already pay “a hell of a lot! We must not forget that we live in a capitalist state, which means that we have to make sure that people want to make more money”. Amelie<sub>H11</sub> (survey support of 6) states that if she were an entrepreneur or a big investor, she would feel “a bit fooled” by a net wealth tax and “move somewhere else where I would be more tax-privileged”.

As mentioned, we repeated the survey a week after the groups. As mean support drops by 0.25 scale points, the discussions seem to have clarified tax resistance for some. Unsurprisingly in this under-powered setup (N=24), the difference is not significant (p=0.35). It is also striking that several vocal tax critics in the conversations, such as Omar<sub>H12</sub>, stuck to their pro-tax answers in the post-survey. Dina<sub>L9</sub> even increased her support to seven. This puzzling behavior could be explained by superficial engagement with items or, given the short time between surveys, a desire to answer consistently.

### *Discussion*

The elite interviews showed that left politicians believe it is surprisingly difficult to persuade lower class voters of the need to tax and redistribute the concentrated wealth and income of the economic elite. They work with a model of public opinion that comes close to false consciousness conception. This is illustrated best by their frequent reference to ‘tax myths’. The manipulation of preferences through business lobbyists and allied actors in politics, science, and media is the central theme in their accounts of public tax attitudes. To say that they see public opinion as endogenous to the political process would be an understatement. Ultimately, meaningful support for tax reforms can only be won or lost in concrete and salient policy debates. What voters express prior to these debates is seen as a set of diffuse and usually politically inconsequential attitudes. For them, what might look like strong public support is inherently precarious once actual mobilization for or against reforms begins.

Our findings suggest that politicians have little trust in many opinion polls, particularly on abstract policy principles or socio-economic patterns, and certainly in the realm of tax policy preferences. According to their accounts, this leads them to rely on direct interactions with party members or voters (as has been observed in other countries Henderson et al., 2021, Walgrave et al., 2023). There is a noteworthy tension in this pattern. On the one hand, personal contacts are highly imperfect source of information, because they tend to be socially and politically selective (Broockman & Skovron, 2018; Pereira, 2021) and because absence of objective information might make it easier to project own preferences on the public (Butler & Dynes, 2016). On the other hand, surveys can be problematic sources too, because they lack validity for many issues. As our research suggests, direct exchanges do seem to provide

valuable insights to goal-oriented politicians who wish to understand how voters reason about and prioritize issues.

By emphasizing business indoctrination and tax hostility, left elites presented themselves as close to powerless, but also blameless, in what appears to many observers as a stark failure to represent the lower classes in tax politics. This narrative could be seen as a rationalization. The portrayal of voters as tax ‘illiterates’ actually resembles the “disagreement discounting” observed by Butler and Dynes (2016). We therefore tried to assess the validity of their accounts in focus groups. In several dimensions, we see sufficient overlap between these groups and elites’ descriptions to attest them a valid image of public opinion, specifically: limited knowledge about or interest in tax policy, indifference or hostility towards taxing the rich, susceptibility to business criticism of taxation, and a weak link between support expressed in surveys and in face-to-face conversations.

The main between MPs’ summaries of voters’ beliefs and those actually mentioned by participants were meritocratic barriers to taxing the rich. The prominence of meritocratic arguments also amongst lower-class participants is a common finding, e.g. in research on system justification (Jost, 2020) or working-class ‘boundary management’ (Lamont, 2000). Why was this key driver ignored by politicians who otherwise proved to have a sophisticated understanding of tax attitudes? Maybe it simply is easier for left politicians to think of citizens as being led astray by business than accepting that they hold deep-seated values contradicting their policy goals.

While we cannot resolve this question, our findings indirectly speak to debates about business influences in redistributive politics. Politicians’ accounts resemble the growing literature on preference formation as key aspect of business lobbying (Emmenegger & Marx, 2019; Hertel-Fernandez et al., 2019; Walker & Rea, 2014). We certainly cannot answer to what extent business agency underlies the patterns we observed in the focus groups. But business-friendly frames did seem to have an edge in discussions. They were invoked routinely and tended to dominate in situations of disagreement (they seemed particularly *accessible* in Zaller’s [1992] terms). This makes the argument of internalized discourses plausible. At the same time, German business lobbyists do massively engage in attempts to influence public opinion, with a long-standing emphasis on criticizing the excessive tax burden (Kinderman, 2017). Linking such business activity and attitudinal research will be a core task for follow-up research.

So far, we have treated the conversations about taxes as a test case for representation in redistributive politics. But they bear direct relevance for a growing political-science literature on tax attitudes. Our results confirm that limited knowledge about the tax system is a barrier to developing clear preferences (Bartels, 2008; Stantcheva, 2021; Williamson, 2017). That said, our focus groups also show that many people are perfectly able to reason about taxing the rich. As for most issues, they rely on simplified arguments from the media and political actors. One interpretation is that the business side is better at providing such arguments than proponents of taxing the rich. Our findings are also consistent with Scheve and Stasavage (2022), who argue that an equal treatment norm often prevents citizens from endorsing taxing the rich. More surprising was how little resonance compensatory fairness arguments had (Limberg, 2019), despite a context in which government lockdowns created winners and losers of the Corona pandemic. Overall, Germans seem to be no less skeptical of taxing the rich than citizens of traditionally liberal countries. Important differences to the US case seem to be a less visible

division along party lines and the near absence of racialized arguments (as observed by Williamson, 2017), which arguably reflects the different political rhetoric and conflict lines in both countries.

