Advanced Economic History

(Master PPD & APE) (EHESS & Paris School of Economics) Thomas Piketty Academic year 2017-2018

Lecture 10: Property Regimes and Political Systems in Historical Perspective (II):

Party Systems and Inequality in Electoral Democracies

(check on line for updated versions)

- Advanced Economic History (12 lectures): full syllabus <u>here</u>
- Lectures 1-8 and 11-12 are taught by E. Monnet/L. Kesztenbaum, F. Alvaredo, D. Cogneau and J. Bourdieu
- In lectures 9-10, I develop a long-run perspective on the joint evolution of property regimes and political systems.
- <u>Lecture 9: Property Regimes & Political Systems in Historical Perspective (I): From Ternary Societies to Proprietary Societies</u> (Wednesday November 29th 2017)
- <u>Lecture 10: Property Regimes & Political Systems in Historical Perspective (II): Party Systems & Inequality in Electoral Democracies</u> (Wednesday December 6th 2017)
- I assume you are familiar with the material presented in the "Introduction to Economic History" course. Students who have not taken this course (or need to refresh their memory) are encouraged to go through the <u>syllabus and slides</u> used in this course.

Property regimes & political systems in historical perspective

- **Property regimes** = set of legal and practical rules defining property rights: what can be owned or not, what are the rights of owners and non-owners, etc. E.g. slaves or serves? Private intellectural property or public property?
- **Political system** = set of rules defining political rights & the organization of government: constitution, voting rights, judiciary vs executive, etc.
- In ancient societies, property rights & political rights were inextricably linked. Typically, local property owners also exert political, military and judicial power. Landlord = lord of the land... and lord of the people living on the land.
- In these lectures, I argue that property regimes and political systems are always inextricably linked (directly or indirectly), in ancient as well as in modern societies. E.g. in modern electoral democracies, the possibility to tax or redistribute property depends on constitutional rules (e.g. unanimity rule on taxation in the EU); there are different ways to define political equality; the « democratic » debate about inequality is partly determined by private money, party finance and media ownership; etc. etc.
- The idea of a complete demarcation between property rights and political rights, between economic institutions and political insitutitons, between economics and politics, between economic inequality and political equality, is an illusion.
 - → The history of property regimes & political systems must be studied jointly

- Why are property regimes and political systems inextricably linked?
 Because in all societies, inequality needs to be politically justified.
 - I.e. all societies need a set of beliefs and discourses defining acceptable inequality.
- In order to be effective, the dominant ideology of inequality needs to be embodied into political institutions and legal rules.
- Oldest justification of inequality (pre-modern societies): « ternary societies » Core beliefs = in order to function, each society needs to divide its population into three major social groups with different status, functions and legal rights:
- Nobility/rulers/warriors provide law and order
- Clergy/priests/intellectuals provide spiritual guidance
- Labourers/workers/Third Estate (Tiers Etat) provide labour
- The first two groups are both property owners and political rulers (temporal or spiritual): the legitimacy of their property is inextricably tied to the political and spiritual services they are supposed to provide to the entire community
- Multiple variants in Christian Europe, Hinduism, Islam, depending in particular on the various forms of religious ideology, family structures, forced labour, etc.

- In 15°-18°, the rise of centralized state power, education and enlightnment gradually destroys the basic justification of ternary societies
- E.g. if security services are provided by the centralized state and the police force/military, what's the use of the nobility? If intellectual guidance is provided by philosophers, scientists and universities, what's the use of the clergy?
- → rise of « proprietary societies » in 18°-19° based upon a sharp demarcation between political and property rights, and upon a quasi-sacralization of private property
- Core beliefs: in order to avoid social chaos and permanent expropriation/redistribution, strong protection of private property by centralized state is necessary (and sufficient)
- 20° crisis of proprietary societies: inequality, communism, nationalism, colonialism
- → post-communist, post-colonial societies; contested rise of mixed property & social state; complexe legacy of Soviet and Chinese communism; new forms of private property sacralization & proprietary ideology in 21^c: tax havens, philantropy; complex interaction between domestic and international dimension of rising inequality: return of class-based or identity-based political conflict?

• <u>Lecture 9: Property Regimes & Political Systems in Historical Perspective (I):</u> <u>From Ternary Societies to Proprietary Societies</u> (Wedn. Nov. 29th 2017)

The first lecture focuses on the transition from ternary societies (based upon functional political-religious-economic inequality: rulers-priests-workers) to proprietary societies (based upon a sharp demarcation between property rights and political rights) and their followers (including social-democratic, communist and post-communist societies).

<u>Lecture 10: Property Regimes & Political Systems in Historical Perspective (II):</u>
 <u>Party Systems & Inequality in Electoral Democracies</u> (Wedn. Dec. 6th 2017)

The second lecture studies the joint evolution of property/inequality regimes and party systems in electoral democracies. In particular, I stress the interaction between inequality dynamics and the structure of political cleavages and ideology (class-based vs identity-based).

Roadmap of Lecture 10

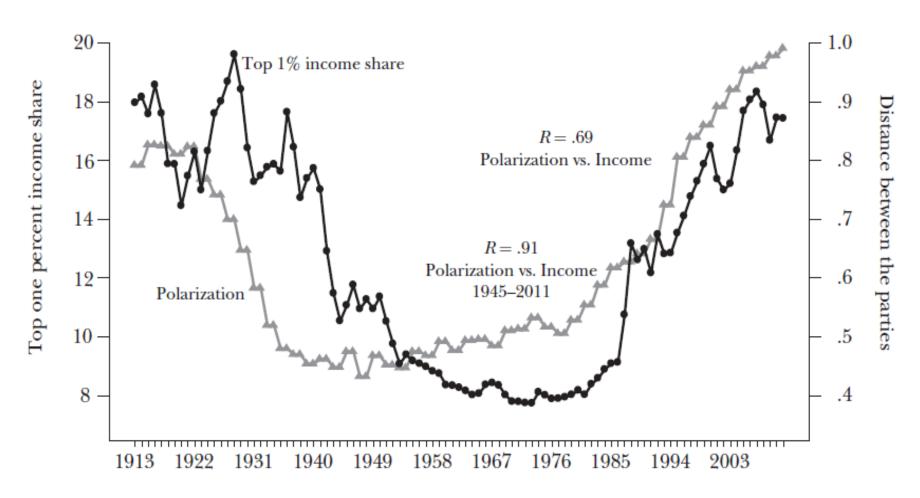
- Why hasn't democracy slowed rising inequality?
- Classics on political parties and cleavage structures: Mitchels 1911, Duverger 1951, Lipset-Rokkan 1967, and beyond
- Rising inequality and the changing structure of political conflict in Europe and the US: what do we really know about cleavage structures? why did left parties shift from worker parties to high-education parties?
- The US party system in historical perspective: race-class-race? Are class-based cleavages inherently unstable?
- <u>Dynamics of party systems in emerging countries and new democracies: Latin</u>
 <u>America, Asia, Africa</u>

Why hasn't democracy slowed rising equality?

- Very optimistic view of democracy: universal suffrage brings political equality and should lead to economic equality. Unfortunately this does not seem to work.
- In particular, rising inequality in recent decades should have led to rising political demand for redistribution. In fact we seem to see the rise of identity-based political conflict rather than class-based political conflict. Explanations?
- Most obvious explanation: money can bring unequal political influence, and prevents redistributive response → without very strict rules on the financing of political campaigns, media ownership, political equality is an illusion
- Large US political science literature stressing the large role played by political finance
- See Hacker-Pierson, Winner-Take-All Politics: How Washington Made the Rich Richerand Turned Its Back on the Middle Class, 2010
- Gilens, Affluence and Influence: Economic Inequality and Political Power in America, 2012; « Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens », Pop 2014
- Kuhner, Capitalism vs Democracy: Money in Politics and the Free Market Constitution, 2014

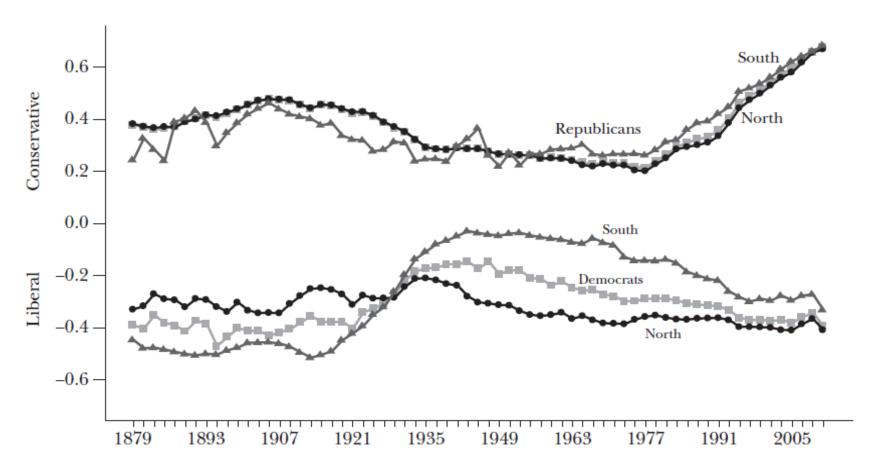
- Bonica-Rosenthal, « Why Hasn't Democracy Slowed Rising Inequality », <u>JEP 2013</u>; « The Wealth Elasticity of Political Contributions by the Forbes 4000 », <u>WP 2015</u>
- They stress the role played by political finance, and also by increased political polarization between democrats and republicans
- But stressing the role played by money in politics is not enough: inequality involves complex, multi-dimensional issues (property, education, income, identity, etc.): it is difficult to fit a consistent coalition and ideology into a single political party or policy platform
- It's not enough to blame the rich: sometime the pb also comes from the lack of a convincing egalitarian ideology and policy platform; one needs to better understand both inequality dynamics and party systems/ideological dynamics in order to account for the existence (or lack) of redistributive periods (e.g. post-WW2 vs today)

Figure 2 Top 1 Percent Income Share and Polarization in the US House of Representatives, 1913-2008



Source: Authors calculations using the polarization data described under Figure 1, and data on income from Piketty and Saez (2013).

Figure 1
Party Means on Liberal–Conservative Dimension for the US House of Representatives, 1879–2012



Source: Author's calculations using DW-NOMINATE scores of the liberal-conservative positions of members of Congress, which are based on roll call votes. For methodological details, see Poole and Rosenthal 1997; McCarty, Poole, and Rosenthal 1997; and Poole 2005.

- Bonica-Rosenthal: very relevant, but not enough: one needs to look in more detail at the changing structure of party electorate, ideology and policy platform
- Their notion of polarization is more a notion of party discipline (US parties might simply have converged toward European parties) than a notion of distance between parties' policy platforms (e.g. both democrats and republicans advocated limited tax progressivity since 1980s, as compared to 1930-1980)
- What do parties do, what are the main cleavages and ideological coalitions, which voters vote for which parties and why?
 Let's start with a number of classic studies on political parties

Michels (1911) – Political parties

- R. Mitchels (1876-1936), German sociologist/political scientist, who published in 1911 (in German) one of the first classic studies on political parties: Political parties A Sociological study of the oligarchic tendancies of modern democracy (updated version 1915 with a new chapter « Party life in wartime »,
- In this book, Michels provide a disillusioned view of political parties (mostly the German SPD (*Sozialdemokratische Partei Deutschlands* = long the largest and most powerful socialist parties in Europe) and French and Italian socialist parties over the 1870-1910 period).

« confirming my pessimistic conclusions »; Mitchels v. upset with Weber)

• In particular, he stresses the fact that they are unable to develop a truly democratic governance and that they are always controlled by the same opportunistic leaders (Bebel-Liebknecht SPD 1870-1900; many congress delegates 1893-1910 are not workers, and workers do not have control; French opportunist socialist MPs 1893)

- Universel suffrage won't lead to radical reduction in inequality, because parties are controlled by self-serving bureaucratic elites
- Very interesting, but too pessimistic and determinist: Michels failed to become SPD MP candidate in 1903, and ended up with Italian fascist party in 1924 (like Pareto)
- Very negative about all forms of organizations: negative about SPD when self-financed before introduction of parliamentary allowances for MPs in 1906 (too much party control); very negative about parl. allowances after they are introduced (MPs do it for money); very negative about US lower class corrupt leaders; etc.
- Lipset's preface to 1961 US edition: « Michels was the first to put the emphasis on the internal organization of political parties, and rightly so; but he forgot that other organizations can work better, e.g. US parties with primaries, etc. »

Duverger (1951) – Political parties

- M. Duverger (1917-2014), French political scientist/constitional lawyer, publishes in 1951 « Political parties » (in French) = first general synthesis on the origins and functionnings of political parties in Europe and the US (and a little bit in Latin America and Turkey)
- Famous « Duverger's law »:
- one-round plurality rule, single-member districts (UK, US) \rightarrow two-party system two-round (France) or proportional (most of Europe) \rightarrow multiple-party system
- This now seems obvious, but in the interwar period there was still the illusion that one could have a stable three-party system in the UK (Conservative, Liberal, Labour) (and in 19c there was limited suffrage); 1945-50 is really the first time when we see a clear return to a two-party system with the replacement of Liberal by Labour as the second party (+interesting US experiments with 2-round/PR)
- → party entry is possible in one-round systems, but it can take a very long time (half a century in the case of Labour Party 1900-1950); that being said, three-party system (Liberals, UKIP, etc.) can be more persistent than Duverger thought in 1951

