

Cabinet Ministers and Inequality¹

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Abstract

Who governs? Who are the cabinet ministers who decide on socio-economic policy in Western parliamentary democracies? To what extent are they ‘one of us’ and to what extent are they a class of politicians who represents themselves and special interest? Recent data reveal that an increasing number of British politicians never held another profession outside politics. At the same time, politicians with a working-class background have become rare. Is this the case across industrialized parliamentary democracies? If so why? This paper makes two contributions: First, I show that cabinet ministers’ professional background in 18 parliamentary democracies has become less representative since WWII. Second, I provide an initial exploration of the potential drivers of the change in the socio-economic background of cabinet ministers, with a focus on shifts in party ideology, and the role of economic institutions.

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Front National is the party of the French working class. In the 2017 French Presidential elections, forty percent of manual workers voted Le Pen (Murphy 2017). The rise in populist parties and the demise of historic social democratic parties is mostly attributed to the shift of the blue collar votes from social democratic parties to right-wing populist parties (Rydgren and Rydgren 2013). Social democratic parties became too liberal in their economic policies and too libertarian in their socio-cultural outlook (Betz and Meret 2012). This shift of social democratic parties to more liberal and libertarian policy positions is often thought as the product of a strategic electoral choice to target the rising in numbers class of socio-economic professionals, while leaving behind the shrinking blue-collar voters. This was the thinking within New Labour in 1997: to court the middle-class, and in particular former working class voters that had become homeowners (Ainsley 2018).

But, did the libertarian policy of social democratic parties that turned away working class voters from social democratic parties or social-democratic politicians themselves?

Increasingly, there is evidence that voters' perceptions of political parties do not solely rely on policy; they are also determined by politicians' profiles, or more broadly by social representation. American voters are more likely to believe that legislators are economically leftist if they come from working class families (Carnes and Sadin 2014), while British working class voters are less likely to vote a Labour candidate when they are not working class themselves (Heath 2015).

This finding is no hardly surprising. After the 2010 British elections, sixty percent of British cabinet ministers had attended private schools compared with only seven percent of the population (Skelton 2011). In addition, the number of professional politicians rose from 3%

in 1979 to 15% in 2010 (McGuinness, 2010). This number is even higher among those selected to be cabinet ministers (Allen, 2013a). Altogether, democracies are increasingly led by politicians with very narrow and unrepresentative set of experiences and careers that might undermine the ability of popularly elected parliaments to represent the views of their constituents (Bovens and Wille 2017).

This paper asks to what extent have political parties, and social democratic parties in particular, become more elitist and less representative over time? More specifically, to what extent have cabinet ministers become a political class detached from the voters they are meant to represent (Borchert and Zeiss 2003)?

Scholars have extensively studied descriptive representation in legislatures with a particular focus on legislators' education (Bovens and Wille 2017), gender (Krook and O'Brien 2012; Volden, Wiseman, and Wittmer 2018) and socio-economic background (Carnes 2013; Carnes and Lupu 2015; O'Grady 2018). However, scholars have yet to study the causes and policy effects of descriptive representation in governments. In parliamentary democracies, cabinet ministers, not legislators, make policy and are the most visible politicians to voters. Yet, little is known about the changing profiles of cabinet ministers and whether and how these changes are perceived by voters. This oversight contradicts the increasing personalisation of politics whereby party leaders and individual politicians often appeared to motivate voters more than parties or partisan ideology (Blondel & Thiebault, 2010; Kriesi, 2014). Furthermore, limited attention to the role of individuals is at odds with research finding that politicians' profiles, gender, professional background, partisan ideology and education have concrete and important effects on policy outcomes ((Alexiadou 2016; Carnes 2016; Carnes and Lupu

2015; Chwieroth 2007; GREENE and O'BRIEN 2016; O'Grady 2018; Volden, Wiseman, and Wittmer 2018).

In what follows I present the data on the educational, professional and political background of cabinet ministers across 18 parliamentary democracies over the last sixty years. I then explore a few possible explanations for the changing profiles of politicians over time. An obvious explanation would be that cabinet ministers simply follow socio-economic shifts and changes in the profiles of voters. Yet, this is disputed by recent research regarding representatives and voters' profiles in the US and in Latin American countries.

This paper makes two major contributions. The first is that it establishes that cabinet ministers have become less representative of the average citizen over time. This is done utilizing unique new data on top ministers' educational, political and professional background in 18 parliamentary democracies since WWII.² To my knowledge, this is the first cross-country dataset that spans over half a century, and which provides detailed background information on a select number of ministerial portfolios.³ The second contribution is that it provides a theory and empirical evidence regarding the contributing factors of this process.

The data

The dataset consists of ministerial appointments to the portfolios of the prime minister, the deputy prime minister, as well as the ministers of foreign affairs, economics, finance, budget-when applicable- health, employment and social affairs. The central aim of the dataset is to identify the individual minister who is responsible for the policies of foreign affairs,

² Table 1 of the Appendix presents the country/years included in the dataset.

³ The Global Leadership Project is the most comprehensive dataset with individual level data on decision-makers in 162 countries. However, this dataset is cross sectional so far [<http://www.globalleadershipproject.org/>]

economics, finance, health, employment and social affairs. This information has been collected by relying firstly, on formal governmental websites, secondly on the international Who's Who, and thirdly on Wikipedia. The information has been checked across data sources by at least two different coders.

The unit of analysis in the original dataset is individual ministers nested in cabinets, which in turn are nested in governments of 18 parliamentary countries.⁴ In other words, the dataset is structured at four different levels; individual ministers, cabinets, governments and countries. An original feature of this dataset is that it traces ministerial changes within the life of a government. This includes both individual ministerial reshuffles and cabinet wide-reshuffles, but only with respect to the 8 portfolios under study. Thus, in countries where ministerial and cabinet reshuffles are very common, the number of ministerial appointments can be substantially higher than in countries where ministers have longer tenures in a portfolio. For example, the dataset codes 39 ministerial appointments in the portfolio of social affairs in Greece in the last 38 years, when the number for similar ministerial appointments in the Netherlands is only 13. Furthermore, the number of appointments is often different from the actual number of ministers since a new appointment is coded every time there is a reshuffle in one of the 8 portfolios under study. Thus, regarding the Greek social affairs ministers, 31 individual ministers of social affairs were appointed during the last 38 years, while the number of appointments due to governmental and ministerial changes in the dataset is 39.