Finally, the divergence of survey response results and stances taken in focus groups, in our view, challenges the extreme dominance of the former in responsiveness research. Surveys can be useful in many contexts, but studying sub-group preferences on an issue-by-issue basis might not be their greatest strength. The boxes respondents tick do not necessarily provide meaningful information about *whether* and *how* people will position themselves in real-world policy debates. While this has the potential to call into question the relevance of much research in the responsiveness paradigm (including the question of how accurately survey patterns are perceived), a word of caution is in order. We do not assume that focus groups are necessarily better at revealing ‘true’ preferences. Expressions in them are clearly colored by contingent social dynamics (Cyr, 2019, pp. 32-33). While surveys ignore the situational nature of political views, focus groups might lead to falsely generalizing from idiosyncratic situations. Clearly, more research on their relationship is necessary. Triangulating political attitudes with quantitative and qualitative methods is a fruitful and important direction for future research that should explore whether our observations hold in larger samples and for different issues. The quantitative analysis of open-ended survey items (Ansell, 2023, p. 118; Zollinger, 2022) could be a promising extension of (or compromise between) both methods.

### *Conclusions*

Based on our case study, responsiveness seems too simple a model of the elite-citizen linkage to capture political inequality in redistributive politics. On the one hand, it risks *over*-estimating inequality by exclusively relying on surveys. As our focus group results suggest, surveys might exaggerate the preference gaps between social classes that are a necessary condition for unequal responsiveness.

On the other hand, the responsiveness lens risks *under*-estimating political inequality by ignoring power asymmetries on the level of preference formation. If representatives of the upper classes play the long game of shaping public opinion to its advantage, scientists as well as politicians should address precisely this process. For politicians, as they are well aware, this means going beyond the delegate role implied in the responsiveness model and acting instead as trustees that, in the process of representation, help to clarify their constituencies’ interests. Research on political inequality should adopt a similar perspective by including discourses and strategies prior to the decision-making stage. For example, the accuracy of preference estimates is not the only, and arguably not even the most relevant aspect of politicians’ engagement with public opinion. Researchers should take seriously the possibility that it can be incredibly difficult for politicians to persuade voters of redistributive policies that straightforwardly seem in their material interest; and unearth the underlying reasons.

Our research can only elucidate a small part of this complex process. The generalizability of our results as well as many nuts and bolts of the argument will have to be addressed in future research. As we hope our case study shows, this endeavor is likely to miss important aspects of real-world political inequality unless qualitative methods will be integrated in research designs.

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## Appendix

### Appendix A: Survey

Quasi-representative online survey with 6.100 participants in December 2021 (i.e. close to Federal Election on September 26, 2021). The original item on taxing the rich contained randomized variations in the justification for tax increases. These did not vary significantly from the neutral formulation.

Item wording:

In the election campaign there was a lot of talk about tax policy. This concerned primarily the question whether the rich should pay higher taxes [randomized] to decrease the gap to the rest of society / to relieve middle and low incomes / to finance the combat against child poverty / to finance the digitalization of schools / to finance investment into climate protection / to finance the costs of the Corona pandemic / to cope with public debt and comply to the debt brake.

What do you think? Should the tax for the rich in Germany be...

- <1> increased a lot
- <2> increased somewhat
- <3> stay the same
- <4> lowered somewhat
- <5> lowered a lot
- <77> Don't know / prefer not to say

Our dichotomous measure of support for taxing the rich takes the value of 1 if respondents answered with <1> or <2>. The category <77> was dropped.

Original item in German:

Im letzten Wahlkampf wurde viel über Steuerpolitik gesprochen. Vor allem ging es um die Frage, ob Reiche höhere Steuern zahlen [randomisiert:] sollen. / sollen, um die wachsende Kluft zum Rest der Gesellschaft zu verringern / sollen, um mittlere und niedrige Einkommen zu entlasten / sollen, um den Kampf gegen Kinderarmut zu finanzieren / sollen, um die Digitalisierung der Schulen zu finanzieren / sollen, um Investitionen in den Klimaschutz zu finanzieren / sollen, um die Kosten durch die Corona-Krise zu finanzieren / sollen, um die Staatsschulden zu bewältigen und die Schuldenbremse einzuhalten.

Wie sehen Sie das? Die Steuern für Reiche sollten in Deutschland ...

- <1> stark erhöht werden.
- <2> etwas erhöht werden.
- <3> gleich bleiben.
- <4> etwas gesenkt werden.
- <5> stark gesenkt werden.
- <77> Weiß nicht / will ich nicht sagen

## Appendix B: Elite Interviews

The semi-structured interviews were conducted online via Webex or Zoom between August 2020 and May, 2022. Each interview lasted roughly between 60 and 90 minutes (see below). Some statements are reported anonymously, so citations cannot be linked to the respondent. Translations of German quotations are our own.