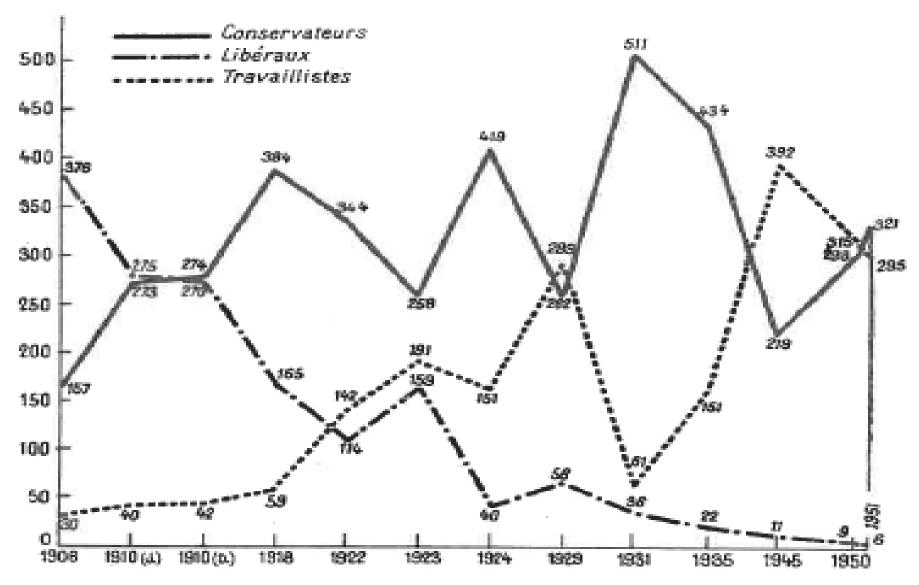
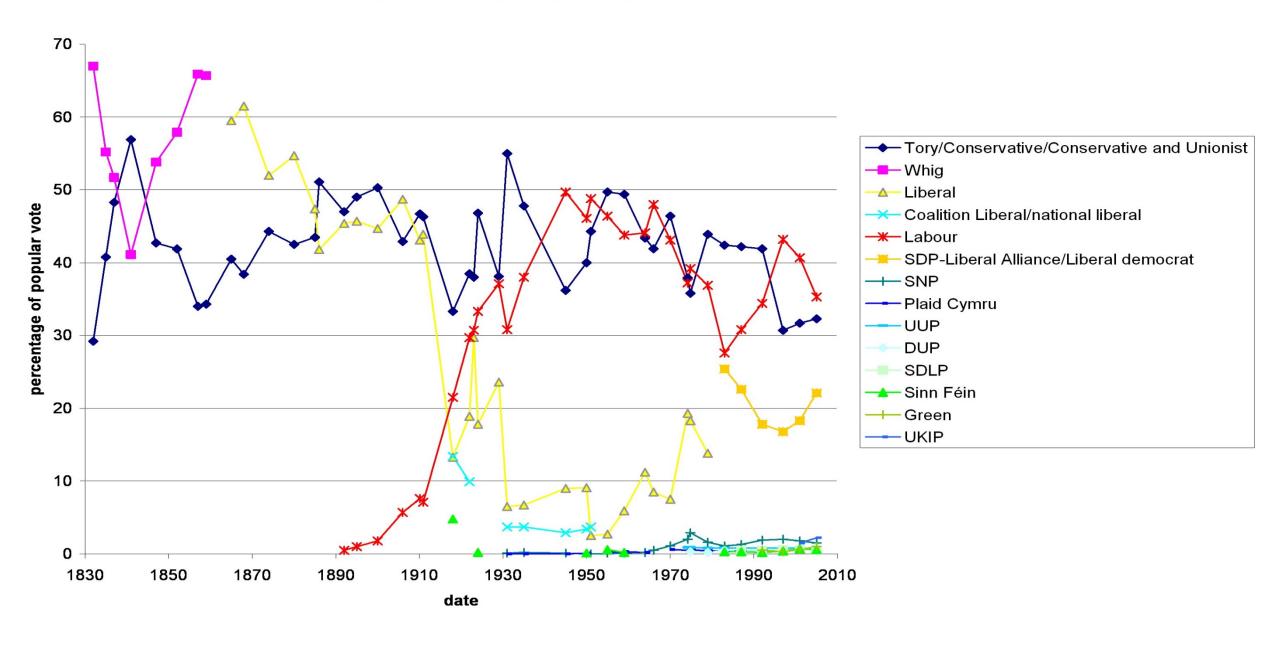


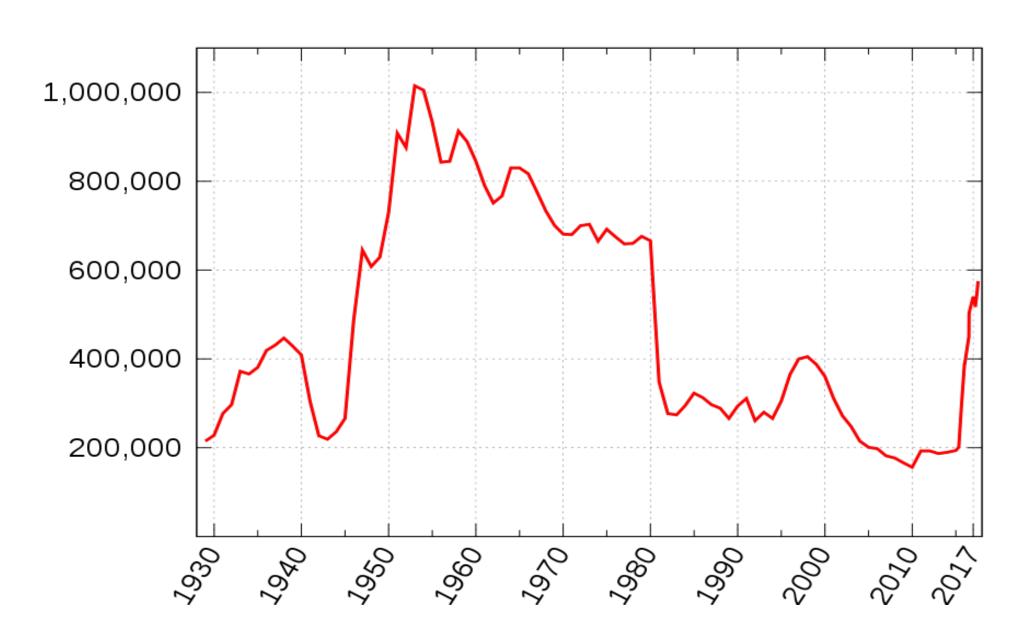
Fig. 24. — Le retour au dualisme en Grande-Bretagne. (Les nationalistes irlandais ont été omis entre 1906 et 1918.)

Popular vote by party in UK general elections, 1832-2005



- Enormous literature on electoral systems since Duverger 1951
- See e.g. A. Lijphard, Electoral Systems and Party Systems A Study of 27 Democracies, 1945-1990, OUP 1994
- But Duverger 1951 = a lot more than Duverger's law on electoral systems
- First systematic data collection on members and organization of political parties.
- UK Labour Party: 1.9m members 1913; 6.5m 1955 (inc. 1m individual memb. + 5.5m union memb.) = historical peak (>40% voters); huge fall after 1979; rebound 2015-17 0.6m indiv.memb.

Labour Party, Individual members (excl. Union members)



- German SPD: 1million members 1913; 0.6m 1955; 1m 1980; 0.5m 2017
- France PS: <0.1m members 1913; 0.3m 1945; 0.1m 1955; 0.1m 2017
- Why so few members in French parties?
- Duverger: unions were legalized relatively late in France (1900), much after universal suffrage (1792, 1848, 1871); political democracy ahead of social democracy in France; also, French Revolution was structurally hostile to corporations: proprietary ideology centered on individual property rights and voting rights; as a consequence, unions were suspicious with elections/parties
- But 0.5-1m members PCF 1945-80 (communist party): sharp divide PC vs PS in France
- ≠ Germany: sharp divide KPD vs SPD during interwar period (nov. 1932: despite 38% SPD-KPD vs 33% NSDP, both parties were unable to unite; 1918-19 anti-KPD/Spartakist repression with SPD-Zentrum in power, Ebert first German president 1919-1925) (equivalent Jules Moch interior ministry 1947-1948 France); but KPD became ruling SED party in East Germany after WW2, and was forbidden in W. Germany → end of the fight... until reunification (→ strong divide between SPD and Die Linke)

- To what extent do membership and internal party organization determine policy platforms?
- Classic argument about French PS: weaker historical link with union → more statist ideology than German SPD and British Labour. Maybe partly correct, but more complicated.
- German SPD (and Swedish social-democrats) invented co-determination (worker vote in company boards), and for a long time there was no diffusion to France (until recently). But there was no diffusion to Britain either, in spite of strong link with unions.
- Likely explanation: until 1970s-1980s, UK Labour party (like French PS) was very strongly attached to nationalisation as key policy objective (mixed economy model with continuous extension of public sector), so co-determination was viewed as weak (window-dressing); 1977 report with 2x+y proposal but not adopted (y = govt decisive vote).
- Same basic hostility in France: until 1970s-1980s, nationalisation was key to form a real left-wing programme (nationalisation more serious than « auto-gestion »!).
- So why was it different in Germany? See work by Mc Gaughey 2014. In the 1920s, SPD not really interested in co-determination (for the same reasons as in UK/France). But after nazi experience, German partition, big fights SPD vs KPD, etc., SPD in 1950s is suspicious of excessive state power, and prefers co-determination
- → complex interaction between party organization and party ideology/cleavage stucture (neglected in Mitchels-Duverger = the organizational viewpoint on parties and elections)

- Other exemple: UK Labour Party can be more statist than France PS in the case of NHS vs médecine libérale. French social model puts large role on unions, but with quasi-universal role to members and non-members (old anti-corporation attitude)
- The exemple of co-determination also raised the question of international ideological diffusion: sometime very slow.
- And sometime relatively fast like the creation of progressive income and inheritance taxes in late 19c early 20c. But even there it takes time (1870-1920) with large national variations: France very late because RF; Germany/Northern Europe wealth taxes and not others; France late comer 1980s, when ideological diffusion in the other direction had already started; resistance 1988, but not in 2017?
- If one looks at simple policy indicator like top income tax rate (or to a lesser extent top inheritance tax rate), one can see the importance of ideological diffusion: common evolutions across countries, and limited importance of domestic elections within a given sequence. E.g. in the US both republicans and democrats pick 70%-80% top income rates in 1940s-1970s, and both pick 30%-40% since 1990s-2000s: not really a rise in polarization (≠ Bonica-Rosenthal)

Lipset-Rokkan (1967) – Cleavage structures

- Lipset-Rokkan, « Cleavage structures, party systems and voter alignments: an introduction », in *Party systems and voter alignements: cross-national* perspectives, 1967
- Modern democracies are characterized by two major revolutions national and industrial – that have generared four main cleavages, with varying importance across countries: center vs periphery; state vs churches; agriculture vs manufacturing; workers vs employers/owners
- First party cleavage: tories vs whigs UK 1750, rural vs urban elites, local control vs centralized state; persisted until Labour replaced liberals/whigs in 1900-1950
- Key conflict in most European countries: role of state vs churches over education; complex confessional structure and relation to state formation have persistent impact on party systems: e.g. Netherlands on secular vs protestant vs catholic voters and parties.

- Weaker worker unity in countries with stronger opposition between state founders and churches: France, Italy, Spain (as opposed to UK, Germany, Netherlands, Sweden, etc.)
- After 1917, the fourth cleavage (workers vs employers/owners) becomes a highly divisive clevage about national-community-integration vs international-revolutionary-movement-integration
- → the complexity and multi-dimensionality of the cleavage structure, together with the highly divise aspect of the fourth cleavage 1917-1989, can explain why universal suffrage does not lead to a radical reduction in inequality

Lipset-Rokkan cleavage theory = very important and influential work

Main limitations:

- (i) limited data on wealth vs income vs education vs other cleavages (no use of post-electoral survey)
- (ii) almost no reference to racial cleavages, or to US parties in general (except to mention that permanent migration and mobility leads to less worker unity and less socialism in the US = very optimistic view of US specificity); very much Europe-centered, or even Northern-Europe-centered (& 1950s-60s-centered)

Beyond Lipset-Rokkan: changing cleavages since 1970s-80s

- A. Pzreworski, J. Sprague, *Paper Stones A history of electoral socialism*, Univ. Chicago Press 1986
- Analysis of electoral strategy and performance of socialist/social-democratic/ labour parties in Europe 1880-1980 (econometric time-series model)
- « Socialist parties were never able to reach a large absolute majority of votes: they first rose sharply (e.g. SPD vote 个 from 3% in 1880 to 35% in 1912), but then stabilised around 30-50% in 1950s-1970s. Why? »
- A.: « The working class (defined as manual wage-earners, i.e. excl. non-manual wage earners & self-empld) never made more than 30-50% of the electorate »;
- « The ideological discourse of socialist parties was so much centered on the working class (and the assumption that it will become hegemonic) that they were never able to reach to other voters without loosing working-class support » (parameter d/p>1 for FR-DE in their econometric time-series model)
- Trivial (and overly simplistic/pessimistic) but important: the key fact is that socialist parties were never able to attract the vote of poor self-employed (peasant or urban) = consequence of extreme anti-proprietary ideology

- S. Bornshier, Cleavage Politics and the Populist Right, Temple UP, 2010, chap.1
- The rise of universalist/liberal vs traditionalist/communitarian values since 1980s-1990s, following the rise of higher education, has created the conditions for a new cleavage dimension in the Lipset/Rokkan framework, and for the rise of the Populist Right
- Paradigmatic exemple= National Front (FN), France; but also Austria, Belgium,
 Denmark, Sweden, UK, and Germany 2017

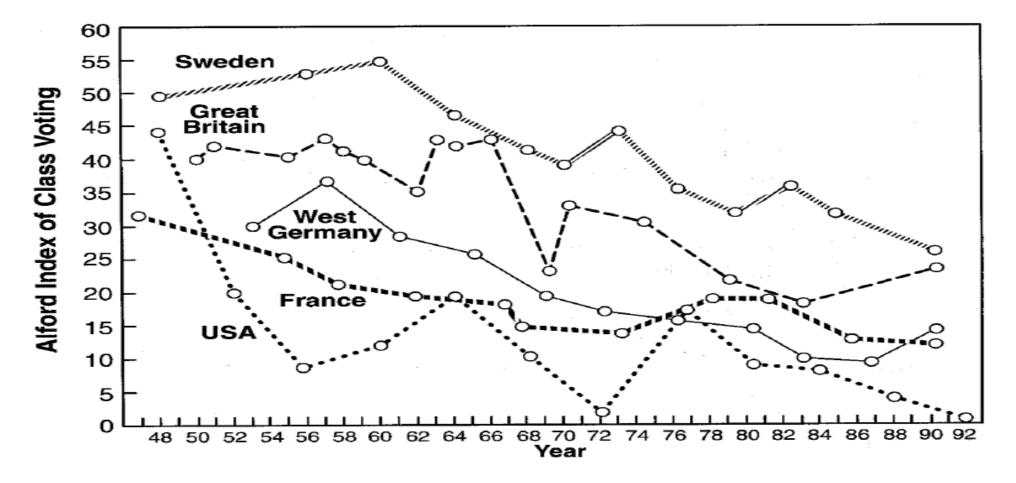
• Q.: To what extent is this the rise of a new cleavage dimension (higher educ., globalisation, immigration), or the consequence of the fact that left-wing parties abandonned the poor-vs-rich redistribution dimension, and/or were unable to adapt it to the post-communist, post-colonial globalized economy?