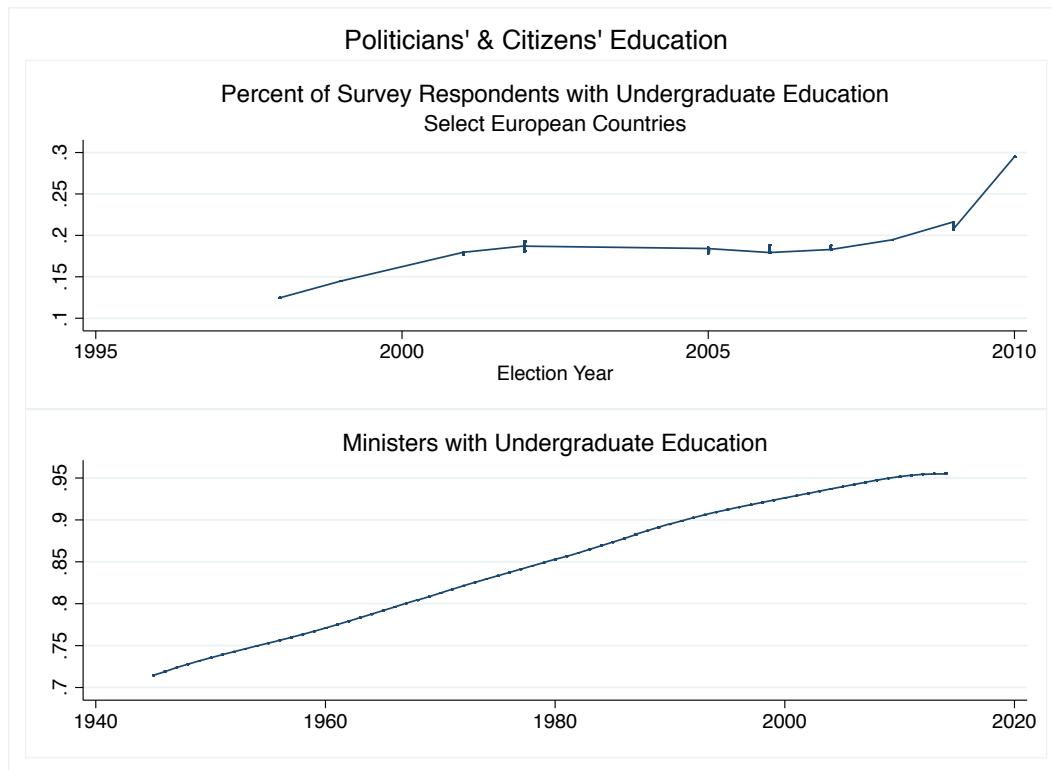
⁴ The countries included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, UK. For most countries the data start in 1945 with the exception of France, which starts at the fifth republic, Belgium which starts in 1972 due to difficulty collecting earlier observations, Greece, Spain and Portugal which start in 1975 which is when they re-established democratic rule.

The dataset identifies one minister per cabinet who is responsible for a portfolio. While this assumption is rather strict given that in many cases more than one ministers co-decide on a policy, it is also a reasonable assumption to the extent that one minister is ultimately responsible for drafting a bill and only one minister is accountable to the cabinet, the parliament and voters over his or her bill.

The socio-economic and professional background of cabinet ministers

The fact that parliamentary cabinets are occupied by legislators does not mean that they are more representative of voters compared to presidential cabinets. Cabinet ministers have naturally always been more educated than the average voter, particularly in some Northern European countries like France and the Netherlands (Bovens and Wille 2017, 118–20). This is to be expected. Yet, even today only about a third of citizens have graduated from university compared to 95 percent of cabinet ministers who are university graduates, according to Figure 1. The data on citizens' education level comes from the Comparative Study of Electoral Systems. Here we use a sample of around thirty thousand respondents from the following country, elections: Austria 2008, Belgium 1999, Denmark 1998, 2001 and 2007, Germany 1998, 2006 and 2010, Norway 2005 and 2009 and Portugal 2005.

Figure 1



Overall, the impressive increase in the educational attainment of cabinet ministers does not seem to have any relation to the overall increases in the educational attainment of the population. Already by the 1990s almost 90 percent of cabinet ministers were university graduates compared to only 15 percent of voters. This suggests that education is a way to enter politics, as Bovens and Wille (2017) suggest. Education seems to be particularly useful to social-democrat politicians, as Figures 2 and 3 reveal. *Until the early nineties, almost a third of cabinet ministers who were elected with left-wing parties had either no formal or secondary education. In contrast, the percentage of center-right cabinet ministers with no tertiary education was under ten percent. Since the early nineties, there is no difference between left and right-wing cabinet ministers regarding their educational attainment. They are equally highly educated with over ninety percent of them having at least a university degree.*

Figure 2

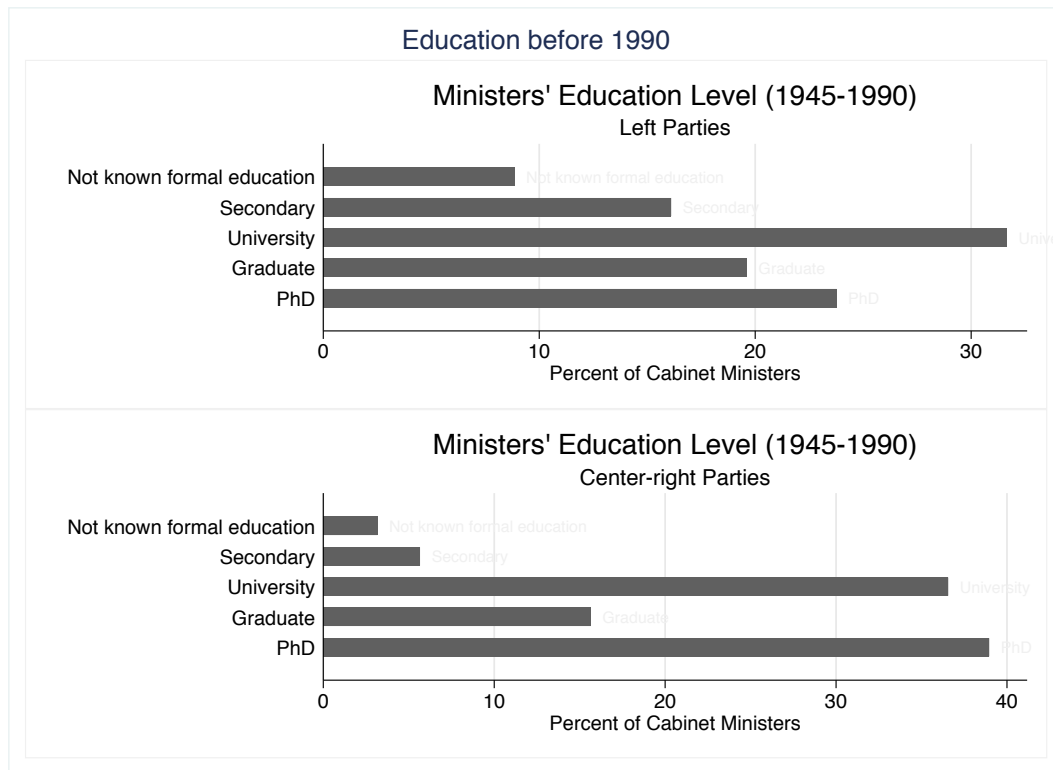
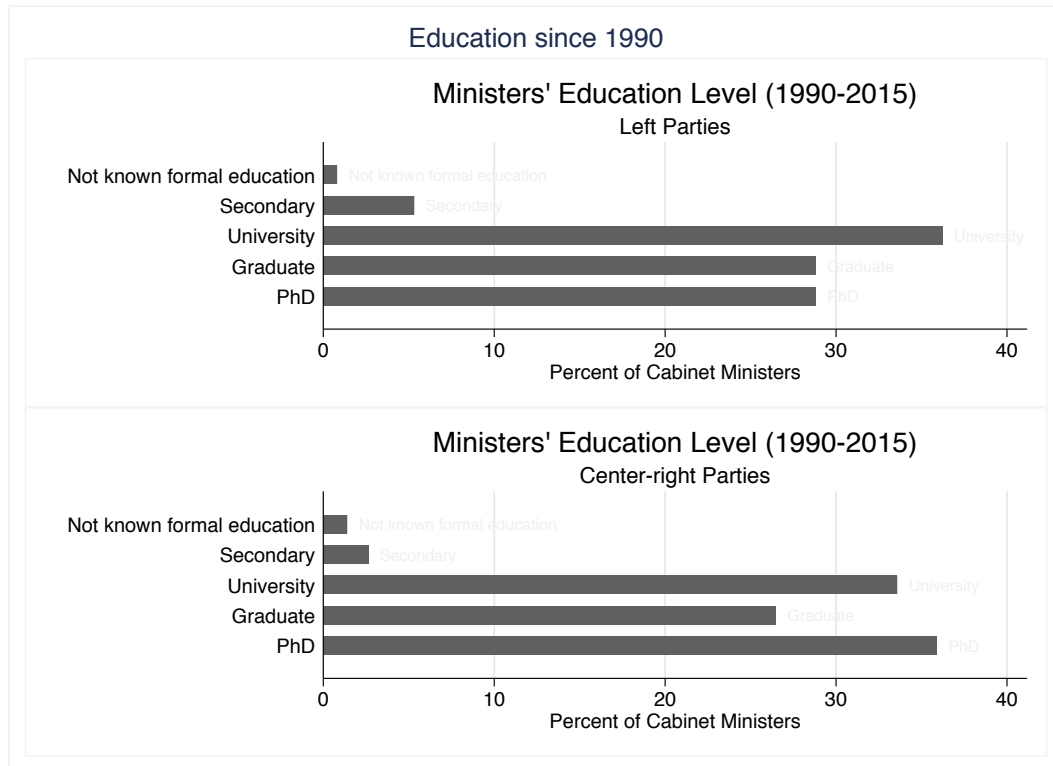