Table B1: Interview list

|    | Interview           | Name                    | Function   | Party                        | Date       |
|----|---------------------|-------------------------|--|------------------------------|------------|
| 1  | Left-wing Party MoP | anonymized              | anonymized   | anonymized                   | 20/08/2020 |
| 2  | Binding             | Binding, Lothar         | MoP (1998-2021), Member of Finance Committee (1998-2021), Spokesperson of the financial policy working group of the SPD parliamentary group (2012-2021)  | SPD                          | 26/08/2020 |
| 3  | Kiziltepe           | Kiziltepe, Cansel       | MoP (2013-2023), Member of Finance Committee (2013-2023), Deputy Spokesperson of the financial policy working group of the SPD parliamentary group (2015-2023)                                       | SPD                          | 27/08/2020 |
| 4  | SPD MoP             | anonymized              | anonymized   | SPD                          | 21/07/2020 |
| 5  | SPD MoP II          | anonymized              | anonymized   | SPD                          | 27/08/2020 |
| 6  | Walter-Borjans I    | Walter-Borjans, Norbert | Chairman of the SPD (2019- 2021), Minister of Finance in North Rhine-Westphalia (2010 – 2017)  | SPD                          | 19/08/2020 |
| 7  | Walter-Borjans II   | Walter-Borjans, Norbert | Chairman of the SPD (2019-2021), Minister of Finance in North Rhine-Westphalia (2010 – 2017)   | SPD                          | 23/02/2022 |
| 8  | SPD MoP III         | anonymized              | anonymized   | SPD                          | 08/09/2020 |
| 9  | Petring I           | Petring, Alexander      | Head of strategic center of the SPD (2020-), Office of the SPD Secretary General (2016-2017)   | SPD                          | 08/09/2020 |
| 10 | Petring II          | Petring, Alexander      | Head of strategic center of the SPD (2020-), Office of the SPD Secretary General (2016-2017)   | SPD                          | 24/03/2022 |
| 11 | DeMasi              | De Masi, Fabio          | MoEP (2014-2017), MoP (2017-2021), Member of Finance Committee (2017-2021)   | Die LINKE                    | 11/09/2020 |
| 12 | Troost              | Troost, Axel            | Deputy chairman of the Left Party (2012-2022 ), MoP (2005-2017, 2021) spokesman on financial policy for the Left Party parliamentary group (2005-2017), Member of Finance Committee (2009-2017)      | Die LINKE                    | 14/09/2020 |
| 13 | Paus                | Paus, Lisa              | MoP (2009-), Member of Finance Committee (2009-2022), Federal Minister for Family Affairs, Senior Citizens, Women and Youth (2022-)  | Bündnis90/<br>Die Grünen     | 24/08/2020 |
| 14 | Kindler             | Kindler, Sven Christian | MoP (2009- ), Member of Budget Committee (2009- )  | Bün-<br>dnis90/Die<br>Grünen | 09/09/2020 |
| 15 | Greens MoP          | anonymized,             | anonymized   | Bündnis90/<br>Die Grünen     | 24/09/2020 |
| 16 | Schick              | Schick, Gerhard         | Chairman of “Bürgerbewegung Finanzwende” (2018- ), MoP (2005-2018), Member of Finance Committee (2005-2018), Alliance '90/The Greens parliamentary group's spokesman on financial policy (2007-2018) | Bündnis90/<br>Die Grünen     | 10/09/2020 |
| 17 | FDP MoP             | anonymized              | MoP  | FDP                          | 28/08/2020 |
| 18 | CDU MoP I           | anonymized              | MoP  | CDU                          | 13/10/2020 |
| 19 | CDU MoP II          | anonymized              | MoP  | CDU                          | 22/10/2020 |

## Appendix C: Focus Groups

### *Procedure and ethics*

Focus groups were conducted February-April 2022 and February 2023. Recruitment and infrastructure were provided by a commercial agency in Cologne, Germany. The research process adhered to the Principles and Guidance for Human Subjects Research by the American Political Science Association. The involvement of a professional company ensured compliance with all German regulation regarding data protection. To be part of the research, all participants had to explicitly agree to participate in group discussions against payment (50 Euros per person). The research team was responsible for carrying out moderation. In the beginning of the study, researchers introduced themselves and the purpose of the study. No deception was used, neither regarding researcher's identity, the social science nature of the activity, or the motivation for the research. The authentic goal of the research was to learn about participants' political views. This was clearly communicated in the beginning and remained transparent throughout the conversations. Importantly, all used stimuli (see below) were based on publicly available information, e.g. academic research, campaign posters, or TV footage. Against this background, no debriefing was necessary. Anonymity was assured at the beginning of the conversations. All participants are assigned an alias in the publication so that it is impossible to trace identities.

Generally, we are not aware of any threat to participants' wellbeing or autonomy. There was no apparent risk for physical, social, or economic harm in the focus groups. Mild psychological distress (e.g. embarrassment) cannot be ruled out entirely. While discussing politics might be awkward to some, and remaining silent in conversation was respected. Moderators never addressed individuals to ask for their opinion or confronted them with criticism of their positions. As part of the design, some groups involved the task for citizens with low education to discuss politics in the presence of academic researchers. This could involve the feeling of being judged for behaviors stigmatized as "political apathy" or "ignorance". To minimize the risk of stigmatizing certain responses, the moderators were instructed not to react directly, let alone judge statements. Moreover, it was emphasized that it is common and understandable that people pay different levels of attention to political topics. The use of jargon as class and status markers was avoided in verbal communication and stimuli. This is a primary reason why we chose to separate groups by levels of educational attainment.

