Policy Insights
Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)
OECD

Working hand in hand? Exploring people’s views of the role of different actors in fighting inequality

November 2023

- New data collected across 27 OECD countries reveal widespread concern about the current level of economic inequality in society. On average, nearly seven-in-ten respondents think that economic resources should be distributed more equally.
- Respondents are most concerned about inequality in income and wealth, but around half of them also think that disparities in citizens' political power and representation as well as divides in educational outcomes for children are too high. On average, these concerns match standard indicators of inequality, with more unequal countries showing more widespread public concern.
- In almost all countries studied, the large majority of people think that both the state and the private sector have key responsibility to reduce inequality. By contrast, opinions on the role that should be played by wealthy individuals and trade unions differ largely across countries.
- Preferences for inequality-reducing intervention, however, are not mutually exclusive. Around seven-in-ten respondents support the engagement of various stakeholders when it comes to reducing economic inequality. For instance, more than half of respondents believe that *both* the public *and* the private actors have a key role to play to reduce inequality.
- Clear generational divides emerge. Young respondents are more likely to back the involvement of local governments, NGOs and fellow citizens, albeit they show relatively lower support for intervention across the board. Conversely, older respondents tend to express stronger support for the role of the private sector and wealthy individuals in reducing economic inequalities.

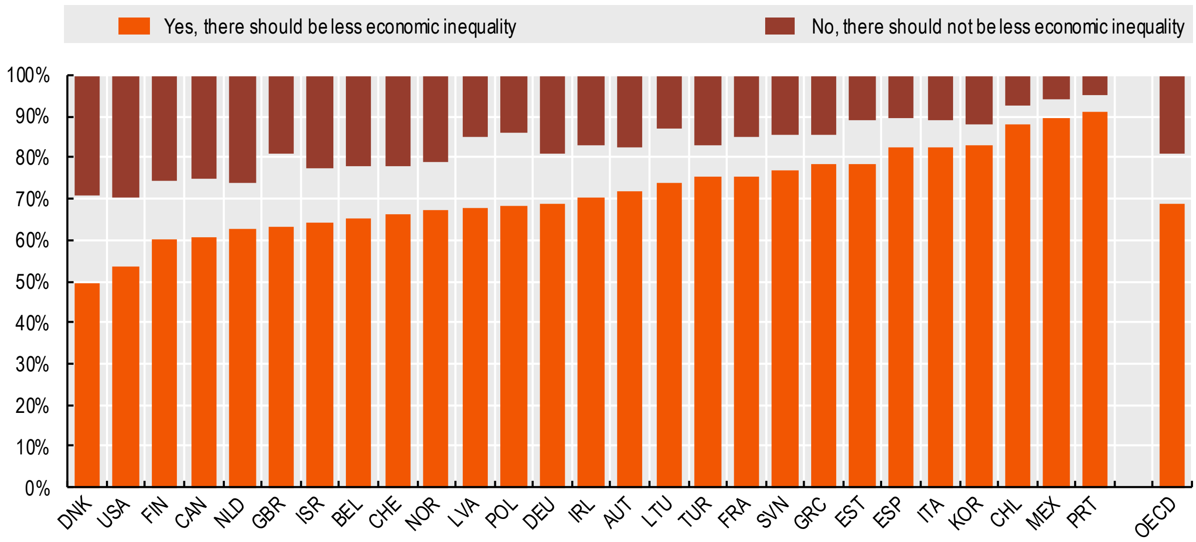
Inequality matters to people

During recent decades, inequality has been on the rise in the majority of OECD countries (OECD, 2008[1]; 2011[2]; 2015[3]). In mid-1980s, people in top 10% of income distribution on average earned 7.4 times the income of bottom 10%; by 2020, the ratio has increased to 9.5 times (OECD, 2023[4]). In the meantime, in the run up to the COVID-19 crisis, the wealthiest 10% of households hold 52% of total net wealth, a share that over the past decade has increased in most of the OECD countries with available data (OECD, 2021[5]). Recent OECD research has shown that concerns about income disparities have paralleled this trend: the proportion of people strongly agreeing that income inequalities are too wide has steadily increased since the late 1980s (OECD, 2021[6]). The Opportunities module of the 2022 wave of the OECD Risks that Matter survey (hereafter, the Opportunities module), developed with the support of Amundi, confirms widespread concern about the extent of economic inequality (see Box 3 at the end of the document for more information on the Opportunities module).