Figure 3



Does this mean that cabinet ministers share similar ideological views and policy preferences across party lines? In the following section, I look at the professional experience of cabinet ministers over time and across party families.

Professional background of cabinet ministers across space and time: a problem of descriptive misrepresentation

Figure 4 provides a first glance at the professions of the cabinet ministers in the sample. Three prior professional qualifications appear to have been the most prominent among the cabinet ministers in our study: legal, academic and bureaucratic. The most common profession of cabinet ministers (on average about 17 percent) is law. This is hardly surprising as lawyers are knowledgeable in constitutional affairs and are generally gifted orators, a skill that is critical for elected politicians. Perhaps what is more surprising is that the second most common profession is the academic, which includes both university professors and teachers. Together academics and former bureaucrats constitute more than a quarter of all cabinet ministers, which is in line with the expectation that cabinet ministers are experts in their portfolios. Thus, lawyers, academics and bureaucrats make up about half of all the cabinet ministers in the sample.

The fourth most common occupational group, about seven percent, are former trade unionists. To be precise, here I only include former leaders of trade unions and not all the ministers who were members of a trade union. On average, trade unionists and ministers from blue collar backgrounds add up to just under ten percent of all ministers. Finally, the next most common professional background of cabinet ministers in parliamentary democracy is a purely political one. Those whose primary occupation was either in elective office in local government or who

never held a job outside elective office or in a political party add up to more than ten percent of all cabinet ministers. Finally, we find little evidence that members of the business and finance communities are over represented, despite the heavy focus on the portfolios of economics. Nonetheless, those with legal, political and academic backgrounds have dominated parliamentary cabinets since 1945.

Since 1995 (a randomly chosen year that coincides, however, with the rise of the third way social democracy) we see some important shifts in the background of cabinet ministers.

Although the legal, academic and bureaucratic still constitute the ‘top three’ prior professions, background is local politicians, advisors, executives of large corporations and those living off politics now supersede former trade union leaders. Perhaps even more telling is the fact since 1995 the least common professional backgrounds of cabinet ministers are those with a blue-collar background, as well as those who worked in the not-for profit sectors.

How representative are cabinet ministers of their societies? According to Figure 5, which is produced using data from the European Quality of Life Survey, they are not representative at the least. Using data from the 2016 Wave, we can see that within the 15 European Union countries, just under half of the respondents have white-collar, service jobs, about twenty percent have professional and managerial jobs (the old middle class), and more than twenty percent would classify as skilled and unskilled working class. In other words, even though the junior middle class is the largest socio-economic group in economically advanced European societies (Evans and Tilley 2017), the working class still constitutes a significant part of the electorate, one, however, that is not represented in descriptive way, across

European cabinets. In fact, neither is the largest socio-economic of white-collar workers. The one group that is over-represented, however, is the professional/managerial.

It could perhaps be argued that it is natural to have social classes defined by professional groups in the absence of almost complete automation. Consequently, providing summary statistics of professional occupations is not particularly informative. It is also possible that contemporary working-class citizens have higher earnings and job security than those in the past, thus, making class distinctions less meaningful. Indeed, a class is less defined by the particular occupation than by the conditions of work. Working class citizens are those who have low job security, low earnings, their earnings depend on the hours of work and overtime, they work in shifts and have no control of their conditions of work (Evans and Tilley 2017). Table 1 provides a snapshot of some aspects of the quality of life of the EQLS respondents who are in employment.