### *Structure of conversations*

The group discussions were conducted in a structured format consisting of the following seven components:

- (1) *Introductory round;*
- (2) *(Open) warm-up questions on important political issues;*
- (3) *Transition to the issue of tax policy;*
- (4) *Direct inquiry into preferences regarding taxing the rich;*
- (5) *Stimulus I: "pro and con of taxing the rich" and its discussion;*
- (6) *Direct inquiry into the crisis-related arguments for taxation;*
- (7) *Stimulus II: effects of parties' tax plans.*

(1) Starting with an *introductory round*, the moderators presented the topic of the group discussion and explained the rules of conversation and participants were provided with the opportunity to introduce themselves, establishing a sense of cohesion and facilitating a pleasant atmosphere for open dialogue.

The two moderators

- clearly articulated their particular interest in how citizens perceive politics (their opinions on parties and specific political issues), elucidated the most important rules of conversation: mutual respect, allowing individuals to finish speaking, and raising hands to contribute
- reassured participants that their individual levels of interest in politics were inconsequential, as the focus lay on capturing a broad spectrum of perspectives
- highlighted the recording of the conversations while emphasizing that this process served solely for scientific purposes. This transparency aimed to ensure participants felt comfortable expressing their thoughts
- granted participants the freedom to disclose either their real identities or adopt fictional names, as well as share details about their occupations or any other personal aspects they felt inclined to divulge.

(2) *Warm-up questions on important political issues:* The first goal was to explore whether citizens would spontaneously recall the topic of “taxing the rich” in the run-up to the 2021 federal election in Germany/in the context of the COVID-19 pandemic/in the recent energy crisis (depending on the timing of the focus groups). For this reason, we asked, for instance, the following three open questions in the first four focus groups, which took place a few months after the federal election:

1. “We would like to start by discussing the recent election campaign. A lot has happened since then. But if you can go back for a moment, did you follow the election campaign? If so, what issues stood out to you as particularly important?”
2. “The election winner was the SPD with chancellor Olaf Scholz. Can you recall any specific topics or issues promoted by the SPD during the election campaign? (How convincing did you find the SPDs election campaign?)”
3. “Depending on the conversation flow, we pointed to “social justice” as a new topic or as a clarification: 3. The SPD is traditionally associated with the theme of “social justice.” How was that reflected in the election campaign? Did you notice any indications of it? What evidence or examples can you provide?”

(Possible follow-up question: “Were there any topics that you felt were missing from the election campaign?”)

(3) *Transition to the issue of tax policy:* If tax policy was not addressed by the participants in the open questions (as was generally the case), it was directly brought up in the next step. However, this was first done on a general level, without focusing on taxing the rich. The bridging question asked was as follows:

- “there was also a lot of talk about taxes. There was talk about both tax increases and tax cuts. Did you pay attention to that? Was this an important issue for you?”

(4) *Direct inquiry into preferences regarding taxing the rich:* If even at this point the discussion has not yet come to redistributive/progressive taxation or “taxing the rich”, then the participants were directly asked about their preferences and attitudes towards taxation of affluent individuals:

- “asked in general, do you actually think that the rich in Germany should pay more tax? (depending on the course of the discussion: are there also reasons against/for higher taxes?)”

(5) *Stimulus I on “pro and con of taxing the rich” and its discussion:* To confront participants with the arguments for and against taxing the rich that have been widely disseminated in the media, we showed a video as a stimulus, stimulating critical thinking and facilitating a deeper engagement with the topic. The video was an excerpt from a televised debate between the candidates for chancellor of the SPD, CDU and the Greens from August 2021, in which the candidates outlined their tax policy programs and beliefs. The focus was on the diametrically opposed positions of the SPD and CDU. While SPD candidate Olaf Scholz argued for higher taxes for the rich, CDU candidate Armin Laschet argued against. After watching the video, participants discussed which arguments they found most persuasive and why.

(6) *Direct inquiry into the crisis-related arguments for taxation:* Subsequently, the role of crises was asked again separately.

- “In your opinion, should the *rich* winners of crisis contribute disproportionately to the costs of crisis via higher taxes?”

(7) *Stimulus II: study on micro effects of parties’ different tax plans.* The main results of an study conducted by ZEW (Leibniz Centre For European Economic Research) during the election campaign on the hypothetical effects of different political parties’ tax plans was presented as another stimulus, enriching the discussions with empirical evidence. At the same time, the participants were confronted with what the parties’ tax plans mean in concrete financial terms for different income groups.

## Soviel hätten Familien mehr oder weniger im Jahr ...wenn die Parteien Ihre Steuerpläne umgesetzt hätten



ZEW-Kurzexpertise NR.05 // 8. JULI 2021

**Figure C1: Stimulus II, as presented in the focus groups:** “This is how much families would have more or less a year ... if the parties had implemented their tax plans.”

The moderators posed the following questions:

- “Interpretation: If parties had implemented their tax program 100%. What would this mean for the income of families in different strata? Who would be burdened or relieved? Example SPD: Poor families more, rich families less. Questions: If you see it this way:



Which plan is best? Tax plans hard to see through. Were you aware of these differences?”