- Alford index of class voting: % vote for left parties (social-democratic, socialist, labour parties) among « working class » (manual wage-earners, particularly manufacturing blue-collar workers), minus % vote for left parties among « middle class » (non-manual wage earners, self-employed)
- On the decline of « class voting » in all Western countries 1950-2000, see Inglehart-Norris 2016 « Trump, Brexit and the Rise of Populism »
- On the evolution of Alford indexes, see also S. Bartolini, *The Political mobilization of the European Left 1860-1980. The class cleavage*, CUP 2000. G. Evans, *The end of class politics? Class voting in comparative context*. OUP 2000

Pb: this notion of "class voting" and "working class" may correspond to a particular time period and ideology, but does not allow for systematic comparisons over time and across countries → one needs to analyze in a more systematic manner the changing structure of party electorate and cleavages

Alford index = (% left vote among working class (manual wage-earners))
- (% left vote among middle class (other voters))

Figure 7. The trend in social class voting in five Western Democracies, 1947-1992.



Source: Ronald Inglehart.1997. *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies.* Princeton: Princeton University Press. p255.

What do we really know about cleavage structures?

- Cleavage structures are complicated to study in a systematic manner: multidimensional, and limited data sources: we know very little
- Lots of political discourses/policy platforms produced by parties; but sometime vague and catch-all
- Looking at which social groups (by education, income, wealth etc.) vote for which parties can be a powerful way to recover real political cleavages between parties (at least as they are perceived by voters)
- Two main sources to study who votes for whom:
- Post-electoral surveys: exist since 1940s-1950s in US, France, UK, etc.
- (see also CSES consortium: dozens of countries, but limited time span)
- Localized election results: can be combined with with localized census or administrative or fiscal data → much longer time span (since 19c)

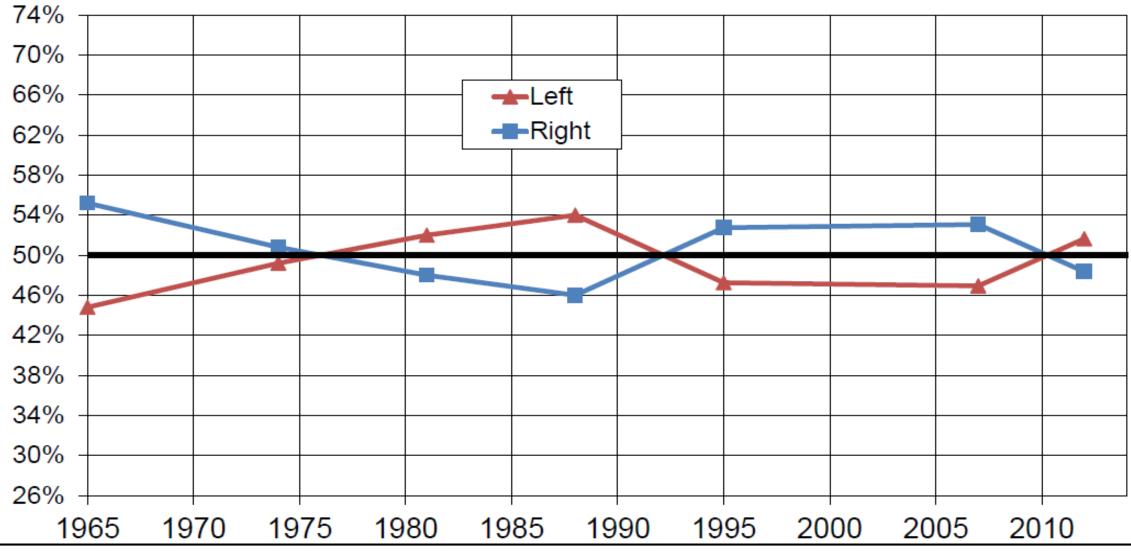
- Preliminary results from on-going research: T. Piketty, « Rising inequality and the changing structure of political conflict », 2017
- Basic descriptive objective: establish consistent long-run series on the changing structure of party cleavages and electorates for France, US and UK 1900-2016
- More ambitious analytical objective: understanding the conditions leading (or not) to redistributive responses to inequality trends
- Here I will present some descriptive results from French (and US) postelectoral surveys 1948-2017
- Gradual extension to more countries

- Q.: Is the left the party of the poor and the right the party of the rich?
- A.: No. This has always been much more complicated and multi-dimensional. In particular, the rural and self-employed poor have usually voted more for the right than for the left (property, religion) (with lots of local variations).
- But there are patterns.
- And they have changed a lot over time.

Main evolutions observed in France 1956-2017:

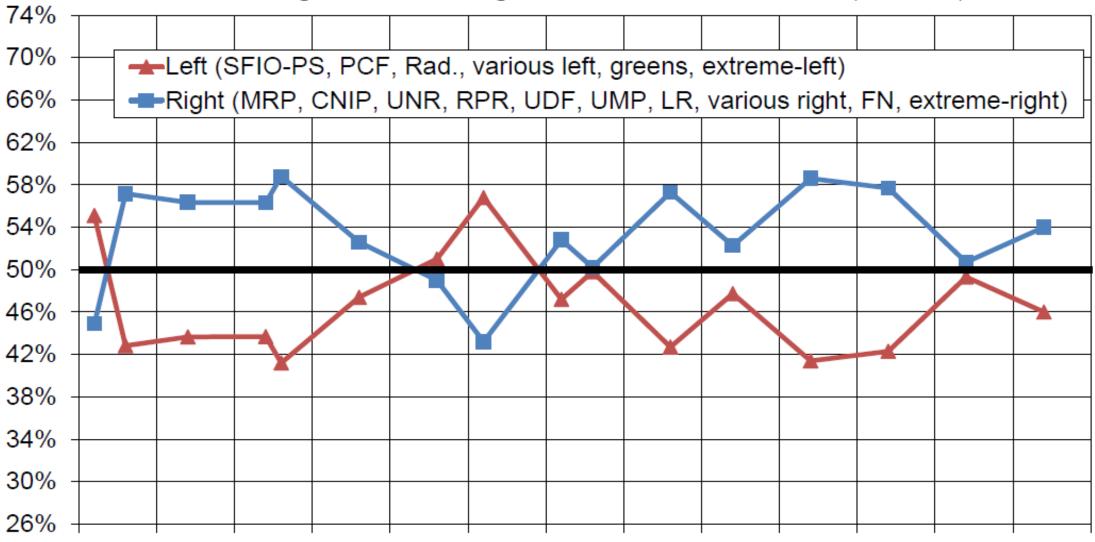
- Gender: right-wing female vote until 1980s
- Age: young vote always more left-wing, but volatile
- Education: left-wing vote has gradually moved from low-education vote to high-education vote; complete reversal of the pattern between 1950s-1960s and 2000s-2010s
- Wealth: strong and persistent wealth profile; wealth (property) has always been a better predictor of right-wing vote than income (but declining)
- Income: persistently ambigous income profile (except at top) (and declining)
- → the party system seems to have gradually moved toward a « multiple-elite » party system: the left has become the party of the high education elite (intellectual elite), while the right has always been the party of the high-wealth elite (business elite); why did it happen and what are the implications? Let's first look at the facts

Left and right in France: presidential elections 1965-2012 (2nd round)



Presidential second rounds opposing left and right: 1965 (De Gaulle 55%, Mitterand 45%), 1974 (Giscard 51%, Mitterand 49%), 1981 (Mitterand 52%, Giscard 48%), 1988 (Mitterand 54%, Chirac 46%), 1995 (Chirac 53%, Jospin 47%), 2007 (Sarkozy 53%, Royal 47%), 2012 (Hollande 52%, Sarkozy 48%). Other second rounds (opposing right, extreme-right and center) were not represented here:1969 (Pompidou 58%, Poher 42%), 2002 (Chirac 82%, Le Pen 18%), 2017 (Macron 65%, Le Pen 35%).

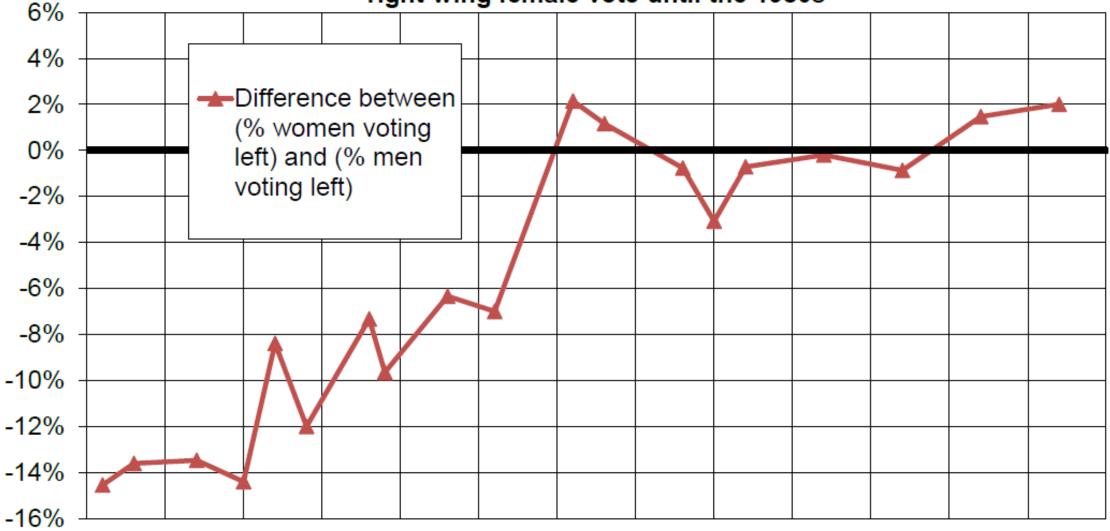
Left and right in France: legislative elections 1956-2017 (1st round)



1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Vote shares in legislative elections 1956-2017 (1st round). The vote shares of parties that are difficult to classify along left-right dimension (regionalist parties, etc.) were split 50-50 between both sides. These votes always represent less than 2% of the vote, except in 2017, when the vote share of LRM-Modem reaches 32% (here split 50-50 between left and right).

The structure of voting by gender in France, 1956-2017: right-wing female vote until the 1980s



1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French post-electoral surveys 1956-2017

Reading: in 1956, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme left) obtain a score that is 15 points lower among women than among men; in 2012, their score is 2 point higher among men.

- The evolution of women vote toward the left is actually very general evolution: observed everywhere in Europe and North America
- One standard explanation: women remained attached to religious/traditionnal values longer than men
- Not fully satisfactory: maybe this has more to do with the housewife/children education role that was long assigned to women
- Also: the rise of divorce and single-headed families might have increased women's demand for income support and left-wing parties
- See Edlund-Pande, « Why have women become more left-wing? »,
 QJE 2002

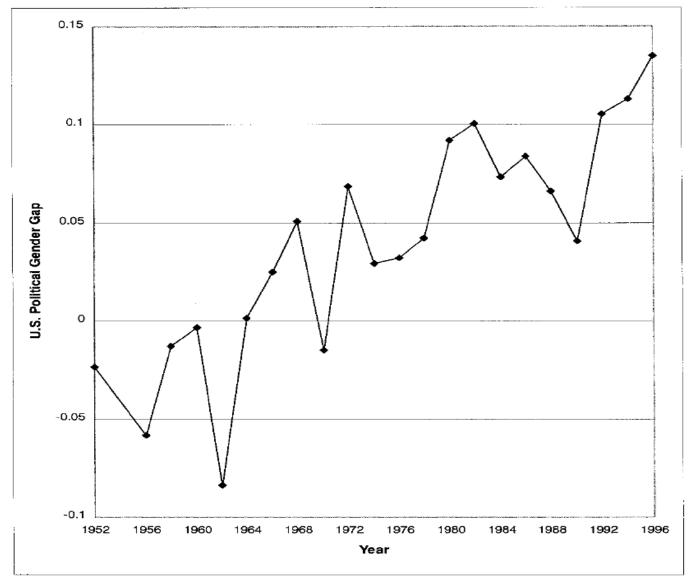


FIGURE I U. S. Political Gender Gap

Notes. The U. S. Political Gender Gap is defined as the difference between the proportion of female and male respondents who are Democrat. The gap is constructed using respondent-level information from the National Election Studies data 1952–1996, where the sample is restricted to respondents aged 18–64 years. A respondent is defined as a Democrat if he/she states self to be a Strong-, Weak-, or Independent-leaning Democrat. Appendix 1 provides a full description of the National Election Studies sample.