On average, nearly 70% of respondents to the Opportunities module believe that economic inequality should be reduced. However, large cross-country variation emerges: in Denmark and the United States, the levels hover around 50%, whereas in Chile, Mexico, and Portugal, the figures reach close to or even exceed 90% (Figure 1). Overall, public concern over economic inequality mirrors levels of inequality as measured by conventional measures (see Box 1). Nonetheless, this general pattern does not hold everywhere. For instance, while income inequality is much higher in the United States than in Denmark, both countries report similar levels of concern about income disparities. As discussed in OECD (2023[7]), additional factors, such as individuals' beliefs regarding the determinants of social mobility and the legitimacy of inequalities, play a mediating role in the relationship between levels of inequality and concerns over it.

Figure 1. There is a shared concern over economic inequality

Distribution of responses to the question: "Do you think that in your country there should be less economic inequality?", by country, 2022



Note: The blank area indicates the proportion of respondents who selected 'can't choose'. Countries are ranked in ascending order of the share of respondents reporting that there should be less economic inequality. Data from the Opportunities module include respondents aged 18-64. The OECD average refers to the weighted average of the 27 OECD countries for which data are available.
Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

Disparities are not only economic but affect virtually all spheres of people's lives. The recent series of shocks have exposed, and often magnified, existing divides. For instance, during the pandemic disadvantaged students had less resources to cope with school closures and the sudden switch to online learning, both in terms of availability of digital tools and support from parents (OECD, 2021[8]). In the longer run, ongoing mega-trends, such as the digital and green transformations, if not properly addressed, risk deepening divisions across people and places. Data from the Opportunities module reveal that, **while economic inequality remains of greatest concern, there is also widespread belief that disparities in various aspects of people's lives are too large** (see Box 1).

Box 1. Concerns about inequality go beyond income

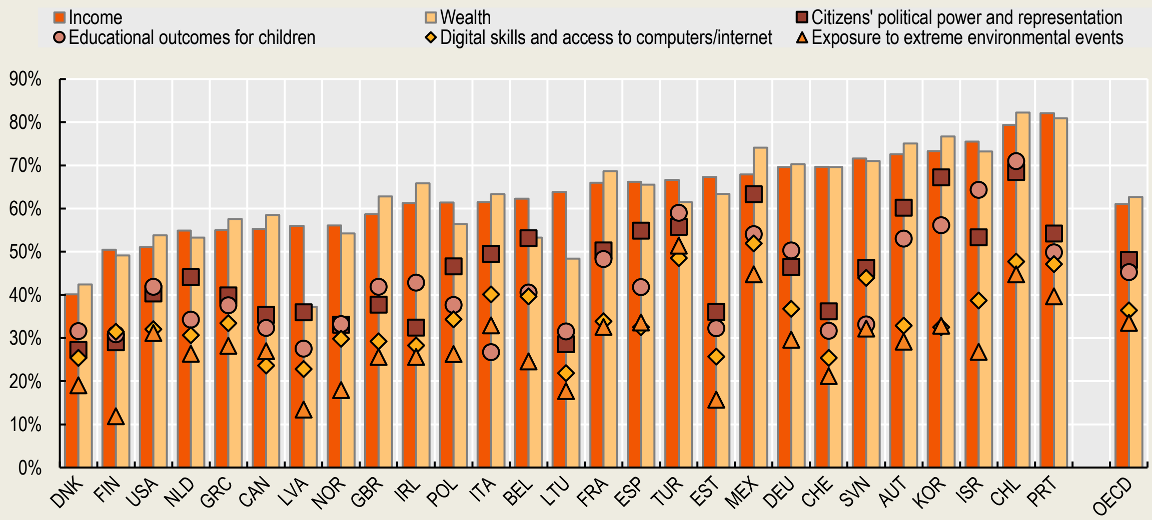
The Opportunities module provides novel insights into people's concerns about disparities in a broad range of areas, such as household income and wealth, children's educational outcomes, digital skills and access to technology, citizen's political power and representation and exposure to extreme events.

Economic inequality is of primary concern, with an average 60% of respondents declaring that it is too high or far too high. Economic inequality encompasses disparities in both income – what households earn from wages, self-employment, capital gains, or public transfers minus taxes and social contributions – and wealth – the net value of household assets, both financial and non-financial, net of liabilities. However, in the surveyed countries, respondents generally do not seem to differentiate between these aspects. In all countries but Latvia and Lithuania, individuals' average levels of concerns are fairly similar for both income and wealth. In these two countries, the proportion of respondents indicating that inequality in income is too high or far too high exceeds by more than 15 percentage points that of wealth inequality.