*Coding*

Table C1: Overview of focus groups and raised arguments pro/contra tax increases for the rich (TIR)

| Focus Group  | Number of participants' with TIR preferences |           |            |           | Arguments pro TIR raised |                 |                      |                     | Arguments against TIR raised |                      |              |              |                 |           |                          | Other                 |                   |
|--------------|--|-----------|------------|-----------|--------------------------|-----------------|----------------------|---------------------|------------------------------|----------------------|--------------|--------------|-----------------|-----------|--------------------------|-----------------------|-------------------|
|              | pro  | con       | ambivalent | no        | Ability to pay           | Undeserved rich | Inequality reduction | Crisis compensation | Rich already pay a lot       | Capital flight /Jobs | Tax aversion | Middle class | Equal treatment | Merit     | Identification with rich | Personally Irrelevant | Fight tax evasion |
| L1           | 0  | 1         | 2          | 2         | X                        |                 | X                    |                     |                              | X                    |              |              | X               | X         | X                        |                       |                   |
| L2           | 0  | 4         | 0          | 1         |                          |                 |                      |                     |                              | X                    |              |              | X               | X         | X                        | X                     |                   |
| L3           | 1  | 2         | 1          | 1         | X                        |                 |                      |                     | X                            |                      | X            |              |                 | X         |                          | X                     | X                 |
| L4           | 2  | 2         | 1          | 0         | X                        |                 | X                    |                     | X                            | X                    | X            |              |                 | X         |                          |                       | X                 |
| H5           | 0  | 2         | 2          | 1         | X                        |                 |                      | X                   |                              | X                    | X            | X            |                 |           |                          | X                     | X                 |
| H6           | 1  | 1         | 2          | 1         | X                        |                 | X                    |                     |                              | X                    |              | X            | X               |           | X                        | X                     |                   |
| H7           | 1  | 0         | 2          | 2         | X                        |                 |                      |                     | X                            |                      |              |              |                 | X         |                          | X                     |                   |
| H8           | 1  | 2         | 2          | 0         | X                        | X               |                      |                     | X                            |                      | X            | X            |                 | X         |                          |                       | X                 |
| L9           | 1  | 3         | 0          | 2         | X                        |                 |                      |                     |                              | X                    |              | X            |                 | X         |                          | X                     |                   |
| L10          | 0  | 4         | 1          | 1         | X                        | X               | X                    | X                   | X                            | X                    | X            | X            | X               | X         | X                        | X                     |                   |
| H11          | 1  | 3         | 1          | 1         | X                        | X               |                      | X                   |                              | X                    | X            | X            |                 | X         | X                        | X                     |                   |
| H12          | 0  | 2         | 1          | 3         | X                        |                 |                      | X                   |                              | X                    |              |              |                 | X         |                          | X                     | X                 |
| <b>Total</b> | <b>8</b>                                     | <b>26</b> | <b>15</b>  | <b>15</b> | <b>11</b>                | <b>3</b>        | <b>4</b>             | <b>4</b>            | <b>5</b>                     | <b>9</b>             | <b>6</b>     | <b>6</b>     | <b>4</b>        | <b>10</b> | <b>5</b>                 | <b>9</b>              | <b>5</b>          |

Table C1 summarizes the arguments for and against higher taxation of the rich raised in the twelve focus groups. The arguments were coded as present whenever it was introduced into the discussion by at least one participant either spontaneously or in response to a presented stimulus.

Arguments for higher taxation basically followed four different lines of reasoning: “ability to pay”, “undeserved rich”, “inequality reduction”, and “crisis compensation”. By far the most common pro-argument (raised in eleven groups) was the so-called “ability to pay” of the rich, i.e. the assumption that tax increases for the rich (TIR) is justified because it means a lower sacrifice for them than for low-income earners. In the group discussions, this argumentation often appeared in the formulation “that wouldn’t hurt them” or “that’s small change for them.” Mentioned in only four groups, our participants were significantly less likely to use “inequality reduction” as a justification for TIR. Groups were coded for the presence of the argument when statements were made about advocating TIR because of the widening gap between rich and poor. Four of our groups also included one or more respondents making compensatory logic arguments. This argument is about the idea that the rich, as crisis winners, should compensate the crisis losers to a greater extent (Limberg 2019). Scheve & Stasavage (2016) elaborate that this argument also involves intervention by the state that exacerbates existing inequalities. TIRs are perceived as appropriate in this context if this compensates for the preceding unequal treatment by the state. Groups were coded for the presence of the argument whenever they advocated that rich crisis winners, should contribute more to the costs of the Corona or climate

crisis. Even less frequently (in three groups), TIR was advocated on the basis of unjustified affluence. The groups were coded in this sense whenever participants argued that TIR is appropriate when people have not earned their wealth themselves, for example, they were already born rich or acquired large inheritances.

The arguments against TIR identified in the focus groups were not only more varied, but brought forth (or presented in our focus groups) more often. The most frequent counter-argument to TIR is based on meritocratic values. In eleven of the twelve focus groups, it was pointed out that the rich should not be burdened with higher taxes because they had earned their wealth through their achievements and hard work. An argument was coded as merit when participants argued against TIR because they see wealth as justified and associated with effort. Closely related, but coded separately, was *identification with the rich* (five groups). This included statements formulated on the basis of a sense of empathy, e.g., “if I were in their shoes, I would be angry too.”

Arguments were coded as belonging to *capital flight/jobs* category (nine groups) when participants argued against TIR because they feared the relocation of businesses abroad as well as the associated job loss. This is related to the *middle-class* argument, according to which the middle class would be affected by TIR. Whenever participants argued against TIR because the middle class and family businesses need to be protected, the group was coded accordingly.