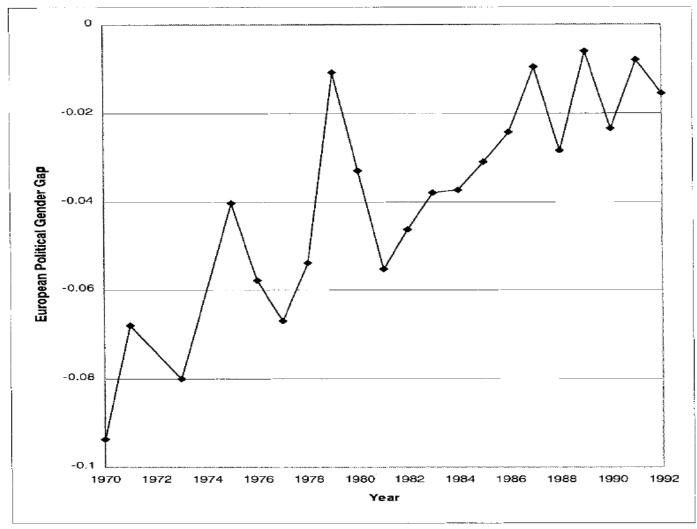
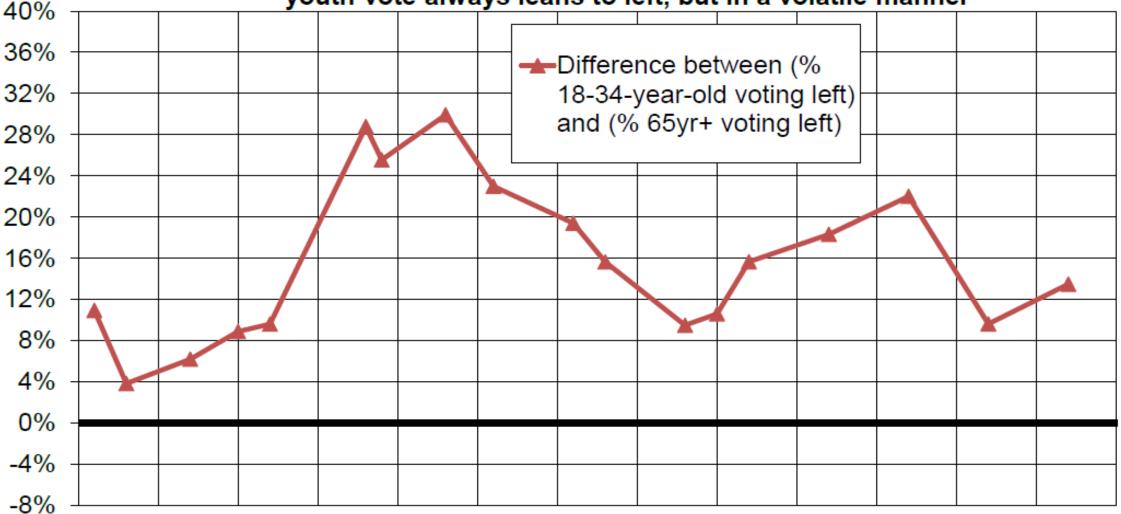


FIGURE II European Political Gender Gap

Notes. The European Political Gender Gap is the population weighted average Gender Gap for ten European countries. For each country the European Political Gender Gap is defined as the difference between the proportion of female and male respondents who favor the Left. For each country the gap is constructed using respondent level information from the annual Eurobarometer Surveys, where we include information on all respondents aged fifteen and over. A respondent favors the Left if his/her stated party preference is for a Left-wing party in the country. The Eurobarometer Survey provides complete identification of all parties in a country as Left/non-Left. The countries are Germany, Italy, France, the Netherlands (1970–1992), Denmark, Ireland, Luxemborg (1973–1992), United Kingdom (1970, 1973–1992), and Greece (1980–1992).

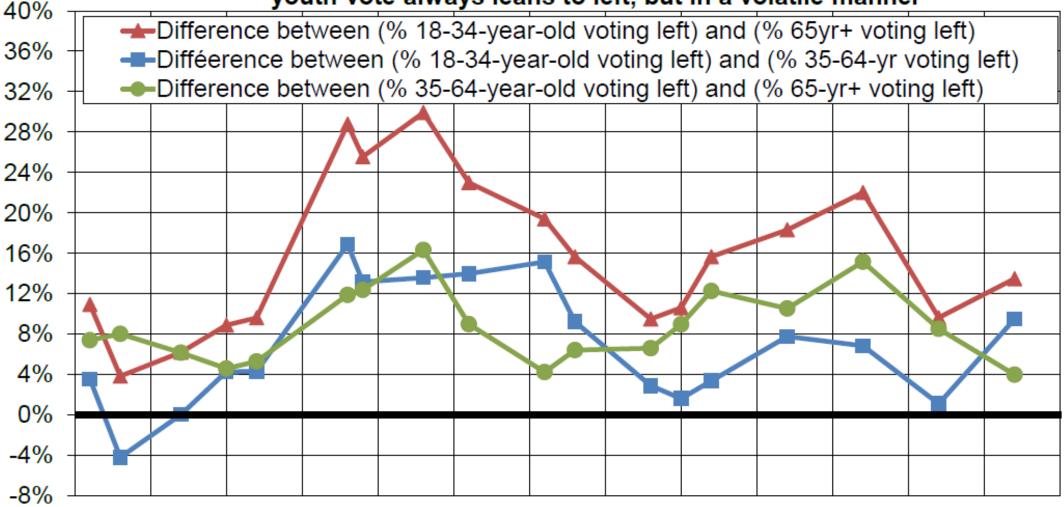
The structure of voting by age in France, 1956-2017: youth vote always leans to left, but in a volatile manner



1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1956, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme-left) obtain a score that is 11 point shigher among the 18-34-year-old than among the 65-year-old-and over; in 2012, their score is 10 points higher among the 18-34-year-old.

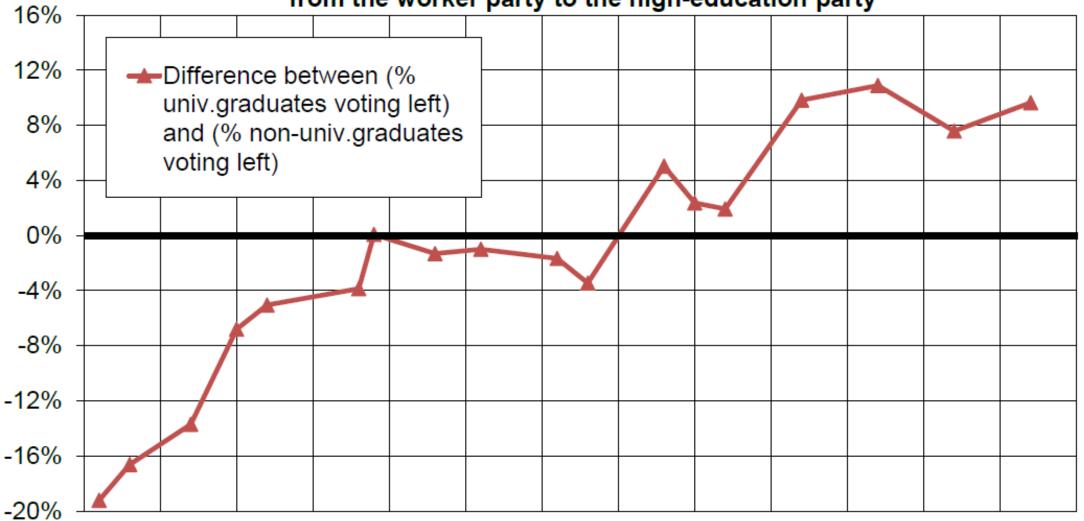
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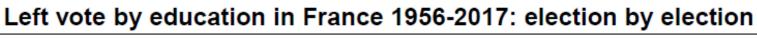
Left-wing vote in France, 1956-2017: from the worker party to the high-education party

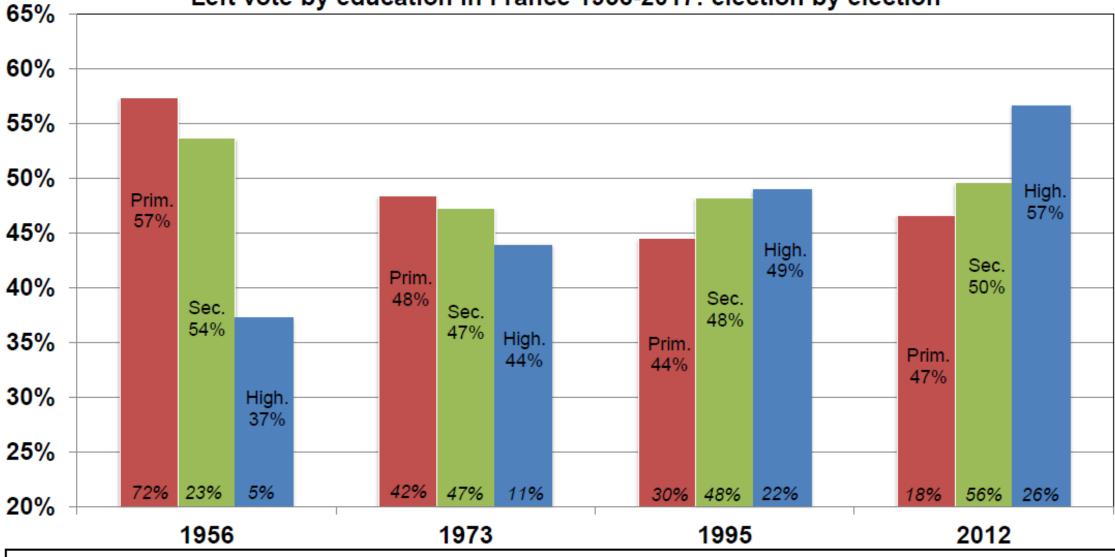


1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections)

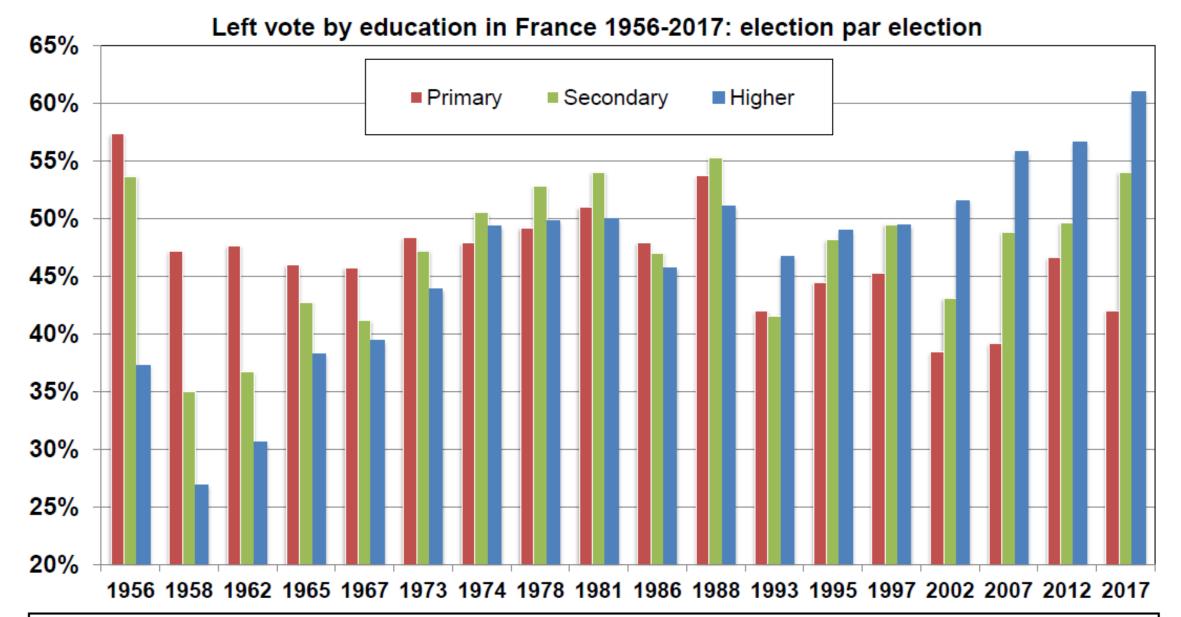
Reading: in 1956, left-wing parties (SFIO-PS, PCF, Rad., various left ,green, extreme-left) obtain a socre that is 19 points lower among university graduates than among non-university graduates; in 2012, their score is 9 points higher among university graduates.



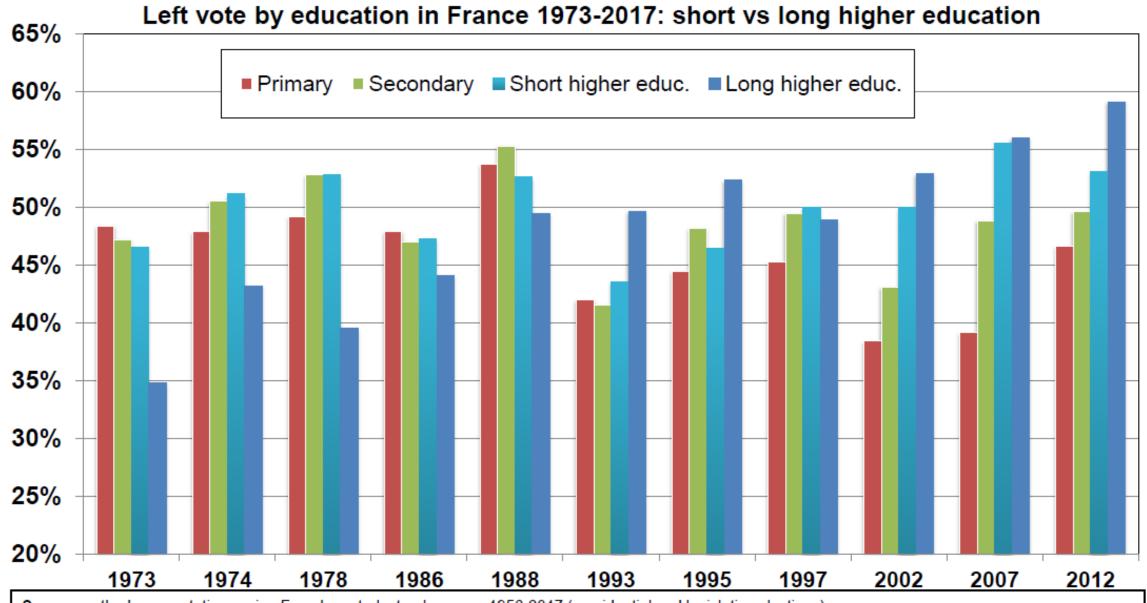


Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections)

Reading: in 1956, left parties (SFIO-PS, PCF, Rad., various left, greens, extr. left) obtain 57% of the vote among voters with no degree (other than primary), 54% among voters with secondary school degrees (Bac, Brevet, Bep, etc.) and 37% among university graduates. In 2012, the left-wing candidate (Hollande) obtains 47% of the vote among voters with no degree, 50% among voters with secondary degree and 57% among university graduates (higher education).