On average, around half of the respondents consider that inequalities in citizens' political power and representation, as well as educational outcomes for children are high or far too high. A share that falls to a third of survey participants when it comes to inequality in digital skills and access to computers/internet, and to exposure to extreme environmental events (Figure 2).

Figure 2. Concerns for inequality are not limited to the distribution of economic resources

Percentage of respondents thinking that inequality is far too high or too high in their country, by domain of inequality



Note: Respondents were asked the question: "Thinking about different types of inequality, please indicate whether you think that each of the following is too high or too low in your country". The different types of inequality were randomly ordered across respondents. Countries are ranked in ascending order of the share of respondents reporting that income inequality is too high or far too high. Data from the Opportunities module include respondents aged 18-64. The OECD average refers to the weighted average of the 27 OECD countries for which data are available.
Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

Concerns broadly align with conventional measures of inequality or deprivation. For instance, countries characterised by larger income disparities or higher poverty rates tend to show a stronger concern over income inequality. This pattern also extends to other forms of inequality: concern over educational inequality is higher in countries with a larger share of students achieving low reading or mathematics scores. Similarly, disparities in digital skills and access to digital tools are more of a concern in countries with lower rates of fixed broadband subscription. When it comes to wealth, concern is higher in countries where household over-indebtedness is more widespread.

Individual characteristics play a limited role in explaining concerns over inequality. Women tend to be slightly less concerned than men about inequality in political representation, digital access and exposure to extreme events, while clear gender differences do not emerge in the remaining domains. Compared to their older counterparts, young respondents (under the age of 25) show lower levels of concerns across the board. Middle-class respondents express heightened concern for the distribution of wealth but not for that of income. In general, as their income rises, respondents are more likely to report that non-economic inequalities are too high or far too high, showing concern for societal disparities at large.

Moreover, respondents reporting that cash benefits and services provided by the government would sufficiently support them in times of need are less likely to be concerned about inequality (both economic and non-economic disparities). On the other hand, those thinking that the rich should be taxed more than they currently are in order to support the poor are more likely to be concerned by all forms of disparities.

Previous OECD's work has shown that, despite widespread perceptions that income inequality is high, public support in favour of government intervention cannot be taken for granted (OECD, 2021[6]). Beyond perceptions, the demand for inequality-reducing policies is influenced by individuals' views of the root causes of income disparities, such as the unequal access to opportunities, as discussed in OECD (2023[7]). Moreover, people may believe that actors other than the government and actions beyond redistribution should be prioritised. **This Policy Insights examines people's views on the role held by different actors – ranging from public and private sectors to civil society and citizens – in reducing inequality**. Public support for concrete policy options and actions promoted by the private sector is discussed in more detail in OECD (2023[9]).

Citizens hold a varied array of actors accountable for reducing inequality

The Opportunities module asked about people's views of the responsibility of different stakeholders in addressing economic inequality. These include the public sector (i.e. national and local governments), the private sector (i.e. large businesses and financial institutions), civil society (i.e. trade unions and NGOs), as well as individual citizens (i.e. wealthy individuals and "people like me"). As opposed to similar questions available in other cross-national surveys and opinion polls (i.e. the International Social Survey Programme), where respondents are asked to pick the actor with the greatest responsibility, participants to the Opportunities module must indicate for *each* of the stakeholders how much they *should* do to address economic inequality, on a scale that goes from "nothing at all" to "a great deal". Data from the Opportunities module, thus, generate novel insights into people's preferred ranking of actors and allow for respondents to indicate that multiple stakeholders hold a shared responsibility.