Another argument used against TIR in five of the groups was that rich people already pay a lot of taxes (*rich pay a lot*). Less frequently (in four groups), the argument against TIR was made that all taxpayers should be treated equally by being subject to the same tax rates. Scheve and Stasavage (2016; 2022) already show in their studies that many citizens consider higher tax rates for the rich to be unfair. Accordingly, a group was coded as *equal treatment* if participants opposed TIR because they consider proportional taxation more appropriate. The last argument against TIR, which was brought forward by the participants, refers to a general aversion to taxation (*tax aversion*). It was coded as present when participants expressed either that they have a fundamental antipathy to taxation because of the feeling that something is being taken away from them, or because they complain about tax evasion by the state.

Arguments that could neither be clearly categorized as pro or contra are *lack of concern* and the *fight against tax avoidance*. By lack of concern, it is meant that the participants made clear that they are not interested in the policy because they themselves are not affected by it. Some participants referred to the fight against tax avoidance as more important than TIR.

**Table C2: Participants characteristics, coding and their arguments in favor or against “taxing the rich”**

| Name <sup>5</sup>   | Age | Coding     | Arguments  | Occupation                  |
|---|-----|------------|--|-----------------------------|
| <b>Focus group (FG) 1 (low-skilled citizens), Cologne, Germany, February 10, 2022</b> |     |            |  |                             |
| Cordula   | 56  | contra     | They all go to Switzerland (capital flight)  | Sales clerk                 |
| Anastasia   | 49  | ambivalent | Pro: 1 % more from the rich would help the country (tax revenue)<br>Con: the rich worked for it (merit)<br>Go to Switzerland (capital flight)<br>Equal responsibility for joint budget (equal treatment)   | Insurance clerk             |
| Haro  | 55  | no         | -  | Early retiree               |
| Ali   | 30  | ambivalent | Pro: take a bit away and give to the poor, bring them down to our level (inequality reduction)<br>would not hurt the rich (ability to pay: 100 000 for them is a 1000 for us)<br>Con: earned it (merit)<br>soccer stars should not be taxed (identification with rich) | Warehouse staff             |
| Christian   | 36  | no         | -  | Nursery school teacher      |
| <b>Focus group (FG) 2 (low-skilled citizens), Cologne, Germany, February 10, 2022</b> |     |            |  |                             |
| Tatjana   | 50  | no         | -  | Waitress                    |
| Magdalena   | 44  | contra     | Con: Punish for profit (merit)<br>Go abroad (capital flight)<br>Notes: Who is rich? (personally irrelevant)  | Receptionist                |
| Ursula  | 53  | contra     | Con: Pointless, rather relieve working people (personally irrelevant)<br>Notes: Who is rich? (personally irrelevant)   | Sales clerk                 |
| Alina   | 31  | contra     | Con: Hard for self-employed (identification with rich)<br>Costs jobs (capital flight)<br>Price inflation<br>Better raise wages   | Saleswoman in field service |
| Aishe   | 27  | contra     | Con: Too little revenue (irrelevant revenue)<br>“uniform rule” (equal treatment)<br>KMUs heavily burdened, unfair<br>Notes: Who is rich? (personally irrelevant)   | Office clerk                |
| <b>Focus group (FG) 3 (low-skilled citizens), Cologne, Germany, February 11, 2022</b> |     |            |  |                             |
| Marcel  | 50  | no         | Notes: Who is rich? (personally irrelevant)<br>Overwhelmed by tax issue (tax illiterate)   | Warehouse staff             |
| Maria   | 35  | contra     | Con: Price inflation & sales tax (tax aversion)<br>Earned it (merit)<br>After ZEW Pro: (ability to pay)  | unemployed                  |
| Natalie   | 33  | contra     | Con: Already pay a lot (ability to pay)<br>Earned it (merit)<br>Price Inflation (tax aversion)   | Early retiree               |
| Sarah   | 30  | ambivalent | Pro: Don’t hurt the rich (ability to pay)<br>Con: Punish for profit (merit)  | unemployed                  |

<sup>5</sup> Names have been changed to ensure anonymity.

|   |    |            |  |                 |
|---|----|------------|--|-----------------|
|   |    |            | Earn it; right place, right time; we all have the chance (merit)<br>Not enough “steps” in tax system (middle class has to pay a lot)   |                 |
| Miroslav  | 47 | Pro        | Pro: Lower classes don’t have much, but have to pay a lot; it’s fair that rich pay more (ability to pay)<br>Notes: Big global companies that evade taxes, higher taxed justified (fight tax evasion)   | unemployed      |
| <b>Focus group (FG) 4 (low-skilled citizens), Cologne, Germany, February 11, 2022</b> |    |            |  |                 |
| Norbert   | 53 | contra     | Con: They all go away (capital flight)<br>Huge waste of taxpayers’ money (tax waste)<br>Notes: Criticizes tax loopholes and corporations such as Amazon (tax evasion)  | Craftsman       |
| Dennis  | 38 | pro        | Pro: People with high income are able to take the burden (ability to pay)<br>Agrees with SPD plans to tax the very rich to reduce gap (inequality reduction)   | Garbage man     |
| Alexander   | 35 | Contra     | Pro: “richest of the rich, yes” (ability to pay)<br>Con: Earn it (merit)<br>They all go away (capital flight)  | Craftsman       |
| Liem  | 34 | ambivalent | Pro: reducing gap between rich and poor (inequality reduction)<br>Con: Self-employed earn it; “envy tax” (merit)<br>Taxing crisis winner unfair because they earn it (merit)   | Train driver    |
| Fabian  | 37 | pro        | Pro: reducing gap between rich and poor (inequality)<br>don’t hurt the rich (ability to pay)<br>Con: Already pay a lot<br>Notes: SMEs suffer from pandemic<br>Tax waste (efficient state)  | Nurse           |
| <b>Focus group (FG) 5 (high-skilled citizens), Cologne, Germany, April 5, 2022</b>    |    |            |  |                 |
| Lisa  | 29 | ambivalent | Pro: Revenue that could make a difference for the country (tax revenue)<br>Con: Taxing GAFA and not SMEs<br>Notes: Who is rich (personally irrelevant)   | Self-employed   |
| Elise   | 40 | contra     | Con: Tax increases because of increasing public debt (government failure)<br>Notes: Misses communication of purposes; what is going to be financed   | Teacher         |
| Laura   | 40 | ambivalent | Pro: A single real estate agent that makes millions (ability to pay)<br>Investing in climate protection, supporting Ukraine, Corona costs (compensatory argument)<br>Con: Depends on how many jobs are at stake? (job killer)<br>Notes: Not the target group (personally irrelevant) | Municipal clerk |