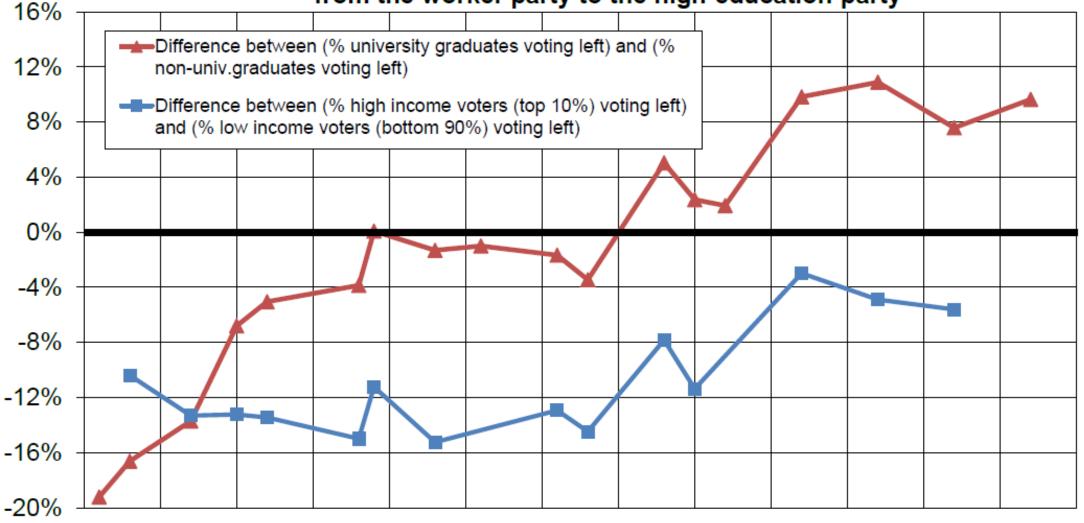


Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1956, lef-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme-left) obtain 57% of the vote among voters with no degree (apart from primary education), 54% among voters with secondary degrees (Bac, Brevet, Bep, etc.) and 37% among university graduates (higher education).



Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 2012, the left-wing candidate (Hollande) obtains 47% of the vote among voters with no degree (other than primary), 50% among voters with secondary degrees (Bac, Brevet, Bep, etc.), 53% among voters with short higher education (bac+2) and 59% among voters with long higher education (bac+3 or more). **Note**: 1973-1978, short high. = university, long high= grande école. 1986-2012: short high. = bac+2, long high. = bac+3 or more.

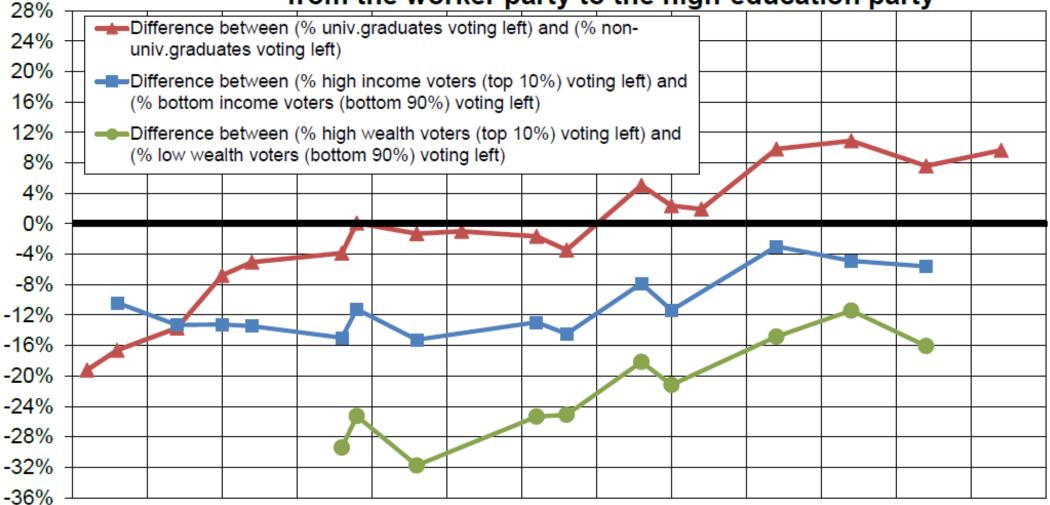
Left-wing vote in France, 1956-2017: from the worker party to the high-education party



1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1956, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme left) obtain a score that is 19 points lower among university graduates than among non-univ.graduates; in 2012, their score is 8 points higher among university graduates.

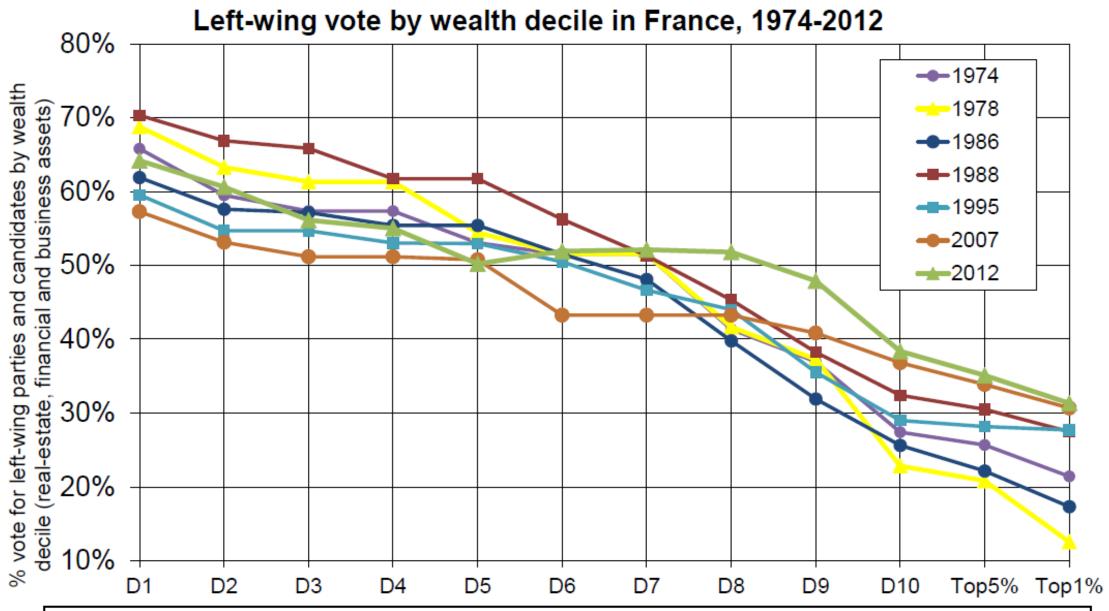
Left-wing vote in France, 1956-2017: from the worker party to the high-education party



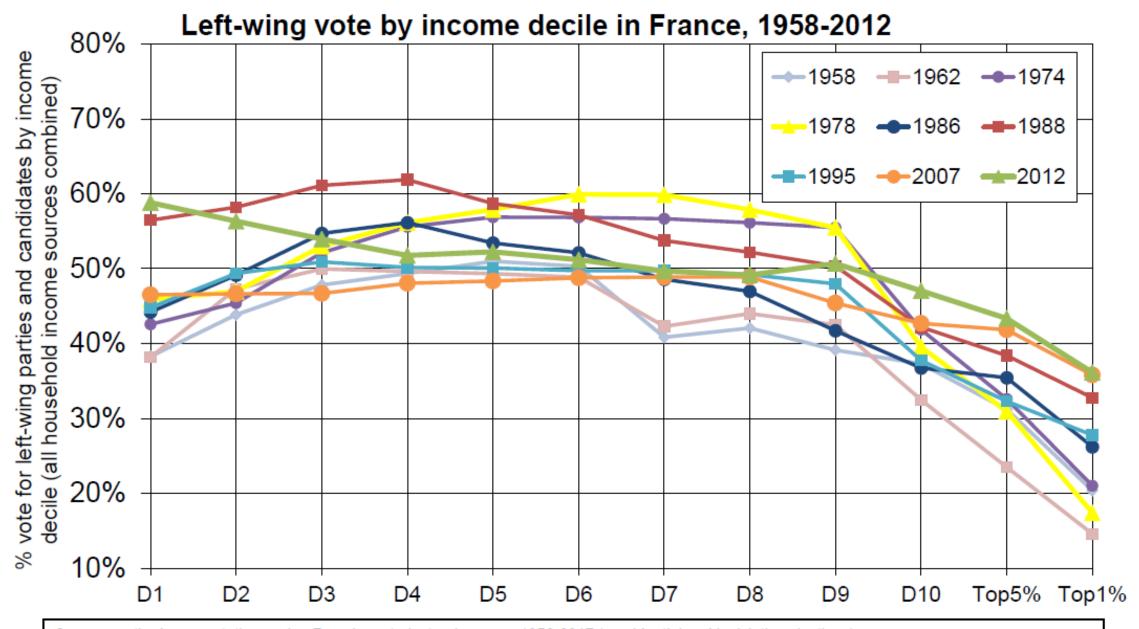
1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections)

Reading: in 1956, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme left) obtain a score that is 19 points lower among university graduates than among non-univ.graduates; in 2012, their score is 8 points higher among university graduates.



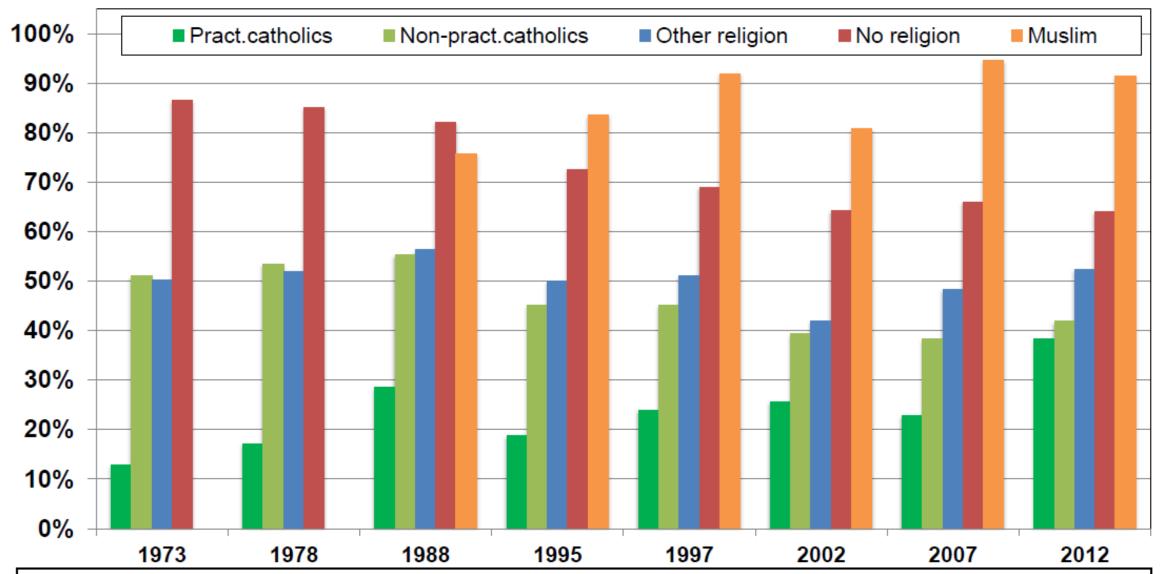
Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1978, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme left) obtain 69% of the vote among voters with bottom 10% wealth, 23% of the vote among voters with top 10% wealth, and 13% among top 1% wealth holders.



Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1978, left-wing parties (SFIO-PS, PCF, Rad., various left, greens, extreme left) obtain 46% of the vote among voters with bottom 10% income, 23% of the vote among voters with top 10% income, and 17% among top 1% income holders.

- Why did the left become the high-education party?
- This could partly reflect a deliberate political/ideological choice: intellectual values vs business values, intellectual elite vs business elite
- I.e. the Brahmin Left? Elitist intellectual party.
- My favoured interpretation is that this is not really a choice: it is mostly the consequence of the gradual lack of egalitarian ambition among left parties (due to post-communist trauma, due to the lack of adequate doctrine to promote an egalitarian globalization, etc.)
- → the most disadvantaged social groups have gradually felt abandonned by left parties and threatened by globalization (and immigration) and have turned to right-wing identity-based parties (anti-Muslim in Europe, anti-Blacks/Latinos in US)
- One observes a similar evolution in the US: the poor and middle-class white have gradually turned to the right after the Civil Rights movement
- → One needs strong encompassing redistributive platforms to unite the poor from different origins; short of that, identity-based conflict tend to be stronger than class-based conflict
- → There is a risk that we gradually move toward a party system with an elitist proglobalization party and a pro-poor racist party (≈US 19c); or at least this is a risk that we should take seriously

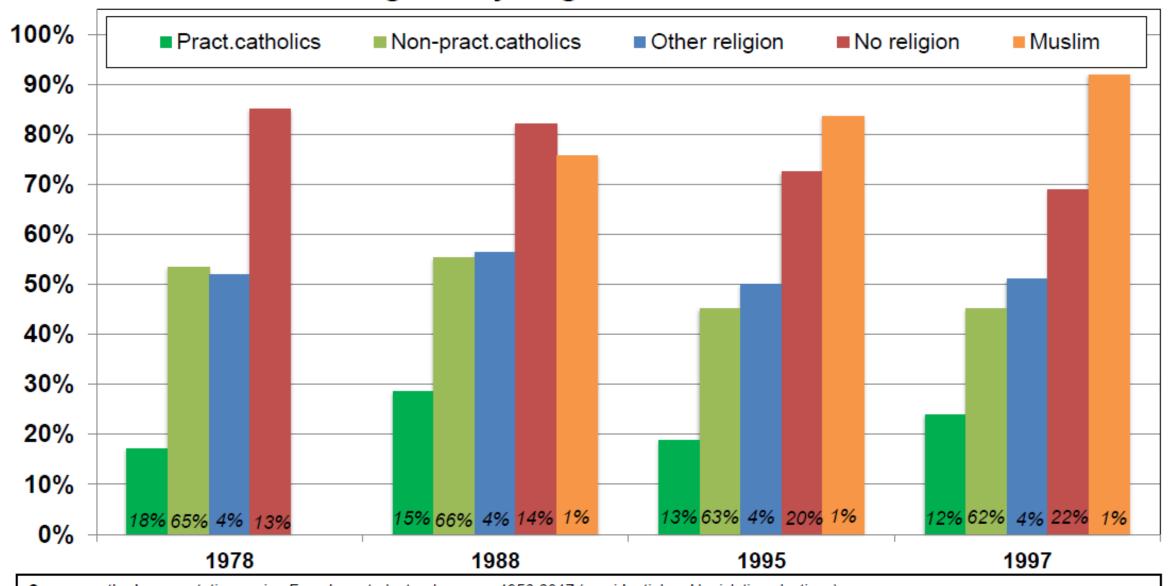
Left-wing vote by religion in France 1973-2012



Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections)

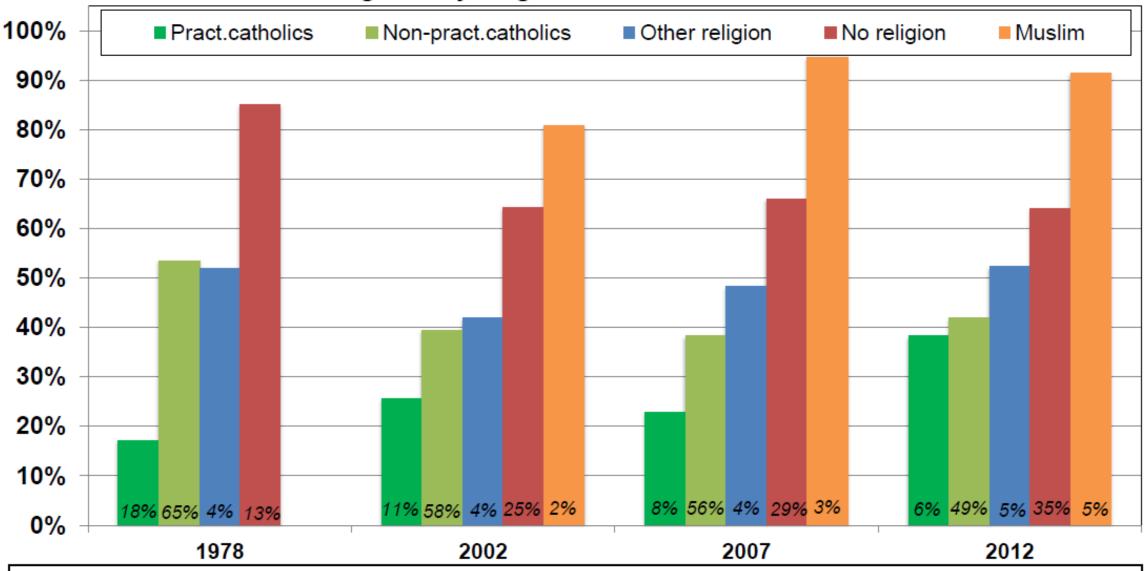
Reading: in 2012, the left-wing candidate (Hollande) obtains 38% of the vote among practicing catholics (at least once a month), 42% among non-practicing catholics, 52% among voters reporting another religion (protestantism, judaism, buddhism, etc., except islam), 64% among voters with no religion and 91% among muslims. Islam is classified with "other religion" in 1973-1978.