Figure 4

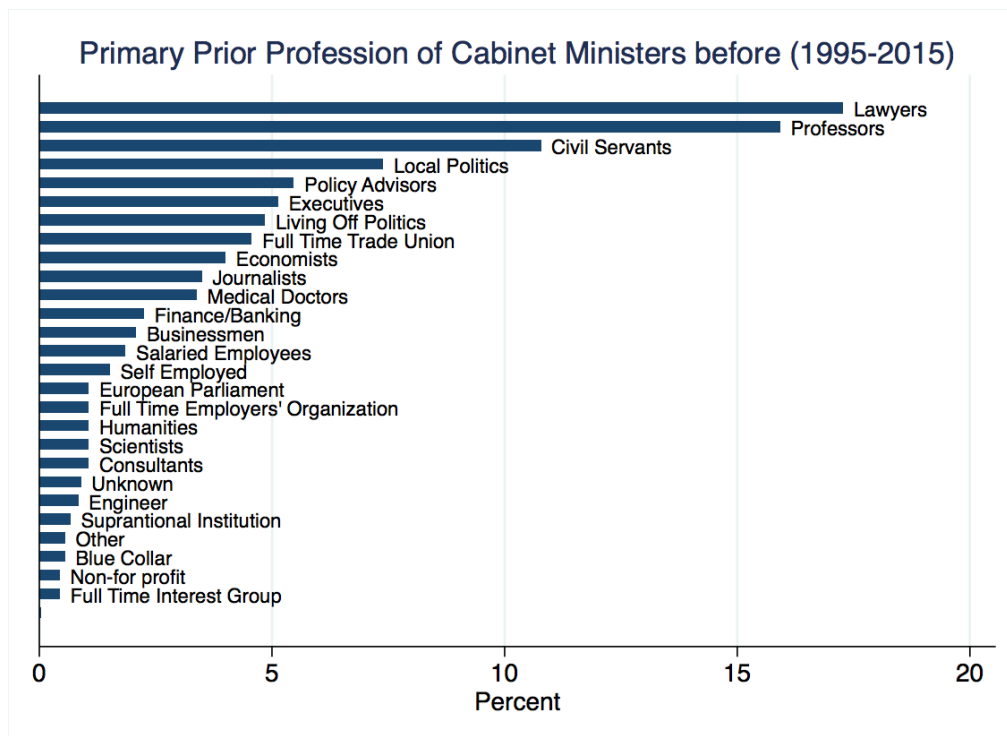
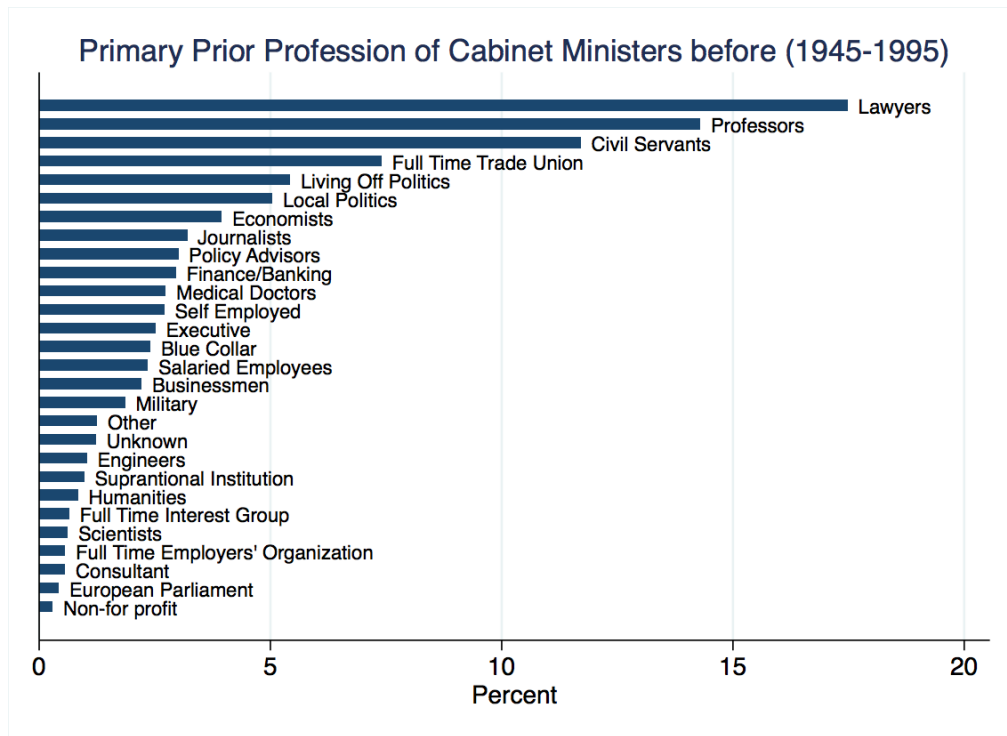
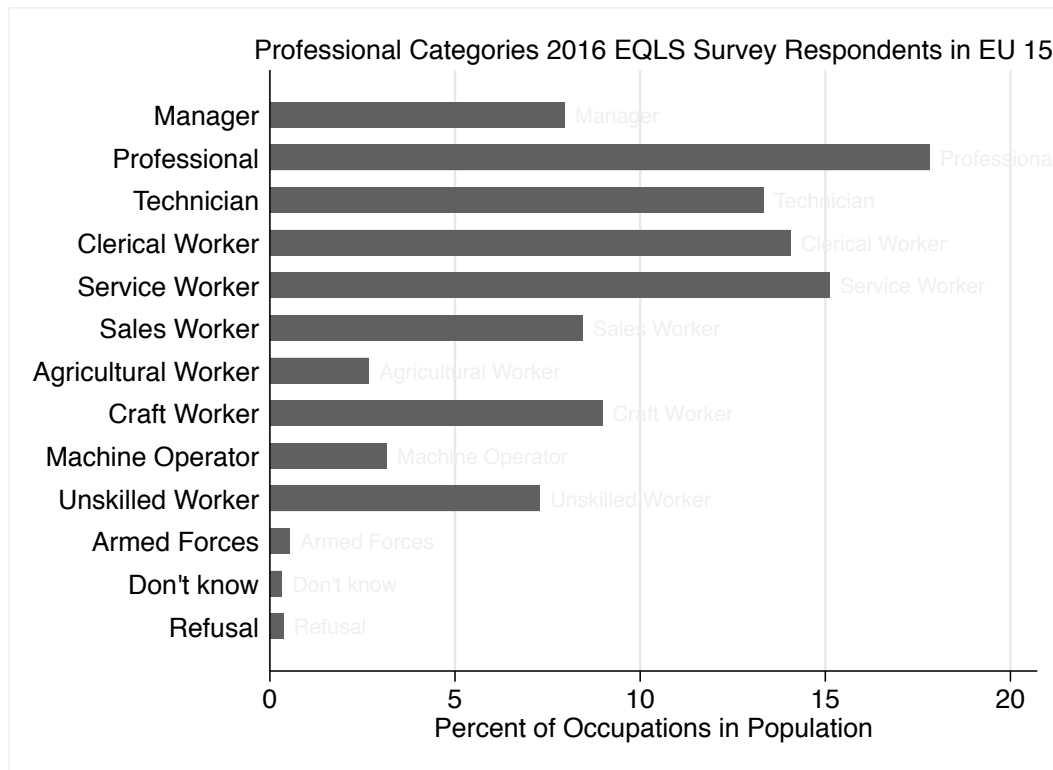


Figure 5



According to Table 1, a third of those in employment, do not have a long-term work contract and feel they cannot make ends meet, while twenty percent do not know if they will have their job in six months-time and cannot afford a week's holiday. In other words, a third of the population is not in secure occupation and does not have sufficient income, while in employment. How many of those in insecure jobs are working class respondents? In Table 2, I look at this by summarising the responses of those classified as 'new working class' (this includes sales workers as per Figure 5). Despite significant cross-country variations between South-European and Liberal Welfare states on the one hand, and Nordic and continental welfare states on the other, job insecurity and low earnings are prevalent among the working-class population, with only half of them reporting that they make ends meet.

