Is redistribution to remedy inequality inhibited by 'distrust in government' (Kuziemko, Norton, Saez, Stantcheva 2015)?

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In 1981, Meltzer and Richard offered what seemed an iron law of democratic politics: as market income inequality widens and the mean diverges from the median, the decisive median voter gains more from redistribution than they lose, so the demand for redistributive government must rise.[1] The decades since have refuted this prediction comprehensively. US income inequality has risen since the 1990s; yet public support for redistribution has remained stagnant[2]. A 2025 re-examination of redistribution across eighteen OECD countries finds that the mean-to-median income ratio is consistently and negatively correlated with redistribution: the opposite of what Meltzer-Richard predicts.[3] Something is suppressing the demand that rising inequality ought to generate. Kuziemko, Norton, Saez, and Stantcheva (henceforth KNSS) identify 'distrust in government' as a central culprit. Their 2015 randomised survey experiments demonstrate that information about inequality reliably increases concern but barely shifts redistributive policy preferences; and that distrust in government accounts for a significant portion of this gap.[4] This essay argues that distrust does inhibit redistribution, but only redistribution of a particular type: that which is direct and mediated through the state's collecting-and-redistributing mechanism. Where redistributive instruments bypass this mechanism, and are more indirect, distrust's grip loosens. Internationally, the relationship between trust and redistribution is more complex than KNSS's US-centric findings suggest, pointing to institutional design as the deeper variable, as opposed to trust alone.

I. The Case for Distrust Inhibiting Redistribution

The theoretical mechanism is intuitive. Redistribution through the state requires two acts of trust: that tax revenue will be collected honestly, and that transfers will reach their intended recipients rather than be drawn away by corruption or bureaucracy waste. If citizens doubt the government's integrity, redistribution becomes more of a lottery in their eyes, with

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[1]Meltzer, A.H. and Richard, S.F. (1981) 'A Rational Theory of the Size of Government', *Journal of Political Economy*, 89(5), pp. 914-927.

[2]Kenworthy, L. and McCall, L. (2008) 'Income inequality and public opinion about redistribution', Socio-Economic Review, 6(1), p. 60. The increase in the perceived level of inequality in the early nineties does not appear to have produced heightened support for redistribution.

[3]Machtei, I., Huber, E. and Stephens, J.D. (2025) 'Goodbye to Meltzer-Richard: Testing Major Theories of Redistribution', *Journal of European Social Policy*, 35(1).

[4]Kuziemko, I., Norton, M.I., Saez, E. and Stantcheva, S. (2015) 'How Elastic Are Preferences for Redistribution? Evidence from Randomized Survey Experiments', *American Economic Review*, 105(4), pp. 1478-1508.

the state as an intermediary that is untrustworthy. Sapienza and Zingales find this logic in a different context: respondents prefer auto fuel efficiency standards to a gasoline tax-and-rebate scheme (which is considered superior by economists), simply because they do not trust the government to rebate the money.[5] The preference for a regulatory instrument rather than a fiscal one, even when the fiscal route is economically better, is a direct example of distrust acting as a handbrake on demand for redistribution.

KNSS test this channel experimentally. Surveying approximately 10,000 US respondents on Amazon Mechanical Turk, they administer a 'negative trust prime', prompting respondents to endorse hostile statements about politicians and view data on federal transparency, and then measure its effect on policy preferences. The baseline levels of distrust already exist; indicated by roughly 89% of their sample agreeing that 'Politicians in Washington work to enrich themselves and their largest campaign contributors, instead of working for the benefit of the majority of citizens.'[6] The prime amplifies this sentiment and produces a measurable reduction in support for direct transfer programmes (such as food stamps, housing assistance, and aid to the poor). Therefore, the mechanism is that induced distrust translates into reduced willingness to channel resources through the state.

Direct income transfers require the government to collect taxation at one end and disburse benefits at the other. Every step in that chain is a potential point of failure for a citizen who distrusts the government's motives, because support for bureaucracy falls, along with a fall in tax compliance. The KNSS result is therefore empirical and structurally intelligible as well: distrust targets the institutions through which standard redistribution must flow.