Left-wing vote by religion in France 1973-2012



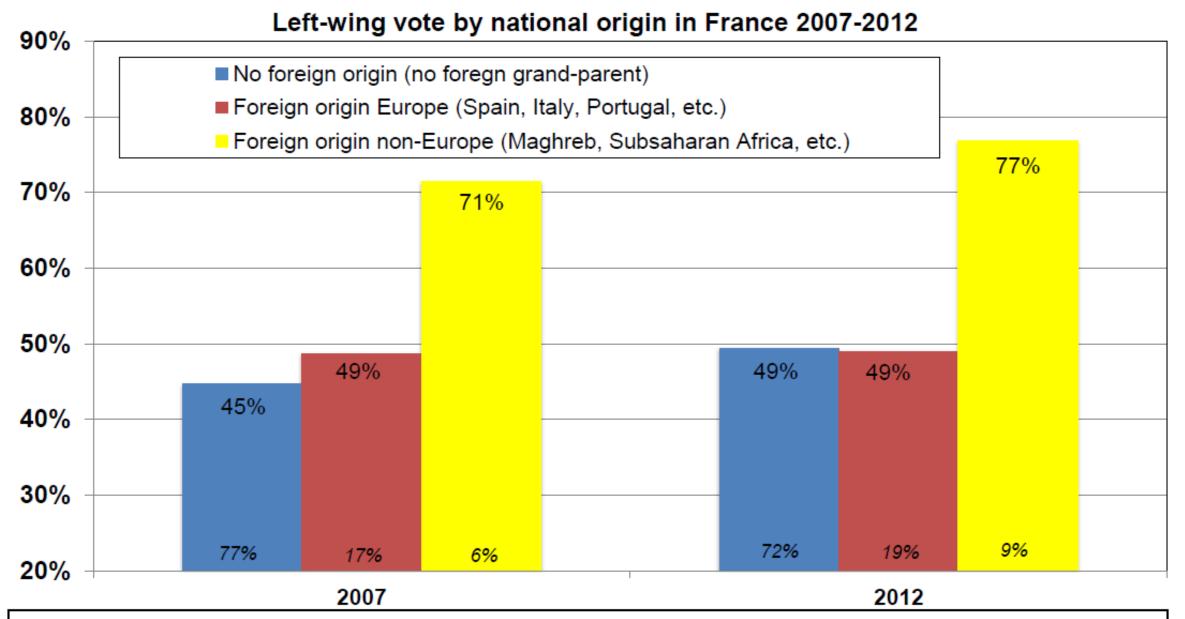
Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 1997, left-wing parties (PS, PCF, Rad., etc.) obtain 24% of the vote among practicing catholics (at least once a month), 45% among non-practicing catholics, 51% among voters reporting another religion (protestantism, judaism, buddhism, etc., except islam), 69% among voters with no religion and 92% among muslims. Islam is classified with "other religion" in 1973-1978.

Left-wing vote by religion in France 1973-2012



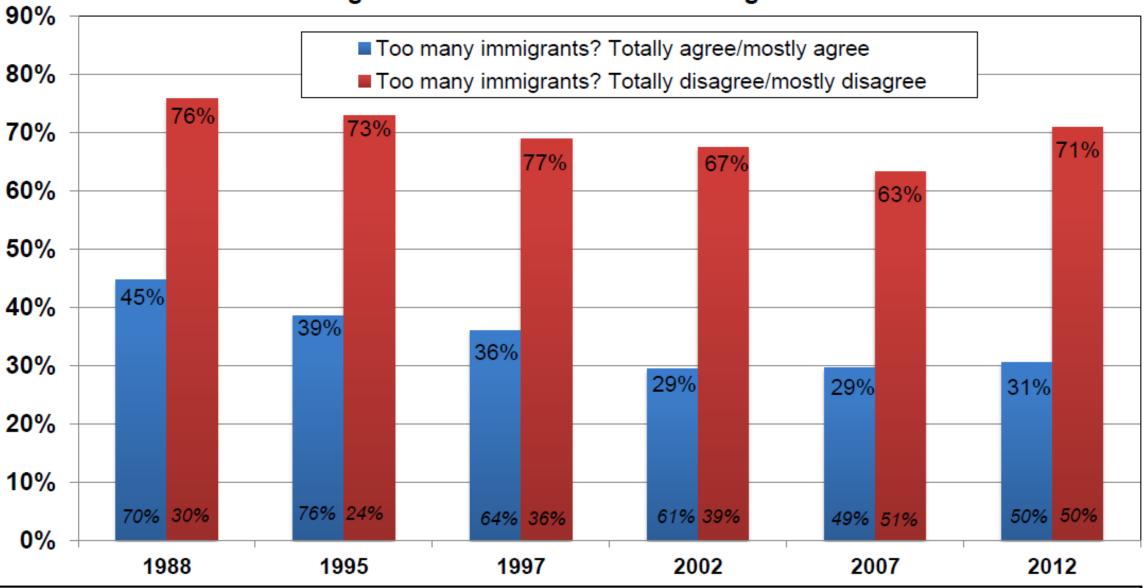
Source: author's computations using French post-electoral surveys 1956-2017 (presidential and legislative elections)

Reading: in 2012, the left-wing candidate (Hollande) obtains 38% of the vote among practicing catholics (at least once a month), 42% among non-practicing catholics, 52% among voters reporting another religion (protestantism, judaism, buddhism, etc., except islam), 64% among voters with no religion and 91% among muslims. Islam is classified with "other religion" in 1973-1978.



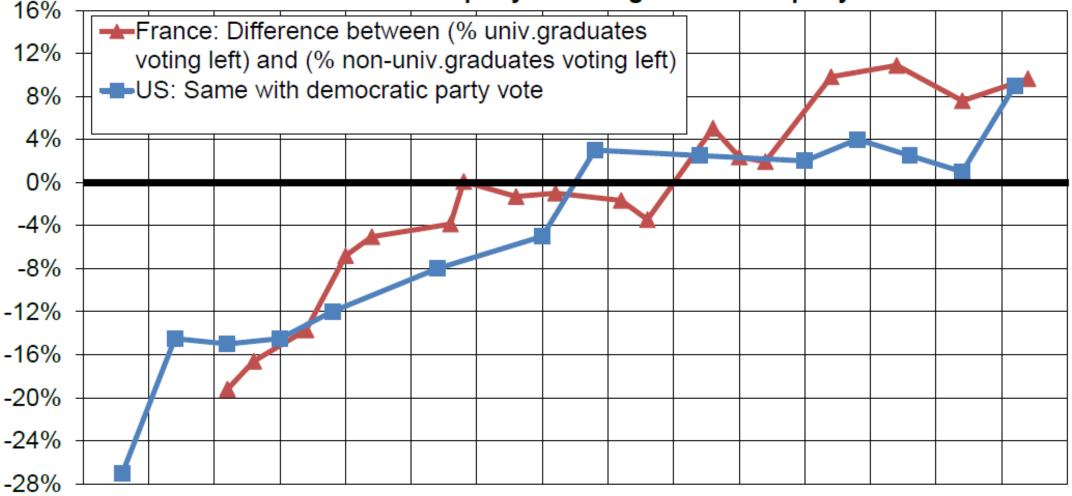
Source: author's computation using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 2012, the left-wing candidate (Hollande) obtained 49% of the vote among voters with no foreign origin (no foreign grand-parent), 49% of the vote among voters with European foreign origins (in practice mostly Spain, Italy, Portugal, etc.), and 77% of the vote among voters with extra-European foreign origins (in practice mostly Maghreb and sub-Saharan Africa).

Lef-wing vote and attitudes toward immigration in France



Source: author's computation using French post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 2012, the left-wing candidate (Hollande) obtains 31% of the vote among voters who consider that there are too many immigrants in France, and 71% of the vote among voters who do not consider that there are too many immigrants.

Voting for left and democratic parties in France and the US, 1948-2017: from the worker party to the high-education party

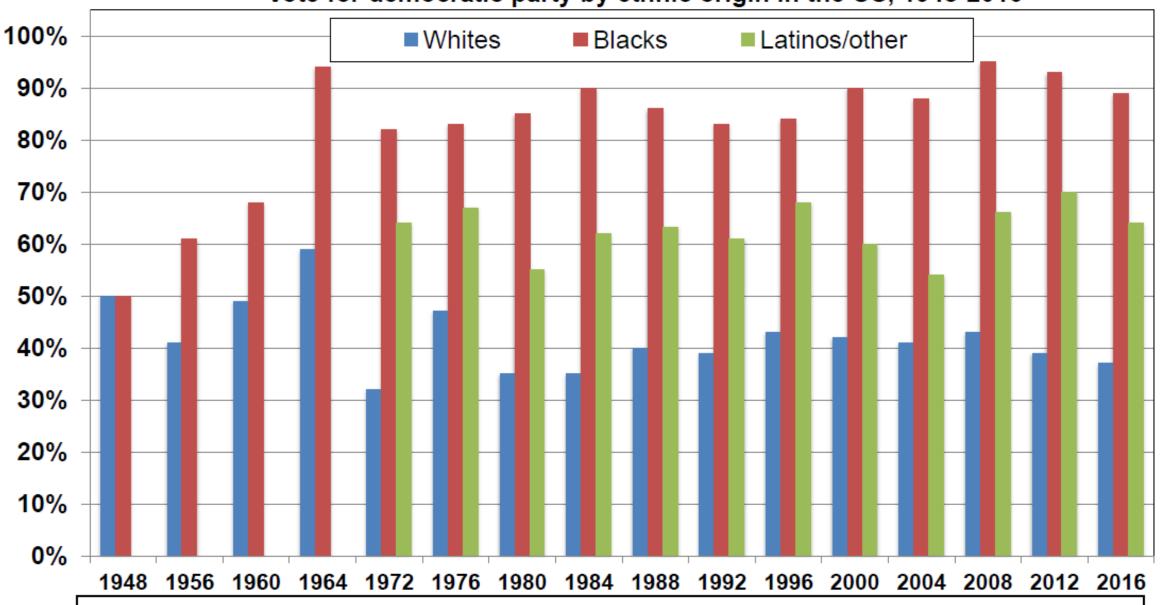


1945 1950 1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020

Source: author's computations using French and US post-electoral surveys 1948-2017 (presidential and legislative elections)

Reading: in 1956, left-wing parties (SFIO-PS, PCF, Rad., green, extreme-left) obtain a socre that is 19 points lower among university graduates than among non-university graduates in France; in 2012, their score is 9 points higher among university graduates. The evolution is similar for the democratic vote in the US.

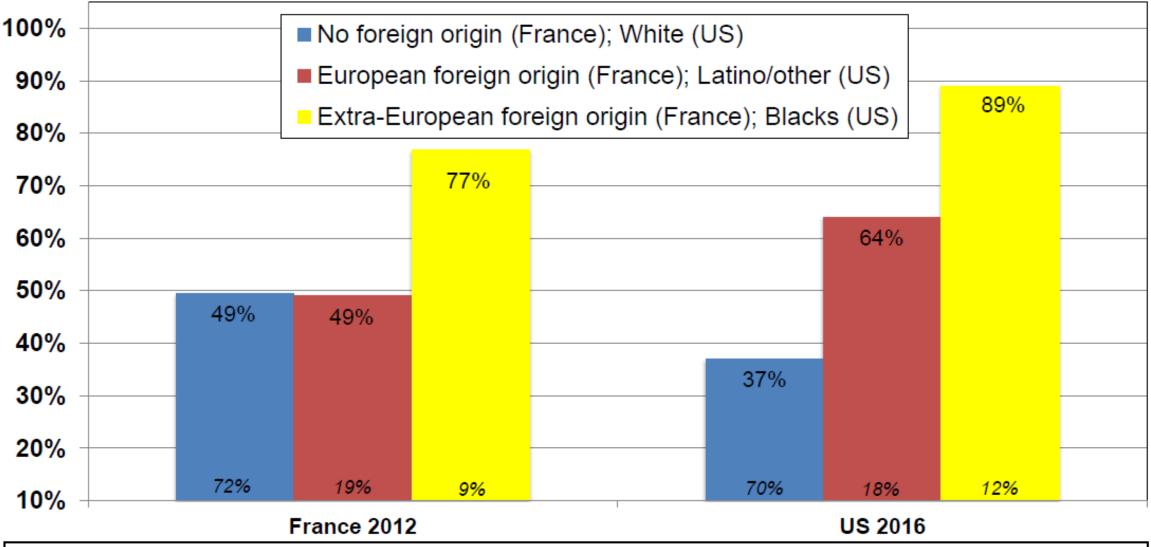
Vote for democratic party by ethnic origin in the US, 1948-2016



Source: author's computations using US post-electoral surveys 1948-2016 (presidential elections)

Reading: in 2016, the democratic party candidate (Clinton) obtains 37% of the vote among white voters, 89% of the vote among black voters and 64% of the vote among latino and other voters.