Table 1: 2016 EQLS Survey who are in employment, EU 15 countries

| COUNTRY | EMPLOYMENT CONTRACT OVER 12 MONTHS | PERCEIVED JOB INSECURITY | MAKING ENDS MEET | CAN AFFORD WEEKLY HOLIDAY | WEEKLY SPORTS | OLD WORKING CLASS | NEW WORKING CLASS |
|----------------|---|---|---------------------------------|--|--------------------------|----------------------------------|----------------------------------|
| Austria | 0.79 | 0.14 | 0.80 | 0.86 | 0.61 | 0.13 | 0.20 |
| Belgium | 0.78 | 0.22 | 0.67 | 0.79 | 0.52 | 0.26 | 0.33 |
| Germany | 0.79 | 0.15 | 0.81 | 0.82 | 0.57 | 0.15 | 0.22 |
| Denmark | 0.81 | 0.16 | 0.90 | 0.92 | 0.62 | 0.22 | 0.27 |
| Greece | 0.45 | 0.48 | 0.18 | 0.40 | 0.21 | 0.21 | 0.45 |
| Spain | 0.64 | 0.31 | 0.51 | 0.68 | 0.40 | 0.35 | 0.44 |
| Finland | 0.72 | 0.17 | 0.83 | 0.85 | 0.77 | 0.22 | 0.24 |
| France | 0.78 | 0.27 | 0.54 | 0.73 | 0.46 | 0.24 | 0.33 |
| Ireland | 0.62 | 0.16 | 0.76 | 0.80 | 0.60 | 0.18 | 0.24 |
| Italy | 0.64 | 0.32 | 0.51 | 0.72 | 0.38 | 0.17 | 0.28 |
| Netherlands | 0.75 | 0.13 | 0.82 | 0.91 | 0.74 | 0.15 | 0.21 |
| Portugal | 0.67 | 0.24 | 0.73 | 0.68 | 0.45 | 0.24 | 0.36 |
| Sweden | 0.78 | 0.12 | 0.93 | 0.91 | 0.72 | 0.12 | 0.15 |
| UK | 0.70 | 0.19 | 0.76 | 0.75 | 0.54 | 0.18 | 0.25 |
| Total | 0.72 | 0.22 | 0.70 | 0.78 | 0.54 | 0.19 | 0.28 |

Table 2: 2016 EQLS Survey respondents classified as new working class, EU 15 countries

| COUNTRY | EMPLOYMENT CONTRACT OVER 12 MONTHS | PERCEIVED JOB INSECURITY | MAKING ENDS MEET | CAN AFFORD WEEKLY HOLIDAY | WEEKLY SPORTS |
|----------------|---|---|-----------------------------|--|--------------------------|
| Austria | 0.73 | 0.27 | 0.70 | 0.74 | 0.52 |
| Belgium | 0.79 | 0.35 | 0.57 | 0.73 | 0.44 |
| Germany | 0.75 | 0.21 | 0.68 | 0.69 | 0.41 |
| Denmark | 0.76 | 0.23 | 0.87 | 0.86 | 0.49 |
| Greece | 0.46 | 0.60 | 0.10 | 0.25 | 0.14 |
| Spain | 0.57 | 0.38 | 0.45 | 0.59 | 0.31 |
| Finland | 0.79 | 0.23 | 0.78 | 0.75 | 0.68 |
| France | 0.76 | 0.38 | 0.35 | 0.58 | 0.38 |
| Ireland | 0.47 | 0.25 | 0.67 | 0.67 | 0.53 |
| Italy | 0.49 | 0.42 | 0.35 | 0.58 | 0.28 |
| Netherlands | 0.69 | 0.19 | 0.71 | 0.83 | 0.56 |
| Portugal | 0.59 | 0.30 | 0.56 | 0.46 | 0.29 |
| Sweden | 0.81 | 0.16 | 0.86 | 0.89 | 0.61 |
| UK | 0.56 | 0.18 | 0.63 | 0.63 | 0.39 |
| Total | 0.64 | 0.32 | 0.54 | 0.63 | 0.39 |

Has the working class ever been politically represented in parliamentary cabinets? According to Figure 4, cabinet ministers from blue collar backgrounds have always been a small minority. Yet, to the extent that trade unions have historically represented the working and lower middle class, cabinet ministers who were former trade union representatives have been in many European cabinets, and in particular in the portfolios of employment. In fact, Figure 7 is quite revealing in that within the portfolio of employment, the majority of social democrat cabinet ministers had either a working class or a trade union background. In the nineteen sixties, forty percent of social democrat employment ministers had working-class background and forty percent had a background in the trade union movement. Even among center-right employment ministers, about twenty percent of them would have a trade union background. These percentages declined to 20 and 30 percent respectively in the 1980s, and to 10 and 20 percent in the late 2000s.