II. The Exception: Indirect Redistribution

However, the most revealing evidence in KNSS is where distrust is inhibited by exogenous factors. The same trust prime that suppresses support for food stamps has no statistically significant effect on support for raising the minimum wage.[7] This asymmetry is important, as it reveals the distinction between direct and indirect redistribution. The minimum wage redistributes income from employers to low-wage workers without requiring the government to collect a tax or disburse a transfer; the state mandates an outcome in the labour market rather than processing money through its own channels, an example of indirect redistribution. A distrustful citizen who believes government officials are incompetent and corrupt has no particular reason to oppose a minimum wage hike because the transmission mechanism of redistribution bypasses the institution they mistrust.

The estate tax provides a second internal comparison. KNSS find that providing respondents with a single factual correction (that fewer than 1% of estates are subject to the

[5]Sapienza, P. and Zingales, L. (2013) 'Economic Experts vs. Average Americans', *American Economic Review: Papers & Proceedings*, 103(3), pp. 636-642.
[6]KNSS (2015), p. 1481
[7]KNSS (2015), Table 5

tax) more than doubles support for it, with the effect persisting in a one-month follow-up.[8] The estate tax is interesting because it redistributes at the point of inheritance rather than through ongoing means-tested transfers. Its opponents have successfully cultivated the myth of a 'death tax' threatening ordinary families. When this misinformation is corrected, support increases; because the specific cognitive obstacle (false belief about incidence) was removed; and a lack of trust was not the inhibiting factor. Therefore, trust is largely irrelevant when the mechanism of redistribution is a wealth levy at death rather than a government transfer programme.

Together, these cases establish a more precise claim than KNSS's headline finding suggests. Distrust does not inhibit the general redistributive impulse; but specifically inhibits direct redistribution (that is redistribution routed through state collection and disbursement). Capability-building policies, such as investment in education, job training, early childhood development, pass through the same government machinery, yet Alesina, Stantcheva, and Teso find that even pessimistic information about mobility increases support for these policies across a broader political coalition than direct transfers command.[9] The implication is that the public makes a distinction between redistribution that 'gives people fish' via government transfers and redistribution that 'teaches people to fish' through capability-building; and that distrust attaches significantly more to the former.

III. Is Distrust the Cause, or a Consequence?

A more fundamental challenge to KNSS comes from Peyton (2020), who runs three pre-registered survey experiments using positive vignettes about competent civil servants to increase trust and finds that the resulting gains in trust have statistically negligible effects on redistribution preferences.[10] If increased trust does not translate into increased redistributive demand, the KNSS mechanism is called into question. Peyton also suggests that the correlation between distrust and low redistributive preference may be largely spurious and weaker, with both driven by partisan political identity as well.

The methodological differences between the two studies highlights the issue. KNSS's trust prime is 'bundled': it requires respondents to endorse hostile statements about the government while viewing unfavourable government statistics.[11] This treatment likely activates conservative political identity as well as reducing trust. Consistent with this interpretation, Alesina et al. (2018) find that right-wing respondents are essentially unresponsive to even accurate, pessimistic information about mobility; not because their trust

[8]KNSS (2015), p. 1481 and p. 1497. Only around 12% of respondents correctly identified that fewer than 1% of estates are subject to the estate tax. Providing this correction more than doubled support for the tax.
[9]Alesina, A., Stantcheva, S. and Teso, E. (2018) 'Intergenerational Mobility and Preferences for Redistribution', *American Economic Review*, 108(2), pp. 521-554.
[10]Peyton, K. (2020) 'Does Trust in Government Increase Support for Redistribution? Evidence from Randomized Survey Experiments', *American Political Science Review*, 114(2), pp. 596-602.
[11]KNSS (2015), p. 1481.

is lower, but because 'they see the government as a problem, not a solution'.[12] Ideology shapes both trust and redistributive preference simultaneously, making it difficult to isolate distrust as an independently operating variable.