Left and democratic vote by national and ethnic origin: France vs the US



Source: author's computation using French and US post-electoral surveys 1956-2017 (presidential and legislative elections) **Reading**: in 2012, the French left-wing candidate (Hollande) obtained 49% of the vote among votes with no foreign origin (no foreign grand-parent), 49% of the vote among voters with European foreign origins (in practice mostly Spain, Italy, Portugal, etc.), and 77% of the vote among voters with extra-European foreign origins (in practice mostly Maghreb and sub-Saharan Africa). In 2016, the US democratic party candidate (Clinton) obtains 37% of the vote among white voters, 64% of the vote among Latino and other voters, and 89% of the vote among Black voters.

The US Party System in historical perspective

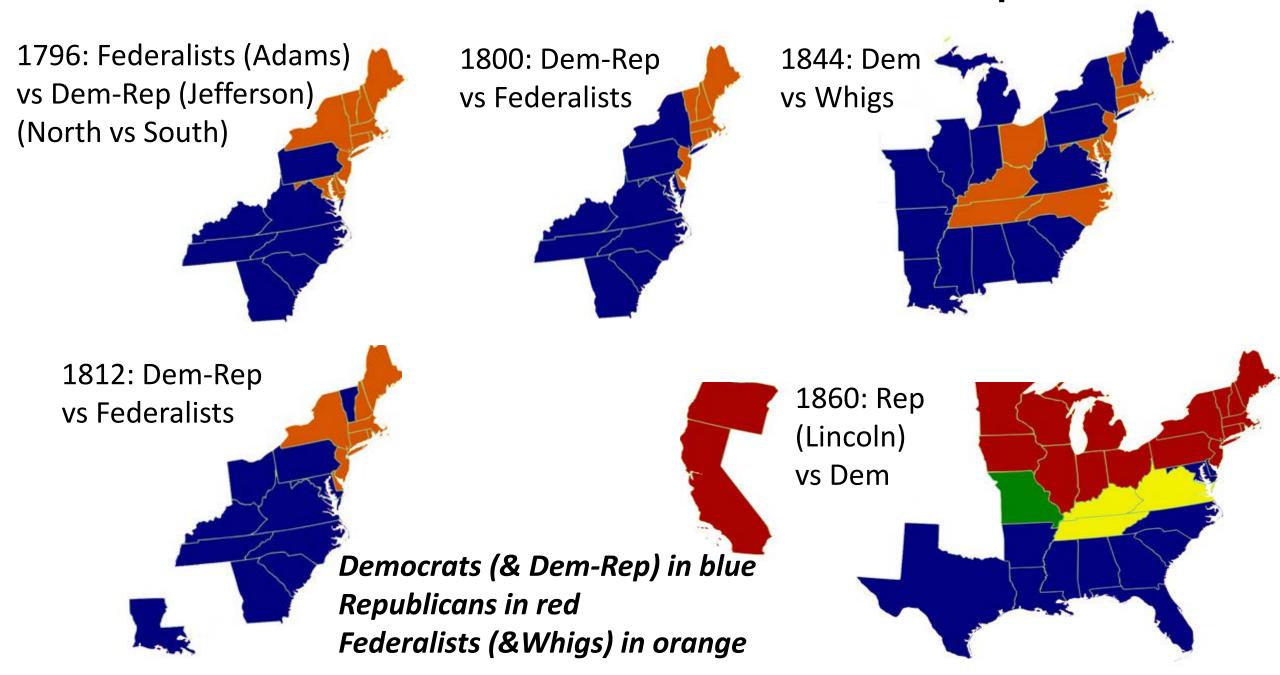
- The US party system is often viewed as very bizarre from the perspective of « European », « standard » left vs right view of politics, but maybe it is not so bizarre if we take a very long-run perspective
- How is it that the pro-slavery party (Democrats in 1860) gradually became the New Deal party (Roosevelt 1932) and the Progressives/Civil Rights/Left-wing party (Kennedy/Clinton/Obama)? And also more and more the high-education, high-income party.
- And conversely how is it that the free-labour party (Lincoln's Republicans in 1860) gradually became the pro-business pro-laissez-faire party (Hoover 1928) and the anti-minority party (Trump 2016)? And also more and more the pro-white-poor party (≈Democrats 19c).
- To understand these evolutions one needs a multi-dimensional view of politics: income vs race vs regionalism vs money vs free-trade etc.
- There is nothing « normal » in one-dimensional class-based conflict

US first party system:

Democrats-Republicans (Jefferson, Virginia) vs Federalists (Adams, Massach.)

- I.e. South (slavery-based plantations, rural economy, state autonomy, weak federal government) vs North-East (urban economy, manufacturing, banking, pro-industrialization, strong federal governement)
- Federalists win in 1796 but loose more and more heavily in 1800-1820, disappear in 1824-1832 (Dem-Rep become « Democrats » in 1828),
 Federalists replaced by Whigs in 1836-1852, and finally by Republicans in 1856-1860 with the free-labour, abolitionist Lincoln victory >>> Civil war 1860-1865
- Complex ideological and political changes over the 1796-1860 period, but one important fixed point: South states always vote Democrats (or Dem-Rep), while North-East states always votes Republicans (or Federalists or Whigs).
 True until 1960s and the Civil Rights movement.
- Detailed state-level series for all presidential elections 1792-2016 on « <u>The American Presidency Project</u> » UCSB website

US Political Parties 1796-1860: from Federalists to Republicans



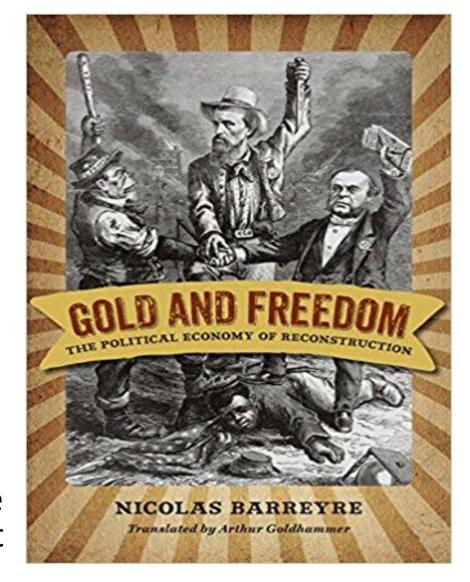
- R. Mc Cormick, *The Second American Party System Party Formation in the Jacksonian Era*, 1966 = classic study of the formation of the Whigs vs Democrats party system in 1824-1840 after the end of Federalists
- Whigs keep the North-East electoral base of former Federalists (and future Republicans) but manage to appeal to transregional interests.
- Whig victory 1840 with high participation and transregional voting patterns: Harrison (VA Whig) vs Van Buren (NY Dem)
- 1840 = Successful democratic mobilization and democratic change... but only by avoiding the central territorial confrontation on slavery, and with no strong ideological platform (Mc Cormick a bit too 1840-nostalgic & anti-ideology)
- In 1856-1860, Whigs are replaced by Republicans with free-labour abolitionnist platform: back to strong North vs South regional divide >> War

- W. Shade, Democratizing the Old Dominion Virginia and the Second Party System 1824-1861, Univ. Virginia Press, 1996
- Very interesting analysis of the structure of political conflict between Democrats and Whigs in Virginia in 1824-1854
- Both parties present themselves as pro-slavery and accuse each other of being abolionist: Natt Turner revolt in 1831-32 in Southampton and Nottoway counties (up to 60-75% of slaves); NY slave fugitives in 1840-41
- Calhoun 1837 on Slavery as a positive good: « there is more misery among the poor, sick and elderly in the urban proletariat of Europe and North-East US than in the South slave society » (organic solidarity, ≈ caste system)
- Both parties support slavery, but in practice stronger Whigh vote in urban counties (those who can imagine the future without slavery), and stronger Democrat vote in rural counties with large slave concentration
- Whigs support tax-financed public education, railway, banking, while Democrats focus on protection of slavery system (large slave owners + poor rural whites)

 N. Barreyre, L'or et la liberté – Une histoire spatiale des Etats-Unis après la guerre de sécession (Ed. EHESS 2014)

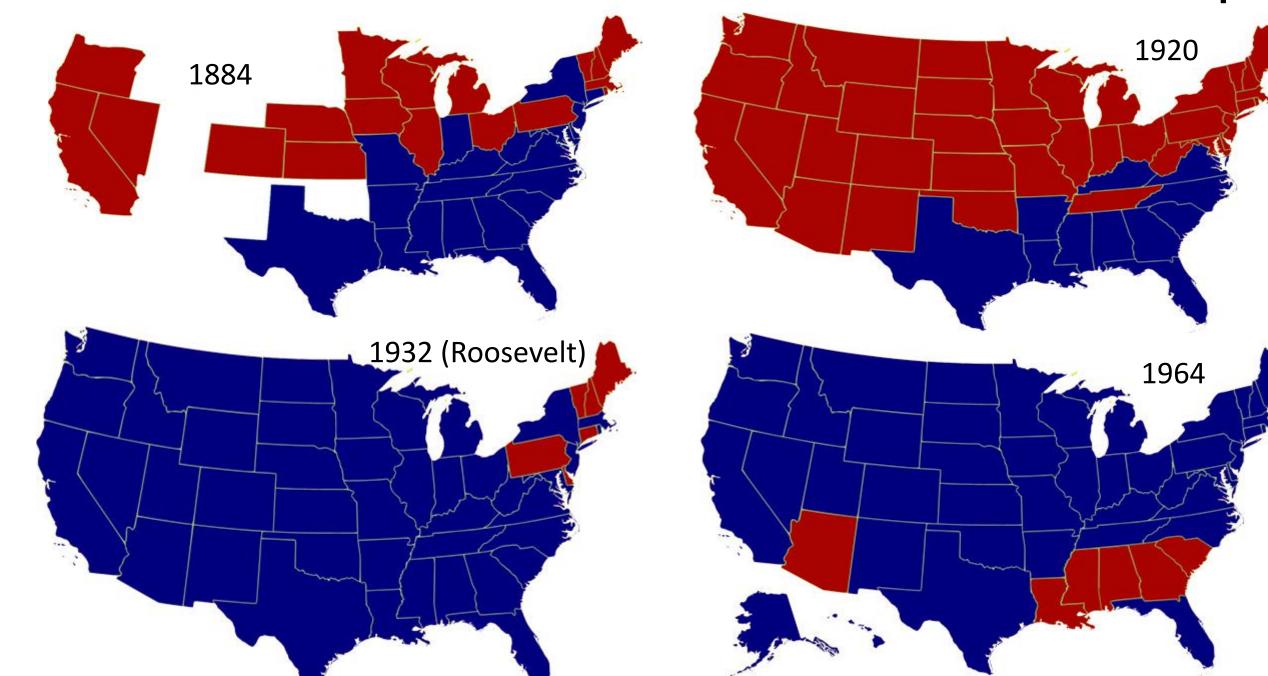
Gold and freedom – The political economy of reconstruction (Un.Virginia Press 2015)

- Very interesting book on the changing structure of US political conflict 1860-1884
- Q.: How did the Democrats (who lost 1860 election against Lincoln's Republicans and lost the Civil War) manage to reconstruct themselves and win the 1884 presid. election?
- A.: New South-Midwest coalition against the blacks and against the North-East financial elite (free-labour capitalism Republican ideology not well suited to adress all issues).

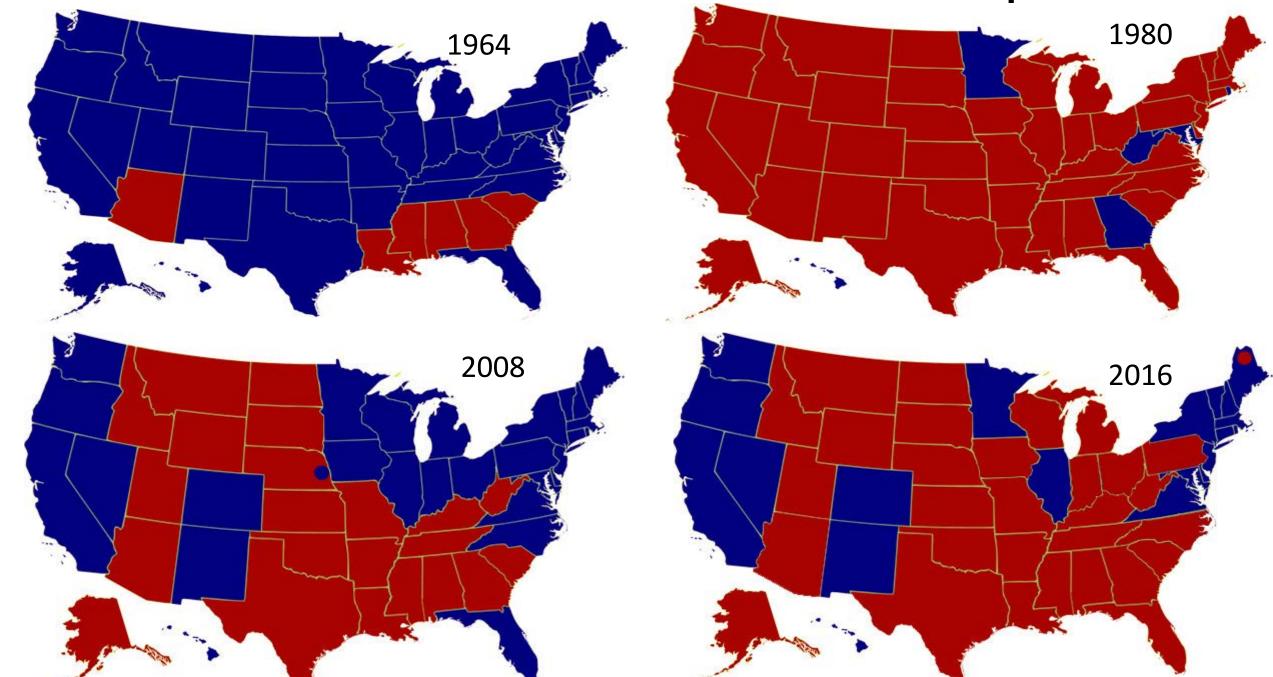


- Free-labour Republican coalition quickly looses its majority, first because divided Reps soon abandon the South to segregationnists democrats: by 1868-1870, end of any serious attempt to impose racial equality and black suffrage; 14th amendment never applied, partly because Reps were strongly attached literacy tests on Irish migrants in Mass and NY (Democrats favour Irish naturalization & white migrants in the North and black lynching in the South)
- And next because on the two other major policy issues of the day
 (war debt repayment: hard vs soft money, interest vs veteran pension;
 manufacturing protection/federal tariff vs free trade/no federal tax),
 Democrats are able to attract lower-class & middle-class white voters
 from the West and the North-East by describing the Republicans as
 captured by North-East financial/manufacturing elite
- 1884 Democrat winning coalition: already the flavour of the New Deal « left-wing » 1932 coalition... except that strongly anti-black (until 1960-1964, when South vote turn from Dems to Reps)

US Political Parties 1884-1964: from Southern Dem. to Southern Rep.