Figure 6

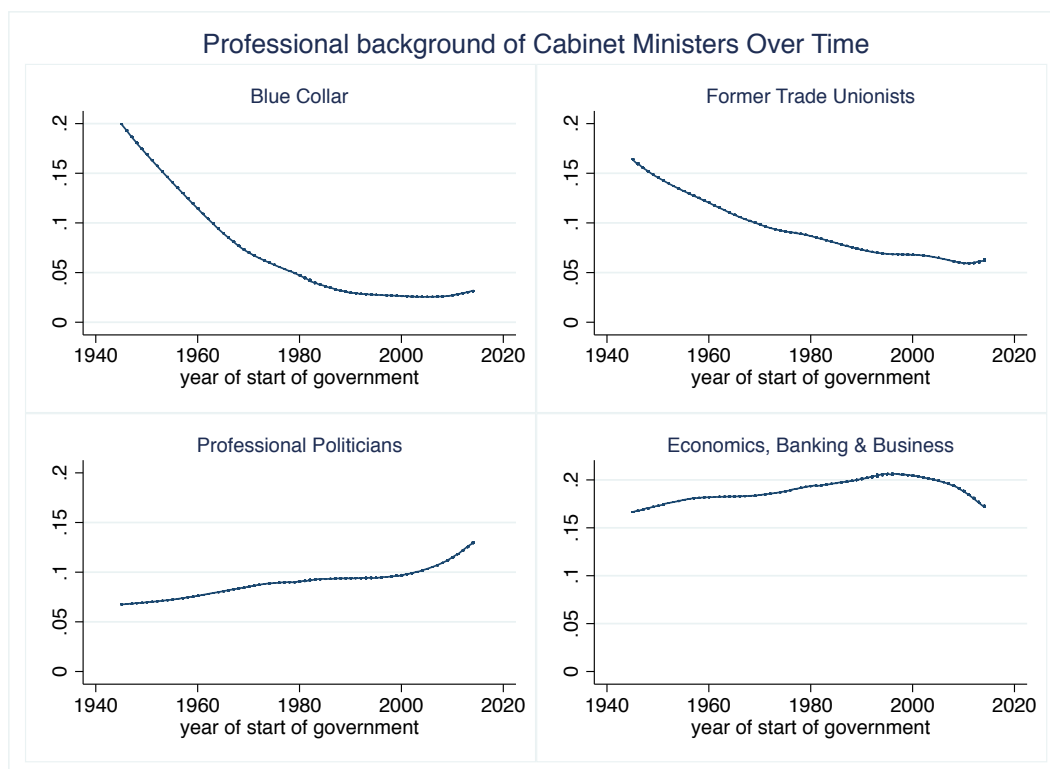
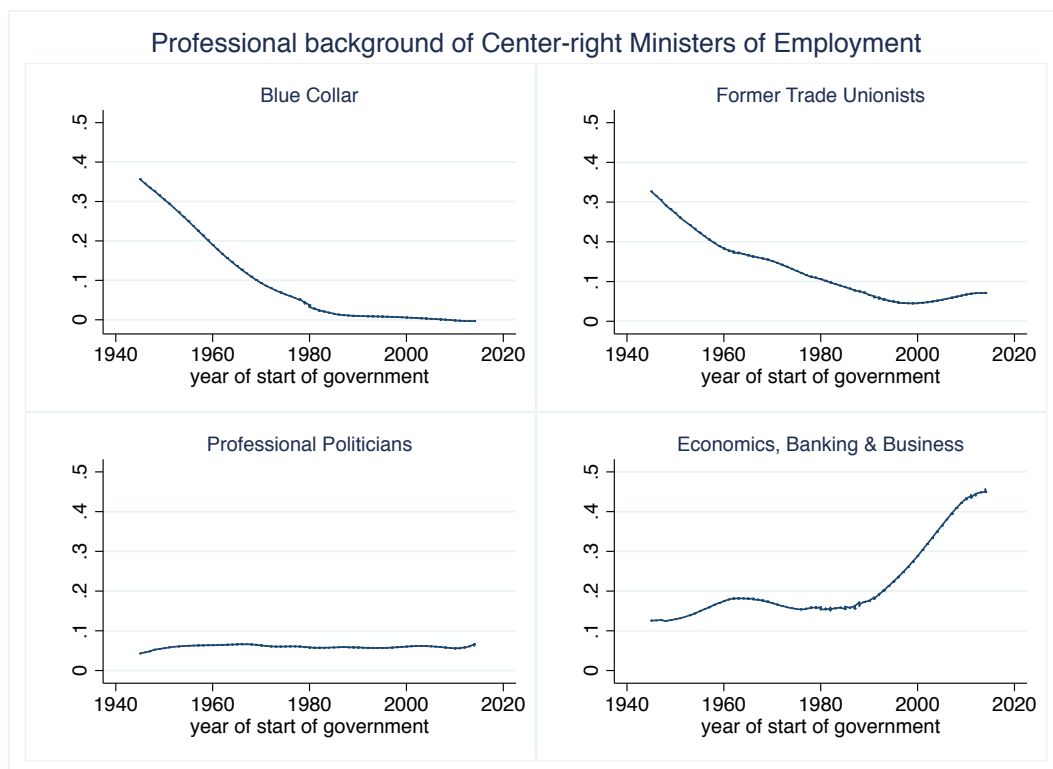
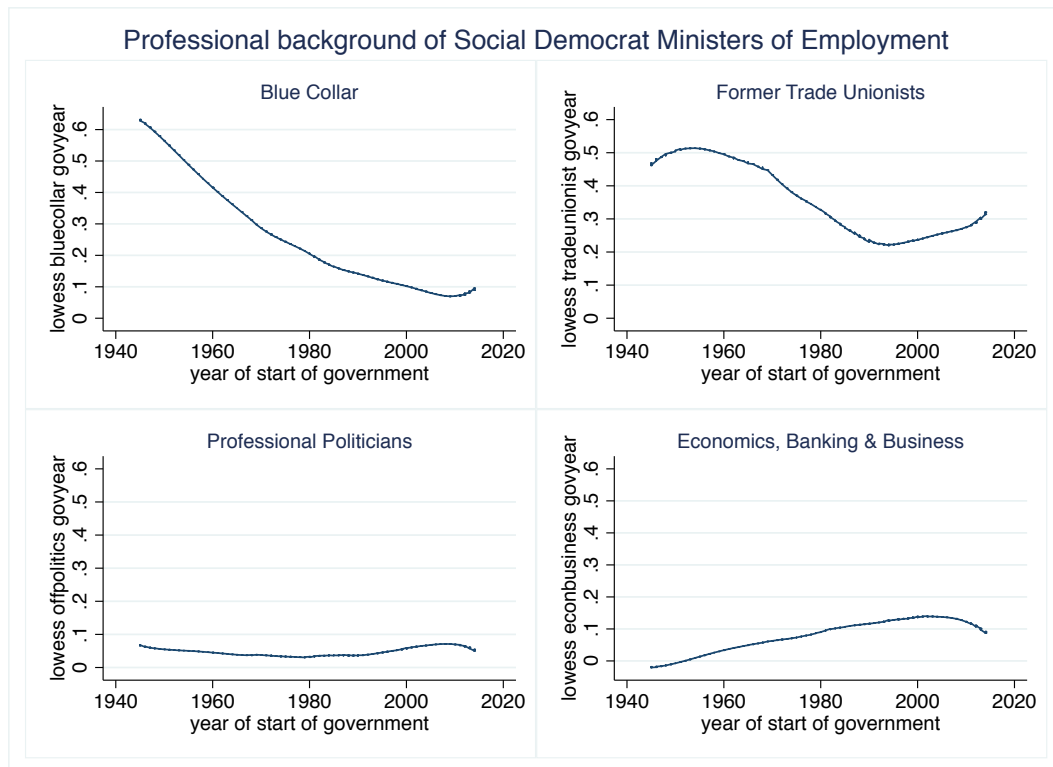