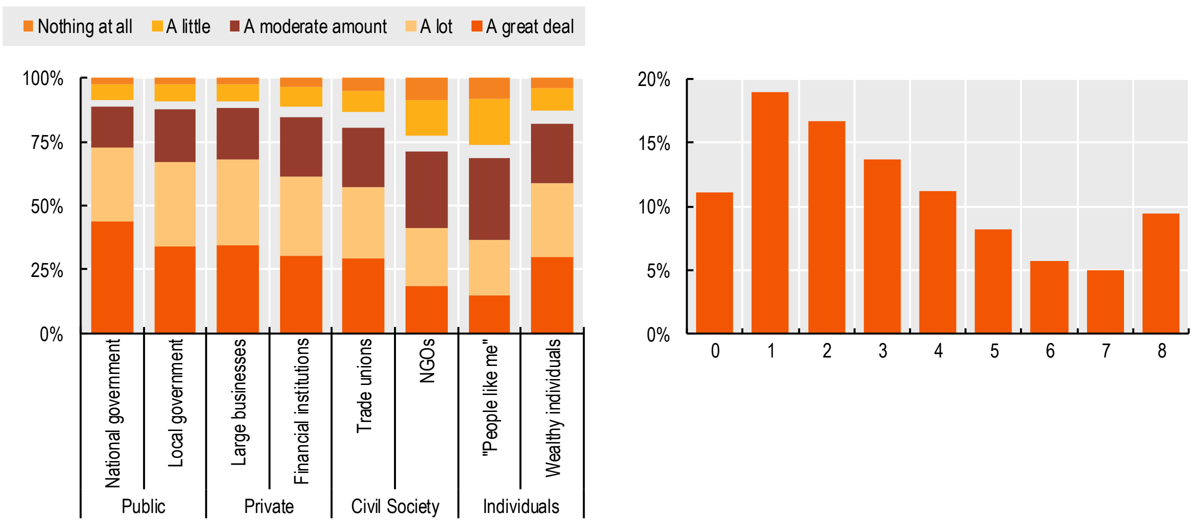
National governments are seen as key but not exclusive players in the fight against inequality. On average, among those who think that economic inequality should be reduced, nearly three-quarters express the belief that the national government should do "a great deal" or "a lot" to address the issue. Close behind, two-thirds believe that local governments and large businesses also have a key role to play, while financial institutions, trade unions, and wealthy individuals garner slightly over half of the support. In contrast, NGOs and ordinary individuals receive relatively lower levels of support (Figure 3, Panel A).

For a large majority of respondents (70%), the responsibility for reducing economic inequality lay at the feet of multiple actors, with around 10% supporting joined-up action across the board (Figure 3, Panel B). Respondents that assign the greatest responsibility to a single actor, predominantly pick the national government (33%) or wealthy individuals (20%). Among those who think this responsibility should be borne equally by two stakeholders, a quarter advocate for joint efforts by national and local governments, while another quarter think that national governments should share responsibility with either wealthy individuals (9%) or large businesses (7%) or choose the private sector as the most responsible actor (around 10% gives the greatest responsibility to large businesses and financial institutions only). Overall, among respondents who selected more than one actor as having the greatest responsibility for reducing income inequality, over half pick at least one actor from the public sector and one from the private sector. Interestingly, 10% of the respondents who think that economic inequality should be reduced believe that none of the proposed actors should do "a great deal" or "a lot" to address the issue (Figure 3, Panel B).

Figure 3. When it comes to reducing economic inequality, most people look at the public and private sectors for leadership, but other actors have also a role to play

Panel A. Distribution of responses to the question: "How much do you think each of the following actors should do to reach your preferred level of economic equality in your country? ", OECD 27, 2022