However, this does not falsify KNSS. Their design does show that priming distrust moves policy preferences, which Peyton's vignette design may be too subtle to replicate. But it suggests that distrust is also reflected by ideology. For the question of why redistribution lags behind concern about inequality, the key upstream variable may be entrenched beliefs about individual merit and government competence; of which distrust is a downstream expression rather than a root cause. Identifying distrust as the culprit is synonymous with treating a symptom while leaving the underlying disease unaddressed.

IV. Beyond the United States: Trust, Institutions, and the Robin Hood Paradox

KNSS's evidence is drawn entirely from the United States, a society predominantly characterised by low institutional trust coupled with ideological divisions and entrenched political beliefs. Internationally, however, the picture is more complex, and it is therefore harder to make a generalisation. The 'Robin Hood Paradox', identified by Lindert, captures the regularity that the highest redistribution occurs in the countries with the lowest pre-tax inequality, predominantly the Scandinavian social democracies, while the most unequal societies, including the United States, redistribute the least.[13]

Algan, Cahuc, and Sangnier (2016) offer an account of this Robin Hood pattern.[14] They document a 'twin peaks' relationship between civic trust and welfare state size across OECD countries. High-trust civic societies, predominantly Scandinavian, sustain large, universal welfare states because citizens trust both that their taxes will be well spent and that their neighbours will comply without free-riding. But a second group of countries, Southern European states with lower civic trust, also maintain sizeable public sectors, sustained by clientelist networks in which low-trust voters expect to extract particularistic benefits, as opposed to maintaining a general trust in the state to provide fair benefits to everyone.[15] The countries that redistribute the least are those in an intermediate range: sufficiently distrustful to oppose universalist programmes but lacking the clientelist infrastructure to capture targeted transfers.

This framework reveals why distrust's inhibiting effect is also contingent on institutional design. Universal benefit programmes, in which nearly all citizens are both contributors and recipients, are inherently resistant to distrust because everyone can see what they get for contributions. Contrastingly, means-tested and targeted transfers (the predominant American model) are most vulnerable to distrust, requiring citizens to trust that the government will both (i) identify the genuinely deserving poor and (ii) channel resources

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[12]Alesina, A., Stantcheva, S. and Teso, E. (2018), p. 521.
[13]Lindert, P.H. (2004) *Growing Public: Social Spending and Economic Growth since the Eighteenth Century*. Cambridge: Cambridge University Press.
[14]Algan, Y., Cahuc, P. and Sangnier, M. (2016) 'Trust and the Welfare State: The Twin Peaks Curve', *Economic Journal*, 126(593), pp. 861-883.
[15]Algan et al. (2016).

to them effectively. Where confidence in these capacities is low, support for redistribution likely reduces. The US is a low-trust society whose redistributive architecture is therefore most likely to be exposed to distrust's inhibiting effects on redistribution.

V. Conclusion

Distrust in government is a genuine inhibitor of redistribution; but its scope is narrower than KNSS's headline claim implies. Experimentally, distrust suppresses support for direct redistribution while having statistically insignificant effects on indirect redistribution. Theoretically, distrust may be better understood as an expression of ideological and cultural commitments rather than an independent variable that can be addressed by rebuilding trust alone. Comparatively, the relationship between trust and redistribution is non-linear and institutionally mediated: Scandinavian universalism and Southern European clientelism both sustain redistribution through different trust architectures, while means-tested, targeted programmes of the American variety are most acutely vulnerable.

Therefore, those who seek to expand redistribution by first rebuilding institutional trust face a long and uncertain road, particularly if distrust is itself a product of deeper ideological beliefs that accurate information cannot easily shift, as Alesina et al. demonstrate for right-wing respondents. A more manageable route may be in prioritising redistributive policies that bypass the collecting-and-disbursing transmission mechanism against which distrust is specifically targeted. Universal programmes and capability-building investments in education may garner broader support from different coalitions and increase trust because everyone benefits from them, reducing concerns over unfair favouritism. Ultimately, distrust does not block redistribution to remedy inequality in an economy; it blocks a particular institutional pathway through which redistribution has historically been routed, and opens, by contrast, others.

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