Figure 7

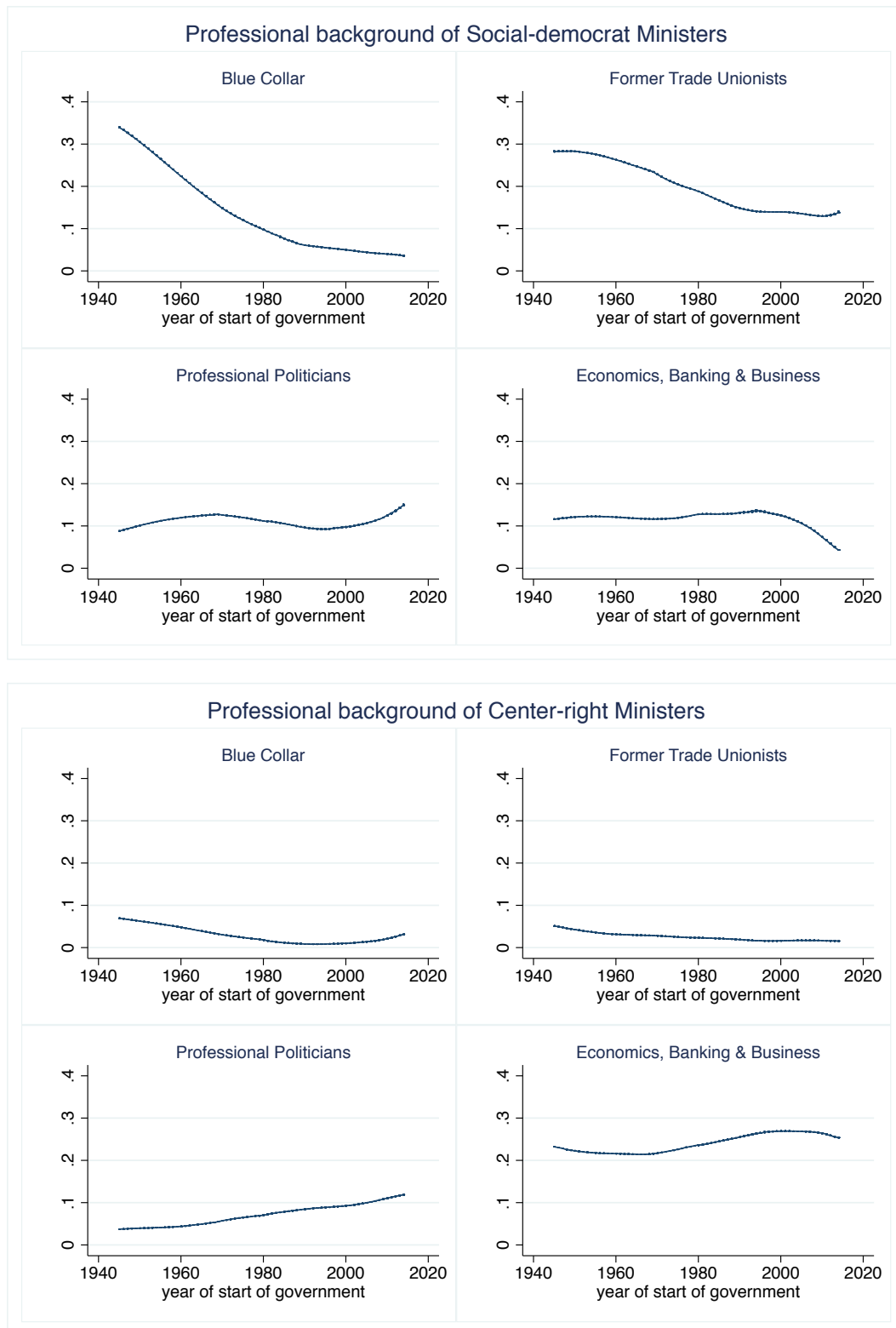


Among center-right employment ministers, almost none has a working-class or trade-union background today. In contrast, half of the employment ministers in center or right-wing parties have a background in economics, banking or corporate business. Within social democrats at most 15 percent of them have a background in economics, banking or business. In other words, despite the dramatic decline in the representation of the working class, there are still meaningful partisan differences between left and right parties, at least with respect to the socio-economic background of ministers.

In Figure 8 I investigate whether the trends and partisan differences we observe within the employment portfolio is generalisable across cabinets. Do cabinet ministers have significantly different social and professional backgrounds between party families? The answer seems to be affirmative: currently, the working-class is not represented descriptively at all by center or right parties in cabinets, at least with respect to the eight portfolios I have in my data. In contrast, the banking and business communities, in other words the managerial class, is over-represented with a quarter of all center or right ministers having this background. Interestingly, the ministers who have only held political jobs, described as professional politicians, stand at about 10 percent across party families.

In what follows, I try to explain what drives the changes in the professional background of cabinet ministers. Is it changes in party ideology and their platforms that lead to a different recruitment of politicians? Is it more electoral competition at the district level? Or economic globalization and demand for policy expertise?

Figure 8



A preliminary investigation on the causes of the evolving background of cabinet ministers

There is a substantial literature on the effects of economic globalization on political parties' organization and ideological profile. According to Katz and Mair (1995) and Blyth and Katz (2005) dramatic changes in the socio-economic profiles of electorates together with the maturation of the welfare state and economic globalization have challenged the identity of traditional parties, which have responded by coalescing with each other, i.e. by not competing with each other on ideological terms. As a result, there is little ideological difference between the mainstream political parties making the left-right ideological divide less prevalent, if meaningful at all. This thesis goes against the traditional understanding of the role of political parties as coalitions of citizens with divergent interests, best captured by mass parties (Katz and Mair 2005). Instead, current political parties have little connection with their voter base and operate, literally, independently of their core constituencies (Blyth and Katz 2005). An implication of the declining connection between parties and their electoral base is that parliamentary cabinets are becoming more professionalized because parties are themselves less ideological and they have less connection with the party base.

On the other hand, proponents of the power resources theory argue that where industrial relations are more corporatist, social democratic parties have more successfully upheld their social democratic principles (Korpi and Palme 2003). Adams and Haupt (2009) find that social democratic parties have maintained more ideological positions than centre-right parties. Similarly, Haupt (2010) finds that economic openness does not have the expected right-ward effect on political parties. Indeed, in terms of cabinet representation, Alexiadou

(2016) finds that party leaders are more likely to appoint former trade unionists as their social affairs ministers when unions are stronger irrespective of the time period.

If the Cartel Party hypothesis is correct, we should find that as political parties of the left and the right converge ideologically due to the forces of economic globalization and changes in the electorate, the number of professional politicians, as well as politicians with background in business and finance rises. In contrast cabinet ministers with blue collar background and those from the trade union movement decline. In fact, if ideological convergence is what drives the changes in ministers' backgrounds then we should find that economic globalization and rightward shifts in party ideology primarily explain the under-representation of the working-class in social democratic parties. To test this hypothesis we utilize the *left-right* indicator from the comparative manifestos project which captures party ideological shifts by election (Klingemann et al. 2006), as well as the indicator of economic globalization, which measures both trade and financial capital openness by Dreher⁵. Both variables should positively correlate with professional politicians and bankers, even if they correlated with each other. This is because, ideological convergence is strongly affected by electoral competition (Adams 2012) and, equivalently economic globalization can have other direct effects on ministerial appointments, for example via lower electoral turnout (Marshall and Fisher 2014).

If, however, the power resources hypothesis is right we should find that social democratic parties are more representative of lower income voters than right of center parties, in particular where interest intermediation is corporatist and trade unions are stronger. Both the union density and corporatism variables are Visser (2013).

⁵ <http://globalization.kof.ethz.ch/>

The control variables included in the regression models are *social democratic party family*, *real economic growth* to control for the possibility that ministerial appointments are simply dictated by more advanced and complex economies, *the effective number of parties in government* and *multiparty cabinet*, to control for the possibility that multiparty cabinets are more representative of the electorate given the larger number of views represented in the government, *average district magnitude*, to control for the effects of the electoral system, and finally the *number of ministries controlled by the minister's party* in case party size systematically correlates with a higher number of professional politicians. The models predict the appointments of *professional politicians*, defined as those who never had a job outside politics either at the party, national or local levels and MEPs, the appointments of *economists*, *bankers and businessmen*, coded as those whose primary profession was as economists, in finance or business, and *blue-collar* ministers, defined as those who had manual jobs. The models are estimated with logistic regression and clustered errors by country. I present two tables; Table 3 includes all cabinet ministers in the sample, depending on the data availability of all the regressors, and Table 4 predicts only the appointments of the ministers of social affairs and employment, as these portfolios are the ones that are the most representative of workers.

According to Column 1 and against my expectations, the best predictors for the appointments of professional politicians are higher union density and wage bargaining coordination. Moreover, against my expectations, neither lower union density nor wage bargaining predict the decline in the numbers of cabinet ministers with trade union or working-class background. The only column that supports both the cartel party and power resources hypotheses is Column 2 that predicts the appointments of ministers with background in

economics, business and banking. The likelihood of appointing a minister with a background in economics, business or banking is higher by right of center parties, when party ideology shifts to the right, when wage bargaining coordination is lower, and when economic globalization increases. The convergence hypothesis finds perfect support when it comes to appointing businessmen and bankers to cabinet. However, not when trying to predict the appointments of trade unionists or working-class ministers. For the latter, the only significant predictors are shifts in party ideology; the more to the right the less likely they are to be appointed. Yet, this finding is not very informative to the extent that parties' manifestos are written by senior party members and future cabinet ministers. Therefore, it is not possible to claim causality in this instance. These findings are more or less consistent across ministerial portfolios. Table 4 predicts the appointments of social affairs and employment ministers only. The main findings in Table 3 are replicated in Table 4: shifts in parties' left-right positions are the best predictors for the appointments of working class and trade union ministers, while professional politicians are predicted by higher union density, wage bargaining coordination and economic globalization.