|   |    |            |   |   |
|---|----|------------|---|---|
| Hannah  | 31 | contra     | Con: They want to take something away from us (tax aversion)<br>Notes: Purpose of tax increases not communicated  | Project manager (pharmaceutical company)              |
| Emma  | 34 | no         | -   | Software sales  |
| <b>Focus group (FG) 6 (high-skilled citizens), Cologne, Germany, April 5, 2022</b>  |    |            |   |   |
| Frank-Milan   | 50 | ambivalent | Pro: Can tax at certain income level (ability to pay)<br>Con: SMEs suffered during Corona   | Municipal clerk                                       |
| Joline  | 35 | contra     | Con: Earn it (merit)<br>SMEs provide jobs (job-killer) if we were in their place we would be angry, too (identification with rich)<br>higher rates for rich unfair (equal treatment)<br>Notes: I'm not rich, will never be rich (personally irrelevant) | Project manager (online pharmacy)                     |
| Matthias  | 51 | no         | -   | Human resources officer                               |
| Dunja   | 43 | ambivalent | Pro: Corporations like Pfizer and top-manager should pay more (ability to pay)<br>Con: SMEs should not be taxed more heavily  | Healthcare administrator                              |
| Regina  | 56 | pro        | Pro: If you have more, you can pay more (ability to pay)<br>Income gap between rich and working class unfair (inequality reduction)   | Family Nurse  |
| <b>Focus group (FG) 7 (high-skilled citizens), Cologne, Germany, April 13, 2022</b> |    |            |   |   |
| Peter   | 38 | ambivalent | "I would say yes and no"<br>Con: Earned it - build something up, lived sparingly and saved (merit)  | Office management                                     |
| Felix   | 55 | ambivalent | Pro: Could pay more (ability to pay)<br>Con: Overburden corporations with different taxes (already pay a lot)<br>Notes: Who is rich? (personally irrelevant)  | Legal advisor   |
| Franca  | 25 | pro        | Pro: rich benefitting from exploiting the working class (inequality reduction)<br>Notes: Not affected as student (personally irrelevant)  | Student (Comparative Gender Studies)                  |
| Mira  | 32 | no         | Notes: After ZEW Pro: would not hurt the rich (ability to pay)  | Underwriter at municipal insurance company            |
| Sina  | 27 | no         | -   | Student (business administration)                     |
| <b>Focus group (FG) 8 (high-skilled citizens), Cologne, Germany, April 13, 2022</b> |    |            |   |   |
| Robert  | 26 | Pro        | Pro: a rich family entrepreneur has to pay, too (ability to pay)<br>In favor of inheritance tax; rich kids never have to work (underserved rich)  | Business informatics specialist in telecommunications |
| Christian   | 33 | Contra     | Con: Germany already country with highest tax rates<br>Should not burden the middle class even more to pay for all these expenses (middle class is affected)  | Project engineer (Civil engineering)                  |