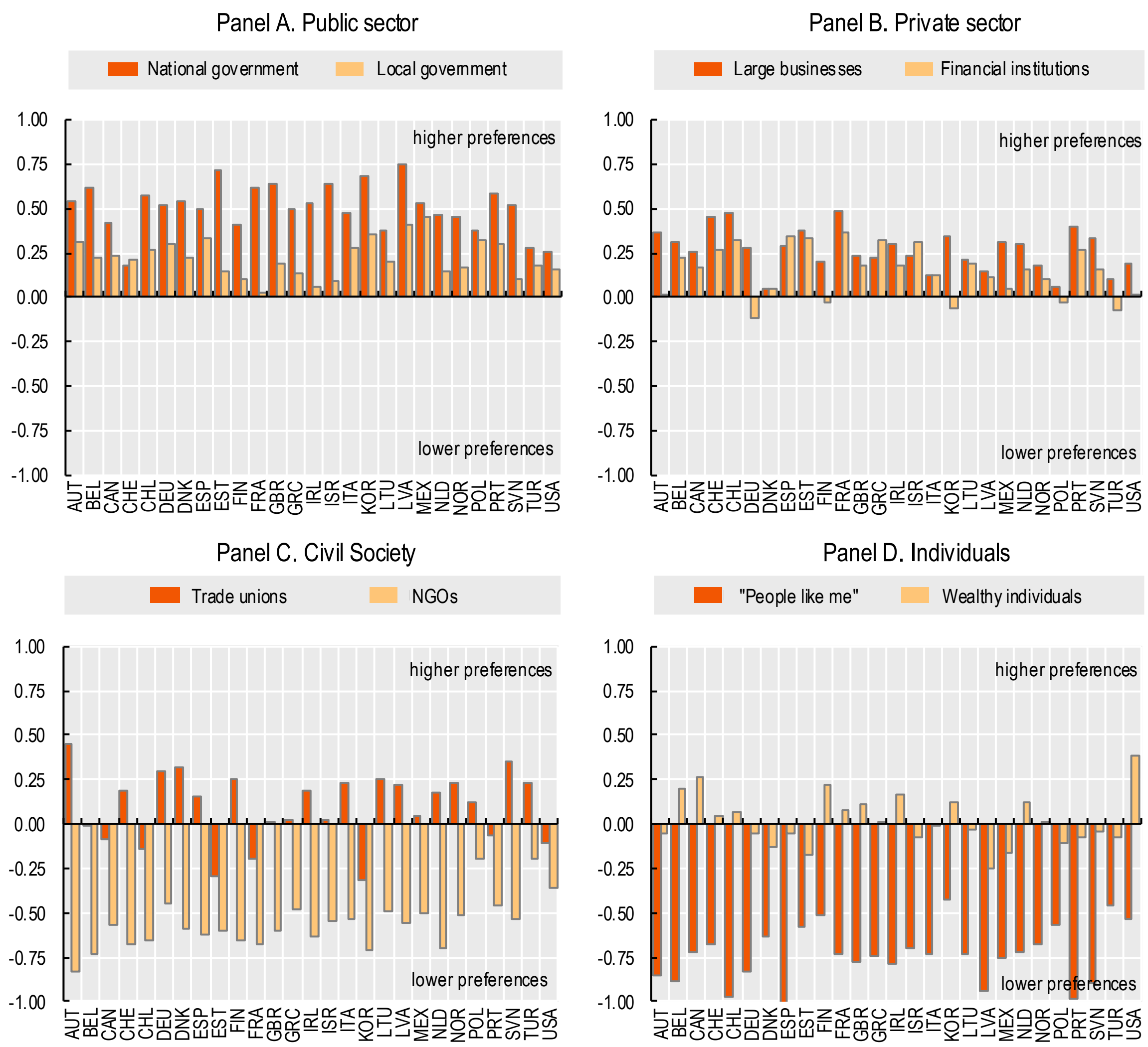
Panel B. Distribution of the number of actors ranked first, OECD 27, 2022



Note: Data are restricted to respondents who answered that there should be less inequality to the question: "Do you think that in your country there should be less economic inequality?". The different actors were randomly ordered across respondents. Panel A: The blank area indicates the proportion of respondents who selected 'can't choose'. Data from the Opportunities module include respondents aged 18-64. The OECD average refers to the weighted average of the 27 OECD countries for which data are available.
Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

Figure 4. Beyond a general consensus over the key role of the public and private sectors, cross-country differences emerge

Average standardised scores, by actor and country, 2022



Note: In each panel, respondents were asked the question: "How much do you think each of the following actors should do to reach your preferred level of economic equality in your country?". The different actors were randomly ordered across respondents. For each actor, respondents were able to choose between the following options: "nothing at all", "a little", "a moderate amount", "a lot", "a great deal" and "can't choose". Data are restricted to respondents who answered that there should be less inequality to the question: "Do you think that in your country, there should be less economic inequality?" and who indicated relative preferences for at least a given actor. To facilitate meaningful comparisons between actors, responses are standardised at the individual level. A positive standardised score for a given actor indicates that, on average, respondents rate a given actor higher than their average score among all actors. On the other hand, a negative standardised score indicates that on average, respondents rate a given actor lower than their average score among all actors. Countries are ranked in ascending order of the share of respondents reporting that income inequality is far too high or too high. Data from the Opportunities module include respondents aged 18-64

Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

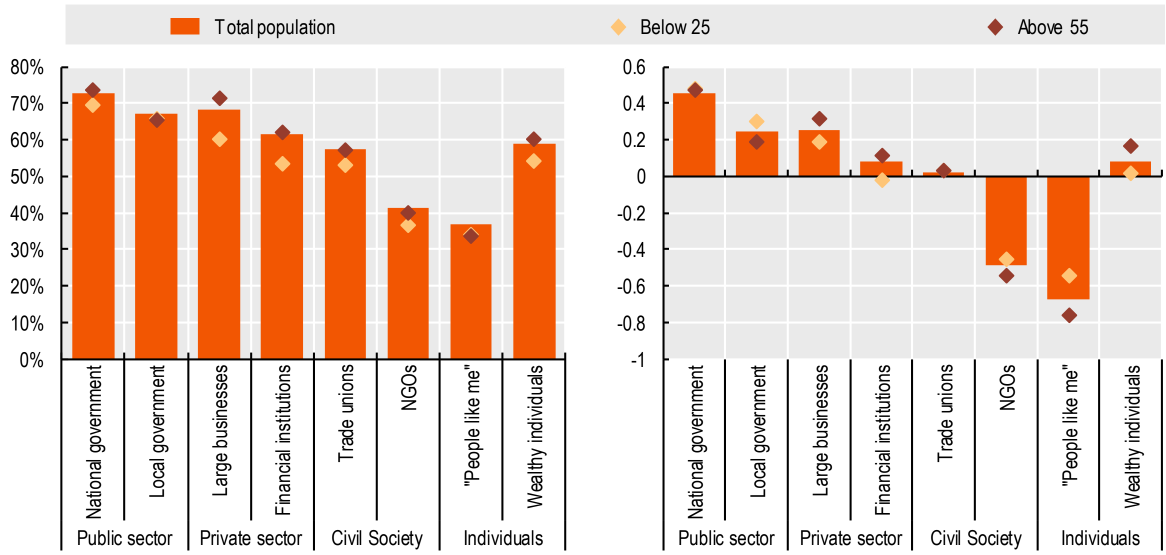
While there is shared consensus across countries on the roles of most actors in tackling inequality, cross-country variation emerges regarding the responsibility of wealthy individuals and trade unions. Figure 4 shows relative preferences, expressed as average standardised scores for each of the different actors across countries. A positive (negative) value indicates that, on average, individuals in a country prioritise (downplay) the role of a given actor relative to the others. In general, across the surveyed countries, respondents assign the greatest responsibility for reducing inequality to the public and private actors and consistently envisage a smaller role for NGOs and ordinary individuals. However, the role of trade unions and wealthy individuals display more nuanced patterns across OECD countries. For instance, in Austria, Germany and the Nordics, trade unions are widely recognised as key players in reducing economic inequality. However, in countries like Korea, Estonia, France, Chile or the United States, they are perceived as having relatively smaller responsibility (Figure 4, Panel C). Cross-country differences also emerge regarding the role of wealthy individuals. In English-speaking countries, notably the United States, as well as Korea, the Netherlands, Belgium and Finland, wealthy individuals are more likely to be considered as key actors in reducing inequality. In contrast, in Baltic countries, Mexico, Denmark and Poland they are seen as more marginal players (Figure 4, Panel D).

Clear age-related differences emerge as to the perceived responsibility of different actors. On average, compared to their older counterparts, young respondents (under the age of 25) tend to report lower scores across the board of actors (Figure 5, Panel A). However, in relative terms, they typically assign greater responsibility to ordinary individuals, the local government and, to some extent, NGOs (Figure 5, Panel B). In contrast, older respondents (aged 54 years and over) tend to favour more the involvement of the private sector and of wealthy individuals in addressing economic disparities. This divide may partly reflect the well-documented lower level of trust in institutions among young people (OECD, 2022[10]), but also the uprise of new forms of civic engagement that prioritise less institutional channels and local initiatives (OECD, 2023[11]; OECD, 2020[12]). Other common socio-demographic characteristics, such as sex and income, seem to play only a minor role in explaining differences in the perceived role of different stakeholders. However, some other traits matter more. For instance, respondents with a minority background are more likely to prioritise the role of individuals and NGOs and downplay that of national governments, which could reflect a potential sense of exclusion from the policy-making process as well as a genuine preference for local and community-driven initiatives.