Table 3: Predicting the appointments of different professional groups of cabinet ministers.

| | (1) | (2) | (3) | (4) |
|---------------------------------------|--------------------------|--------------------------------|-----------------------|----------------------|
| | Professional Politicians | Economists, Bankers & Business | Trade Union Leaders | Blue Collar |
| Left | 0.0257 (0.331) | -1.4124*** (0.400) | 3.0967*** (0.667) | 4.7281*** (0.943) |
| Rile | -0.0047 (0.009) | 0.0148*** (0.004) | -0.0745*** (0.023) | 0.0387** (0.019) |
| Left*Rile | 0.0159 (0.016) | -0.0300** (0.012) | 0.0818*** (0.024) | -0.0296* (0.017) |
| Coordination | 0.2835** (0.124) | -0.2011*** (0.069) | -0.1267 (0.173) | -0.2305 (0.268) |
| UD | 0.0166** (0.008) | 0.0121** (0.005) | 0.0080 (0.014) | 0.0145 (0.018) |
| Globalization | 0.0231 (0.015) | 0.0309*** (0.009) | -0.0244 (0.015) | -0.0143 (0.028) |
| Growth | 0.0509* (0.028) | -0.0232 (0.026) | 0.1181** (0.051) | 0.1294 (0.086) |
| Eff. Number of Parties | -0.2530*** (0.096) | -0.3354*** (0.088) | 0.1930 (0.155) | 0.2579 (0.267) |
| Av. Distr. Magnitude | -0.3193*** (0.115) | 0.1946*** (0.052) | 0.1040 (0.200) | -0.4271 (0.298) |
| Multiparty | 0.6728** (0.343) | -0.0027 (0.303) | 1.3822*** (0.402) | 0.7333 (0.640) |
| Ministries help by party | 0.0097 (0.022) | 0.0274 (0.026) | 0.0556 (0.034) | -0.0143 (0.050) |
| Constant | -3.3054** (1.368) | -2.8637*** (0.830) | -5.0348*** (1.090) | -6.8725** (2.894) |
| Observations | 1,110 | 1,110 | 1,110 | 1,110 |
| Robust standard errors in parentheses | | | | |

Table 4: Predicting the appointments of different professional groups of Employment & Social Affairs ministers only.

| | (1) | (2) | (3) | (4) |
|---------------------|--------------------------|--------------------------------|-----------------------|---------------------|
| | Professional Politicians | Economists, Bankers & Business | Trade Union Leaders | Blue Collar |
| Rile | -0.0063 (0.008) | 0.0178* (0.011) | -0.0342*** (0.013) | -0.0288* (0.017) |
| Coordination | 0.2770** (0.124) | -0.2181 (0.193) | -0.1083 (0.309) | 0.1313 (0.161) |
| UD | 0.0258* (0.015) | -0.0046 (0.011) | 0.0060 (0.012) | 0.0425 (0.046) |
| Globalization | 0.0338** (0.015) | 0.0203 (0.025) | -0.0032 (0.031) | 0.0370 (0.047) |
| Growth | 0.0502 (0.057) | -0.0470 (0.057) | 0.1236 (0.098) | 0.0313 (0.103) |
| Eff. Number parties | -0.2993 (0.240) | -0.0629 (0.270) | -0.1461 (0.268) | -0.4900 (0.414) |
| Ave. Distr. Magnit. | -0.6973*** (0.172) | -0.0217 (0.123) | 0.7126*** (0.134) | -0.5363 (0.924) |
| Multiparty | 0.4356 (0.502) | -1.0952** (0.467) | 0.9209* (0.509) | 2.0565 (1.470) |
| Ministries held | 0.0050 (0.039) | -0.0541 (0.043) | 0.1217** (0.047) | 0.0443 (0.094) |
| Constant | -3.8059 (2.376) | -0.2165 (2.652) | -5.3575 (3.452) | -8.1692 (6.969) |
| Observations | 306 | 306 | 306 | 306 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Discussion

With the aid of a new dataset on ministers' professional background, this paper attempts an initial exploration of the hypothesis that politics is becoming more professionalized and more dominated by finance and business personalities. The dataset, which includes the professional and political background of cabinet ministers, includes 8 major cabinet portfolios (prime minister, deputy prime minister, foreign affairs, finance, economics, employment, health and social affairs) and covers 18 parliamentary democracies from 1945 to 2015.

The preliminary findings provide initial support for the hypothesis that politics is becoming more professionalized and that, over time, more ministers are less representative of the lower middle and working-class and more representative of the professional and managerial class.

Against my expectations, economic institutions do not predict the appointments of ministers with working-class background; however, they are associated with lower appointments of cabinet ministers with a background in economics, business and finance. Economic globalization predicts the appointments of professional politicians, but only with respect to the portfolios of social affairs and employment. However, the most important and robust finding is the strong correlation between shifts in the left-right ideology of political parties, as measured by electoral manifestos; shifts to the right predict a higher number of ministers with a background in business and finance and a lower number of working-class ministers. The challenge and next step is to identify which way causation goes: do these ministers shift parties' electoral positions and issue saliency, or do party shifts attract a different profile of politicians?

These findings have potentially important implications. If indeed voters are affected by candidates' and politicians' background as found by Heath (2015), the linkage between socio-economic representation and populism is theoretically very plausible. Populism, defined as 'an ideology that considers society to be ultimately separated into two homogenous and antagonistic groups- "the pure people" versus the "corrupt elite" (Mudde 2004) directly challenges the transparency of established political elites. Only populist, charismatic leaders can incarnate the demands of the people and can act as their spokesperson (Kriesi 2014). To the extent that voters draw inferences about politicians' motives on the basis of their socio-economic background, they could be less trusting of elites that are socio-economically dissimilar.

Second, does declining descriptive representation lead to declining substantive representation? For example, the Oscar winning documentary 'Inside Job'⁶ suggests that the 2008 financial crisis was the doing of revolving door politics. This assertion might not be too far-fetched as an increasing body of work finds that politicians' own professional background and ideological orientation predict policy outcomes better than voter preferences or party and government ideology (Alexiadou 2016; Chwieroth 2007). Could we empirically establish causality between political inequality and income inequality? In a working paper, I find that finance ministers with a background in banking are strongly associated with lower taxes and higher income inequality (Alexiadou 2018). In the Appendix, I provide preliminary analysis on the likelihood of adopting a financial service VAT tax when the finance minister is a former banker.

⁶ During the last twenty years a number of US Treasury secretaries were leading Wall-Street figures, such as the former Goldman Sachs bankers, Henry Paulson and Robert Rubin.

To conclude, unless we can address the above questions we are not able to tell if the “elites rule in their own interest” (Galston 2016) or in the interests of their voters.

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Appendix

Table A1: Introduction of VAT in the financial sector (cross-section, time series data)

| DV | (1) VAT | (2) VAT |
|--------------------------------|-----------------------|-----------------------|
| Banker | -2.3982*** (0.757) | -2.3590*** (0.757) |
| Right Fin. | -0.0425 (0.397) | -0.0019 (0.405) |
| Right Fin. Banker | 1.9806 (1.251) | 2.1099* (1.280) |
| Size Banking Sector | -5.9079** (2.466) | -7.4257** (3.048) |
| Constant | -2.6901*** (0.866) | |
| Observations | 831 | 612 |
| Number of countries | 18 | 13 |
| Estimator | RE | FE |
| Standard errors in parentheses | | |
| *** p<0.01, ** p<0.05, * p<0.1 | | |