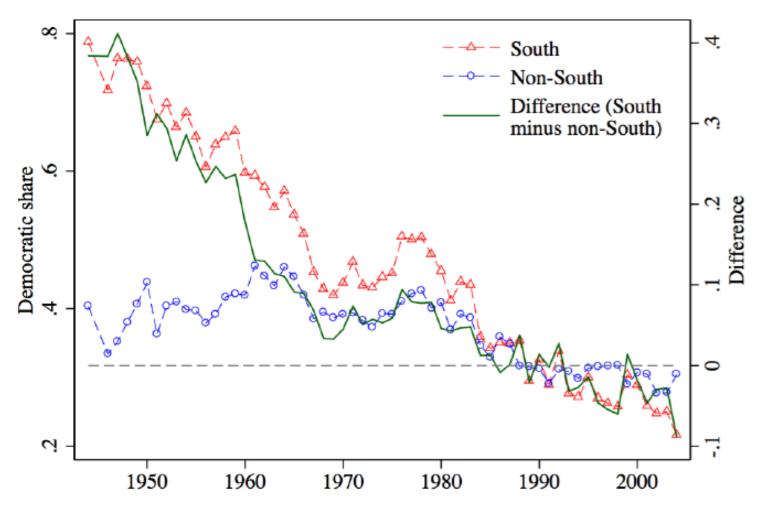
US Political Parties 1964-2016: the rise of Southern Republicans



- Between the 1940s and 1960s, Democrats choose to turn pro-Civil rights and to loose the South. Why?
- International factors: post-WW2 cold war context, anti-Nazi coalition with Soviet Union, decolonization, competition with USSR for moral leadership and prestige. Being openly racist is very costly on the international scene in the 1950s-1960s. In the 1980s, Reps still oppose sanctions against Apartheid regime in South Regime, but not the Democrats: complete change as compared to 1860-1930.
- **Domestic factors:** the post-Great-Depression New Deal social policy platform (social security, health and unemployment insurance, progressive taxation, etc.) favours all the poor, black and white; so it makes little sense for the New Deal party to seek support from poor whites and not from poor blacks

- Kuziemko-Washington « Why did the Democrats Lose the South?
 Bringing New Data to an Old Debate », WP 2016
- = by using newly digitized opinion survey data, K-W show that racial views explain most of the white voters shift from Dem to Rep (as opposed to the rise in Southern relative per capita income, from 60% to 89% of US average between 1940 and 1980, which appears to explain very little)
- On the impact of voting rights act of 1965 (end of literacy tests in the South) on the empowerment of blacks, see Cascio-Washington,
 « Valuing the Vote: The Redistribution of Voting Rights and State Funds Following the Voting Rights Act of 1965 », QJE 2014
- On the role of direct federal transfers, see E. Cascio et al, « Paying for Progress: Conditionnal Grants and the Desegregation of Southern Schools », QJE 2010; M. Bailey, « Prep School for Poor Kids: The Long-Term Effects of Head Start on Children », WP 2017

Figure 1: Share of whites identifying as Democrats, by region



Notes: Individual-level data from Gallup polls (see Section 3 for more detail). South is defined throughout as the eleven states of the former Confederacy: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia. Democratic identification is coded throughout as one if the respondent identifies with the Democratic party and zero otherwise (so independent is coded as zero).

- Roemer-Lee-Van der Straeten, Racism, Xenophobia, and Distribution: Multi-Issue Politics in Advanced Democracies, HUP 2007 (see also journal articles: JPubE 2006; JEEA 2006; JE 2005; SJE 2006)
- = calibration of a model of voting and party competition with two policy dimensions: attitudes toward inequality/redistribution between rich and poor (level of progressive taxation, size of public sector, etc.) vs attitudes towards minorities/migrants/foreigners
- Result: the xenophobia dimension substantially reduces the equilibrium level of redistribution, and can explain the US vs Europe gap in redistribution (race issue more salient in US... until now)
- Direct anti-solidarity effect (voter reaction): racist white voters stop voting for Democrats because they don't want black to benefit from redistribution (≈Kuziemko-Washington)
- Indirect policy-bundle effect (party reaction): Reps react by shifting to more racist platform; Dems policy shift to less redistribution, etc.
- Very relevant, but difficult to fully capture in a simple model; more historical data on party systems, ideology and inequality is necessary

- See also Alesina-Glaeser-Sacerdote, « Why doesn't the US have a European style Welfare », <u>BPEA 2001</u>; Alesina-Glaeser, *Fighting Poverty in the US and Europe: a word of difference*, OUP 2004 (see also <u>EcoPub</u> slides)
- Main explanation: less demand for redistribution because more racial prejudice in the US (also: stronger US beliefs in effort and mobility, but difficult to separate from racial prejudice); negative cross-country correlation between racial fractionalisation and social transfers
- Pb with Roemer et al/Alesina et al: lack of historical perspective on how party systems and inequality change over time; US was in some ways more equal than Europe in 19c and invented steeply progressive taxation during 20c
- Historical changes are more interesting to analyze than supposedly permanent differences between countries

Party systems in new democracies & emerging countries: how much does this differ from Europe-US pattern?

- K. Roberts, Changing course in Latin America: Party systems in the Neoliberal Era, CUP 2014
- Interesting thesis on the inteaction between domestic party systems dynamics and global ideological shift: « if international pressures lead left-wing parties to implement neoliberal reforms, then this can generate a complete collapse of party system and political order; on the contrary, if right-wing parties do the dirty job, this can consolidate the party system »
- Same broad pattern in Latin America (1940s-70s: state-led regulation & devt; 1980s-90s: Washington-led deregulation → left turn Chavez 1998, Lula 2002), but very different consequences on party systems and democracy
- Extreme cases: Venezuela/collapse of party system vs Brasil/consolidation

- « Electoral volatility rose from 20% in 1980s to 30% 2000s, vs stable at about 10% in US and Europe; but it's not enough to say that Third Wave democracies are more unstable; to understand why, one needs to study the substance of political cleavages »
- « Neoliberal policies were conducted by historical left pro-labor parties in Venezuela (AD Perez 1989-1992 → IMF riots → Chavez 1998 → coup 2002, extreme instability), and to some extent Bolivia (MNR→Morales), Mexico (PRI), Argentina (PJ, Menem) »
- « Neoliberal turn was conducted by right-wing parties in Brasil (PSDB) (and by the military in Chile) → This led to consolidate class-based party system: PT/Lula in Brasil (and Socialists/Bachelet) could prove that it was possible to oppose neoliberalism and conduct alternative policies (higher minimum wages etc.), and most importantly to do what was announced before the elections (≠ AD in Venezuela 1989-1992) »
- Mexico: rise of two new parties on the left (PRD) and on the right (PAN)
- « Argentina avoided Venezuela-type collapse of party system only bc Kirshner made PJ pro-poor again: back to PJ vs UCR »
- → « Class-based party systems are good: they allowsfor democratic class struggle; but they are fragile and international disruptions can make them collapse »

- D. Rodrik, « Populism and the economics of globalization », 2017
- « Two types of globalisation socks → two types of populism »
- « Europe: immigration/refugees shock → right-wing populism »
- « Latin America: trade/foreign capital shock → left-wing populism »
- « US: both shocks → both types of populism »
- See theoretical model: Mukand-Rodrik 2017
- Interesting, but maybe a bit too deterministic: book by Roberts shows that multiple bifurcations can happen within each country type, and that political institutions/party system matter
- In order to properly define « populist » parties, one also needs to look at « elitist » parties and the general structure of party electorates

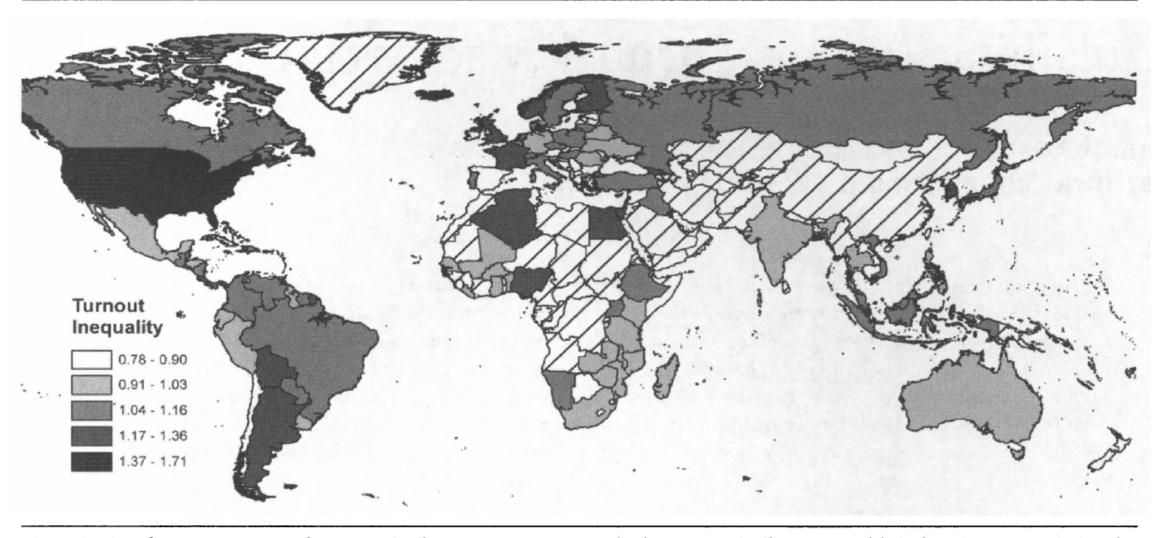
- R. Beatty Riedl, Authoritarian Origins of Democratic Party Systems in Africa, CUP 2014
- Main thesis: « In countries where the ex-ruling party organized the transition, we now have stable two-party systems (e.g. Ghana, Senegal); in countries where the ex-ruling party collapsed during the transition (e.g. Benin, Zambia) we now have party instability »
- Ghana: ruling NDC competes with NPP since 1992 → stable two-party system (left-wing NPP won in 2016); 1992 law: very strict conditions to create new political parties (strong presence across territories in order to avoid separatist/ethnic parties) (→ NDC+NPP) (≠ Benin 1990 → party fragmentation)
- Senegal: ruling party (UPS/PS, Senghor) passes 1976 law authorizing right-wing PDS (+marxist party: refused) → PDS wins in 2000 (Wade), gradual decay of PS, replaced by APR (Sall vs Wade, 2012) → less stable than Ghana, but more stable than Benin (complete collapse of ruling PRPB in Benin 1990-92)
- → party systems are fragile historical objects & need to be studied as such

- A. Hicken, E. Kuhonta, Party System Institutionalization in Asia, CUP 2015
- Interesting comparative perspective on Asian party systems (12 countries), but too little on cleavage structure; & maybe too much heterogeneity
- Emphasis on « party system institutionalization »: « Electoral volatility higher in Asia than in Europe/US, but less than in Latin/America/Eastern Europe »
- Concepts coming from S. Huntington, Political Order in Changing Societies, 1968; The Third Wave. Democratization in the late 20th century, 1991 = « party stability is very important to avoid complete political collapse of a country; better to have stable semi-hegemonic parties than no stable party system at all.. »
- In many Asian countries, repression of communist parties during Cold war (Indonesia, Thailand, Malaysia, etc.) complicated the developement of stable class-based party systems. In Muslim countries, risk of pro-market vs pro-Islam party structure. Indonesia: unstable PDI rule.
- See also changing party system in Turkey (secularist CHP used to be pro-poor and rural; now AKP). F.M. Wuthrich, National elections in Turkey, 2015

- Some interesting recent papers using cross-national post-electoral surveys:
- Kasara-Suryanarayan, « When do the rich vote less than the poor and why? Explaining turnout inequality around the world », AJPS 2015 (appendix) (=in countries with weak govt, rich do not fear redistribution and therefore do not need to mobilize)

- See also Carnes-Lupu, « <u>Rethinking the comparative perspective on</u> <u>class and representation: evidence from Latin America</u> », AJPS 2015
- Huber « Measuring Ethnic Voting », AJPS 2012

FIGURE 1 Turnout Inequality across the World



Notes: Ratio of turnout among the top quintile to turnout among the bottom quintile on a wealth index. Data are missing for countries with a cross-hatch. The construction of the wealth index is described in the main text.

Conclusion: Property regimes & political systems

- The historical evolution of property/inequality regimes and political systems needs to be studied together
- From ternary societies to proprietary societies and electoral democracies
- From the Catholic Church to the CPC: major historical organisations play at the same time an economic, political and ideological role
- The electoral illusion: universal suffrage is not sufficient to bring political equality and economic equality.
- Constitutional limitations (e.g. unanimity rule for taxation in EU; varying degrees of protection of private property in most constitutions) and informational limitations (unequal access to information, biased media, lack of participatory democracy, etc.) to universal suffrage must be studied as such
- Ideological limitations: inequality involves complex, multi-dimensional issues (property, education, income, identity, etc.): it is difficult to fit a consistent coalition and ideology into a single political party or platform; maybe social sciences can help
- → details on how political systems and political parties are organized and evolve over time are not details and should be studied as historical objects, together with the dynamics of income and wealth inequality