|  |    |            |  |                             |
|--|----|------------|--|-----------------------------|
|  |    |            | Don't tax SMEs, because of very important function in the German society<br>Tax waste (inefficient government)<br>Notes: Differentiate between SMEs and tech firms   |                             |
| Johannes   | 37 | Contra     | Con: the (rich) top performers of society should not pay more (merit)<br>There is already enough revenue and enough room to reduce spending (state failure)<br>Discussion of envy; social classes are pitted against each other (envy) | Policeman                   |
| Lothar   | 41 | ambivalent | Pro: Rich children as wealth managers (undeserved rich)<br>Con: Entrepreneurs have more stress than employed people, should not be more burdened (merit)   | Business economist          |
| Thomas   | 54 | ambivalent | Pro: Justified to tax the super-rich (social justice)<br>Notes: Corporations such as Apple and Starbucks should pay more   | Chemical analyst            |
| <b>Focus group (FG) 9 (low-skilled, old citizens), Cologne, Germany, February 7, 2023</b>    |    |            |  |                             |
| Günther  | 51 | contra     | Con: The higher taxes, the less corporations in Germany (Capital flight)<br>Loss of jobs (job killer)<br>No inheritance tax since double taxation  | Geriatric nurse             |
| Sabine   | 57 | no         | -  | Daycare mother              |
| Stefan   | 47 | contra     | Con: Earned it through hard work (merit)<br>Negative effect on small family businesses<br>Wealth tax does not bring enough revenue (irrelevant revenue)<br>Notes: What is tax revenue used for?  | Aviation security assistant |
| Petra  | 56 | pro        | Pro: those who have more money (millionaires) or 20 houses should pay more (ability to pay)<br>Con: Go abroad (capital flight)<br>Against taxing Granny's house<br>Notes: I don't begrudge   | Sales clerk                 |
| Dina   | 52 | contra     | Con: middle class has to pay<br>Notes: Who is rich?<br>Would make a difference if we know what the tax revenue is used for   | Public service clerk        |
| Jörg   | 38 | no         |  | Public service clerk        |
| <b>Focus group (FG) 10 (low-skilled, young citizens), Cologne, Germany, February 7, 2023</b> |    |            |  |                             |
| Jens   | 34 | contra     | Pro: Would not hurt the rich (ability to pay)<br>Con: Earned it (merit)<br>Not fair if pay more (identification with the rich)<br>Notes: Not rich and will never be rich (personally irrelevant)                                       | Chef                        |
| Enver  | 26 | no         | Pro: profiting from crisis is unfair (compensatory argument)<br>Notes: No communication of use of additional tax revenue (use of tax revenue)  | Administration assistant    |

|   |    |            |   |  |
|---|----|------------|---|--|
| Ansgar  | 28 | contra     | Con: Rich should pay the same as middle class (equal treatment)<br>Notes: Lack of communication on the uses of additional tax revenue (use of tax revenue)  | Kindergarten teacher                         |
| Jannik  | 33 | contra     | Con: do not begrudge that someone has a better idea (merit)<br>Skilled workers go abroad to pay lower taxes (capital flight)<br>Against taxing crisis winner (merit)<br>Notes: what are these taxes collected for (use of tax revenue)  | Electronics technician for devices & systems |
| Lina  | 26 | ambivalent | Pro: Gap between rich and poor (inequality reduction)<br>Con: Possible negative effect on middle class (middle class affected)<br>Bad use of tax revenue (tax waste)<br>Notes: Difference between newly rich and the ever-rich  | Office management assistant                  |
| Jana  | 34 | contra     | Con: Rich already pay a lot more; do not overdo it (rich already pay a lot)<br>A lot of rich citizens go abroad (capital flight)<br>Notes: No communication of use of additional tax revenue (use of tax revenue)   | Assistant tax consultant                     |
| <b>Focus group (FG) 11 (high-skilled, young citizens), Cologne, Germany, February 8, 2023</b> |    |            |   |  |
| Erik  | 33 | contra     | Con: Politicians want to increase taxes for the large parts of the middle class<br>First review spending, since much tax money is inefficiently used (tax waste)<br>Already high-top rates for the rich; rich already pay a lot<br>The country will also lose top talent, skilled workers (capital flight)<br>Notes: Who is rich? | Industrial management assistant              |
| Marie   | 33 | contra     | Con: Not trusting government how they spend the money (tax waste)<br>Notes: Who is rich?  | Pharmacist                                   |
| Leon  | 32 | pro        | Pro: Give away the money you could never spend in your life (ability to pay)<br>In favor of taxing crisis winner (compensatory argument)<br>Notes: Better ask someone who is rich (personally not affected)   | Policeman                                    |
| Sophia  | 31 | ambivalent | Pro: fair for those for whom wealth somehow falls into their laps, such as soccer stars (undeserved rich)<br>Con: Worked hard for their wealth (merit)<br>The things inherited have all been taxed in some way before (Inheritance tax is double taxation)  | Legal intern                                 |
| Amelie  | 33 | contra     | Pro: Does not hurt the rich (ability to pay)<br>Con: Understand the reluctance of the rich (identification with the rich)<br>As an entrepreneur or big investor, I would move abroad where I would be more favorably taxed (capital flight)   | Primary school teacher                       |

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|---|----|------------|--|---|
| Paula   | 32 | no         | -  | Government inspector                            |
| <b>Focus group (FG) 12 (high-skilled, old citizens), Cologne, Germany, February 8, 2022</b> |    |            |  |   |
| Amir  | 50 | contra     | Con: Wealth tax has high administrative costs (low revenue)<br>Rich already pay a lot, but the revenue is lower if they go abroad (capital flight)<br>Notes: Panama Papers   | Self-employed tradesman / Wholesale & Retail    |
| Heinz   | 58 | ambivalent | Pro: Lack of tax justice<br>Don't hurt the rich (ability to pay)<br>Contra Disincentives for hard work<br>Notes: Too many tax evaders  | Engineer  |
| Omar  | 47 | contra     | Pro Crisis winners should pay more (compensatory argument)<br>Don't hurt the rich (ability to pay)<br>Contra: Tax increases as disincentives to work hard (merit)<br>Fighting tax evasion, we don't need tax increases<br>Notes: Who is rich?<br>Apple and tax evasion as huge problem | Business Informatics Specialist                 |
| Anna  | 41 | no         | Notes: Too many tax evaders  | Human resources officer                         |
| Stefanie  | 35 | no         | -  | Social worker                                   |
| Katharina   | 44 | no         | Pro: Don't hurt the rich (ability to pay)  | Employee for strategic corporate communications |





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