Figure 5. In the fight to inequality, young generations prioritise the role of NGOs and ordinary individuals while older respondents prioritise that of national governments and large businesses

Panel A. Percentage of respondents reporting that the different actors should do a great deal or a lot to reduce inequality, total population and selected age groups, OECD 27, 2022

Panel B. Average standardised scores for different actors, total population and selected age groups, OECD 27, 2022



Note: In both panels, respondents were asked the question: "How much do you think each of the following actors should do to reach your preferred level of economic equality in your country?". The different actors were randomly ordered across respondents. For each actor, respondents were able to choose between the following options: "nothing at all", "a little", "a moderate amount", "a lot", "a great deal" and "can't choose". Data are restricted to respondents who answered that there should be less inequality to the question: "Do you think that in your country there should be less economic inequality?". Panel B: To facilitate meaningful comparisons between actors, responses are standardised at the individual level, as explained in the note to Figure 4. For this purpose, data are restricted to respondents who indicated relative preferences for at least an actor. Data from the Opportunities module include respondents aged 18-64. OECD average is population-weighted.
Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

Beyond socio-demographic factors, attitudes towards inequality and political opinions contribute to shaping preferences for the role of different stakeholders. For instance, respondents thinking that more should be done to make sure everyone has a fair chance to get ahead in life are more likely to assign the greatest role for reducing inequality to the public sector and much less likely to report that ordinary individuals or NGOs should be key actors. Similarly, those reporting that the rich should be taxed more than they currently are, tend to consider wealthy individuals as those with higher responsibility for tackling economic inequality. Beliefs of social mobility also matter, with those considering hard work essential or very important to get ahead in life being more likely to attach more relevance to the role of ordinary individuals. Political opinions also play a role, with left-leaning voters being more likely to support public actors and trade unions, and right-leaning voters assigning greater responsibility to ordinary individuals and, to some extent, the rich. In addition to individual characteristics, broader institutional factors can affect people's views of who bears the greatest responsibility for reducing income differences (see Box 2).

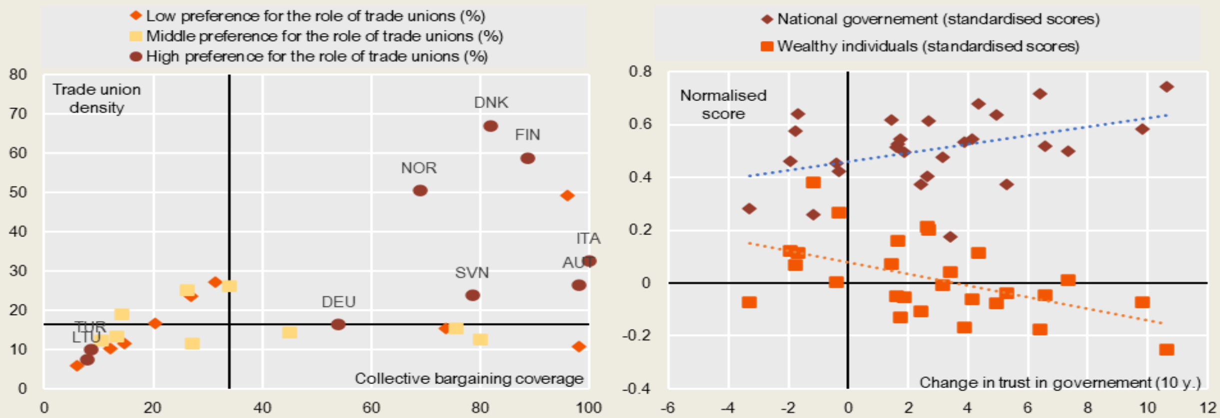
Box 2. Exploring country differences in preferences for the role of different actors in reducing economic inequality

Studying the relationship between preferences for specific actors and contextual factors can provide valuable but complex insights, which should be interpreted with caution. In most cases, such a relationship is not straightforward, with numerous mediating and unobservable factors at play. By way of example, this box focuses on the relationship between the extent of social dialogue and the perceived role of trade unions, as well as the link between trust in public institutions and the perceived roles of public actors and wealthy individuals.

In general, in countries where trade union density and collective bargaining coverage are higher, respondents are more likely to report that trade unions should play a crucial role in mitigating inequality (Figure 6, Panel A). However, it is important to note that collective bargaining coverage and trade union density are only two of the building blocks of social dialogue. The large cross-country variation between collective bargaining coverage and trade union density, on the one hand, and the level of support for trade unions in reducing economic inequality, on the other hand, may reflect unobserved aspects of social dialogue, such as the level of bargaining, the degree of flexibility and the role of wage coordination.

Similarly, Figure 6, Panel B suggests increased trust in the government over time is associated with a stronger preference for the involvement of the national government in addressing inequality and a lower responsibility to wealthy individuals. The relationship between higher public trust in institutions and more widespread consensus that the national government should be held responsible for reducing economic inequality, could be mediated by a higher perceived effectiveness of policies, as suggested by previous OECD work on the drivers of trust in public institutions (Brezzi et al., 2021[13]).

Figure 6. Country differences in the perceived responsibility of trade unions, national governments and wealthy individuals are in part explained by institutional settings and trust in institutions



Note: Panel A shows how levels of support for the role of trade unions in addressing economic inequality (grouped into tiers) differ along collective coverage bargaining (horizontal axis) and trade union density (vertical axis). The black lines refer to the OECD median value of trade union density (horizontal) and the OECD median value of collective bargaining coverage (vertical). Panel B shows how levels of support for the role of the national government and wealthy individuals in addressing economic inequality (vertical axis) vary with change in trust in government, measured over a 10-year period. To facilitate meaningful comparisons between actors, responses are standardised at the individual level, as explained in the note to Figure 5. Data from the Opportunities module include respondents aged 18-64.

Source: Opportunities module of the OECD Risks that Matter Survey 2022, http://oe.cd/rtm; the Gallup World Poll and the OECD/AIAS database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS).

In summary, the results from the Opportunities module expose a widespread concern about the multiple facets of inequality. By understanding the complex nature of the fault lines in our society, people recognised the need for a multi-stakeholder approach. Government intervention remains crucial, but it should be complemented by the involvement of other actors, including the private sector and civil society. Joined-up action also implies that a varied suite of policies and interventions, beyond redistribution, are available, an issue that is discussed in detail in OECD (2023[9]).

Box 3. The Opportunities module of the OECD Risks that Matter (RTM) survey

The OECD RTM survey is a cross-national survey examining people's perceptions of social and economic risks, how well they think their government addresses those risks, and their preferences for social protection and policy intervention going forward. Since 2018, RTM has been conducted every two years (OECD, 2019[14]; 2021[15]).

The 2022 wave covers 27 OECD countries: Austria, Belgium, Canada, Chile, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Israel, Italy, Korea, Latvia, Lithuania, Mexico, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Switzerland, Türkiye, the United Kingdom and the United States.

Most of the questions in RTM have been asked in prior waves, to allow reporting on changes in the overall views of the general public. Other questions are part of ad hoc modules that can be replaced to prioritise topical issues or emerging concerns. For instance, the 2020 wave of RTM included questions on individuals' experiences during the pandemic. In 2022, three ad hoc modules were introduced, focusing on the cost-of-living crisis (OECD, 2023[16]), climate change, and social mobility and equal opportunities (i.e. the Opportunities module).

The Opportunities module focuses on four main thematic areas identified as lacking comparable information: *i)* the relative importance of different aspects of inequality, *ii)* people's views of the factors shaping equality of opportunity, *iii)* people's views of the role different actors play in reducing inequality and of the type of policies and actions to prioritise, and *iv)* experienced and perceived discrimination and support for pro-inclusion policies. Evidence from the Opportunities module will also contribute to the data collection effort of the *OECD Observatory of Social Mobility and Equal Opportunity* and to additional projects of the WISE Centre (e.g. measuring equity and discrimination).

The 2022 RTM questionnaire was developed by the OECD Secretariat in collaboration with OECD member country Delegates and stakeholders participating in a technical workshop in April 2022, and subsequently translated into national languages. Consistent with similar surveys, RTM is implemented online using non-probability samples recruited via internet and over phone. The survey contractor is Bilendi Ltd (formerly Respondi Ltd). Respondents are paid a nominal sum of two euros per survey. Sampling is conducted through quotas, with sex, age group, education level, income level and employment status (in the last quarter of 2019) used as the sampling criteria. Survey weights are used to correct for any under- or over-representation based on these five criteria. The target and weighted sample is around 1 000 respondents per country. Financial support for the 2022 survey was provided through voluntary contributions by participating OECD member countries, the OECD Secretariat, Amundi (which sponsored the development of the Opportunities module), Kings College London, and the University of Stavanger

Further reading

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